

that individual capitalists are in the way of undertaking sensational movements and campaigns from time to time.

In Canada monetary conditions are unchanged. Call loans are  $5\frac{1}{2}$  to 6 p.c., and money none too plentiful in the two chief centres. Montreal and Toronto have experienced some considerable liquidation as well as New York and London. In our case also various explanations have been put forward. It seems, however, as if the monetary pressure would account sufficiently for such liquidation as Canada has seen. Some of our capitalists and financiers have been ambitious and active in the last year or two. They must have managed to pile up very big liability accounts at their various banks by means of the mergers and new flotations in which they have participated or which they have engineered. It would be about what the Street would expect if they were asked to lighten load a little, or to reduce their liabilities to more comfortable dimensions.

The July bank statement lends additional force to what THE CHRONICLE observed in its special article on the note circulation. At the end of July the bank note issues had expanded beyond the level reached on June 30th. And last week it was pointed out that one of the prominent banks in this city was forced to pay out Dominion notes because its issue was at the limit. There is another month yet before the excess or emergency currency comes in. It will be interesting to observe if other banks are driven to the use of similar expedients.

#### BANK OF NOVA SCOTIA RAISES ITS DIVIDEND.

It is announced that the Bank of Nova Scotia has increased its rate of dividend from 13 to 14 p.c. It was in the early part of this year that the last change from 12 to 13 p.c. was made, and by its present action this bank secures an additional distinction, not only having the largest proportion of reserve to paid-up capital among the Canadian banks—over 180 per cent.—but also paying the largest dividend. Last year the bank's profits were equal to 22.08 p.c. upon the paid-up capital of \$3,000,000, as against 20.14 p.c. in 1909. Considerable additions have recently been made to the number of the bank's branches which now total 102, and a capital issue of \$1,000,000 is now in course of payment by shareholders, which will bring the paid-up capital to \$4,000,000, the authorized capital having been extended last year to \$5,000,000. Following are the leading figures of the bank as at July 31:—

|                                  |             |
|----------------------------------|-------------|
| Paid-up capital . . . . .        | \$3,630,570 |
| Reserve . . . . .                | 6,714,625   |
| Circulation . . . . .            | 3,416,695   |
| Deposits . . . . .               | 42,805,250  |
| Total liabilities . . . . .      | 47,168,147  |
| Call and current loans . . . . . | 39,253,928  |
| Total Assets . . . . .           | 58,021,686  |

#### THE BANKS' PREPARATIONS FOR THE HARVEST.

**The Problem of Currency during September—Large Additions to the Banks' Resources—The Reserve Position Further Strengthened.**

The July bank return marks another stage in the preparations of the banks for the task of moving the harvest. As the time approaches, this task does not become a less formidable one. That the crops in the West will be upon an extremely bountiful scale this year is now certain. Such attacks of black rust as have been experienced appear to have been quite local and restricted in character, and only favorable weather is needed to ensure the successful gathering in of crops, which will apparently, according to the best opinion, include little, if anything, less than 200,000,000 bushels of wheat. But while the task before the banks has not become less formidable in size with the efflux of time, the banks, by the preparations which they have made, by the extensions of their capitals, and by the increases in their resources which have taken place during the last few months, have made it appear that the task will be achieved with somewhat more comfort than at one time appeared probable. Possibly, the most uncertain factor at the moment in this connection is in regard to the ordinary circulation, since the "excess" circulation is not available until October 1. We mentioned last week that one of the leading banks in Montreal was paying out Dominion legal tender owing to its circulation having reached the ordinary limit, and it will be interesting to observe if other banks find themselves compelled to use similar expedients.

#### HOW THE ORDINARY CIRCULATION NOW STANDS.

No doubt, the limit of the ordinary circulation will be further expanded during this and next month by further payments by shareholders for new shares issued to them. The lately announced increases of capital by several of the important banks had a marked effect in this respect during last month, the limit of ordinary circulation being expanded by over \$1,500,000 from \$98,065,306, as it was at June 30, to \$99,626,496 as at July 31. But even with this substantial increase the maximum of the July circulation came to within \$6,500,000 of the limits of the ordinary circulation as at July 31, and several of the banks were very near to their limit during last month. The following table shows this:—

|                             | Ordinary<br>Issue Authorized<br>July 31. | Max. Issue<br>in July. |
|-----------------------------|------------------------------------------|------------------------|
| Montreal . . . . .          | \$14,400,000                             | \$13,621,871           |
| New Brunswick . . . . .     | 892,200                                  | 855,921                |
| Quebec . . . . .            | 2,500,000                                | 2,222,709              |
| Nova Scotia . . . . .       | 3,630,570                                | 3,416,695              |
| British . . . . .           | *4,866,666                               | 4,219,901              |
| Toronto . . . . .           | 4,000,000                                | 3,877,500              |
| Molsons . . . . .           | 4,000,000                                | 3,972,277              |
| Eastern Townships . . . . . | 3,000,000                                | 2,863,495              |
| Nationale . . . . .         | 2,000,000                                | 1,969,346              |
| Merchants . . . . .         | 6,000,000                                | 5,886,575              |
| Provinciale . . . . .       | 1,000,000                                | 990,223                |
| Union . . . . .             | 4,675,200                                | 4,102,858              |

\* For explanation of British Bank's powers of circulation see issue of August 4, p. 1113.

(Table continued on page 1223.)