

THE DECEMBER BANK STATEMENT

The interesting features of the December bank statement are principally comprised under the headings of deposits and loans. The course of notice deposits during the month suggests that recovery from the effects of the recent Victory Loan is likely to be a slower process than was the case a year ago. Following a decrease of \$125,000,000 in November, when first payments on account of the Loan became due, notice deposits during the month just held their own, closing the month with the trifling gain of \$228,414, their total being \$1,138,086,691. In December, 1918, the first month of recovery from the effects of the preceding War Loan, these deposits showed an increase of fully \$19,000,000. The facts as revealed by the December bank return suggests a distinct contraction in the elasticity of the small subscriber's pocketbook as compared with a year ago, and a greater reliance by large subscribers to the Loan upon instalment dates, and possibly bank loans, than on the former occasion. However, the end of December total of notice deposits was approximately \$180,000,000 higher than their total at the close of December, 1918, which was \$939,329,271.

Possibly the comparatively unfavorable showing for the month of December in this respect is, to some extent, related to the fall in demand deposits, and the large increase in the Canadian current loans of the banks, which took place during the same month. Demand deposits declined during December by \$25,355,885 to \$703,302,204, at which figure they are about \$7,000,000 less than at the close of 1918, while current loans in Canada expanded by \$17,700,523 to a new high level of \$1,207,109,046, an increase of no less than \$131,469,043 over their total a year ago. So far as this movement marks a real revival in Canadian trade and industry, looking to the greater production of commodities, it is, we think, to be welcomed. The mere piling up of bank deposits is never entirely a healthy sign, and that is particularly true at the present time, when the need is not more money, but more commodities. For a number of months during 1919 the banks' current loans in Canada were comparatively stagnant, while bank deposits were piling up. Both November and December have been marked by very large increases in the banks' current loans. These large increases, together with the Victory Loan financing, explain the unwillingness of the banks recently to extend their commitments in regard to Canadian call loans, and in some cases to contract them. The large increase of \$21,000,000 in these call loans during November was undoubtedly largely accounted for by the flotation of the Victory Loan, and in December, despite the activity during that

month on the local Stock Exchange, their further increase was very moderate—\$4,134,291 to \$125,888,760.

In connection with the recent activities of the banks in the development of their foreign connections, it is interesting to note the real extent of the influence of these developments upon the bank statements. At the end of December deposits abroad amounted to the considerable total of \$275,342,645, an increase for the month of over \$16,000,000, and for the year of \$68,500,000. Current loans abroad were at the same date \$168,955,696, a growth in the month of nearly \$20,000,000, and for the year of practically \$50,000,000. Obviously, the banks' foreign business in these connections is reaching very substantial proportions.

Call loans abroad at \$172,232,167 show only a small increase of \$2,600,000 over their end of November total, but are \$36,768,000 higher than a year ago. Circulation shows a seasonal contraction of \$5,000,000 to \$232,486,736, at which figure it is practically \$8,000,000 higher than at the end of 1918.

RECURRENCE OF "FLU"

Naturally the life insurance companies are watching with not a little apprehension the reports indicating a recurrence of the influenza epidemic at certain points in the United States. The disease appears to be most prevalent in Chicago, where 5,000 cases were reported up to the middle of the present week. Gary, Ind., reports 500 cases, while 400 cases are reported from New York. Unconfirmed reports of a virulent type of the disease come from Havana, and the situation is such that Kingston, Jamaica, has considered it wise to place in quarantine for three days vessels arriving from Cuba. An encouraging phase of the situation, however, is the report from Chicago that the death rate from the disease is very low.

TRAFFIC RETURNS

Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
Dec. 31	\$148,937,000	\$174,024,000	\$173,240,000	\$19,216,000
Week ending	1918	1919	Increase	
Jan. 7	\$ 2,343,000	\$ 2,856,000	\$ 513,000	
Jan. 14	2,368,000	2,891,000	523,000	

Grand Trunk Railway

Year to date	1917	1918	1919	Increase
Dec. 31	\$ 58,037,913	\$ 59,307,853	\$ 67,291,988	\$ 7,984,135
Week ending	1918	1919	Increase	
Jan. 7	\$ 1,001,631	\$ 1,129,338	\$ 127,707	
Jan. 14	634,794	1,029,378	394,584	

Canadian National Railways

Year to date	1917	1918	1919	Increase
Dec. 31	\$81,099,684	\$ 91,526,871	\$ 10,427,187	
Week ending	1918	1919	Increase	
Jan. 7	\$ 900,157	\$ 1,294,009	\$ 393,852	
Jan. 14	1,096,697	1,420,435	323,738	