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LIQUIDATING DEBT.

Although events in the financial markets have not been moving as satisfactorily as might be wished, the reports from the various departments of Canadian agriculture are favorable on the whole; and in the course of time it would seem that these favorable agricultural results must react beneficially upon the financial centres. The western what crop has already done much to improve the underlying conditions. The proceeds of sales so far made have been applied in unusually large measure towards the liquidation of debt. Probably there have been fewer speculative ventures of importance undertaken this fall in Western Canada and in the East than in any year since 1909. Farmers, business men and others have been intent upon economizing and upon paying off or reducing liabilities.

DAIRY TRADE SATISFACTORY.

This week one of the leading cheese exporters pointed out that the last month or so represented a very satisfactory season for the cheese markets.

While the prices have not been high they have been at a level which induced the buyers in Great Britain and other countries to take practically all that was offered; and there are no large stocks overhanging the markets. It is believed that the cheese factories have had a good season. When the dairy industry is prosperous the tendency is towards increase of bank deposits in the districts where the industry flourishes.

DEPRESSION IN STOCK MARKETS.

The stock markets continue to be more or less depressed and the brokers' demands for bank loans are, therefore, comparatively small. Probably that accounts for the fact that complaints of monetary stringency have not been so much in evidence latterly. The crop moving is now about at the "peak-of-the-load," as indicated by the volume of bank notes in circulation. Usually the highest point is reached early in November, but this year the movement of grain began earlier and attained greater velocity in September and October than was the case in any recent year. So it is quite possible that October's note circulation will represent the high point. Call loans at Montreal and Toronto range from 5½ to 6 p.c. and commercial paper is discounted as before at from 6 to 7 p.c.

EUROPEAN CONDITIONS.

The new gold offered in London this week amounted to nearly \$5,000,000 and the New York bankers secured about half of it—the rest being taken by the Bank of England. Bank rate at the British capital is held at 5 p.c. In the London market call money is quoted 4 to 4½ p.c.; short bills are 4 15-16 to 5 p.c.; and three months' bills, 5 per cent. The official rate at the Bank of France is 4 and the rate in the private market is 3¾. Private rate at Berlin is 4¾, but the Imperial Bank of Germany on Monday reduced its quotation from 6 to 5½ p.c. The six p.c. rate has been in effect nearly a year—it was established on November 14th, 1912, when the disturbances following upon the outbreak of the Balkan war became acute. The German bank's movement is said to be due to the fact that its cash reserve has risen from \$280,000,000 to \$378,000,000 in the period during which the 6 p.c. quotation was operative. Also financial conditions in Germany are settling down and the strain of the past year is sensibly relaxing.

AMERICAN CREDITS IN EUROPE.

On the other hand the Bank of England's cash reserve is more open to attack from New York. And the recent elevation of the Bank's official rate may have been meant as an intimation to the Americans to be moderate in their demands. It should be said that the New York bankers have to a large extent financed themselves during Europe's troubled period. They have refrained from drawing finance bills extensively, and they have not imported much gold from abroad, notwithstanding the fact that merchandise exports