

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED.

(No personal Liability)

A dividend of 1 per cent. upon the paid up capital stock of the Company has been declared payable on the 11th of August, 1920, on which date cheques will be mailed to shareholders of record at the close of business on the 29th of July, 1920.

Dated the 22nd. day of July 1920.

D. A. DUNLAP,

Treasurer.

BANKING SERVICE

Your banking requirements may be entrusted to this Bank with every confidence that careful and efficient service will be rendered. Our facilities are entirely at your disposal.

THE CANADIAN BANK OF COMMERCE

OVER 500 BRANCHES.

PAID-UP CAPITAL - - - \$15,000,000
RESERVE FUND - - - \$15,000,000

The Royal Bank of Canada

Incorporated 1869.

Capital Paid up.....\$ 17,000,000
Reserve Funds\$18,000,000
Total Assets \$580,000,000

HEAD OFFICE: MONTREAL.

SIR HERBERT S. HOLT, President.

E. L. PEASE, Vice-President and Man. Director.

C. E. NEILL, General Manager.

690 Branches in CANADA NEWFOUNDLAND, CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA, HAITI, COLOMBIA, BRITISH WEST INDIES, FRENCH WEST INDIES, ARGENTINE, BRAZIL and URUGUAY.

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Princes Street, E.C. 68 William Street.

SAVINGS DEPARTMENT at all Branches

Banks, Bankers and Banking

A Review of World Economics

European exchanges — The effect of selling grain and cotton bills on Sterling exchange in the New York Market — Canada's crops prospect appears to have strengthening effect on her funds

The European exchanges, after having been comparatively firm and quiet during May and June, turned weak about the middle of July, and have since registered large declines. The sharp fluctuations which were a feature of the exchange market during the downward and upward movements of February and March are again in evidence. The causes underlying the decline are partly commercial, partly political, the crisis in Russo-Poland affairs having taken place at a moment when bills in payment for the heavy seasonal grain and cotton exports of the United States to Europe were commencing to come on the market. The whole situation offered inducements for operations on the short side which were no doubt taken advantage of.

The American grain exchanges were reopened to trading in wheat futures on July 15th, and, from that date on, an immense quantity of grain bills kept pouring in on the New York exchange market. Offerings were in excess of the market's buying power, and prices were forced down. By the end of July, the American cotton crop had reached a point where the Southern planters could estimate their approximate position. Their procedure is, on receiving a firm bid for export cotton, to sell exchange features against their potential exports. The uncertain Polish news during the first week in August was far from reassuring to these Southern holders, who had quantities of sterling to dispose of, and urgent selling from this source aided in carrying quotations down to \$3.55½ for sterling demand bills in New York, a new low for the movement.

The selling of grain and cotton did not affect francs and lire to the same extent as sterling, since France and Italy are not such heavy buyers of the commodities in question; the Polish situation, however, was thought to concern them more nearly than England, and francs went as low as 7 cents, lire 4½ cents, on the New York market.

After a rally, which lasted into the second week in August, all three of these currencies again turned weak and, declining in a more orderly fashion, were quoted on August 25th in New York at \$3.58 for sterling, 7 cents for the franc and 4.6 cents for the lira.

An unusual feature in the exchange market

during the last few months has been the course of the Canada-United States quotations. For some time the premium on American funds in Canada has fluctuated more or less in sympathy with sterling in New York. When sterling fell, the premium on United States funds in Montreal rose, and vice versa. This has not been taking place recently. On June 26th, pounds sterling sold at almost \$4 in New York. The premium on United States funds in Montreal on that date approximated fourteen per cent. On August 25th, when sterling was as low as \$3.58 in New York, United States funds in Montreal were quoted at twelve and three quarters per cent. premium. Thus, during the heavy fall of English exchange, Canadian funds moved slightly upwards in their relation to American dollars. A good portion of our grain exports are settled for in New York and it is probable that the prospects of large crops in the Dominion have had a strengthening effect on Canadian funds. While, to date, the premium on United States dollars has not been greatly reduced, Canadian dollars have at least not experienced the recent decline in value which has been the lot of the English and most economical currencies.

The United Kingdom.

The improvement in England's trading position, of which details up to December, 1919, were given some months ago, has continued in the present year. In the period January-June, 1920, imports of over one billion pounds were partially offset by exports of merchandise valued at 770 million pounds. The exact excess of imports for the period was £260 million. England relies on the interest returns from her investments abroad and receipts from her Mercantile Marine to cover the unfavorable balance in her trade in merchandise. Recent estimates of the amounts of these invisible returns place them at £280 millions for each half year. How far the decline in ocean freight rates will affect the earnings of England's Mercantile Marine, and consequently the figures on which these estimates were based, is problematical. Even allowing for reductions and errors, it is obvious that the United Kingdom is in a very strong position as compared to any of the other European nations who took part in the war.

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American Bank Note Company

Incorporated by Act of the Parliament of Canada

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LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD ST., LONDON, E.C. 3.



CAPITAL SUBSCRIBED - £58,878,400
CAPITAL PAID UP - - - 9,420,544
RESERVE FUND - - - 9,675,105
DEPOSITS, &c. - - - 325,938,436
ADVANCES, &c. - - - 135,763,591

THIS BANK HAS ABOUT 1,500 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. 3. London Agency of the IMPERIAL BANK OF CANADA.
The Agency of Foreign and Colonial Banks is undertaken.

Affiliated Banks:

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Auxiliary:

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