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F. WILSON-SMITH,
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ARTHUR H. ROWLAND,
Editor.

Office:

406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.

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THE MARCH BANK STATEMENT.

The bank statement for the month of March just published is notable for the further heavy increase in the notice deposits of the banks. While demand deposits are a trifle lower than in the previous month, notice deposits at March 31st, were up to \$738,169,212, an increase for the month of \$9,926,603 and for the year of no less than \$61,293,422. In conjunction with these figures should be read those of the Dominion Government's balances, which are down by \$22,970,619 during March to \$25,481,028 at the month-end. In two months, between January 31st and March 31st, these balances decreased by forty millions, from \$65,436,684 at the former date. To the extent of nearly eleven millions in March, the decrease in these balances was apparently due to the repayment of a loan made to the Government by the Bank of Montreal. But apart from this, the Government's unusually large disbursements, while in part for purchases abroad, naturally go, so far as the bulk of them are concerned, immediately to swell public deposits. Since the March return was made up, the Dominion Government's resources have, of course, been augmented to the extent of some \$70 millions by the proceeds of the loan successfully floated in New York at the end of March. The April bank statement will also reflect the transactions in connection with the Banks' credit to the Imperial Munitions Board of \$76 millions. The bulk of this credit, which, it is said, is being disbursed by the Munitions Board at the present rate of about five millions weekly, will come back to the banks in the form of fresh deposits and its effect will be, of course, to increase further the banks' assets and liabilities. Additional large increases in the banks' notice deposits during the next few months are to be expected. The marketing of the balance of last year's crops, will be an important contributory in this connection in addition to the continued activity with regard to munitions and army supplies.

RISE IN COMMERCIAL LOANS.

In the loan accounts, an interesting feature is

the rise in Canadian current loans and discounts of \$9,266,345 from \$760,873,181 to \$770,139,526. The month's rise, it will be noticed, is almost identical with that in notice deposits, and for the first time in a good many months, the total of these loans is above that of the corresponding figures a year previously. Presumably, this increase has some relation to transactions in connection with munitions manufacture. It must be remembered that this item does not bear its former relationship to industrial and commercial activity. As a result of recent events, many corporations which were accustomed to lean heavily upon the banks for working capital, have been able to accumulate considerable cash resources. A recent compilation shows that 27 corporations reported cash assets of \$15,245,458 in their 1916 balance sheets compared with \$7,027,824 in 1915. Probably an increase of \$10 millions in these loans under present circumstances would represent a considerably higher degree of industrial activity than a similar increase represented four or five years ago.

Circulation, another index to activity, is \$1,276,367 higher than at the close of February at \$114,804,604, and over \$18 millions higher than a year ago.

The reduction in the banks' paid-up capital reported this month is due to the coming into force of the Northern Crown Bank's rearrangement, whereby its paid-up capital is reduced to \$1,428,087, there being a reserve fund of \$715,600.

The banks continue to maintain a high standard of reserves. 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 March were in the proportion of 31.1 per cent. to the note circulation and deposits of all kinds. The proposition at the end of February was 31.8 per cent.

A BONUS IN BANK STOCK.

The stock bonus announced recently by the Weyburn Security Bank constitutes an interesting departure, remarks the Journal of the Canadian Bankers' Association. The bonus is 5 per cent. of stock on the subscribed capital and as but 50 per cent. of the subscribed capital has been paid up, this represents 10 per cent. bonus on the paid capital. Until this occurrence no Canadian bank in recent years has made an absolute present of new stock to its proprietors. In most cases issues of new bank stock in Canada have been at prices not very far below the market; and the "rights" have therefore only been of moderate value. The issue announced at the last annual meeting of the Royal Bank of Canada provided for giving the proprietors at 100, new stock which had been selling on the market considerably above 200, but the new capital represented only a small percentage of the old. The practice of distributing stock bonuses to bank proprietors is fairly general in the United States.