

cause any notable tightening of the monetary strings in the Dominion. At present the money markets in the two principal centres do not appear to be at all uneasy over the prospect. And the general banking opinion seems to be that there will be money enough to go round. Possibly rates will rise slightly under the influence of an active and strong demand for credits, and perhaps the bankers will stiffen their attitude in regard to the terms on which loans and advances are made; but an acute stringency is not expected. If these expectations are realized then the coming fall and winter should prove most satisfactory seasons from the bank stockholder's point of view. The banks have a vast amount of new funds at their disposal and it appears that they will have the opportunity to employ them at rates slightly more remunerative than the rates that have prevailed in the past year or two. This prospect has an added significance when it is remembered that the rates in the past year or two have been eminently satisfactory.

With reference to the call loans in New York it seems probable that the Canadian banks will be able to get an average of quite one per cent. higher than the average for the same season in 1911 and 1910. The outlook in Canada thus seems to be for a strong hard money market with some discrimination as regards security for loans and advances.

THE INCREASES IN BANKING CAPITAL.

The action of the Bank of Nova Scotia in offering a million dollars new stock to its shareholders at 240 and the intimation that the Bank of Ottawa will shortly issue \$500,000 new stock suggest a review of the changes in capital accounts of the banks for the year ended June 30. According to the Government bank return the paid up capital of the going banks increased from \$98,065,306 on June 30th, 1911, to \$109,588,537 on June 30th, 1912—the increase being \$11,523,231. The following table shows the increases effected by the individual banks:

BANK.	PAID-UP CAPITAL.		Increase.
	June 30, '11.	June 30, '12.	
Montreal	\$14,400,000	\$15,987,770	\$1,587,770
N. Brunswick	891,500	1,000,000	108,500
Nova Scotia	3,504,920	4,000,000	495,080
Toronto	4,000,000	4,969,380	969,380
Merchants	6,000,000	6,633,554	633,554
Union	4,672,280	4,952,370	280,090
Commerce	10,000,000	15,000,000	5,000,000
Royal	6,200,000	7,907,790	1,707,790
Dominion	4,000,000	4,919,102	919,102
Hamilton	2,742,420	2,975,600	233,180
Hochelaga	2,500,000	2,922,780	422,780
Imperial	5,818,498	6,000,000	181,502
Traders	4,354,500	4,480,000	125,500
Home	1,268,977	1,288,311	19,334
Northern Crown . . .	2,207,435	2,207,500	65
Sterling	944,840	1,000,816	55,976
Vancouver	391,970	822,820	430,850
Weyburn	301,300	310,000	8,700
Internationale	1,344,078	1,344,078
	\$74,198,640	\$88,721,871	\$14,523,231
Eastern Townships . .	3,000,000	*3,000,000
	\$77,198,640	\$88,721,871	\$11,523,231

*Decrease.

It will be seen from the foregoing table that a number of recent stock issues are still in course of payment by instalments. The payments on the Bank of Montreal's recent issue of \$1,600,000 commenced in October, 1911. The Bank of New Brunswick finally completed the operation of bringing its capital to the round million in December, 1911. Payments on the Bank of Nova Scotia's last issue of \$1,000,000 began in January, 1911, and were completed in May, 1912. The Bank of Toronto stockholders started in August, 1911, to take up their allotments of \$1,000,000 new capital, and the process is about finished. Payments by the Merchants Bank stockholders began in January of the present year; and they have yet a considerable proportion to pay in. However, this particular body of stockholders had not been called on previously to take up any new stock for nearly two decades. The Union Bank commenced to receive payments on its last issue in March, 1911—the round \$5,000,000 is in sight.

The increase of \$5,000,000 in the paid-up capital of the Bank of Commerce includes \$2,000,000 taken up by the bank's own stockholders in addition to the \$3,000,000 new Commerce stock delivered to the holders of Eastern Townships stock on the occasion of the absorption of the latter institution. Payments on the \$2,000,000 of stock were spread over ten months—beginning in July, 1911, and ending April, 1912. The Royal, Dominion and Hamilton, all had at June 30th payments coming in on their last issues. In December, 1911, the stockholders of the Royal began to meet their instalments; the Dominion shareholders began to pay in July, 1911; and the Hamilton's began in April, 1910.

The Standard Bank of Canada has offered \$500,000 new stock to its shareholders, but as the payments began in July, 1912, the bank does not appear in the above table. La Banque d'Hochelaga is within sight of the \$3,000,000 goal, the stockholders having been occupied with their instalments since January this year. Increase of paid-up capital from \$5,000,000 to \$6,000,000 was effected by the Imperial in comfortable fashion, the process occupying a year and 10 months from start to finish. And the bank's proprietors are now proceeding with the next step—that from \$6,000,000 to \$7,000,000.

With reference to the movement of the capital accounts of the banks established since 1903, in most cases it is apparent that the capital account is continuously open. The authorized capital is well in excess of the paid capital; and the general policy, with a few exceptions, is to place the new stock wherever suitable purchasers can be found. La Banque Internationale occupies a unique position as regards capital in that the subscribed capital at June 30th is over \$8,600,000 greater than the paid capital. Apparently this represents reserve liability of the stockholders. The big banks in England usually have a considerable amount in uncalled capital. Thus