

into which they were plunged by the Government's suits against corporations, the tight money, the approaching tariff revision, and the Balkan war. It now appears that a testing time is at hand. Early in 1913 the monetary stringency will be greatly modified or removed altogether, and it is hoped that the European complications will be straightened out. When those two factors are no longer in evidence it is thought that the securities market will show pronounced improvement—providing underlying conditions are sound and healthy. If the general business situation has changed for the worse a pronounced rise in stocks and bonds would be improbable.

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The Canadian money markets retain their stringent character. Call loans in Montreal and Toronto are 6 to 7 p.c. as heretofore. The November bank statement contained plenty of evidence of scarcity of funds. If it had not been for the large increase in Dominion Government deposits in the banks the total of deposits would have shown a very heavy fall. Undoubtedly it is the high money rates and the comparatively low prices of securities that have caused withdrawal of bank deposits for lending and investing purposes. And the deposit accounts in Canada always suffer when they are not constantly fed with the proceeds of new security issues in London. The increase of over \$10,000,000 in call loans abroad is not a matter that affects the home borrowers to any great extent. The funds for that increase were secured nearly altogether, by drawing upon the balances that were lying in banks in New York and London.

NORTHERN CROWN BANK.

At the recent annual meeting of this Bank held in Winnipeg, profits for the eleven months ended November 30, 1912, were reported at \$291,004 against \$285,694 for the year ended December 31, 1911. After payment of dividend and other allocations, including \$50,000 to reserve and a stock bonus to Northern Bank shareholders required by the terms of the amalgamation of the Northern and Crown banks, the amount carried forward was \$181,673. The leading items of the balance sheet in comparison with 1911 are as follows:—

	Nov. 30, 1912.	Dec. 31, 1911.
Paid up Capital.....	\$ 2,677,596	\$ 2,207,500
Reserve.....	309,000	250,000
Circulation.....	2,622,165	2,147,098
Deposits not bearing interest.....	4,756,308	4,654,669
Deposits bearing interest.....	10,915,512	9,238,793
Liabilities to public.....	18,467,077	16,139,386
Specie and Dominion Notes.....	1,197,748	1,094,287
Call and short loans.....	593,225	829,885
Quick Assets.....	3,777,153	4,937,583
Current loans and discounts.....	16,110,496	13,191,879
Total assets.....	21,659,888	18,878,610

THE DECEMBER BANK STATEMENT.

As in 1911, the pressure upon the banks for currency last month was considerably greater than in October. Whereas in October, 1912, the maximum amount of excess circulation in force was \$3,448,276, last month the amount went up to \$8,283,622. No fewer than twenty of the banks issued excess circulation in varying amounts last month, and the individual issues in several cases were very large, the Commerce issuing a maximum of excess circulation of \$1,660,709, the Royal, \$1,151,899, the Montreal, \$901,305. Only the Bank of Nova Scotia, whose policy is apparently to avoid these excess issues, the Bank of New Brunswick, two of the French banks, and two of the newer and smaller institutions did not make excess issues last month. The details of the issues and a comparison with October of the current year are shown in the following table:—

COMPARISON OF EXCESS OR MARGIN OF ORDINARY CIRCULATION IN OCTOBER AND NOVEMBER, 1912.

(+ = Excess, — = Margin).

	Excess or Margin, Oct.	Excess or Margin, Nov.
Montreal.....	+ \$283,037	+ \$991,305
New Brunswick.....	— 31,626	— 33,341
Quebec.....	+ 52,267	+ 181,647
Nova Scotia.....	— 203,672	— 151,949
British.....	— 94,453	+ 222,332
Toronto.....	+ 113,750	+ 546,900
Molson's.....	+ 188,012	+ 198,292
Nationale.....	— 35,518	— 63,918
Mercantile.....	— 92,434	+ 400,291
Provinciale.....	+ 106,128	+ 119,683
Union of Canada.....	— 97,271	+ 53,294
Commerce.....	+ 553,824	+ 1,660,709
Royal.....	+ 293,314	+ 1,151,899
Dominion.....	+ 281,263	+ 723,019
Hamilton.....	+ 246,925	+ 630,685
Standard.....	+ 443,653	+ 538,168
Hochelega.....	— 217,048	— 162,658
Ottawa.....	+ 377,090	+ 467,355
Imperial.....	+ 294,951	+ 519,127
Metropolitan.....	+ 110,972	+ 151,007
Home.....	+ 55,545	+ 185,434
Northern Crown.....	— 282	+ 172,604
Sterling.....	+ 137,545	+ 142,050
Vancouver.....	— 158,715	— 152,900
Weyburn.....	— 1,019	+ 16,785
Internationale.....	— 148,678	— 226,598
Total of Excess Circulation.....	\$3,448,276	\$8,283,622

At the end of the month, fifteen of the banks still had excess circulation out. Additionally to the banks' circulation, there were at November 30 last, \$5 Dominion Government notes in circulation to the amount of \$10,660,787.

The newly issued statement is not without its evidences of the gentle art of "window-dressing" in preparation for the annual statements. For instance, the amount of specie held at November 30, was \$40,670,854 and of Dominion notes, \$98,000,052, whereas the average amounts held during the month were respectively \$35,250,530 and \$92,088,201. It may be noted that at the end of last month the banks' foreign bank balances were standing at a comparatively low level, but on the other hand, their foreign call loans increased by approaching \$11,000,000, and were at November 30, over \$24,000,000 higher than at the corresponding

Mr. R. M. Rumsey, of the Canadian Bank of Commerce head office staff, has been appointed to the office of chief inspector.