

and for the year of \$6,226,703. Canadian current loans and discounts continue to recede and at \$759,934,154 are \$78,342,274 lower than a year ago and \$696,959 lower on the month. Possibly for the present, these loans are at about the low point as the preparations for the crop movement will shortly begin to have an influence upon the banks' loan accounts. Apart from this, however, the movements in the banks' current loans suggest a general slackness in Canadian trade, apart from the special activities consequent upon the war munition and equipment orders. Municipal borrowers are apparently, however, still clamorous, the banks' loans to these having further increased last month by nearly three millions, bringing them up to \$46,889,816, an increase of \$9,629,245 in comparison with a year ago.

SECURITIES AT HIGH LEVEL.

The banks' holdings of securities continue at an exceptionally high level, the total reported for June being \$116,093,845, an advance of \$13,749,725 compared with June, 1914. While Dominion and provincial securities show a slight falling-off holdings of Canadian municipal securities, etc., have increased over \$4,000,000 and railway and other bonds and stocks no less than \$10,351,291.

BANKS' RESERVE POSITION.

The banks' reserve position continues to be one of exceptional strength. Their holdings of specie in their own vaults and in the Central Gold Reserve, and Dominion notes plus net bank balances abroad and foreign call loans, were at the end of June in the proportion of practically 28.4 per cent. to their circulation and depo its.

DOMINION GOVERNMENT'S LOAN.

The Dominion Government's offering in New York of \$45,000,000 one and two year 5 per cent. notes convertible into 20 year 5 per cent. bonds was subscribed three times over, although the lists were closed almost immediately. Allotments of the notes were made to subscribers on the following basis:—

To all subscribers for all amounts in excess of \$10,000, 100 per cent.

To subscribers for amounts from \$11,000 to \$49,000, 50 per cent., and

To all subscribers for all amounts in excess of \$49,000, 25 per cent.

The cost of the issue is about three-quarters of one per cent. In connection with this loan it is stated in New York that since the outbreak of the war \$250,000,000 in important foreign loans have been placed in the United States by foreign countries formerly accustomed to do financing in Great Britain. Also there has been taken back from Europe approximately \$500,000,000 American securities formerly owned abroad.

It is said to be gradually dawning upon the people of the State of Wisconsin that the state insurance agitation for which Wisconsin has in recent years become notorious was used for the furtherance of political ambitions rather than promoted as an economic advantage.

AN UNDESIRABLE MUNICIPAL ACTIVITY.

It is said that power to lend to manufacturers who have been forced to suspend operations by the reduction of bank advances will be sought by some of our Municipalities. It is to be hoped that no legislative authority in Canada will be foolish enough to grant this power if it is applied for by a municipality. The present is no time for the increase of the borrowing powers of municipalities. Their energies should be devoted more to the relentless cutting away of any expenditure that is not absolutely necessary rather than the devisal of fresh ways and means of spending money, whether on capital or on revenue account.

Neither can it be said that the current ideas of municipal responsibility in Canada are such as to suggest the fitness of municipal authorities to undertake business of this kind, while the opening which would be presented for the bringing to bear upon them of illegitimate pressure is obvious.

COMING EVENTS?

In the official announcements of the Dominion's new \$45,000,000 loan in New York, it is stated that the 20-year five per cent. bonds into which the one and two year notes are convertible will be "free from taxes imposed by the Dominion of Canada including any Canadian income tax."

Is this merely an ordinary precaution without particular significance or does it suggest that Hon. W. T. White or sundry provincial treasurers are seriously thinking of an income tax to help pay war expenditure or raise the wind for some other purpose?

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