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JAS. J. SALMOND
President and General Manager

FRED. W. FIELD
Editor

A. E. JENNINGS
Assistant General Manager

January Bank Statement and Victory Loan

Savings Deposits Decreased $95,000,000 During the Month but Were Still at the High Total of $900,000,000 or over 4 Per Cent. Higher than a Year ago —All Accounts Reflecting Business Activities are Stronger than in January, 1917.

	January, 1917.	December, 1917.	January, 1918.	Year's inc. or dec.	Month's inc. or dec.
Deposits on demand	$427,308,526	$569,441,871	$559,777,237	+ 30.9	— 1.8
Deposits after notice	864,163,344	995,978,013	900,314,256	+ 4.2	— 9.5
Current loans in Canada	806,479,147	858,533,298	855,506,506	+ 6.1	— 0.3
Current loans elsewhere	85,989,511	111,581,098	116,220,343	+ 36.4	+ 4.5
Loans to municipalities	24,487,273	36,353,039	40,015,466	+ 66.6	+ 11.1
Call loans in Canada	79,737,064	71,779,020	76,239,201	— 3.8	+ 7.0
Call loans elsewhere	155,747,476	134,483,482	132,687,066	— 14.8	— 1.5
Circulation	133,358,187	208,753,337	193,567,911	+ 45.1	— 7.2

THE above are the changes in the principal accounts of the chartered banks during January. The outstanding features are the substantial decreases in deposits and circulation and the notable increases in current loans abroad, call loans in Canada and loans to municipalities. Victory Loan payments are chiefly responsible for the loss in savings deposits.

The following table gives a record of deposits for the past thirteen months:—

	Deposits payable on demand.	Deposits payable after notice.
1917—January	$427,308,526	$864,163,344
February	430,331,801	880,456,637
March	448,151,528	888,765,698
April	471,312,285	874,948,724
May	443,839,847	892,562,657
June	449,689,670	900,510,552
July	450,849,356	929,442,340
August	443,317,275	806,774,687
September	451,749,532	965,393,541
October	495,058,449	985,790,850
November	538,869,362	1,008,657,874
December	569,441,871	995,978,013
1918—January	559,777,237	900,314,256

The decrease of $95,000,000 in the savings deposits, resulting from Victory Loan payments, is the largest change ever reported by the banks in this account. As subscribers to the loan were entitled to pay their subscriptions in full on January 2nd and as a great many did this, it may be assumed that the greatest decrease in deposits on this account has been recorded. Instalments that remained to be paid after January will be met largely out of current income, as any subscriber, with the funds in the bank in January, would naturally take the government's discount on anticipated payments rather than wait. The remaining instalments of the loan should therefore draw slightly on existing deposits, while increases may be counted on from the accumulation of profits out of active business. Even with the decline of $95,000,000, or 9.5 per cent. during the month, savings deposits are still $36,000,000 or 4.2 per cent. larger than a year ago. In June last, the savings deposits reached $1,000,000,000 for the first time, but as business activity has only slightly slackened, the account will probably return above that total during the next few months.

The following table shows a record of deposits for the past six years:—

January.	On demand.	After notice.	Total.
1913	$354,518,964	$635,000,056	$989,519,020
1914	339,811,339	635,135,955	974,947,294
1915	329,916,730	666,960,482	996,877,212
1916	387,002,926	714,264,486	1,001,267,412
1917	427,308,526	864,163,344	1,291,471,870
1918	559,777,237	900,314,256	1,460,091,493

Despite the decline in savings and demand deposits in January amounting to $105,000,000, the total deposits at the end of January, 1918, were $1,460,000,000 or $169,000,000 greater than a year ago. Both demand and after notice deposits were higher last January than in any of the past six.

The trend of the Canadian loans account for the past thirteen months is shown in the following table:—

Loans.	Current in Canada.	Call in Canada.
1917—January	$806,479,147	$79,737,064
February	813,302,717	78,686,535
March	843,054,466	76,478,708
April	880,523,897	82,737,417
May	844,890,589	78,514,798
June	839,355,782	76,085,220
July	829,560,700	71,376,788
August	836,429,670	71,204,351
September	855,306,953	72,421,187
October	883,986,860	71,653,719
November	868,973,714	72,178,345
December	858,533,298	71,779,020
1918—January	855,506,506	76,239,201

Current loans in Canada decreased about $3,000,000 in January. This change, together with decreases in circulation and demand deposits, are normal in January following the activity of the grain-moving season and the holiday period. Circulation declined $21,000,000 and a reflection of that is found in a withdrawal of a similar amount of