

October Bank Statement Reflects Sound Position

Current Loans and Deposits are Maintained, Call Loans Abroad Again Decreased, and Loans to Municipalities Increased—Figures Compare Very Well With Those of a Year Ago.

	October, 1913.	September, 1914.	October, 1914.	Year's inc. or dec.	Month's inc. or dec.
Deposits on demand	\$389,856,507	\$348,284,206	\$348,732,830	—10.5	+ .12
Deposits after notice	621,511,207	658,401,501	659,806,682	+ 6.1	+ .21
Current loans in Canada	862,313,367	826,514,621	816,623,852	— 5.2	—1.1
Loans to municipalities	37,846,369	44,338,873	47,316,076	+25.02	+6.7
Current loans elsewhere	58,171,884	41,347,231	42,040,716	—27.7	+1.6
Call loans in Canada	71,118,255	70,063,414	70,201,939	— 1.2	+ .19
Call loans elsewhere	93,346,810	89,521,589	81,201,671	—13.01	—9.2
Circulation	118,234,359	120,365,786	123,744,682	+ 4.6	+2.8

The above are the principal changes during October in the position of the Canadian banks. The outstanding features are increases in loans to municipalities and in circulation, a large decline in call loans, and the practical maintenance of current loans and deposits in Canada.

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

Loans.	Current in Canada.	Call in Canada.
1913—October	\$862,313,367	\$71,118,255
November	830,715,015	70,123,101
December	822,387,975	72,862,971
1914—January	811,582,130	71,248,242
February	811,711,219	71,374,602
March	823,490,422	69,088,240
April	835,705,064	68,523,774
May	838,462,686	67,210,504
June	838,276,428	67,401,484
July	840,198,625	68,441,816
August	836,574,099	69,229,045
September	826,514,621	70,063,414
October	816,623,852	70,201,939

Considering the abnormally depressed conditions, due to readjustment generally in Canada and to the war, bank credit to business in Canada has been well maintained. In October it was only 5.2 per cent. less than a year ago, which obviously is an excellent showing. In the wild days of 1912, domestic current loans were but \$63,000,000 greater than today. To make a strictly accurate comparison, loans to municipalities in the statement under review should be included. When this is done, current loans now are only \$16,000,000 less than in October, 1912. The loose talk about the curtailment of credit, therefore, is not proved by the bank statistics. Naturally, little new money is being advanced now, for the same reasons that govern the methods of any good business men.

Call loans in Canada were slightly increased in October, and remain at about the same level as for many months past. The banks have apparently extended to the stockbrokers proper and legitimate facilities to straighten the stock exchange situation. It should be borne in mind that call loans in Canada, part of which represent loans to Canadian stockbrokers, total only \$70,201,939 and not \$553,000,000 as one enthusiastic bank critic had it last month.

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

	Current loans in Canada.	Current loans elsewhere.	Call loans in Canada.	Call loans elsewhere.
1910 ..	\$679,820,039	\$41,269,126	\$64,561,641	\$103,279,774
1911 ..	768,492,008	36,962,543	69,088,467	88,722,640
1912 ..	879,676,655	41,300,588	73,959,866	101,180,983
1913 ..	862,313,367	58,171,884	71,118,255	93,346,810
1914 ..	816,623,852	42,040,716	70,201,939	81,201,671

Call loans abroad, chiefly in London and New York, declined again last month. These loans are not all to brokers. The call loans abroad have been reduced considerably since the end of July, despite the assertions in some quarters that such loans could not be recalled in times of crisis. A few days before the outbreak of war—July 31—the total of these loans was \$125,000,000. At the end of October they were \$81,000,000, a reduction of \$44,000,000 in the three months.

Current loans in Canada are \$135,000,000 greater than in October, 1910, and call loans abroad, \$22,000,000 less. Other loan accounts are about the same.

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

	On demand.	After notice.
1913—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	345,590,042	646,143,604
April	350,515,993	653,679,223
May	340,748,488	663,945,753
June	355,006,229	663,650,230
July	346,854,051	671,214,125
August	338,984,418	659,399,151
September	348,284,206	658,401,501
October	348,732,830	659,806,682

The way in which the deposits accounts are being maintained is gratifying. Both demand and after notice deposits increased slightly in October. The latter account is 6.1 per cent. larger than a year ago, a very favorable change. The demand deposits are 10.5 less than a year ago.

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

October.	On demand.	After notice.	Total.
1910	\$280,838,612	\$549,016,725	\$ 829,855,337
1911	331,953,562	586,451,045	918,404,607
1912	383,814,572	640,097,928	1,023,912,500
1913	389,856,507	621,511,207	1,011,367,714
1914	348,732,830	659,806,682	1,008,539,512

The total deposits are still above the billion dollar mark.

Loans to municipalities were again increased in October. Since April the bank loans to civic authorities have increased by \$15,000,000. The following table shows the course of this account during the past year:—

Month.	Bank loans to municipalities.
July—1913	\$43,121,384
August	41,310,281
September	37,465,383
October	37,846,369
November	35,173,817
December	30,518,573
January—1914	29,301,620
February	30,372,854
March	31,890,843
April	30,168,812
May	33,689,577
June	37,260,571
July	36,372,334
August	39,664,534
September	44,338,873
October	47,316,076

If the Canadian bank statement is able to make equally as good appearance in future months, as in October, there will be good cause for satisfaction at the strong position of affairs.