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GENERAL FINANCIAL SITUATION.

(Continued from front page)

loans and discounts, and the simultaneous decline in demand deposits. Whereas notice deposits increased during the month of July by \$35,522,583 to the new record level of \$1,175,092,153, demand deposits fell off by \$21,750,262 to \$584,176,765, and current loans in Canada by \$29,325,726 to \$1,014,387,206. These figures can only mean that funds which are not required in actual employment, are being transferred pending their new employment, to notice deposits, while new bank loans for industrial expansion and development are not keeping pace with re-payments. Since the crying need of the present day is for more goods and commodities of all kinds, and not the piling up of idle bank balances, this movement cannot be considered a healthy sign. To a very considerable extent, doubtless, new industrial ventures are being held up by the existing high cost of construction and prices of all raw materials, as well as uncertainty in regard to the labour situation. An improvement in this respect would be marked by a decline in notice deposits and a rise in demand deposits and current loans, other than the seasonal rise resulting from the moving of the wheat crop.

According to some recent cables, British opinion is somewhat disappointed that the price of Canadian wheat has been fixed as high as \$2.30 per bushel, and it is hinted that if supplies can be obtained elsewhere than from Canada and the United States at a lower figure, they will be so obtained. To some extent, no doubt, the needs of Europe can be met by Australia and the Argentine at a considerably lower price than that which the U. S. and Canadian Governments have fixed as that which their farmers are to receive for their produce. But it is, at least, doubtful whether the urgent needs of Europe for wheat and flour can be adequately met by these countries, not to mention the fact—one of great importance—that shipping from these countries is a much more difficult proposition than from North America. To some extent, doubtless, the action of Congress some time ago in guaranteeing the price of this year's Ameri-

can wheat crop at so high a figure tied the hands of the Canadian Government. There would certainly have been a howl from the West, had the Canadian price been fixed lower than the United States price, and a considerable source of grievance, which, in the circumstances, could be easily understood. It remains to be seen how circumstances will devolve. British and European need of wheat is certainly very great, and in the event of consumption being maintained at present levels there is the likelihood that our supply will be fully absorbed. Already large purchases have been made on behalf of the British Government and others, and it is probably that the cables referred to were unduly alarmist.

That the export of our wheat crop is a vital matter to Canadian trade is shown by the figures of our July trade, which indicate that out of total exports in that month amounting to \$113,787,099 agricultural and animal products account for no less than \$74,000,000, or say 70 per cent. Exports of agricultural products totalled \$41,857,693 against \$20,646,733 in July, 1918, and exports of animal products \$32,003,122 against \$17,474,398. The large increases are probably accounted for by the shipments to southern Europe, resulting from the credits granted by the Canadian Government to several countries in that region. Large shipments of meat have been made to Italy in recent months, and of grain and flour to Greece and Roumania, and these shipments are still going forward. Of the other classifications of Canadian exports, wood, paper, etc., is by far the most important, these exports in the month of July reaching \$17,702,057, compared with \$15,557,997 in July of last year.

As a result of the heavy shipments of Canadian agricultural and ranching products, our foreign trade showing for July makes a much better appearance than for several months past. With exports, as has been noted, of \$113,787,099, a growth of over \$27,000,000 above their July total of \$87,348,942, and the highest figure which has been reached since January, 1919, there was a balance over imports of \$29,505,600, also easily the highest figure since January, when the balance was \$42,600,000. Considering, however, the present condition of exchange, it is a matter for regret that July imports increased over \$9,000,000 above their June level to \$84,281,299, at which figure they are, in fact, higher than their level for any of the last twelve months. While heavy importations of coal and such like necessities, no doubt, in part account for this increase, a very fair proportion of these imports, particularly from the United States, consist of goods which are not necessities

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