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Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page).

some funds from other lenders. It may be the case that with the Liberty Loan out of the way the need for reservation of banking funds is not so pressing, and that the bankers could therefore accede to the insistent demands of influential customers for credits to buy stocks in anticipation of peace. While the response of the Canadian markets to these latest overseas developments may be somewhat disappointing to some observers, it should be remembered that certain classes of our stocks had already scored substantial advances. Another point is that Wall Street's rise occurred in the closing week of the Liberty Loan flotation, while in Canada's case the banks are obliged to keep their funds closely in hand for the approaching Victory Loan. When that is successfully floated there may conceivably be more funds available for brokers' loans.

The call money rates in New York are unchanged. The clearing house banks in their Saturday statement reported a decrease of $21,900,000 in excess reserves, bringing the total down to $29,600,000 Loans decreased $9,800,000; reserve in Federal Reserve Bank decreased $11,500,000; and net demand deposits increased $63,900,000. The large payments in connection with the Liberty Loan affected the banking totals considerably, but these would doubtless be more of a factor at the end of the present week.

THE MOLSON'S BANK REPORT.

The statement of the result of the business of the Molsons Bank for the year ending Sept. 30th, 1918, to be presented at the annual meeting on November 4th, shows substantial increases in profits, total assets and public deposits.

Net profits for the year were $712,485, compared with $615,514 in the previous year.

Appropriations for the year, in addition to the $440,000 for the regular 11 per cent. dividend and the $40,000 war tax, were $21,282 for Officers' Pension Fund, $15,000 for patriotic and relief funds and $100,000 reserved for contingencies. When these had been provided for the balance remaining brought profit and loss account up from $151,826 a year ago to $248,029.

	1918.	1917.	1916.
Net profits	$712,485	$615,514	$582,356
Prev. bal.	151,826	127,619	61,300
	$864,311	$743,134	$643,656
Less:—			
Dividend	$440,000	$440,000	$440,000
War tax	40,000	40,000	40,000
Pension fund	21,282	21,308	21,036
Patriot funds	15,000	15,000	15,000
Deprec. reserve	......	75,000	......
Conting. res.	100,000	......	......
Total deduct.	$616,282	$591,308	$516,036
Balance	$248,029	$151,826	$127,619

Leading features of the balance sheets of the last two years compare as follows:—

Assets.

	1918.	1917.
Current coin	$ 553,360	$ 549,959
Dominion notes	6,573,781	5,784,998
Cent. Gold Res.	3,000,000	1,750,000
Deposit with Gov't	239,000	217,000
Notes other banks	514,356	401,742
Cheques other banks	3,171,246	2,076,189
Due by banks, Can.	27,386	44,629
Do., abroad	2,455,730	1,659,289
Gov't securities	7,536,517	5,208,896
Municipal sec.	9,635,863	5,925,421
Other securities	752,606	1,067,208
Call loans	4,148,353	3,822,985
Current loans	36,185,566	33,422,547
Letters of credit	194,237	1,068,944
Real estate	90,177	101,729
Overdue debts	20,139	39,461
Bank premises	2,325,000	2,285,000
Mortgages	9,024	4,469
Other assets	205,680	349,750
Total	$77,638,029	$65,780,218

Liabilities.

	1918.	1917.
Capital stock	$ 4,000,000	$ 4,000,000
Reserve	4,800,000	4,800,000
Profit and loss	248,029	151,826
Dividends due	111,275	111,017
Circulation	7,796,679	6,653,453
Deposits, demand	9,218,017	6,845,026
Do. notice	42,194,559	41,572,946
Due Dom. Gov't.	7,857,097	....
Due banks, Can.	263,430	422,840
Do. abroad	208,493	120,893
Letters of credit	194,237	1,068,944
Other liabilities	746,209	33,271
Total	$77,638,029	$65,780,218

Of the gain of about $12,000,000 in total assets, more than $10,000,000 appears in liquid and semi-liquud assets. Cash on hand and in the central gold reserve increased upwards of $2,000,000 with the proportion to public liabilities of 14.8 per cent against 14.3 per cent last year, and 11.6 per cent in 1916.

The largest gain is one of more than $6,000,000 in the banks holdings of Government Securities grouping the two items in which such holdings are classified.

The annual report of the Molson's as usual takes priority in the series of bank statements that make their appearance towards the end of the year. And the one under review is probably the most satisfactory ever issued by this institution.