

from the United States have been on a large scale. It is supposed that New York has a great volume of credits at London and that the American banks have had it in their power to draw gold almost at any time in the past six months.

#### NEW YORK CONDITIONS.

Call money in Wall Street is quoted at 5 p.c. Time money has been firm—sixty day loans,  $4\frac{1}{2}$  to  $4\frac{3}{4}$  p.c.; ninety days,  $4\frac{3}{4}$  to 5 p.c.; and six months,  $4\frac{3}{4}$ . In their Saturday statement the New York clearing house institutions (banks and trust companies) reported loan expansion of \$6,632,000, cash loss of \$1,800,000, and decrease of \$1,384,100 in surplus reserve—reducing the last mentioned item to \$11,287,250. The banks alone expanded loans \$367,000 and lost \$800,000 in cash—the surplus falling from \$10,401,500 to \$9,841,500, a matter of \$560,000 decrease.

#### ENCOURAGING FACTORS.

The announcement this week of the inauguration of the gold import movement had some effect in improving the sentiment at New York. Another event which was taken as encouraging was the official announcement that the 8,000 mile Rock Island system had passed into the control of Phelps, Dodge & Company. For over ten years this great railway system has been in the hands of what is known as the Moore-Reid party. Their handling of the property had not inspired confidence in Wall Street—the general opinion being that the railway was operated and financed largely to promote the speculative interests of the parties in control.

#### THE MEXICAN AFFAIR.

So far as the Mexican situation is concerned Wall Street is all at sea as to what the final outcome will be. It is becoming apparent that the internal affairs of the unhappy republic are not in the way of mending; and the opinion seems to be that sooner or later the United States or a combination of powers will be obliged to intervene. But as regards the market effect of the expected developments, New York is content to take its cue from London.

Extracts from a bulletin by the Utah Insurance Commissioner:—"I wish life insurance agents to understand that I will not approve or condone any agent's becoming a party either directly or indirectly to the lapsing of legal reserve insurance now in force. In some instances the policyholder who lapses his policy and takes another offers to assume all responsibility; but the agent is essentially the confidential and professional advisor of the insured, and cannot be relieved of responsibility no matter how willing the insured may be to assume it. Every endeavor is being made to conserve life insurance now in force and prevent its being disturbed; and any agent who knowingly becomes a party to lapsing, will be held responsible by this department."

## BANKS' CIRCULATION AND THE CENTRAL GOLD RESERVE.

The September bank statement contains the first intimation of deposits in the new Central Gold Reserve at Montreal by a number of the banks. These deposits at September 30, aggregated \$3,350,000, the details being as follows:—

Montreal.....	\$ 500,000
Nova Scotia.....	500,000
Royal.....	1,000,000
Dominion.....	500,000
Standard.....	100,000
Ottawa.....	250,000
Imperial.....	500,000
<b>Total.....</b>	<b>\$3,350,000</b>

The purpose of the new Central Gold Reserve, it will be remembered, is to extend the banks' circulation facilities, which experience has proved insufficient for the rapidly increasing demands of the country. Deposits may be made therein either in current gold coin or in Dominion notes. It is interesting to compare this list of banks making these deposits with those who over-circulated beyond the limitation of their paid-up capital during September. The list is as follows:—

	Paid Up Capital, Sept. 30.	Maximum Excess Issue.	Excess Issue Sept. 30.
Montreal.....	\$16,000,000	\$1,004,294	\$575,810
Toronto.....	5,000,000	4,300	.....
Molsons.....	4,000,000	73,490	.....
Nationale.....	2,000,000	105,970	59,705
Provinciale.....	1,000,000	47,868	35,928
Union.....	5,000,000	299,504	299,504
Royal.....	11,560,000	744,063	460,664
Hamilton.....	3,000,000	57,550	.....
Standard.....	2,742,834	162,149	162,149
Ottawa.....	3,948,720	198,415	104,045
Imperial.....	6,945,562	98,440	.....
Metropolitan.....	1,000,000	73,532	37,377
Sterling.....	1,140,507	20,078	20,078

From a comparison of these tables, it will be seen that in the cases of the Royal Bank, the Bank of Ottawa and the Imperial Bank, their excess circulation during September was taken care of entirely by their deposit in the Central Gold Reserve. The Bank of Montreal and the Standard Bank, however, issued in excess of their paid-up capital plus their deposits in the Central Gold Reserve, and in consequence, part of their September issue would come under the heading of the seasonal excess currency and be subject to tax. Neither the Bank of Nova Scotia nor the Dominion Bank which made deposits in the Central Gold Reserve during September issued during that month circulation in excess of their paid-up capitals.

Eight other banks—Toronto, Molsons, Nationale, Provinciale, Union, Hamilton, Metropolitan and Sterling—issued the seasonal excess circulation subject to tax during September, but by the end of the month, three of them had again got within the limits of their ordinary circulation. The demand for currency during last September was apparently considerably greater than in September, 1912. In that month only seven banks made circulation in excess of their paid-up capitals and by the end of the month