

# Banks, Bankers and Banking

## Bank Reserve Ratio Below 22%

April showed a Large Expansion of Current Loans, which are now 218 Millions Above the November Figure.

The latest Canadian bank return, dated April 30th, does not contain any indication of that process of contraction of credits which is now regarded as so highly desirable. It is, in fact, a record of a month of continued, though moderated expansion. The ratio of reserve to liabilities, which was worked up to 22 per cent. in March, was reduced to 21.9 per cent., and the reduction in the supplementary reserves was even more striking. The total volume of loans of all classes was increased during the month by 41 millions of dollars, of which amount 14 millions was produced by increasing the liabilities, and twenty millions by withdrawing from the supplementary reserve. The only consolation is that April is a season of expanding loans in almost any year, owing to the large volume of work which is undertaken upon the breaking-up of winter. Thus, the municipalities alone took ten million dollars of Bank funds to carry on their summer programme of public works, and their whole borrowings are now over 72 millions as compared with 46 millions at the end of January. The rapidity with which current loans have expanded since the Banks were freed from the weight of their mass of Dominion securities in December is really remarkable, no less than 218 million dollars having been thus advanced to borrowers of various kinds.

The Available Reserves is practically unchanged in amount, and very little changed in form. The Supplementary Reserve shows large reductions in the holdings of municipal and Government securities. It is quite possible that the process of curtailment of Loans will not become visible in the monthly returns for two or three months more, for at that season of the year the Banks will be doing well if they can keep their loans stationary by cutting out a sufficient amount of accommodation to speculative or luxury-making enterprises, to make up for the funds which they will have to supply to the productive business of the summer.

It is somewhat curious that so large a growth in Current loans should go hand-in-hand with a reduction of five millions in demand deposits; the new loans themselves must have produced a considerable amount of demand deposits, and we are left to suppose that has been offset by a continuous process of transfer of certain deposits from the demand to the notice column. The item of Cheques in Transit, which is a good indication of business activity, showed no appreciable change during the month. The following table will give a bird's-eye view of the changes which have occurred in the conditions of the banks since the flotation of the last Victory Loan. (000's omitted):


A deaf and dumb institution will be erected at Tuxedo Park at a cost of \$700,000.

**PROFESSIONAL.**  
THE SOCIETY FOR THE ADVANCEMENT OF INSTRUCTION IN THE LANGUAGES. — Instruction in the Languages and Mathematics. No. 91 Mance Street, or telephone East 7302 and ask for Mr. E. KAY.

| DEPOSITS                                | April 30  | March 30  | Jan. 31   | Nov. 29   |
|---|-----------|-----------|-----------|-----------|
|   | \$        | \$        | \$        | \$        |
| Dominion Government .. . . .            | 261,044   | 262,341   | 224,598   | 350,381   |
| Provincial Governments .. . . .         | 19,178    | 17,828    | 20,276    | 17,625    |
| Public Demand .. . . .                  | 652,919   | 657,412   | 621,408   | 728,658   |
| Public Notice .. . . .                  | 1,209,574 | 1,197,720 | 1,163,297 | 1,137,858 |
| Elsewhere .. . . .                      | 327,235   | 318,278   | 285,204   | 259,047   |
| Foreign Banks .. . . .                  | 38,020    | 38,766    | 37,609    | 29,203    |
| Total Deposits .. . . .                 | 2,507,970 | 2,492,345 | 2,352,392 | 2,522,772 |
| Note Circulation .. . . .               | 223,388   | 225,770   | 216,692   | 237,547   |
| Bills Payable .. . . .                  | 6,977     | 7,558     | 8,288     | 6,679     |
| Gross Liabilities .. . . .              | 2,738,335 | 2,725,673 | 2,577,372 | 2,766,998 |
| Less:                                   |           |           |           |           |
| Notes other Banks .. . . .              | 37,994    | 37,493    | 33,797    | 33,952    |
| Cheques .. . . .                        | 129,934   | 129,794   | 105,705   | 128,119   |
| Circ. covered in C. G. R. .. . . .      | 104,121   | 106,516   | 97,466    | 118,385   |
| Total Deduction .. . . .                | 272,049   | 273,803   | 236,968   | 280,456   |
| Net Liabilities .. . . .                | 2,466,286 | 2,451,870 | 2,340,404 | 2,486,542 |
| AVAILABLE RESERVE                       |           |           |           |           |
| Surplus in C. G. R. .. . . .            | 4,529     | 1,684     | 5,734     | 7,615     |
| Specie .. . . .                         | 83,348    | 79,991    | 80,896    | 83,752    |
| Dominion Notes .. . . .                 | 181,809   | 184,153   | 181,018   | 178,881   |
| Call Loans Abroad .. . . .              | 206,229   | 205,202   | 170,207   | 169,627   |
| Net Foreign Balance .. . . .            | 63,685    | 69,319    | 70,841    | 70,462    |
| Total .. . . .                          | 539,600   | 540,349   | 508,696   | 510,337   |
| Ratio of Reserve to Liab. .. . . .      | 21.9 p.c. | 22.0 p.c. | 21.7 p.c. | 20.5 p.c. |
| SUPPLEMENTARY RESERVE                   |           |           |           |           |
| Canadian Government Securities .. . . . | 118,417   | 126,609   | 127,087   | 336,856   |
| Municipal, etc. do. .. . . .            | 214,768   | 223,710   | 249,414   | 253,342   |
| Railway, etc., do. .. . . .             | 50,778    | 50,970    | 51,548    | 54,327    |
| Call in Canada .. . . .                 | 125,645   | 128,233   | 132,015   | 121,754   |
| Total .. . . .                          | 509,608   | 529,522   | 560,064   | 766,279   |
| LOANS                                   |           |           |           |           |
| Current in Canada .. . . .              | 1,347,238 | 1,322,267 | 1,226,963 | 1,189,409 |
| Current Abroad .. . . .                 | 185,085   | 183,643   | 182,533   | 149,302   |
| Prov. Governments .. . . .              | 18,768    | 13,585    | 11,271    | 13,815    |
| Municipal .. . . .                      | 72,281    | 62,993    | 46,147    | 52,703    |
| Overdue .. . . .                        | 4,056     | 4,083     | 4,847     | 4,061     |
| Total .. . . .                          | 1,627,428 | 1,586,571 | 1,471,761 | 1,409,290 |

The city council of Windsor, Ont., has purchased 100 lots on which it will begin at once the construction of homes to help solve the local housing problem.

A number of Canadian cities are soon to be visited by a deputation of twenty prominent British merchants who will make a six-weeks' study of trade methods in department stores of this continent. They are all members of the Drapers' Chamber of Trade, of the United Kingdom.



## LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD ST., LONDON, E.C. 3.

|                    |             |
|--------------------|-------------|
| CAPITAL SUBSCRIBED | £56,150,350 |
| CAPITAL PAID UP    | 8,984,056   |
| RESERVE FUND       | 9,071,250   |
| DEPOSITS, &c.      | 309,328,800 |
| ADVANCES, &c.      | 92,784,877  |

THIS BANK HAS OVER 1,400 OFFICES IN ENGLAND AND WALES.  
Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. 3. London Agency of the IMPERIAL BANK OF CANADA.  
The Agency of Foreign and Colonial Banks is undertaken.

**Affiliated Banks:**  
THE NATIONAL BANK OF SCOTLAND, LTD. THE LONDON AND RIVER PLATE BANK, LTD.  
**Auxiliary:**  
LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.