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Bank Statement Reflects Good Business

CURRENT Loans in Canada are Less, Indicating that Industrial Corporations are Financing More Easily—Increased Note Circulation Points to Business Activity—Deposits Make a New High Record—Municipal Loans are Larger.

	June, 1915.	May, 1916.	June, 1916.	Year's inc or dec.	Month's inc. or dec.
Deposits on demand	\$349,057,351	\$412,301,481	\$428,117,340	+22.6	+ 3.8
Deposits after notice	683,761,432	765,064,041	767,598,130	+12.2	+ 0.32
Current loans in Canada	759,934,154	763,136,917	747,470,541	- 1.5	- 2.09
Current loans elsewhere	39,273,120	59,600,342	60,081,584	+53.06	+ 0.80
Loans to municipalities	46,889,816	43,924,000	46,773,032	- 0.23	+ 6.3
Call loans in Canada	73,628,187	84,826,636	86,776,474	+17.8	+ 2.2
Call loans elsewhere	124,604,875	163,406,659	182,757,015	+46.7	+11.6
Circulation	99,625,426	114,847,323	123,373,395	+24.2	+ 7.4

THE above are the principal changes during June, in the latest statement of the chartered banks to the government. Deposits again make a new high record. Municipal loans have increased as have also call loans at home and abroad. Current loans in Canada are smaller and note circulation larger. Current loans abroad are greater.

The following table shows the trend of the Canadian loans account for the past thirteen months:—

Loans.	Current in Canada.	Call in Canada.
1915—June	\$759,934,154	\$73,628,187
July	758,349,517	71,168,233
August	758,342,735	71,855,565
September	771,686,757	71,578,886
October	780,785,754	74,574,270
November	777,162,563	83,203,787
December	775,517,947	84,228,155
1916—January	758,500,492	82,584,659
February	760,873,181	81,949,125
March	770,139,526	81,747,512
April	777,764,682	82,527,448
May	763,136,917	84,826,636
June	747,470,541	86,776,474

Despite the general business activity, as reflected in increasing railroad earnings, bank clearings and export trade, current loans in Canada in June were \$16,000,000 or nearly 3 per cent. less than in the previous month. In June, they were lower than at any time during the past thirteen months. The increase in note circulation, however, by about \$8,000,000 or 7.4 per cent. during June, indicates increasing business activity. Circulation is \$24,000,000 or 24 per cent. greater than a year ago, thus affording a better barometer of business conditions than current loans, which are \$13,000,000 or 1.5 per cent. less than a year ago. The position in regard to current loans confirms the impression that Canadian industrial corporations are reducing their bank loans largely as a result of profits on war orders. The payments on these orders are prompt and have helped corporations to finance more

easily than hitherto and without the assistance of bank loans. These facts in turn have contributed to the rising aggregate of call loans abroad, which in June totalled \$182,000,000, an increase of \$19,000,000 or 11.6 per cent. as compared with the previous month, and a gain of \$58,000,000 or 46.7 per cent. as compared with a year ago.

The course of call loans abroad for the period beginning two months before the declaration of war, is of interest and is shown in the following table:—

1914—June	\$137,120,167	July	\$117,821,174
July	125,545,287	August	120,607,677
August	96,495,473	September	135,108,412
September	89,521,589	October	120,681,624
October	81,201,671	November	135,530,562
November	74,459,643	December	137,157,869
December	85,012,964	1916—January	134,248,552
1915—January	85,796,641	February	139,138,651
February	89,890,982	March	141,889,989
March	101,938,685	April	147,146,443
April	121,522,971	May	163,406,659
May	136,098,835	June	182,757,015
June	124,604,875		

Call loans abroad are at their highest level in recent years. The following table shows the course of the loan accounts for the past five years:—

	Current loans in Canada.	Current loans elsewhere.	Call loans in Canada.	Call loans elsewhere.
June.				
1912	\$848,940,089	\$34,254,568	\$68,701,855	\$120,569,812
1913	899,260,000	36,804,681	68,642,377	89,363,520
1914	838,276,428	46,186,854	67,401,484	137,120,167
1915	759,934,154	39,273,120	73,628,187	124,604,875
1916	747,470,541	60,081,584	86,776,474	182,757,015

Current loans in Canada are approximately \$100,000,000 less than in 1912, the decrease being largely accounted for by the reasons given above. Current loans abroad are double the total of June, 1912. Call loans in Canada in June at \$86,000,000 were higher than in any June of the past five. They show an increase of 2.2 per cent. during the month and 7.8 per cent. during the year.