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Bank Statement Records Large Profits

TOTAL is \$1,565,000,000 at the End of 1917—Savings Deposits Were Contracted and Demand Deposits Increased as a Result of Victory Loan Financing—Loans to Municipalities Are 50 Per Cent. Higher Than a Year Ago—Current Loans Remain at High Figure.

	December, 1916.	November, 1917.	December, 1917.	Year's inc. or dec.	Month's inc. or dec.
Deposits on demand	\$458,208,417	\$ 538,869,362	\$569,441,871	+24.2	+5.1
Deposits after notice	845,006,717	1,008,657,874	995,978,013	+17.7	+1.2
Current loans in Canada	820,378,557	868,973,714	858,533,298	+ 4.6	+1.1
Current loans elsewhere	76,396,720	95,954,524	111,581,098	+46.0	+4.4
Loans to municipalities	24,056,797	36,459,598	36,353,039	+50.0	+ .002
Call loans in Canada	82,569,983	72,178,345	71,779,020	-13.4	-1.3
Call loans elsewhere	173,878,134	139,832,552	134,483,482	-22.5	-3.6
Circulation	148,785,237	202,181,328	208,753,337	+ 4.1	+2.9

THE above are the changes in the principal accounts of the Canadian banks during December, the figures being compared also with those of a year ago. The changes during the month were comparatively slight, one of the most notable being an increase of \$31,000,000 or 5 per cent. in demand deposits. Savings deposits, for the first time in several years, show a decrease. The loss, however, is less than 2 per cent. and this account is still more than 17 per cent. higher than a year ago. The decrease in December was partly due to the payment of the 10 per cent. instalment in connection with applications for Victory bonds. Call loans abroad were decreased during the month by about \$5,000,000. Circulation increased by \$6,000,000 or nearly 3 per cent. Current loans abroad were \$16,000,000 greater in December than in the previous month, the gain for the month being 4.4 per cent.

The following table gives a record of deposits for the past fourteen months:—

	Deposits payable on demand.	Deposits payable after notice.
1916—November	\$459,277,454	\$836,593,269
December	458,208,417	845,006,717
1917—January	427,308,526	864,163,344
February	430,331,801	880,456,637
March	448,151,528	888,765,698
April	471,312,285	874,948,724
May	443,839,847	892,562,657
June	449,689,670	900,510,552
July	450,849,356	929,442,340
August	443,317,275	806,774,687
September	451,749,532	965,393,541
October	495,058,449	985,790,850
November	538,869,362	1,008,657,874
December	569,441,871	995,978,013

Demand deposits in December were higher, at \$569,000,000, than at any time during the past fourteen months. Probably the preparations made by trust and insurance companies and other large subscribers to pay their instal-

ments in full on January 2nd were largely responsible for the increase of \$57,000,000 shown in the demand deposits in December. During that month they undoubtedly accumulated funds in their current accounts ready for the heavy cheques to be issued at the beginning of January. The January return will reflect the disposition of these special balances, or rather their transfer to the government's account. January is nominally a month of contraction; consequently a decrease in the demand deposits may be in evidence this month.

The deposits payable after notice declined about \$13,000,000 during December but still were \$150,000,000 greater than a year ago. A further decrease in savings deposits will probably be noted in the January bank statement. This will be partly counterbalanced by the customary January movement of current account funds into the more permanent forms of savings accounts and special time deposits.

Commenting on the deposits accounts, the financial editor of the Montreal Gazette says: "Although the initial payment of 10 per cent. on the Victory Loan called for the transfer of about \$41,000,000 from private to government account, the Canadian bank statement of December 31st shows a net loss in savings deposits of less than \$13,000,000. As savings deposits increased some 22 millions in November, the total at the end of December was nearly 10 millions higher than two months before. On the side of savings account, therefore, the returns as shown in the December statement are highly reassuring. Expansion in savings apparently continued at a substantial rate through the month, materially reducing the decline due to withdrawals for loan payment.

"As no inconsiderable part of the loan payment was probably chequed out of non-interest bearing deposit accounts, the results shown in the item of demand deposits are rather surprising. The figures under this head rose 57 millions in the month, and the grand total of deposits