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CANADIAN BANKING FUNDS ABROAD.

While call loans make up the bulk of Canadian banking assets held abroad, there are other important items to be considered. It may be of interest, therefore, to trace the course of assets and liabilities abroad through the past three years—noting their trend during successive periods of stringency, panic and monetary plenty. As before explained in THE CHRONICLE, the net foreign investment is arrived at, as nearly as can be, by taking the total of the following items among the "debits" or assets:—call loans abroad, current loans abroad, balances due from United Kingdom, balances due from elsewhere—and deducting from it the total of the following "credits" or liabilities:—deposits abroad, balances due to United Kingdom, balances due to elsewhere.

There are foreign investments among the bonds, but the bank statements do not afford the means of discovering their extent. In any event the bond holdings have not fluctuated widely enough to interfere very materially with the purpose of the comparison. Total securities held now total over \$84,000,000. Many of these are lodged in London, and a writer in the New York Journal of Commerce estimates that \$50,000,000 would be available on them instantaneously.

Taking quarterly figures from December, 1905 to March, 1909, and monthly thereafter, the various items of assets and liabilities have run as follows:

ASSETS ABROAD.

	Call Loans	Current Loans	Bals. Due From U. K.	Bals. Due From elsewhere
1905.				
Dec.	\$61,010,020	\$30,882,959	\$ 8,308,239	\$14,344,057
1906.				
Mar.	55,317,690	39,036,679	12,505,023	14,611,276
June	53,476,822	33,159,245	10,437,917	15,236,032
Sept.	63,771,628	35,776,470	10,050,722	18,304,524
Dec.	58,958,156	36,474,231	7,844,990	15,512,627
1907.				
Mar.	51,340,792	33,305,188	2,433,654	15,039,232
June	55,298,873	23,388,259	10,300,165	14,771,776
Sept.	63,158,601	25,794,992	5,891,841	14,851,311
Dec.	43,509,229	22,928,188	6,074,747	16,308,929
1908.				
Mar.	52,547,353	22,187,494	6,103,335	18,513,747
June	52,256,320	22,386,034	7,006,855	29,181,443
Sept.	59,834,979	26,994,946	11,541,013	52,674,846
Dec.	97,136,400	30,351,721	14,662,030	34,929,007
1909.				
Mar.	117,850,605	34,915,132	5,360,812	29,905,683
Apr.	114,493,570	35,874,530	6,666,349	31,703,189
May	124,877,955	34,487,649	7,767,053	31,766,148

LIABILITIES ABROAD.

	Deposits.	Due to U. K.	Due to elsewhere.
1905.			
Dec.	\$41,063,572	\$ 4,098,095	\$1,569,828
1906.			
Mar.	44,777,840	6,481,119	2,109,992
June	47,344,212	7,431,645	2,028,143
Sept.	55,287,013	7,532,724	1,968,536
Dec.	64,191,182	8,207,158	1,716,823
1907.			
Mar.	63,133,226	13,460,111	2,963,304
June	59,176,366	12,210,426	5,891,386
Sept.	60,319,930	11,456,242	4,403,378
Dec.	53,407,203	10,330,250	4,742,092
1908.			
Mar.	67,047,119	7,782,530	4,077,563
June	65,453,397	7,040,432	3,388,826
Sept.	68,071,694	3,856,180	3,837,970
Dec.	66,903,834	2,186,228	2,979,940
1909.			
Mar.	73,951,501	4,585,032	3,357,914
April.	73,587,818	4,473,132	3,023,564
May	76,409,638	5,756,012	3,319,705

The following furnishes a summary of total assets and liabilities abroad and of the consequent net investments:

NET FOREIGN INVESTMENTS.

	Total For'n Assets.	Total For'n Liabilities.	Net For'n Investments.
1905.			
Dec.	\$114,545,792	\$49,731,495	\$64,814,297
1906.			
Mar.	121,470,668	53,368,951	68,101,717
June	112,310,016	56,804,000	55,506,016
Sept.	127,903,344	64,788,273	63,115,071
Dec.	118,790,004	74,115,163	44,674,841
1907.			
Mar.	102,118,866	79,556,641	22,562,225
June	103,759,073	77,278,118	26,480,955
Sept.	109,695,845	76,179,550	33,516,295
Dec.	88,821,093	68,479,545	20,341,548
1908.			
Mar.	99,351,929	78,907,202	20,444,727
June	110,830,652	75,882,655	34,947,997
Sept.	151,045,784	75,765,844	75,279,940
Dec.	177,079,158	72,070,002	105,009,156
1909.			
Mar.	188,032,232	81,894,447	106,137,785
April.	188,737,638	81,084,514	107,653,124
May	198,898,805	85,485,555	113,413,450

It will be noticed from the foregoing that during 1906 (the year when business interests were complaining that banking accommodation was unduly restricted) the banks decreased their net investments abroad by \$20,000,000. And all through 1907, while the banks were wisely increasing their quick reserves in anticipation of the United States crisis, every effort was made to continue accommodation to legitimate home demands. Indeed, it was not until after mid-year, 1907, that current loans in Canada began to decrease in volume, though curtailment in current loans abroad was begun six months earlier. Call funds abroad were kept at a fairly high point to the eve of the panic, at which time they were in large measure brought home and kept in the form of gold until more normal conditions prevailed. Since the closing months of 1907 call loans abroad have increased again steadily until at the close of May they totalled well on to \$125,000,000—an increase of over \$80,000,000 in seventeen months. And in the same interval net foreign investments increased from