

APRIL BANK STATEMENT

Continued Growth in Circulation — Western Activity Noticeable

	April, '09.	Mar., '10.	April, '10.	Month's Inc. or dec.	Year's Increase.
Deposits on demand	\$207,039,031	\$247,562,171	\$246,746,180	—0.3	+19.1
Deposits after notice	450,450,722	515,272,117	521,427,072	+1.1	+15.7
Current loans in Canada	524,168,988	624,550,051	638,247,238	+2.1	+21.7
Current loans elsewhere	35,874,530	40,719,679	38,636,636	—5.1	+7.6
Call loans in Canada	50,213,950	59,945,735	59,621,328	—0.5	+18.7
Call loans elsewhere	114,493,570	130,194,540	122,359,531	—6.01	+6.8
Circulation	67,266,664	78,265,822	78,776,228	+0.6	+17.1

The activity of business noted in our last monthly review has continued. Imports are large, manufacturing is brisk, and building is being pursued actively everywhere, most noticeably perhaps in Winnipeg and the West. Comparison of the items in the first table made up from the Bank Statement shows a growth in deposits for the month, which, however, is not so great as was that of April, and is entirely in those after notice, those on demand showing, indeed, a fractional decrease. The five millions increase in the aggregate may be taken to include the month's share in the great volume of money continuing to pour into the country from immigrants and the proceeds of foreign loans. The percentage of increase would doubtless have been larger but for the demand for capital to put into extensions of factories and warehouse stocks, indicated by the fourteen millions increase in current loans.

The growth of circulation for several months past is perhaps the most noticeable feature of the April Statement. Between May, 1909, and October of that year, the circulation figures rose from 68 millions to 89½ millions, which is sufficiently remarkable. From this high point they declined to 73 millions at the beginning of the year.

But what shows unusual activity in business is the advance through the winter months from the lowest point to nearly 75 millions circulation in February, to 78 millions in March, and close upon 79 millions in April.

It must be a matter of concern to Canadian bankers to observe the closeness with which the smaller banks, especially the smaller French banks, have approached the limit of their legal circulation. Several have a margin of only 3, 4½, and 5 per cent. The margins of five of the largest banks, however, range from 11 to 30 per cent. Proportioning the total circulation to the total paid capital, it is found that the aggregate circulation is within less than ten per cent. of the limit at the close of April.

The growth of deposits in the last four years is striking: and the drop in 1908 illustrates the check received in 1907 to all business by reason of the monetary stringency of that year.

Deposits—	On Demand.	After Notice.	Total.
April, 1906	\$157,147,012	\$373,376,049	\$530,523,061
1907	167,217,947	407,370,491	574,588,438
1908	154,566,281	397,305,435	551,871,716
1909	207,039,031	450,450,722	657,489,753
1910	246,746,180	521,427,072	768,173,252

Loans.	April, '07.	April, '08.	April, '09.	April, '10.
Current in Canada	\$586,149,738	\$539,330,752	\$524,168,988	\$638,247,238
Current elsewhere	28,933,174	22,104,891	35,874,530	38,636,636
Call in Canada	50,357,266	41,585,563	50,213,950	59,621,328
Call elsewhere	48,430,477	51,240,020	114,493,570	122,359,531

LA BANQUE NATIONALE.

Last week's meeting of La Banque Nationale was of especial interest. It was the fiftieth annual meeting—the jubilee, for the bank was founded in 1860. And the friends of the institution may reasonably take pride in its growth, for it has grown in a creditable way from total assets of \$4,461,382 in the year 1873 to \$16,288,390 this year. And yet its business has not been extended beyond the Province of Quebec, until quite recent days when branches were opened in Ottawa, and in Paris, France. In the Paris branch, we learn from the report, deposits have doubled during the last twelve months; and still more are hoped from this source to be utilized in earning profits in Canada for the bank.

This bank complains, as some other banks have done, of the inadequacy of its circulation of late years for the demands upon it. As a consequence, it has had for four or five months in a year to circulate the notes of other banks instead of its own. Power has been, therefore, taken by the management to take steps to secure an increase of the paid capital from two million dollars to five million. It is believed that use

To particularize, by months from April, 1909, to April of the present year, the growth in aggregate deposits in the first half of the period was steady from 657 millions in April to 714 millions in September. But in the second half it was less regular, for there was a decline in January and February.

	On Demand.	After Notice.
1909.		
April	\$207,039,031	\$450,450,722
May	216,916,294	453,599,117
June	226,480,468	445,178,476
July	222,555,749	460,337,816
August	228,397,679	472,591,818
September	239,967,052	474,103,799
October	250,968,487	480,837,666
November	264,285,803	493,253,823
December	261,268,387	499,082,024
1910—January	238,423,785	508,207,804
February	236,697,987	507,307,733
March	247,562,171	515,272,117
April	246,746,180	521,427,072

Current loans in Canada show a generally consistent growth equal to a hundred millions in twelve months, the only decline being in January. Call loans grew from April, 1909, to January, and declined for the remaining months.

Loans—	Current in Canada.	Call in Canada.
April	\$524,168,988	\$50,213,950
May	528,313,141	49,771,929
June	535,212,269	52,617,696
July	539,821,041	54,603,054
August	543,154,663	56,680,172
September	560,206,621	56,124,620
October	579,837,956	56,996,065
November	590,291,944	57,875,677
December	592,741,812	63,554,222
1910—January	590,984,344	63,945,539
February	602,454,539	61,855,519
March	624,550,051	59,945,735
April	638,247,238	59,621,328

The outlook is towards an extremely busy year for manufacturers and merchants. If there is no check to the present growth in population and commercial enterprise, the banks will have their resources strained to great tension. And indications point to increasing tightness in the money market for the remainder of the year.

can be made, advantageously and at once, of an increased capital, though it is hardly likely to be increased this year to the amount mentioned. The circulation of the Nationale is now \$1,884,226, and the number of its branches is over fifty.

Among liabilities to the public amounting to \$12,996,000 are deposits of \$10,360,293 in Canada, and \$422,677 "in foreign countries," which we take to mean in France. With a paid-up capital of \$2,000,000, it has now a reserve of \$1,200,000, of which \$150,000 was added this year. The year's profits were at the very creditable rate of 12.89 per cent. After paying seven per cent. dividend, \$5,000 to pension fund, and \$2,500 to guarantee fund, there is a balance of \$26,014 at the credit of profit and loss. The immediately available assets are \$3,670,040, equal to 22.53 per cent. of the total.

Although the underwriters had to take 78 per cent. of the new Canadian Government loan of £5,000,000, the stock is not being thrown on the market, hence the quotation remains about par.