

**Bank Act Amendments of 1904.**

By reason of the further extension of branches of Canadian banks to other British colonies in which the dollar was the unit of currency, provision was made by Chap. 3 of the Statutes of this year for note issues in pounds sterling or in the dollars in commercial use in such colonies, and the Governor in Council was authorized to fix the rate in Canadian currency at which such notes should be calculated in determining the amount of the bank's circulation. The denominations of such notes were limited to one pound sterling and any multiples of that sum, or five dollars and any multiples of that sum. Chap. 14 of the Statutes of 1899 was repealed.

**Limit to Number of Directors Abolished in 1905.**

The limit of ten placed by the Act of 1890 upon the number of directors which might be elected by any bank was abolished by Chap. 4 of the Statutes of this year, and the election of an honorary president permitted.

**Consolidation of Act and Amendments in 1906.**

In this year took place the regular revision and consolidation of the Canadian statutes. The Bank Act and its various amending Acts were consolidated as Chap. 29 of the Revised Statutes of Canada, 1906. The arrangement of the Act was altered in many places and the sections renumbered, making it a difficult matter for the lay reader to find the sections referred to in the body of this work. For the convenience of any such, a table of the numerical sections of the old Act is given on page 119 of the History of Banking in Canada, with the numbers of the corresponding sections in the present Act.

**Provision made in 1908 for Extra Note Circulation.**

In July a short amending Act (Chap. 7, Statutes of 1908) was passed authorizing any bank during the usual season of moving the crops, that is to say, from 1st October to 31st January in the following year, to issue circulating notes in excess of its paid-up capital to the extent of 15 per cent. of its combined unimpaired paid-up capital, and rest or reserve fund as shown by the statutory monthly return made to the Government for the previous month. Such notes are to bear interest at whatever rate, not exceeding five per cent. per annum, is fixed for the purpose by the Governor in Council. This interest must be paid to the Government as part of the general revenues of Canada. A return showing the amount of the excess notes in circulation must be sent in monthly to the Minister of Finance. Penalties are provided for neglect or delay in sending in this return, and special provision is made for the case of the Bank of British North America, which does not share to the full extent in the privilege of note circulation granted to the other Canadian banks.

THE NEWLY ORGANIZED fire chiefs association of Ontario will hold a meeting in Toronto during exhibition week, and every chief in the province will be asked to attend.

**Our London Letter.****WATCHING GYRATIONS IN AMERICANS.**

**New York's London Borrowings—Dearth of Foreign Government Issues—Canadian Competition in British Steel Rail Market—Insurance Topics—Special Correspondence of THE CHRONICLE for Week ending August 21st.**

London is still looking on at the gyrations in Americans—and doing little else. In mid-week the chief topic of conversation was Mr. Harriman's health; to-day the Stock Exchange is closed and its members scattered to the four winds. Business is suspended in this fashion to allow the House waiters to take their annual beanfeast (at the expense of the Stock Exchange committee) up the river. The waiters, it should, perhaps, be explained are the House attendants, being called waiters because they do everything but wait. They are a flourishing body with larger banking accounts than a good many brokers and since their outing always means a holiday, uncommonly popular with the younger members of the House at this time of the year. Time was, and that not many years ago, when an obliging committee used to find it necessary to close the House for "structural alterations"—every other Saturday or so during the summer; but, somehow or other, structural alterations are now accomplished at other times.

Discount rates show no appreciable alteration, but there is something of a change in tone, and the market appears disposed to pay attention to various signs of higher rates for money in the autumn. There are suggestions of a possible drain of gold to New York later on, should the metal be required on your side of the Atlantic, as American houses have lately been borrowing in London on the security of short dated railway notes. Three months' bank paper, however, finds plenty of takers at  $1\frac{1}{2}$  per cent. and, with money quite abundant, a rise in the bank rate appears to be still a long way ahead.

**A Famine in Foreign Stocks.**

London would welcome with open arms just now any new foreign government issues giving reasonable security and a yield of from  $4\frac{1}{2}$  to 5 per cent. It seems almost unbelievable, but it is a fact that there is such a famine in bonds of this description that in several issues of the kind—for instance, Argentine Fives, Chinese Gold Loans, and one or two Japanese bonds—jobbers are unable to make prices. The reason is simple; recent low monetary rates have stimulated investment buying; and stock has been taken off the market, locked away, and will probably not change hands again till either death or financial straits makes a sale inevitable. It is, of course, only foreign bonds giving a substantial yield which are in such scant supply; in other investment markets, British Government stocks and home railways, for example, there is plenty of stock about but no buyers. The average British investor in these days wants his  $4\frac{1}{2}$  or 5 per cent. and, like the baby in the soap advertisement, he isn't satisfied till he gets it.