The Chronicle

Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION.

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to a new record level of $1,107,983,072, compared with $947,757,337 at the close of May, 1918, and with the previous high record of $1,076,514,000 reached in October, 1918. The next two or three bank statements are likely to show the same tendency to liquidation of the banks' resources as the season of inland navigation progresses. That banking arrangements for the forthcoming wheat crop have been made in good time is evidenced by the announcement of a credit of $200,000,000 to the Government from the banks for this purpose in anticipation of the permanent Government financing which has already been foreshadowed for the fall. As regards the outlook for the western crops, there are the usual conflicting statements, but it appears that the heavy rains over wide areas during the last week have assured good crops where previously there had been considerable doubt of the grain coming to maturity.

Movements on the local Stock Exchanges at the beginning of this week confirm the opinion expressed in this column a week or two ago that in some respects at least the market is becoming distinctly unhealthy. The fact is that movements have been engineered in some of the junior industrial stocks which have placed them at levels absolutely unjustified by any possible favourable developments. Sooner or later, there will be recognition of the fact that something more than mere bullish enthusiasm is required for a stock to maintain a given price level, and that real earning power is what counts. At the present time, the general public is probably more heavily interested in the local Stock Markets than ever before, and it is as inevitable as fate that those who rush in and buy without judgment when prices are nearing the top, will some day have reason to repent of their rashness.

THE TREATY-SIGNING SCENE.

The signing of the Treaty of Peace at Versailles on Saturday, June 28, 1919, was in itself one of the most impressive events in human history. The document also was without example, not only in the manner of its negotiation, the volume of its contents and the extent of its application, but in its character and purpose. It was not for the bondage of any nation, but the freedom of all. It was not worked up in secrecy and what has been regarded as "confidence," but in the open light, with freedom of discussion, and practically complete publicity in the whole process. There was much liberty of speech on the part of those who represented victory and those who had to speak for submission. All this enlightenment of what was going on was constantly flashed through the air and under the water; it spread through the atmosphere on both sides of the ocean and excited thought and discussion over the continents.—New York Journal of Commerce.

GREAT GROWTH OF BANKING RESOURCES.

The war period has witnessed the largest increase of banking resources in the United States in the national banks ever known in any country. A statement made public by John Swelton Williams, comptroller of the currency, gives in detail a survey of the marvellous growth of banking power in the United States as shown by returns from the national banks in response to the last bank call of May 12, 1919.

The returns show resources of $20,825,000,000, exceeding by $783,000,000 the resources reported on Dec. 31st, 1918, which up to that time had been the greatest in the history of the national banking system. These resources also exceed by $807,000,000 the resources of March 4, 1919, and are $2,575,000 ahead of the figures of May 10, 1918.

"The official records show," states the Comptroller, "that increase in resources since the call of August 9, 1913, six years ago, has been nearly ten billion dollars, or, to be exact, 9,948 million dollars. This huge increase has taken place concurrently with the successful flotation and collection of about $25,000,000,000 of Government bonds and short term obligations, the majority of which, it appears, were placed through the agency of the national banks."

"With the vast increase in resources and responsibility our national banks have enjoyed a greater immunity from failure than ever before, the record showing in the past eighteen months, or since January 1, 1918, only two small national bank failures in the entire country.

TRAFFIC RETURNS

Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
May 31.....	56,569,000	$58,185,000	$61,827,000	$3,642,000
Week ending	**1917**	**1918**	**1919**	**Increase**
June 7........	2,927,000	2,846,000	2,957,000	111,000
" 14......	3,165,000	2,914,000	3,062,000	148,000
" 21......	2,939,000	2,849,000	3,024,000	175,000

Grand Trunk Railway

Year to date	1917	1918	1919	Increase
May 31.....	24,274,445	$ 17,909,748	$23,633,447	$5,723,699
Week ending	**1917**	**1918**	**1919**	**Increase**
June 7........	1,333,194	1,012,481	1,119,297	106,816
" 14......	1,348,185	1,113,729	1,169,373	55,644
" 21......	1,441,424	1,164,354	1,170,444	6,090

Canadian National Railways

Year to date	1917	1918	1919	Increase
May 31	....	$28,596,366	$33,999,727	$5,403,361
Week ending	**1917**	**1918**	**1919**	**Increase**
" 14......	....	1,562,519	1,595,470	32,951
" 21......	....	1,574,307	1,354,798	Dec. 219,509