

THE JANUARY BANK STATEMENT.

The statement of the banks for the month of January corroborates the impression made by the December statement, that the recovery of notice deposits from their low level following the recent Victory Loan, will be less rapid than was the corresponding recovery a year ago. These deposits show a growth during the month of \$25,210,346 to \$1,163,297,347. This January enlargement compares with one of \$32,000,000 in January 1919. As in December 1919, notice deposits barely held their own, while in December 1918, they were increased by fully \$19,000,000, recovering from the low level in two months after the Victory Loan, in this year only \$25,500,000 against fully \$51,000,000 a year ago. In other words, over these two months, the notice deposits of the banks have only increased to the extent of 50 per cent. of their growth during the corresponding month of 1918 and 1919. The figures suggest that in this important department of banking resources, the peak of increase in growth, which has been so important a feature in banking operations during recent years, has now been passed, and that while these deposits may continue to accumulate, such accumulation will be a slower process than formerly. A movement of this kind, while it may not be as yet an indication of a decrease in general prosperity, is significant in view of the other evidences of a strained monetary position, which are discussed elsewhere in this issue. At their end of January level, notice deposits are approximately \$173,000,000 higher at the end of January 1919.

The statement contains other evidences of strain beyond that referred to in connection with notice deposits. Demand deposits are down during the month by \$81,984,180 to \$621,408,024, at which level they are actually some \$2,500,000 less than at the end of January 1919. The decrease is a seasonal one comparing with \$84,000,000 a year ago. But there is this difference between the circumstances of the movement then and now. In January 1919, there was concurrently with this decrease in demand deposits a rise of only \$5,000,000 in the banks current loans in Canada from \$1,075,640,003 to \$1,080,340,861. In January 1920, the rise in current loans amounted to \$19,853,217 from \$1,207,109,046 to \$1,226,962,963. Moreover, while in January 1919, the banks call loans in Canada decreased from \$89,120,423 to \$87,598,427, in January 1920, they increased by \$6,126,574 to \$132,015,334. The situation may be put, perhaps, more strikingly in another way. During the twelve months to January 1920, deposits by the public in Canada increased by approximately \$170,000,000. Concurrently, the banks call loans in Canada, and current loans and discounts increased by \$191,-

000,000. Additionally, there has been in the twelve months an enlargement of \$14,000,000 in the banks loans to municipalities, from \$32,640,198 at the end of January 1919 to \$46,147,388 in January 1920. These facts speak for themselves.

In regard to Government financing, this appears to have contracted somewhat in comparison with a year ago, holdings of Dominion and Provincial securities being now reported as \$127,087,135 against \$159,039,874 a year ago. Holdings of Canadian municipal and British, etc. securities, which reflect the banks financing of credits to foreign governments, are \$249,413,178 against \$259,462,077. Proportionately, miscellaneous security holdings in the twelve months have been much reduced, their present total of \$51,548,307 comparing with \$87,598,427 in January 1919.

Minor features of the January statement include a seasonal decline in circulation of \$15,794,820 to \$216,691,918, and a contraction in call loans abroad of \$2,000,000 to \$170,206,805, at which figure they are some \$36,000,000 larger than at the corresponding date last year. Deposits abroad at \$285,203,930 are nearly \$10,000,000 higher in the month and show the substantial gain of \$82,000,000 in comparison with twelve months ago. Concurrently with the decrease in circulation, there were withdrawals from the Central Gold Reserve aggregating \$22,600,000.

ESSEX AND SUFFOLK EQUITABLE INSURANCE SOCIETY LIMITED.

Intimation has been given that it is the intention of this Company to establish themselves in Canada and the necessary Security has already been deposited with the Government and application made for license to transact Fire business in all parts of the Dominion.

The "Essex & Suffolk" is one of the old English County Companies with Head Office at Colchester in the County of Essex, England, and was established in 1802 so that it has now been transacting business in the Old Country for 118 years. The Company transacts all classes of business there (except life) but it is the intention to confine its operations in Canada to fire business only.

The Company will be under the management of Mr. M. C. Hinshaw, the Manager of the Atlas Assurance Company Limited, of London, and he will be assisted by Mr. Ronald R. Martin who has been appointed Sub-Manager for both Companies. Mr. Martin has been for many years in the service of the Atlas both as inspector and assistant at the Head Office and his well deserved promotion will permit of increased service being extended to the Companies' Agents throughout the Dominion.