

## Banking in March

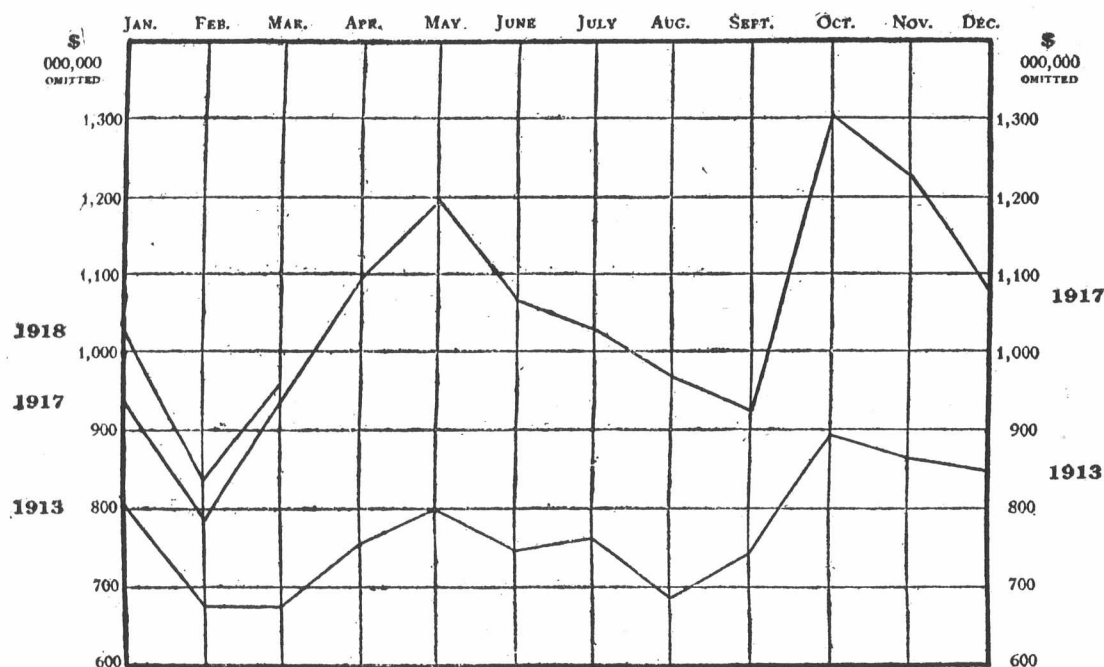
The March Bank statement shows a remarkable volume of business for this period of the year, the figures approximating the record attained during the last crop-moving season. In comparing the figures with those of March, 1914, it is interesting to note the extent to which the liquid position of the assets has been maintained and even improved:

|                       | Cash.           | % of Public Liabilities. |
|-----------------------|-----------------|--------------------------|
| March, 1918 . . . . . | \$243,452,587   | 11.86%                   |
| March, 1914 . . . . . | 141,889,234     | 10.92%                   |
| Total Liquid Assets.  |                 | % of Public Liabilities. |
| March, 1918 . . . . . | \$1,168,955,637 | 56.94%                   |
| March, 1914 . . . . . | 569,892,435     | 43.87%                   |

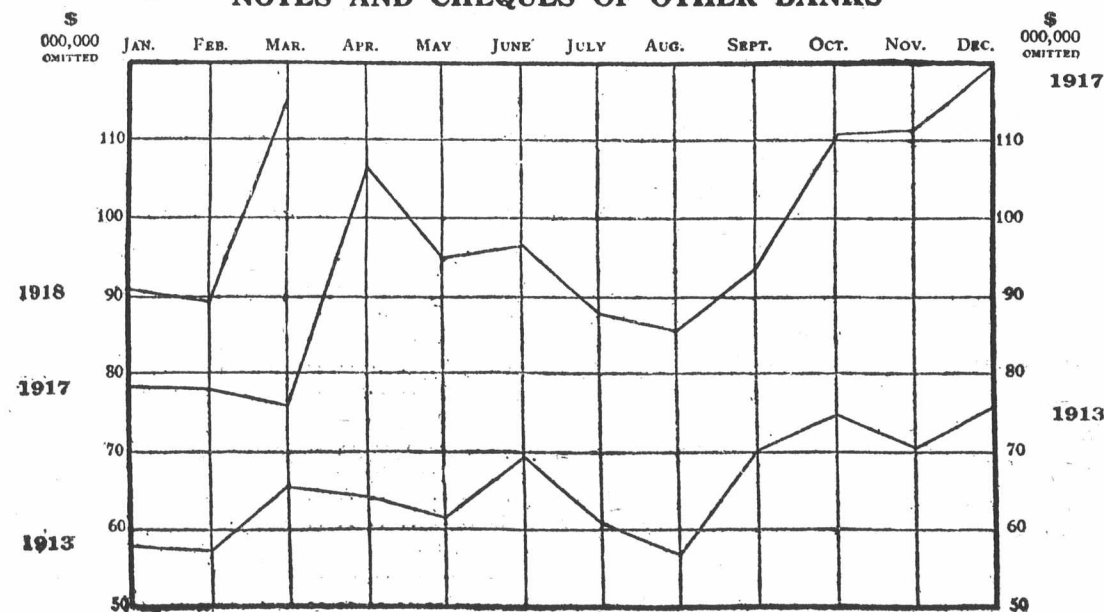
Domestic loans have increased over twenty-seven million dollars during the month and are sixty-three million dollars larger than in March, 1914. Loans to municipalities have increased by seven million dollars during the month and are twenty-one million dollars higher than they were at the same period last year. In view of the difficulty in disposing of municipal issues at home and the impossibility of doing so elsewhere, it is quite evident that municipalities will be well advised to refrain from all expenditures which cannot be defrayed out of current revenues. The note circulation is very high, being only five million dollars less than the high point reached in December, 1917, a rather remarkable condition for this time of the year. Demand deposits have decreased eight million dollars during the month and savings deposits have increased twelve million dollars, being now two hundred and seventy-five million dollars greater than in March, 1914, and only eighty-six million dollars lower than the record figures reached in November, 1917, just before the issue of the Victory Loan, when they exceeded a billion dollars. The total assets and liabilities are compared below:

|                       | March, 1918     | March, 1917     | Increase      |
|-----------------------|-----------------|-----------------|---------------|
| Assets . . . . .      | \$2,302,477,611 | \$1,546,622,640 | \$755,854,971 |
| Liabilities . . . . . | 2,052,899,573   | 1,299,017,586   | 753,881,987   |

## BANK CLEARINGS



## NOTES AND CHEQUES OF OTHER BANKS



Every item of the statement points to the greatly increased volume of business which the banks have had to handle since the war began, a burden which has fallen upon them at a time when they are handicapped by the loss of a very large proportion of their trained officers through voluntary enlistment and the operation of the Military Service Act. To illustrate this increased activity of business we have prepared the two diagrams enclosed. These have several features of interest. In the first place they show that the volume of daily transactions in cash and cheques passing through the banks in 1917 has increased vastly as compared with 1913, the last complete year of normal business before the war, and that the totals of the early months of 1918 are much higher than even those of last year. From another point of view, they illustrate the seasonal fluctuations in the volume of business in Canada, which are familiar to the banker because the fluctuations of the note circulation tell the same tale. The point of least activity in business in Canada is reached in February or March. Following this there is a period of increasing activity, which is accelerated by the opening of navigation, and lasts until the early summer, say May or June. The summer months again show a slackening which is most evident in August. Then comes a rapid expansion in the volume of transactions which continues until the height of the crop-moving season is reached, usually in November, and is well sustained until the end of December, the third week of which is marked by special activity in retail business. During the next two months there is a steady decrease until the point at which we started is reached, and the cycle of the year's business recommences.

An outstanding feature of the financial situation is the important improvement that has recently taken place in the exchange between Canada and the United States. In the last week of April New York funds in Canada touched the new high mark of 2% premium. Since then there has been a continual decline and at the time of writing New York funds are quoted at 1 1/16% premium.—Monthly Letter of the Bank of Commerce.

## RAILWAY EARNINGS.

The traffic earnings of Canada's three principal railroads for the week ended May 21st aggregated \$5,288,808, a decrease of \$70,146 from the corresponding week a year ago, or 1.3 per cent. For the week, the Canadian Pacific was the only one of the three to show a decrease.

Following are the earnings for the past week with the changes from a year ago:

|                  | 1918.       | Inc.      | P.C. |
|------------------|-------------|-----------|------|
| C. P. R. . . . . | \$2,847,000 | \$227,000 | 8.0  |
| G. T. R. . . . . | 1,576,508   | 150,954   | 1.1  |
| C. N. R. . . . . | 865,300     | 5,900     | 0.7  |
| Totals . . . . . | \$5,288,808 | \$70,146  | 1.3  |

\* Decrease.

## STERLING BANK.

The Sterling Bank which has just issued its annual report for the fiscal year ended April 30th make a new high record in so far as net earnings were concerned. For last year profits were \$186,120 which compares with \$161,270 earned in 1917, \$145,290 in 1916 and \$115,111 in 1915. Profits were 15.33 per cent in paid up capital, which compares with 13.3 per cent in 1917, 12 per cent in 1916, 9.61 per cent in 1915 and 9.61 per cent in 1914.

The administration of the bank for a number of years has steadily utilized its position and has transferred considerable amounts of the annual profits to contingent account, to provide for the depreciation of assets, arising from the disturbed condition of the financial market. From last year's profits an amount of \$63,000 was deducted for this purpose which compares with \$60,000 transferred to this account in the 1917 year, \$50,000 in 1916, and \$14,000 in 1915.

The total resources of the bank for the first time in its career are in excess of \$16,000,000. The largest contribution to the increase in business during the year has been in deposits which on April 30 were \$2,300,000 in excess of the previous year. The total deposits now amount to \$12,975,000 as against \$6,841,000 in 1915.

The assets show current coin amounting to \$63,345, and Dominion notes of \$1,918,854. The cash reserves amount to some 22.67 per cent of the liabilities to the public, and the readily available assets of \$9,321,000 are over 57 per cent of the total liabilities including the capital. The bank's contribution to national financing is shown by an increase in holdings of Dominion and Provincial securities to \$2,291,000 and in Canadian municipal, British and other securities to \$3,038,309. Current loans are at the same level as the previous year.

## THE OPEN BOAT.

"When this here war is done," says Dan, "and all the fightin' 's through, There's some'll pal with Fritz again as they was used to do; But not me," says Dan the sailor-man, "Not me," says he; "Lord knows it's nippy in an open boat on winter nights at sea."

"When the last battle's lost an' won an' won an' lost the game, There's some'll think no 'arm to drink with square-heads just the same; But not me," says Dan the sailor-man, "an' if you ask me why— Lord knows it's thirsty in an open boat when the water beaker's dry."

"When all the bloomin' mines is swep' an' ships are sunk no more, There's some'll set them down to eat with Germans as before; But not me," says Dan the sailor-man, "not me, for one— Lord knows it's hungry in an open boat when the last biscuit's done."

"When peace is signed and treaties made and trade begins again, There's some'll shake a German's hand an' never see the stain; But not me," says Dan the sailor-man, "not me, as God's on high— Lord knows it's bitter in an open boat to see your shipmates die."

(London Punch.)