BANKING AND FINANCE.

In the course of a discussion in April the Acting Minister of Finance stated that another loan would be offered to the public in the later months of the current year, as had been expected. A semi-official statement regarding payments on the loan of $400,000,000 made in November last indicates that up to 1st March 77% of the allotments had been paid, although, according to the official prospectus only 60% was required to be paid by that date, so that on 1st April and 1st May the balance remaining to be paid was only 23% of $92,000,000. From the proceeds of this loan, together with surplus revenues from other sources, the requirements of the Government until July will be adequately provided for.

We are watching with much interest the progress of the third Liberty Loan campaign in the United States, and congratulate our Allies on the rapid progress which they are making. In this connection it may be of interest to our banking friends across the line to know that the advances made by this Bank to enable subscribers to meet their payments to the Dominion of Canada Victory Loan, issued last November, are at the present time less than 3½ per cent. of the subscriptions received through this Bank, which amounted to nearly $80,000,000.

Public deposits in the chartered banks at the end of January amounted to $1,460,091,493, an increase of $17,998,000 during the month, and one of $167,301,000 as compared with the total of a year ago. Savings deposits, which showed a slight decrease at the time of the first payments to the Victory Loan, are again increasing from month to month, and continue to exceed the current loans of the banks. For several years prior to the outbreak of the war these loans exceeded the savings deposits. In 1908 the average amount of the excess was $123,000,000, and in 1913 $265,000,000. In 1914 loans declined and deposits steadily increased, until in May 1916, the latter exceeded the former. At present there is a stronger demand for credit for commercial purposes, as well as for those of provincial governments and municipalities. Comparing the statement of February with that of a year ago, current loans were higher by $46,000,000, and loans to provinces and municipalities by $23,000,000. The immediate outlook is that the deposits will continue to grow sufficiently to meet these increasing requirements.

WHY THE PUBLIC LOSES IN WALL STREET.

There is a class of people who operate on facts viz., earnings, intrinsic values, crops, the money situation and other fundamental statistics.

No amount of study in the field of statistics will give one the slightest hint as to Supreme Court decisions, Government decrees, submarine policies, stock market object lessons, big shake-outs, etc., all of which can take place without fundamentals being affected. You can have all your fundamentals right and draw wrong conclusions. Your conclusions may be correct but one fundamental which you overlook may upset all your calculations.

There are unknown factors which nobody can analyze. These are continually cropping up and nullifying all those which are known. We have frequently seen what war and political uncertainty will do to the stock market. This is something which no statistician can figure out and no forecaster predict. Such dangers sometimes gather and break in a day or a week, while all other elements remain bullish. Interstate Commerce Commission rulings, Supreme Court decisions and Federal rulings do not require a financier or a statistician, but a lawyer, to extract their true meaning.

I claim that one of the primary reasons why the public loses hundreds of millions in the security markets every year is that they base their operations on the news, the facts and the fundamental statistics.—Richard D. Wyckoff in the April 13th issue of The Magazine of Wall Street.

BUSINESS OF BANKS AND FIRE COMPANIES CLOSELY ALLIED.

It is a well known fact that sound fire companies play an important part in the trade and commerce of any country, and probably never before in the history of the world has it been more forcibly exemplified than at the present time when the high cost of materials and the enormous demands for war supplies has compelled business men to borrow large amounts from their bankers, and the latter in order to protect themselves quite reasonably insist, upon borrowers carrying ample insurance for protection against every possible contingency. It might well be said, however, that in view of the strong fire insurance institutions guaranteeing the interests of both lender and borrower, the banks in return should aid as far as possible the exclusion of unlicensed companies from Canada which are patronized by many large customers of the banks throughout the Dominion. The licensed companies like the banks maintain a large staff of employees at head offices and in branches throughout the country. Large deposits are held at Ottawa to ensure liabilities to policyholders and taxes too numerous to mention are imposed by the Government. That strong objection should exist against the patronising of unlicensed companies, (who are not taxed on a par with licensed companies, have no deposit at Ottawa and whose offices and employees are in their hats so far as Canada is concerned) seems reasonable, and should commend itself on the grounds of patriotism alone.

THE GENERAL FINANCIAL SITUATION.

(Continued from Page 421).

pushed. As in the case of the preceding loans and our own Victory Loan the subscriptions appeared to lag during the middle of the period, but it is expected that great momentum will be attained next week when the flotation reaches the final stage. Our neighbors are fond of a sensational "finish," and we may be sure that a considerable number of large subscriptions will be in evidence during the next eight days. The great increase of corporation and individual taxation has had considerable effect in pulling down the subscriptions of many parties who subscribed heavily to the previous loans. Many of these have had to borrow extensively to meet enormous tax bills and their ability to take up the war bonds therefore is impaired. This circumstance chiefly affects the subscriptions in New York and other large centres.