



# The Chronicle

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### THE NEW BANK STATEMENT.

The main interest of the Bank Statement for April published this week lies in the loan accounts. An outstanding feature is the rise in municipal loans, which have been piling up rapidly during the last few months, and increased in April by a further \$5,000,000 to the new high level of \$55,685,350. This development results, of course, from the restricted market in recent months for issues of municipal securities, and the necessity of providing for, at least temporarily, various maturing obligations. These circumstances have brought about an actual rise of \$15,000,000 in the banks' loans to the municipalities during the last three months, and at the end of last month these loans were practically \$20,000,000 higher than at the end of April, 1917. Probably during the summer months, there will be some easing of the situation in this connection. The Victory Loan instalments are now all paid up, and apparently also, the amount of bank loans still outstanding in connection with that flotation has been reduced to comparatively small dividends. The next war loan is still some distance off, and in the meantime, institutional and other investors are accumulating funds for investment. Several recent municipal and provincial offerings have been decided successes, and presumably the Ottawa authorities will readily grant permission for further issues of this kind, at least until such time as it is deemed expedient to begin again the conservation of resources in preparation for the next War Loan. The municipalities' offerings, of course, will have to be exceedingly attractive, but in that respect the education of municipal authorities has proceeded apace in the last year or two. If issues can be made, the banks will not be over-anxious to continue carrying the municipalities, and any which show a disposition to refuse to pay the present-day price for capital, will probably be sharply reminded that in these days, the ordinary borrower is fortunate to be able to secure funds at all.

Current loans and discounts, which had been rising sharply for several months past, received a check in April, this total at the close of the month being reported as \$884,089,402, compared with \$886,995,222 at the end of March. In April, 1917, current loans and discounts increased nearly \$37,500,000, and that this year they were kept down as stated is a satisfactory indication of the increasing ability of Canadian business to take care of its own needs without reliance upon the banks. Naturally, commercial loans and discounts decline

rapidly during the early summer months as goods which have been stored during the winter are moved forward by water-routes. Of the remaining loan accounts, reported by the banks, call loans in Canada are about \$3,200,000 higher than at the end of March at \$77,497,350, and call loans abroad, \$12,700,000 higher at \$179,818,531. Call loans in Canada, it may be noted, are \$5,300,000 lower than at the end of April last year, in spite of the financing arising as a result of the Victory Loan.

Circulation decreased during April by \$10,400,000 to \$180,654,964, but at the end of the month was \$35,100,000 higher than at the end of April, 1916. Demand deposits are down by \$2,500,000 to \$558,509,221, while notice deposits show a satisfactory increase of over \$12,500,000 to \$933,644,668. These deposits now show a gain of approximately \$33,000,000 over the low level of \$900,000,000 reached in January following the flotation of the Victory Loan.

The security holdings of the banks were again substantially increased during April, through an expansion of over \$10,500,000 under the heading of Canadian municipal, British, etc., securities, which were advanced during the month to \$260,978,505, compared with \$178,624,830 a year ago. Total securities held are \$419,791,766, an increase of \$68,660,672, for the twelve-months. The banks' reserve position continues at a high level, cash, deposits in the Central Gold Reserve and to secure note issues, foreign bank balances and foreign call loans being on a proportion of practically 29 per cent. to circulation and deposits.

### A FIRE MANAGER'S PATRIOTISM.

Mr. F. W. P. Rutter, general manager of the London & Lancashire Fire Insurance Company, has recently handed over to the Military authorities in England his large and beautiful residence known as Dawpool, Thurstation, Cheshire, to be used as an hospital for wounded officers. The proceedings, on the occasion, took place in the presence of a large assembly, which included the Lord Mayor of Liverpool.

The representative of the Military authorities in accepting the gift, said that Mr. Rutter deserved thanks not only for having presented the hospital, but in having helped materially in its equipment and maintenance. This is the second residence Mr. Rutter has donated to the Government to be used as an hospital for wounded soldiers.