

change which it is difficult to understand, unless on the supposition that the Provincial Government at Quebec had drawn a portion of its Paris loan and placed the proceeds with the Bank of Montreal, the bank in which this increase appears. In such event it is made apparent that the banks which so readily made public the dealings of the Government with contractors and others will not be favored with provincial deposits as in the past. Balances due to other banks in daily exchanges had been reduced from \$531,034 to \$399,590, while balances due from banks in daily exchanges were reduced from \$1,757,464 in July to \$507,255, or a reduction of \$1,250,209. This large reduction is no doubt due to a circular issued by the Government last month, explaining how the entries should be made under that item, and which required the Clearing House exchanges to be entered under "Notes and Cheques of other banks." The balances due to banks in foreign countries were reduced by \$137,745, while the amount due by such banks had increased by \$717,857, and stood at \$17,440,197. This item, of course, refers to balances in the United States banks and loans made by the agents of Canadian banks in that country. The balances due to banks in the United Kingdom had also been contracted to the extent of \$684,828, and stood at \$2,227,946, while the balances due by banks in that kingdom to Canadian banks had increased from \$2,635,593 to \$3,875,418. A curious incident in the return is an increase of \$171 in the deposits with the Dominion Government for the security of the note circulation, \$121 having been made by one bank and \$50 by another.

Call loans on bonds and stocks showed an increase of \$979,903, and stood at \$11,640,809, while current loans had increased by \$460,647, and stood at \$184,106,324. There was an increase of overdue debts of \$144,880, which it is somewhat difficult to understand, as no serious failures have taken place during the month. There was an increase of capital of \$63,647, which, being deducted from the net accumulations of the month, leaves net earnings of \$562,574. Turning to the Dominion note circulation, the statement for August shows a further expansion, the total having reached the large figure of \$16,659,765, an increase of \$90,344 over July, a considerable portion of which increase was in \$1.00 and \$2.00 notes. This increase is likely to be further augmented as the season advances.

Abroad, the money markets of the world are stiffening; the Bank of France is fast losing its gold and silver reserves, with heavy