

THE DECEMBER BANK STATEMENT.

A reflection of some recent financing abroad is to found in the December bank statement. During that month the banks' foreign deposits increased sharply by nearly \$8,000,000 to \$98,901,413 as compared with \$91,278,495 at the end of November. Coincidentally there was a rise in the amount of the banks' foreign call loans—the first for several months—these being advanced from \$74,459,643 at the close of November, a record low level in recent years, to \$85,012,064. Previously these foreign call loans had been steadily dropping in amount since June last, the contraction during the war period having been actually 50 millions. In relation with these facts may be taken the further one that the banks' loans to municipalities dropped by nearly 6½ millions in December to \$38,256,947, still 7¼ millions higher than a year previously, but showing a very distinct decline from the totals recorded in some recent months.

FALL IN DEPOSITS AND CURRENT LOANS.

There is little change from the November figures in the banks' demand deposits, a decline of under one million to \$349,909,953 being shown. Notice deposits, which had been showing steady increases during the previous two months, registered a decline in December of three millions to \$662,830,037. The fact of Christmas demands upon private resources is hardly sufficient to account for the falling-off, since in December, 1913, there was a rise of over \$6,000,000 in these deposits. But it was in December that the investment buying of securities on the Canadian Stock Exchanges first attained any volume worth mentioning, which fact may be related to the decline shown. As it is, the banks' notice deposits are over \$38,000,000 higher than they were at the close of 1913, and the astonishing fact is, as was recently pointed out by Mr. Alexander Laird, that they have kept up so exceedingly well at a time when first class investments have been at bargain prices.

Canadian call loans are down again by \$882,000,

and are \$4,350,000 lower than a year ago. Canadian commercial loans are also down, their fall being nearly 8¼ millions to \$786,034,378. They are \$36,353,597 lower than at the close of December, 1913.

LARGE INCREASES IN CASH.

The rise in the Banks' holdings of specie and Dominion notes in comparison with the close of 1913 and 1912 is striking. At the end of last month the banks' holdings of specie were \$62,569,688 and of Dominion notes, \$138,056,339. The year's increase in holdings of specie is \$17,146,225 and of Dominion notes \$33,277,981. This followed in 1913 an increase of \$11,643,130 in specie holdings and of \$10,193,874 in Dominion note holdings. So that in the two years to December 31, 1914, there has been an increase in the banks' specie holdings of \$28,789,355 and in their holdings of Dominion notes of \$43,471,855. Additionally the deposits in the Central Gold Reserves amounting to \$9,700,000 at December 31, 1914, have been created in the last two years. The figures make an interesting summary of the successful efforts of the banks to strengthen the credit structure following the close of the boom period. They had already done much, it will be seen from these figures, before there was any sign of a European conflagration. As circumstances have developed, their caution has been an invaluable asset to Canada.

At the annual meeting of the Bank of Vancouver recently, the possibility was suggested that the institution may obtain sufficient fresh capital to reopen its doors. At the present time, however, the point is uncertain. The report shows a loss on the twelve months to November 30, of \$53,739.

* * *

The British Board of Trade has decided that valuations of British life assurance companies' securities for the purpose of the annual Government returns shall be taken as at December 31, 1913, assets acquired since that date being taken at not more than their cost price.

ABSTRACT OF THE BANK STATEMENT FOR DECEMBER, 1914.

(Compiled by The Chronicle).

	December 31, 1914.	November 30, 1914.	December 31, 1913.	Month's Change.	Year's Change.
LIABILITIES.					
Circulation.....	\$ 105,969,755	\$ 114,767,226	\$ 108,646,425	— \$ 8,79,471	— \$ 2,676,670
Demand deposits.....	349,909,953	350,884,153	381,375,509	— 974,200	— 31,465,556
Notice deposits.....	662,830,037	66,994,852	6,492,26	— 3,164,815	— 38,137,711
Foreign deposits.....	98,901,413	91,278,495	103,403,085	+ 7,622,918	+ 4,501,472
Total liabilities.....	1,314,646,254	1,320,307,465	1,308,756,866	— 5,661,211	+ 5,889,388
ASSETS.					
Specie.....	62,569,688	66,679,498	45,423,463	— 4,109,810	+ 17,146,225
Dominion Notes.....	138,056,339	135,510,849	104,778,58	+ 2,545,490	+ 33,277,981
Deposit in Central Gold Reserve.....	9,700,000	10,800,000	7,597,066	+ 1,100,000	+ 2,102,934
Securities held.....	105,060,507	103,387,928	104,398,102	+ 2,272,579	+ 1,292,405
Canadian call loans.....	68,511,653	69,394,407	72,862,971	— 882,754	— 4,351,318
Foreign call loans.....	85,012,964	74,459,643	115,984,680	+ 10,553,821	+ 30,971,716
Foreign current loans.....	786,034,378	794,269,220	822,387,975	— 8,234,842	— 36,353,597
Canadian current loans.....	43,413,760	42,966,275	58,305,588	+ 447,485	+ 14,891,628
Foreign current loans.....	38,256,947	44,706,055	30,518,573	+ 6,449,108	+ 7,738,374
Loans to municipalities, etc.....	1,555,556,815	1,561,458,119	1,551,263,432	— 5,901,304	+ 4,293,283
Total assets.....					