### THE JULY BANK STATEMENT.

The bank statement for July, published yesterday, reflects to some extent the actions of the banks at the outset of the war crisis. The effects of this crisis are seen particularly in the decrease of over eleven and a half millions in the foreign call loans, which were reduced from $137,120,167 to $125,545,-287. The banks drew on their New York balances represented in these figures and imported gold, their holdings of specie increasing during the month by more than $5,300,000, while several of the banks also made substantial increases in their Central Gold Reserve deposits—these deposits being either gold or its equivalent—Dominion notes—advancing the total deposit in the gold reserve to $4,400,000.

A further satisfactory feature in the return is the large increase which took place in the savings' deposits. These, after being practically unchanged during June, were increased last month by more than 7½ millions to the new high level of $671,214,125. Demand deposits, which rose 14 millions in June, however, last month fell back by over $8,000,000, and there was also a set back of more than $7,000,000 in the foreign deposits. Circulation had increased $6,000,000 in the two preceding months, but during July it dropped by upwards of $4,300,000. Canadian call loans were increased by a million, and Canada current loans by nearly $2,000,000.

It will be readily seen from this return that the banks are now in an exceptionally strong position with a high proportion of liquid assets to liabilities to the public. The increase in notice deposits—a considerable proportion of which may be safely regarded as new savings—continues to be particularly steady and satisfactory. The increase in the last twelve months is practically fifty millions.

### SASKATCHEWAN FARM LOANS' ACT SUSPENDED.

Hon. Walter Scott has informed grain growers who urged him to put into effect at once the Saskatchewan Co-operative Farm Mortgage Act that this cannot be done owing to the demoralization of the London market, where it was contemplated to obtain the funds necessary for the working of the scheme:—

Mr. Scott says:—"The total demoralization of the money situation by the present trouble in Europe practically destroys all possibility of hope of the Act being brought into operation this year.

"Your members no doubt understand that the Act contemplates the procuring of most of the necessary moneys by the sale of the co-operative company's bonds in London. Our home savings available for investment in those bonds cannot be expected to supply beyond a very limited amount of the total moneys required. Most of the bonds for a time at least must be disposed of to the same investors who buy our Government and railway company bonds. These investors are on the far side of the Atlantic. Everyone in any degree conversant with such matters will readily see how important it is, keeping an eye open to the future success of the co-operative money scheme, that it shall not be damaged at the start by having its first bond issue floated when the market is unfavorable.

A FATAL MISTAKE.

"The success of subsequent issues will certainly depend considerably on the fate of the first issue. For months past the market conditions have been so bad that both Governments and railway compaies have hesitated to offer bonds for sale, bonds which are a regular and well-known article to the Old Country subscriber. The co-operative company's bond will at first be of necessity a new and unknown article, and in comparison will, therefore, need an unusually favorable market at the outset. It follows that it would be a fatal mistake to bring the scheme into force at a time like the present when the market is in the worst possible condition."

## ABSTRACT OF THE BANK STATEMENT FOR JULY, 1914.

*(Compiled by The Chronicle).*

| | July 31, 1914. | June 30, 1914. | July 31, 1913. | Month's Change. | Year's Change. |
|---|---|---|---|---|---|
| LIABILITIES. | | | | | |
| Circulation | $ 94,815,561 | $ 99,138,029 | $ 99,143,411 | — $4,322,468 | — $4,327,850 |
| Demand deposits | 346,854,051 | 355,006,229 | 356,585,196 | — 8,152,178 | — 9,731,145 |
| Notice deposits | 671,214,125 | 663,650,230 | 621,347,388 | + 7,563,895 | — 49,866,737 |
| Foreign deposits | 95,873,092 | 103,061,603 | 86,400,194 | — 7,188,511 | + 9,272,898 |
| Total liabilities | 1,323,252,452 | 1,330,488,767 | 1,275,297,267 | — 7,236,315 | + 47,955,185 |
| ASSETS. | | | | | |
| Specie | 51,412,353 | 46,108,956 | 42,172,949 | + 5,303,397 | + 9,239,404 |
| Dominion Notes | 90,514,856 | 92,114,482 | 91,011,691 | — 1,499,626 | — 396,835 |
| Deposit in Central Gold Reserve | 4,400,000 | 3,050,000 | ........ | + 1,350,000 | ........ |
| Securities held | ........ | 102,344,120 | 107,240,421 | ........ | ........ |
| Canadian call loans | 68,441,816 | 67,401,484 | 67,991,255 | + 1,040,332 | + 450,561 |
| Foreign call loans | 125,545,287 | 137,120,167 | 89,266,235 | — 11,574,880 | + 36,279,052 |
| Canadian current loans | 840,198,625 | 838,276,428 | 858,429,069 | + 1,922,197 | — 18,230,444 |
| Foreign current loans | 48,013,052 | 46,186,854 | 42,960,513 | + 1,826,198 | + 5,052,539 |
| Loans to municipalities, etc | ........ | 37,260,571 | 43,121,384 | ........ | ........ |
| Total assets | 1,568,174,983 | 1,575,307,596 | 1,519,517,013 | — 7,132,613 | + 48,657,970 |