

BANKING CONFIDENCE IS BEING RESTORED

Loan Extensions and Other Increases are Indications of Trend
of Finance and Commerce in Dominion

	April, 1913.	March, 1914.	April, 1914.	Year's Inc. or dec.	Month's Inc. or dec.
Deposits on demand	\$365,340,002	\$345,590,642	\$350,515,993	— 4.05	+1.4
Deposits after notice	631,160,280	646,143,604	653,679,223	+ 3.5	+1.1
*Current loans in Canada	898,964,181	855,381,265	865,873,876	— 3.6	+1.2
Loans to municipalities		31,890,843	30,168,812		—5.3
Current loans elsewhere	36,310,033	53,279,411	54,362,513	+132.3	+2.03
Call loans in Canada	69,757,912	69,088,240	68,523,774	— 1.7	—0.8
Call loans elsewhere	103,212,185	145,218,223	139,937,027	— 35.6	—3.6
Circulation	98,100,111	96,848,384	93,064,460	— 5.1	—3.9

*Including loans to municipalities.

The above figures are indicative of increasing confidence in Canadian financial realms. In March current loans in the Dominion showed a gain of 1.5 per cent. and these again in April are extended 1.2 per cent. The total being \$865,000,000 of which \$30,000,000 was loaned to municipalities. This shows a decrease of 5.3 per cent. in municipal loans. Current loans elsewhere were larger by just over one million dollars. Twelve and half millions increase in both classes of deposits is also a feature of the statement. Circulation shows a shrinkage for the month of nearly four million dollars. The banks' total assets show an increase over March returns of \$11,205,785, and total liabilities are extended by \$2,702,088.

Canadian Loans are Growing.

The following table shows the trend of the Canadian loans accounts for the past thirteen months:—

Loans.	Current in Canada.	Call in Canada.
1913—April	\$898,964,181	\$69,757,912
May	898,959,650	69,982,540
June	899,260,009	68,642,377
July	901,550,453	67,991,255
August	899,132,894	67,233,983
September	903,717,013	70,047,291
October	900,159,736	71,118,255
November	865,888,832	70,123,101
December	852,906,548	72,862,971
1914—January	840,883,750	71,248,242
February	842,084,073	71,374,602
March	855,381,265	69,088,240
April	865,873,876	68,523,774

Current loans are thus about the same total as at November, 1913, while call loans have not been so low for eight months.

Loans at Home and Abroad.

The following table shows the expansion of loans at home and abroad, during the past four years:—

April.	Current loans in Canada.	Current loans elsewhere.	Call loans in Canada.	Call loans elsewhere.
1910	\$638,247,238	\$38,636,636	\$59,621,328	\$122,359,531
1911	712,032,758	33,783,063	57,832,690	84,535,658
1912	833,242,621	31,469,847	69,243,791	103,558,392
1913	898,964,181	36,310,033	69,757,912	103,212,185
1914	865,873,876	54,362,513	68,523,774	139,937,027

Current loans elsewhere and call loans elsewhere are seen in this statement to be higher than any of the totals of the previous four years for the month of April, as was also the case in March. Current loans in Canada are less by thirteen million than they were a year ago, and call loans are smaller by one million.

Deposit Accounts are Large.

The following table shows the course of domestic deposit accounts for the past thirteen months:—

	On demand.	After notice.
1913—April	\$365,340,002	\$631,160,280
May	364,159,642	630,755,608
June	362,769,928	622,928,969
July	356,585,196	621,347,388

	On demand.	After notice.
August	358,321,925	619,032,847
September	381,737,513	621,249,585
October	389,856,507	621,511,207
November	384,486,046	625,803,150
December	381,375,509	624,692,326
1914—January	339,811,339	635,135,955
February	337,516,595	640,927,130
March	345,590,642	646,143,604
April	350,515,993	653,679,223

Since January the trend of both classes of deposits has been upward, those after notice reaching the highest point in the thirteen months shown.

Five Years' Deposits Record.

The deposits record for the past five years is given in the following table compiled by *The Monetary Times*:—

April.	On demand.	After notice.	Total.
1910	\$246,746,180	\$521,427,072	\$ 768,173,252
1911	281,964,369	555,822,930	837,787,299
1912	345,365,183	615,370,348	960,735,531
1913	365,340,002	631,160,280	996,500,282
1914	350,515,993	653,679,223	1,004,195,216

These totals show that compared with deposits of both classes in April, 1910, there is a gain of \$236,000,000 in the present return.

The returning confidence in Canadian finance noted above is a result of various factors and a continuance of this trend is desirable, and more confidence is yet needed in the world's financial centres.

Mr. D. R. Wilkie, president of the Imperial Bank, in his annual address, stated that after a personal analysis of the United States federal reserve act, he is of the opinion that although it contains features which might be criticized adversely, on the whole it is a great piece of legislation, and has removed many of the dangers which are incidental to the National Bank system, but without leaning in the direction of encouraging unhealthy expansion.

It places at the disposal of every section of the community and of every industrial and agricultural centre, not only the whole reserves of the district to which they are tributary, but the surplus funds of every other reserve centre can be made available. It comes as close as it can to our Canadian system in providing a flexible currency, and in one respect it is better than our system, in so far that it binds its members together in one helpful, sympathetic body, and provides an emergency currency and emergency capital of great value.

The time will come in Canada, and come early, when we will find it advisable, Mr. Wilkie added, with our growth and development, to establish a bank of re-discount under the patronage of the Dominion government, and with somewhat similar powers to those that have been granted to the reserve banks of the United States.

Canadian bankers adopt the best methods known to monetary science to strengthen the Canadian banking system, so as to prepare for future requirements and demands and thus to keep safe and secure the credit of this fast-growing Dominion in its relation with other nations of the world, therefore this suggestion of Mr. Wilkie will be much discussed among bankers and others interested in banking operations.