

of around 14 per cent.—the depreciation being nearly as great as that of German exchange. It would not be surprising, it is suggested, if there ensued an improvement in the position of Italian bills in the New York market as a result of financial support extended by London and Paris. This need not necessarily affect sterling quotations greatly, but it increases the probability of gold shipments from Ottawa.

#### THE MERCHANTS' BANK STATEMENT.

The annual statement of the Merchants Bank for the year ended April 30, issued in anticipation of the annual meeting next Wednesday, is a highly satisfactory document disclosing the maintenance of an extremely strong cash position. Including a deposit of \$1,000,000 in the Central Gold Reserve, which has no claim against it on account of excess circulation, the Bank held at April 30 in specie and Dominion notes \$16,425,949, giving the high proportion of 22.9 per cent. of actual cash holdings to liabilities to the public which are \$71,769,614. These cash holdings have been much more than doubled in comparison with last year, when they were reported as \$7,856,405, a proportion of 11.4 per cent. to liabilities to the public.

Total quick assets are \$33,086,571, a proportion of 44.6 per cent. of liabilities to the public, against \$24,923,404, a proportion of 36.3 per cent. last year.

Total deposits show an increase of about \$3,500,000 from \$59,256,044 to \$62,729,163. Foreign call loans have been reduced by nearly \$3,000,000 and current loans are down over six millions from \$53,784,690 to \$47,502,099. Total assets are \$86,190,464 against \$83,120,741.

The conservative policy followed by the bank has naturally had an effect upon net profits which for the year are reported as \$995,432 against \$1,218,694 in the previous year. A balance of \$248,135 brought forward makes the total available on this account \$1,243,566. The 10 per cent. dividend absorbs \$700,000; \$32,500 is allocated to patriotic and philanthropic objects; the war tax on note circulation absorbs \$15,926; \$250,000 is written off for depreciation in bonds and investments, and a balance of \$245,141 is carried forward.

The following is a comparison of the leading items of the balance sheet for the last two years:—

	1915.	1914.
Capital Stock.....	\$ 7,000,000	\$ 7,000,000
Reserve.....	7,000,000	7,000,000
Circulation.....	6,204,069	5,597,714
Deposits (not bearing interest)....	12,692,061	13,309,594
Deposits (bearing interest).....	50,037,102	45,946,650
Total Liabilities to Public.....	71,769,614	68,696,518
Specie and Legals.....	*16,425,949	7,856,405
Call Loans abroad.....	964,193	3,770,117
Total of Quick Assets.....	*33,086,571	24,923,404
Current loans and discounts.....	47,502,099	53,784,690
Total Assets.....	86,190,464	83,120,741

\*Including \$1,000,000 Deposit in Central Gold Reserve.

American fire companies are complaining of continuous losses on dwelling house risks.

Fifty thousand fires, which have occurred in Texas since December, 1910, have been tabulated and analyzed by the State Fire Insurance Commission, which finds that sixty per cent. of such fires have been due to preventable causes.

#### THE APRIL BANK STATEMENT.

A new high record in notice deposits is notified in the April bank statement, published yesterday. Their total is reported as \$686,075,124, an increase of practically \$9,200,000 upon the March total, and an advance of over \$32,000,000 in comparison with the total reported on the corresponding date a year ago. Both demand and foreign deposits also increased substantially last month. The former are up by over \$7,800,000 to \$347,325,937 and foreign deposits by \$6,472,000 to \$104,210,620. Probably these latter movements would be in part accounted for by the financial operations consequent upon the purchase of war supplies in Canada.

A very large increase in the foreign call loans was made last month, their total at April 30 being \$121,522,971, an increase of \$19,584,286 during the month. Even at their enhanced level, however, they are over 18 millions below the exceedingly high level reached at the end of April, 1914. Canadian current loans show a further falling off of \$6,207,032 to \$762,931,851, the decrease for the twelve months being no less than \$72,773,213. Foreign current loans are also down by over four millions to \$37,705,039, a fall of \$16,656,474 compared with a year ago. There was a slight decline last month in the amount of specie and Dominion notes held, but obviously the banks' reserve position continues to be an exceedingly strong one.

#### LLOYDS BANK MAKES AN INNOVATION.

An important innovation in English banking practice is being made by Lloyds Bank, which will open savings bank departments at all its branches, over 880 in number, and receive deposits of savings of any amount. Hitherto the English banks have not touched this class of business which has been confined to the savings bank department of the Post Office and to a few savings banks of a special type. The latter, however, owing to one or two failures, have lately fallen in public esteem. It is probable that the new departure will prove an important factor in the promotion of national thrift, as Lloyds lead in this matter will probably be followed by other banks. It is noteworthy that this is the second important departure in English banking which Lloyds have initiated quite recently, it having been only a year or two ago when they established a subsidiary institution in Paris, a development that has been followed by other banks.

So far as can be gathered at present, the insurance losses consequent upon the sinking of the "Lusitania" are as follows:—Life, about \$650,000; accident, about \$760,000; marine, about \$6,000,000. The British War Risk Bureau has \$4,800,000 of the marine insurance loss.

Periods of depression such as we are passing through are testing times for life insurance companies, no less than other forms of business activity, especially with regard to their agency organizations. It is in times like these that any weakness in the agency department makes itself apparent, not only in the record of new business produced but also, and perhaps more significantly, in the matter of wastage through business of poor quality, as recorded in the items of lapses and not taken policies.—*Mutual Life of Canada.*