

banks for credit of Berlin institutions, so the repayments are being made also in London—the German banks pay the funds to the London bankers of the American financiers.

In Canada money rates are practically unchanged. Call loans in Montreal and Toronto are quoted 5 to 5½ per cent. as hitherto. Active preparations are being made for a heavy export of grain and other produce when navigation opens at this city next month. Owing to the exceptional size of the 1911 crop in Western Canada, the grain loans have this year assumed very large dimensions. It is said too that the banks are watching the accounts of the big grain firms with more than usual anxiety owing to the especially large amount of damaged grain put upon the market in the fall and winter. With the coming of warm weather in April, it is possible that some losses may develop in these accounts. That is one reason why endeavors have been made by some banks to get the grain loans down to the smallest possible figures early in the spring. In the case of strong companies with ample capital, losses from spoiled grain fall of course on the stockholders of the grain companies. But there are many companies not so strong financially. If any large portion of their grain holding is spoiled, the banks lending to them may suffer the chief loss.

### THE BIG INDUSTRIALS AND THE BANKS.

It is generally understood that in periods of great activity the industrial and commercial interests usually make extraordinary demands upon their bankers for loans and advances; and it is practically certain that loans to these interests and customers' paper discounted for them have accounted for a considerable part of the \$97,000,000 increase in current loans and discounts in Canada effected by the banks in 1911.

In the case of the majority of the industrial customers of the banks it is not possible to give particulars regarding the state of their accounts in 1910 and 1911. The great majority of the mercantile and industrial customers of the chartered banks are not under any obligation to publish balance sheets or statements of position for the benefit of the general public. They carry on their various businesses with capital provided entirely by themselves or by themselves and a few close associates, in other words, they trade as private companies or individuals. The borrowings of these private customers represent the bulk of the current loans and discounts of the banks. On the other hand, the number of great industrial and commercial corporations depending upon capital secured from the investment public by means of issues of bonds and stocks is steadily increasing. If a company of this description persistently withholds the details of its operations and of its financial posi-

tion its reticence savours somewhat of imprudence and breach of faith; for the investment public which holds its securities is properly entitled to have periodical reports covering the operations and changes of position. In the following tables the position of a number of these quasi-public industrial corporations as regards bank advances and bank deposits in 1910 and 1911, is set forth.

BANK ADVANCES.		
COMPANY.	1910.	1911.
Canadian Car and Foundry . . . . .	\$ 626,743	\$ 858,832
Canadian Converters . . . . .	337,391	417,165
Canadian General Electric . . . . .	1,504,096	2,768,111
Dominion Iron & Steel . . . . .	3,179,100	1,753,020
Dominion Textile . . . . .	2,808,773	4,258,275
Lake Superior Corporation . . . . .	993,748	1,145,944
Lake of Woods Milling . . . . .	351,684	245,999
Ogilvie Flour Milling . . . . .	1,432,006	1,498,761
Western Canada Flour Mills . . . . .	905,930	951,777
Maple Leaf Milling . . . . .	.....	1,021,698
	<b>\$12,139,471</b>	<b>\$14,919,582</b>

The bank loans and advances given in the above table are merely those explicitly stated as such in the balance sheets of the respective companies. In the case of some companies, bank loans would doubtless exist under the general heading "Bills Payable." These are not included.

CASH BANK BALANCES, AND SPECIAL DEPOSITS.		
	1910.	1911.
Acadia Sugar Refining . . . . .	\$ 32,194	\$ 528,580
F. N. Burt . . . . .	63,552	74,165
Canada Cement . . . . .	916,169	554,009
Canadian Converters . . . . .	3,857	8,944
Canadian General Electric . . . . .	18,066	94,700
Dominion Iron & Steel . . . . .	186,926	467,036
Dominion Iron & Steel with Trustees . . . . .	1,691,740	374,818
Dominion Textile . . . . .	16,713	26,504
Lake of Woods Milling . . . . .	82,199	30,789
Laurentide Paper . . . . .	15,979	142,360
Nova Scotia Steel & Coal . . . . .	498,787	397,289
Ogilvie Flour Mills . . . . .	25,267	27,211
Penmans . . . . .	20,788	16,996
W. A. Rogers . . . . .	156,286	167,498
Russell Motor Car . . . . .	15,319	46,430
Western Canada Flour Mills . . . . .	53,782	23,786
Maple Leaf Milling . . . . .	.....	31,244
	<b>\$3,797,624</b>	<b>\$3,012,359</b>

It should be said that the figures here given are taken from the balance sheets of the respective companies as appearing in Houston's Annual Financial Review, and from annual reports published recently in the financial press. They represent, of course, the position at the year ends of the respective corporations. A considerable number end the fiscal year on December 31st. In the cases of the flour milling companies the fiscal year ends August 31st.

It is scarcely necessary to say that the fact of a company having a very large loan from its bankers need not be detrimental to its interests. Thus the loans to the milling companies are more than covered by the stocks of wheat, flour, etc., held in the elevators and warehouses. One might presume also that the large loans of the Dominion Textile Company represented to some extent purchases of raw cotton held at the mills. The big loan of the Dominion Iron and Steel Company represented the purchase