war has lost them much of the good-will of the rest of Europe. Everybody now is thoroughly tired of their bickerings. However, it is not likely that the uncertainty as to peace or war in Southeastern Europe can be prolonged much further. When they can wash their hands of that matter the European diplomats will be much relieved.

THE NEW YORK POSITION.

Call money in New York has tended to decline—the rates for the week ranging from 1 to 2 p.c. Although most of the business was at 2 p.c., it is to be noted that some transactions went through at 1 p.c. which is the lowest since March, 1911. At the 1 p.c. rate the State of New York takes half the proceeds when lenders put their funds at interest—the tax being ½ p.c. per annum. The supply of time money is not large. Rates are: sixty days, 3½ to 3¾ p.c.; ninety days, 3¾ to 4 p.c.; and six months, 5¼ to 5½. The big spread between call rates and six months loans indicates that the market expects to experience a measure of stringency at crop moving. The clearing house institutions are steadily piling up a satisfactory cash reserve. According to the Saturday statement, all members decreased loans $1,400,000 and increased cash $4,660,000—the surplus reserve rising about $5,000,000 and now standing at $43,809,150. In case of the banks alone the loans increased $1,210,000 and cash increased $8,600,000—the surplus rising $6,020,000 to $42,709,000.

THE CURRENCY BILL.

The market in New York has been somewhat disturbed by several features of the new banking bill which the Wilson administration has published and the leading features of which are referred to at length on another page. It provides for twelve or more regional banks the stock of which shall be owned by the national banks—each national bank being compelled to contribute 20 per cent. of its capital. These banks are to be controlled by a board sitting at Washington and comprised altogether of political appointees. There is also provision for a curious issue of federal notes. The notes are to be issued to the regional banks by Government and the regional banks are to pay interest and also they are responsible for meeting the notes. It is said that many of the biggest national banks will not remain in the national system if the scheme is not modified. They are talking of taking out state charters.

There is bound to be considerable stringency in the autumn, and it won't be so easy to finance the crop-moving operations this year as during the past few years. But I don't anticipate anything very serious. It will just be a little more difficult than usual.—*Sir Edmund Walker.*

THE MAY BANK STATEMENT.

In the ordinary way, the bank statement for May is of a humdrum character with no boldly outstanding features. The newly published statement for last month is no exception to the rule, and those people who had anticipated sensational revelations with regard to the banks' position have had a disappointment. There is nothing startling about the new return.

INCREASE IN CIRCULATION.

One of the interesting facts disclosed is that there was last month an increase in circulation over the previous month of nearly $5,000,000, the total circulation of the banks at May 31 being nearly $103,000,000. The movement in an unusual one, the general tendency being for May to show a shrinkage in circulation. Thus last year in May, circulation decreased $1,326,038 and in 1911, $1,784,870. It has been suggested that this increase in circulation is possibly due to the fact that in many lines of business, cash payments are being insisted upon. This may well be the case, and if so, the fact that the banks' circulation showed this large increase last month is a healthy sign.

DEPOSITS.

In the aggregate, the banks' deposits showed a sharp contraction last month. In home deposits—deposits by the public in Canada—the changes from April are not notable. Demand deposits are lower by $1,180,000 compared with April and notice deposits are $405,000 less. But in the banks' foreign deposits there was a decrease of practically $6,000,000 to $97,935,216. As is not infrequently the case, this change in the return is accounted for by the movement in the Bank of Montreal's figures, the foreign deposits of that bank being some $6,100,000 lower at May 31 than they were at April 30. In view of the falling off of the volume of new Canadian issues in London recently, the decrease is not surprising. At the same time, the payment of a further instalment on the new C.P.R. stock issue during the current month should give these deposits another fillip, although, in view of the offer of the C.P.R. to redeem its 5 per cent. bonds due in 1914 on 1st July next at 102 and interest, the movement upward may be merely temporary.

LOANS.

Changes in the banks' loan position last month were trifling. Canadian call loans were increased by $225,000 to $69,982,540. Foreign call loans dropped by $7,000,000, mainly, no doubt, through the decrease in foreign deposits. With regard to Canadian current loans these at $898,959,650 were $4,500 lower than in April. In May last year, it may be noted, there was a $4,000,000 increase in these loans; in May, 1911, a $4,000,000 decrease.