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THE NOVEMBER BANK STATEMENT

A further substantial increase in public deposits is the principal feature of the November bank statement. Demand deposits increased by \$14,692,978 to \$406,735,171 and notice deposits by \$12,782,436 to the new record level of \$714,219,286. At the end of the month, these deposits were respectively \$55,851,018 and \$48,224,434 in advance of the totals reported at the corresponding date in 1914, an increase in all of \$104,075,452. At the close of November, of course, the War Loan had not begun to affect the deposits by the public. It was only on the last day of the month that the lists closed, and cheques covering the application money would not have been presented and their face credited to the Dominion Government until the early days of the present month, when the allotments were made. The Dominion Government's balances in the present return, it may be noted, are at a normal level. Foreign deposits during November increased largely by nearly \$21 millions. Special deposits made on account of purchases of war munitions and supplies probably helped considerably to swell this total.

RISE IN CANADIAN CALL LOANS.

In the loan accounts, a possible effect of the War Loan is to be seen in the sharp rise in Canadian call loans which are up by \$8,629,517 to \$83,203,787, at which figure they are nearly \$14 millions higher than they were a year ago. The stock exchange activity during the month would scarcely account for the whole of this increase which it seems not unlikely is in part caused by bank loans on collateral to various institutions which were arranging for applications for the War Loan. In this matter the sharp rise in non-interest bearing deposits above referred to is to be recollected. If the suggestion here made is a correct one, the rises in Canadian call loans and non-interest bearing deposits are directly connected. Call loans in New York and London were

again substantially increased by nearly \$15 millions to \$135,530,562, the increase of the banks' resources through our exports of wheat, munitions and army supplies being also revealed in the substantial rise in bank balances abroad which at \$66,854,497 (net) show a gain for the month of fully \$14 millions. In connection with this rise in liquid assets may be noted the realization of securities held, apparently in preparation for the War Loan. The November liquidation of railway and miscellaneous securities was over \$7 millions.

Changes in current loans and discounts are of a routine character. Canadian loans and discounts are down by \$3,623,191 to \$777,162,563, which total is \$17,106,657 lower than at the corresponding date of 1914. The decrease in these loans for November is almost exactly counterbalanced by a similar rise in the foreign loans and discounts to \$53,240,955. Circulation shows a gain of \$1,371,452, and is \$9,386,459 higher than a year ago.

The increase in the banks' resources consequent upon the reception of the proceeds of the sale of our exports is reflected in a sharp rise in their reserves, which at the end of November were in a particularly high proportion. Immediately available reserves of specie and Dominion notes, deposits in the Central Gold Reserve and to secure the note issues, net bank balances abroad and foreign call loans at the end of October were in the proportion of 30.8 per cent. to the note circulation and deposits of all kinds. The end of October figures were 28.8 per cent.

MORE WAR LOANS.

It has been understood for some time past that the recent domestic War Loan was not an effort of the first and final sort, but that the Government will in the future issue further loans, in amount according to their needs and the capacity of the country to absorb the loans. Obviously, however, no further issue will be made until the payments on the recent loan have been completed, which will not be until May. Sir George Foster's warning as to the possible extent of the Government's needs—some hundreds of millions—was doubtless intended as a reminder of the serious nature of the task of war financing which lies ahead of us, and of the necessity of careful and adequate preparation for it by a pruning of any tendencies to extravagance, and the practise of economy. The time to begin preparing for the successful flotation of future war loans is now.

C. P. R.'s gross earnings for November were \$13,351,283 against \$8,057,358 in October, an increase of \$5,293,925, and net earnings \$6,354,413 against \$2,644,072, an increase of \$3,710,341 or 140 per cent. The net earnings for the month are second only to those of October in the history of the company.