

THE SEPTEMBER BANK STATEMENT.

A new high level in Canadian bank resources is reported as at September 30th last. Total assets of the banks at that date reached \$2,126,571,342, an advance of over \$18,000,000 upon the highest total previously reached—\$2,108,496,350 at the end of last April. During September, there was a continuation of the steady rise in notice deposits, which has become so notable a feature of the bank return in recent months. September's gain amounted to \$12,801,720, bringing notice deposits up to the new high level of \$965,393,541. They compare with \$816,374,171 at September 30th, 1916; their gain in the twelve-months is thus \$149,019,370. At July 31st, 1914, these deposits were \$671,214,125, so that their advance since the outbreak of war is little short of \$300,000,000. It is said that the rural sections have been largely responsible for the remarkable growth in these deposits during the summer months. With the marketing of the new crops, there will doubtless be recorded further considerable advances. As regards the effect of the forthcoming loan, it seems likely that there will be only a temporary diminution in the volume of these deposits as a result of it. Part of the proceeds of the new loan will go to pay off the credits granted by the banks in anticipation of this long-term borrowing, credits which have made possible the growth in deposits, and to this extent, deposits and correspondingly, the banks' security holdings, will be decreased. But a large proportion of the loan, dependent upon the amount subscribed, will be directly distributed to Canadian industry and agriculture, and will thus find its way again quickly into the public deposits accounts of the banks. Following the flotation of the loan, and a consequent correction of inflation, also, new credits will be granted by the banks as may be necessary, with the result of a further increase in deposits. The arrangements lately announced for the taking-over by the British Government of the exportable surplus of Canadian wheat, valued at \$350,000,000, alone suggest a very large increase in deposits during the coming year, apart altogether from industrial and other activities, which will have a similar effect.

LARGE INCREASE IN CIRCULATION.

The banks' circulation expanded by no less than \$21,138,611 during September, to the new high level of \$177,589,268. While the existing high prices and the activity of trade naturally call for a very large expansion in the medium of circulation, it is held in some banking quarters, that these circumstances do not justify the per-capita increase in circulation from \$13 at the beginning of the war to \$21 at the present time. It is pointed out that the nation would be better served if a large part of this increase were invested in war bonds or deposited in the banks. The present is certainly not the time for the unnecessary hoarding of idle currency.

Advances for crop-moving purposes are reflected in a growth of \$18,877,283 in the banks' Canadian commercial loans and discounts, bringing them up to \$855,306,953. At this level, these loans are \$102,761,197 higher than at September 30th, 1916. Related to this movement is a growth of \$11,754,273 in demand deposits, to \$451,749,532. In consequence of the demand for commercial loans, the

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THE MOLSONS BANK REPORT.

The annual report of the Molsons Bank, which, as usual, takes priority in the series of bank statements that make their appearance towards the end of the year, is a distinctly satisfactory document. A moderate increase in the Bank's earning power is reported. Net profits for the year ended September 30, were \$615,515, compared with \$582,356 in the previous year, representing an earning of practically 7.0 per cent. on the paid-up capital and reserve combined, against 6.6 per cent. in 1916. An amount of \$127,620 brought forward from the previous year, makes the total available for profit and loss account \$743,135. Of this amount, the eleven per cent. dividend absorbs \$440,000; \$21,308 is contributed to the Officers' Pension Fund; \$15,000 to Patriotic and Relief Funds, \$40,000 in War Tax on circulation, while \$75,000 is placed to reserve for depreciation of bonds held, which now stand in the books at less than present market values. After making these allocations, the increased balance of \$151,826 is carried forward to the current year.

THE YEAR'S FIGURES.

Following are the leading items of the newly issued balance sheet and that of the previous year:

	Sep. 30, 1917.	Sep. 30, 1916.
LIABILITIES.		
Capital paid up.....	\$ 4,000,000	\$ 4,000,000
Reserve Fund.....	4,800,000	4,800,000
Profit and Loss Account.....	151,826	127,620
Circulation.....	6,653,453	4,804,730
Deposits not bearing interest.....	6,845,026	6,456,088
Deposits bearing interest.....	41,572,946	39,288,335
Total liabilities to public.....	56,717,376	51,104,158

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