BANKS' CALL LOANS IN NEW YORK.

The increase of $14,600,000 in the banks' foreign call loans during May, follows an unbroken series of monthly increases since November 30, 1914, writes a correspondent. With the increase thus shown in May the total of call loans outside Canada has been brought back to the level which obtained just before the commencement of hostilities in Europe. At the end of June, 1914, the Canadian banks had $137,000,000 loaned at call abroad. Commencing in the last week of July they liquidated these loans down to $74,000,000 by the end of November. The monthly increases since November have brought the balance back again to $136,000,000. The recent increases are largely the result of operations by the Bank of Montreal, which institution is taking a very prominent part in financing the operations of the Dominion Government, the British Government and others directly connected with the war. The big Canadian bank has had the figures of its balance sheet swollen to record proportions by means of these operations. The total assets shown at the end of May by this bank were $286,000,000, which is $26,000,000 greater than the highest amount shown during Canada's recent boom.

BANK OF MONTREAL'S OPERATIONS.

Of course on accepting these balances the bank has laid itself under obligations for finding very large amounts, principally in New York, at very short notice. Consequently, it was necessary to accumulate great reserves at the American centre. The call loans outside Canada owned by the Bank of Montreal have risen from $36,000,000 on November 30 to $89,500,000 on May 31—the increase for the six months being $53,000,000, or an average of $9,000,000 per month. Thus the call loans of this bank, with the latest increase, have been brought again to the high record. practically equal to the figure shown on March 31, 1914. There was in May an increase of $3,000,000 in this bank's balances carried in New York. The amount at its credit with New York and other foreign correspondents on May 31 was $7,800,000. This is in addition to $8,900,000 at its credit in London.

The $12,000,000 increase of the Bank of Montreal's London and New York call loans in May apparently was made possible through the repayment of $5,300,000 of Provincial Government loans (no doubt representing proceeds of security issues in New York) and $2,300,000 reduction of commercial loans in Canada. Also, the Dominion Government in May redeemed $5,000,000 more of its extra issues of legal tender notes, making total reduction of $14,000,000 since December; and the Bank of Montreal has apparently been able to convert $5,000,000 of its Dominion notes into call loans at New York. In addition to the increase of $12,000,000 shown by the Bank of Montreal in its call loans abroad, the Bank of British North America shows an increase for the month of $2,300,000 and the Royal Bank of Canada one of $1,600,000. On the other hand, the Canadian Bank of Commerce shows a reduction of $1,400,000.

The champion subscription, thus far, to the new British war loan, has been made by the Prudential Assurance Company of England, which transacts an industrial business. Its subscription is £3,080,000—over $15,000,000.

THE HOME BANK'S REPORT.

The annual report of the Home Bank of Canada for the year ended December 31st gives evidence of the intention to conduct the affairs of the Bank in these difficult times on conservative lines, a policy which is to be commended and will undoubtedly re-act favorably upon the Bank in the future. There was last year a decline in the earnings of the Bank of $28,000, earnings for the year which closed on May 31st last being reported as $163,929, compared with $192,443 in the year previously. In view of the prospect of another year's war, a vigorous writing-off policy has been adopted in order to cover war depreciation. A sum of $100,000 was written off the value of securities held, and $71,000 from the value of the Bank's real estate.

While demand deposits show a falling-off of some $342,000 in comparison with the previous year, this fall is more than compensated for by an increase of $434,927 in the notice deposits from $7,922,711 to $8,357,638, so that the net increase in deposits on the year is nearly $100,000. Note circulation at $1,244,280 shows a rise of $112,965 in comparison with a year ago. On the assets side of the balance sheet, specie holdings are up by $26,000 from $106,131 to $129,246 and Dominion Government notes up nearly $145,000 from $1,307,028 to $1,451,708. Current loans are down by $221,588 from $8,378,545 to $8,156,957, but this decrease is offset by a rise in call loans of $300,427 from $2,083,799 to $2,384,226. Total assets are $13,858,503, of which $4,934,943 are quick assets, a proportion to liabilities to the public of nearly 43 per cent., compared with 40 per cent. a year ago.

Senator James Mason continues as the general manager of this Bank.

MORE INSURANCE NECESSARY.

Attention is being called in Great Britain to the desirability of a revision of the amount of fire insurance carried, owing to the increasing cost of materials and labour. One company has issued a red slip to its clients warning them of the risk of very serious loss through under insurance. It is pointed out that, on a rough estimate, building or machinery plant valued at, say, £1,000 before the war could not now be replaced under £1,250. Another company has issued a pamphlet on the war and its effects upon fire policies. It is stated that the war has increased the prices of all commodities, and that a full insurance in peace times is likely to be inadequate to-day. At the same time owners of all sorts of property are recommended for their own sakes to look into values and compare these with their insurances.

England has simply to economize and to reduce its extravagance in proportion from one-sixth to one-third and it will be able to pay for the war without difficulty. To explain a little more fully: The average savings in England are £600,000 ($2,000,000) a year. Double that saving and you have £800,000 ($4,000,000) a year. By ignoring the accumulation of capital and regular investments you simply arrive at the solution that if the present expenditure in England is reduced one-sixth then England will still have at her disposal 50 per cent. more per capita for livelihood than have the Germans.—Sir George Paish.