

MID-YEAR BANKING POSITION IN CANADA.

The mid-year banking statement is always one of particular importance in Canada—indicating as it does the banks' preparedness for harvest needs. But this year more especial interest attaches to the government report upon the chartered banks' accounts as at June 30. The half-year has been one of gradual but steady business improvement in Canada, the extent of which can be best gauged by careful examination of banking figures along with trade statistics.

It will be worth while, therefore, following the monthly changes in six representative items since December 31, 1908, as given in the tabular survey on this page. The column in which the most pronounced changes occur is that relating to current loans in Canada. It was not until after February that there was a definite turn to the ebbing tide in commercial loans. Since then, up to the end of the half-year, increases have been steady until the June total of over \$535,000,000 is nearly \$28,000,000 greater than the February month-end showing. Call loans in Canada have grown by well on to \$9,000,000 in the six months, indicating the increased stock market activity that has gone with trade recovery. Call loans abroad showed a growth of over \$32,000,000 from the end of January to the end of May. The release of commercial loans during preceding months of trade quiet and the acquisition of new foreign funds tended to pile up the banks' ready funds. Further reflecting this has been an increase during the half-year of over \$12,000,000 in securities owned by the banks. For the full six months the increase in call loans abroad has been \$18,000,000—home demands for credits having brought curtailment of over \$9,500,000 in that item during June. Current

loans outside Canada have increased by about \$3,000,000, in the six months, these too being curtailed somewhat in June. Deposits in Canada have shown an increase of nearly \$42,000,000 in the six months; or of over \$47,000,000 since the end of February. In note circulation also January brought a decline, so that the half-year shows a decrease of something under \$3,000,000. From the end of January to mid-year, however, there was a circulation gain of \$4,500,000. The circumstance of home deposits having increased much more largely than the combined Canadian loan items is due chiefly to the influx of funds consequent upon the placing of securities abroad.

At the close of the accompanying exhibit is given a comparison of the trends in banking items during the first six months of 1909 with these for the corresponding half-years of 1908 and 1907. The earlier of these periods was one of continued business expansion. Canadian current loans increased during the first six months of 1907 by over \$38,000,000 to a high-mark of almost \$587,000,000. Call loans at home and abroad were reduced by about \$12,000,000. Business men's available banking balances were heavily drawn upon, owing to tight-money conditions, so that deposits decreased \$1,500,000 despite the steady loan increase.

The initial half-year of 1908 was one of somewhat sharp business recession, in keeping with worldwide financial and commercial conditions. Current loans in Canada decreased \$22,000,000 and domestic call loans fell away by nearly \$3,000,000. The increase of about \$9,000,000 in call loans abroad, was due to liquidation of maturing commercial accounts and lack of any new effective demand for money at home.

In view of approaching harvest requirements it

BANKING CHANGES OF THE HALF-YEAR, ENDING JUNE, 1909.

	CIRCULATION	Deposits of the Public in Canada	Current Loans in Canada	Current Loans outside Canada	Call Loans in Canada	Call Loans outside Canada
	\$	\$	\$	\$	\$	\$
December, 1908.....	73,058,234	639,899,365	511,808,909	30,351,721	43,827,771	97,136,400
January, 1909.....	65,819,067	636,456,997	511,363,250	30,586,081	44,299,554	92,532,607
Inc. or Dec. in month.....	d 7,239,167	d 3,442,368	d 445,659	i 234,360	i 471,783	d 4,603,893
February, 1909.....	67,348,359	634,359,076	507,349,748	35,055,266	47,555,140	101,443,902
Inc. or Dec. in month.....	i 1,529,292	d 2,097,921	d 4,013,502	i 4,469,185	i 3,255,586	i 8,911,395
March, 1909.....	68,708,458	646,470,868	520,109,936	34,915,132	48,911,736	117,850,605
Inc. or Dec. in month.....	i 1,360,099	i 12,111,792	i 12,760,188	d 140,134	i 1,356,596	i 16,406,703
April, 1909.....	67,266,664	657,489,753	524,168,998	35,874,530	50,213,950	114,493,570
Inc. or Dec. in month.....	d 1,441,794	i 11,018,885	i 4,059,062	i 959,398	i 1,302,214	d 3,357,035
May, 1909.....	68,593,229	670,515,411	528,313,141	24,487,649	49,771,929	124,877,965
Inc. or Dec. in month.....	i 1,326,565	i 13,025,658	i 4,144,153	d 1,386,881	d 442,021	i 10,384,385
June, 1909.....	70,170,491	681,658,904	535,212,269	33,403,171	52,617,696	115,254,868
Inc. or Dec. in month.....	i 1,577,262	i 11,143,493	i 6,899,128	d 1,084,478	i 2,845,767	d 9,623,087
Inc. or Dec. in 1/2 year end. June, 1909....	d 2,887,743	i 41,759,579	i 23,403,360	i 3,051,450	i 8,789,925	i 18,118,468
Inc. or Dec. in 1/2 year end. June, 1908....	d 9,350,404	i 692,285	d 22,064,859	d 522,154	d 2,850,634	i 8,747,091
Inc. or Dec. in 1/2 year end. June, 1907....	d 2,906,378	d 1,448,775	i 38,245,968	d 18,085,972	d 8,030,598	d 3,659,283