

and gold exports are now counted among the possibilities. Heavy liquidation of American stocks has however, helped to keep interest rates down. The acute liquidation early this week was caused primarily by uneasiness among the small holders of the United States Steel Corporation over the Government's attitude. Fears that Government would force the Corporation to dissolve caused heavy selling and sharp declines. Some think the apparent disposition of the administration to attack the corporations afresh is a result of Canada's rejection of reciprocity. The republicans may think the public will forget about the administration's failure to reduce the customs taxation if it slashes at the big corporations.

In Canada money rates are unchanged. Call loans in Montreal and Toronto are $5\frac{1}{2}$ to 6 per cent. With the passing of this week, the banks may use their excess issues. September has been an inconvenient month as regards currency. The patrons of the banks have been compelled, in many cases, to take a mixture of bills of small or inconvenient denominations instead of the fives and tens to which they have been accustomed. An improvement is to be expected in October when the banks have recourse to the extra issues. The business interests appear to be settling down to work now that the strenuous electoral struggle is finished.

BANK OF BRITISH NORTH AMERICA.

As briefly announced in our last issue, the newly-issued half-yearly report of the Bank of British North America shows that the profits for the half-year ended June 30 last, including £17,201 brought forward, were £78,901. An interim dividend of 30s. per share, payable free of English income tax on October 6 next, and being at the rate of 6 per cent. per annum, is declared, leaving a balance forward of £45,762 10s.

The directors, in their report, state that the liability under guarantee for \$200,000 which the Bank assumed in October, 1906, in connection with the liquidation of the Ontario Bank now disappears from the balance sheet. No claim arose under the guarantee.

The Royal Charter of the bank has been extended for a period of ten years to July 1, 1921.

Appropriations from the Profit and Loss Account for the benefit of the staff have been made as follows: widows' and orphans' fund, £687; pension fund, £2,452. Since the last report branches have been opened at Edmonton, Alta., and Rhein and Wakaw, Sask.

The balance sheet as at June 30 shows total assets of £11,974,555.

The Merchants' Bank of Canada has opened a branch at Hartney, Manitoba, in charge of Mr. I. R. Shaneman.

THE BEGINNING OF THE HARVEST EXPANSION.

Large Increase in Banks' Current Loans and Discounts During August — Paid-up Capital of Going Banks now exceeds \$100,000,000.— Rapid Increase of Reserves.

It is the expansion in the current loans and discounts of the banks which gives character to their August statement. At the end of last month this item showed a total of \$734,683,962, an increase of practically \$11,000,000 over the July total of \$723,765,358, an advance of nearly \$77,000,000 in comparison with twelve months ago and contrasting with an increase only of \$4,800,000 in August, 1910. This expansion marks the advent of the harvest financing, as a number of the credits granted by the banks for the purposes of crop moving came into force during the last week in August, and this account will show, of course, a further large advance during the current month. Last year, the September expansion in current loans and discounts was above \$11,000,000, and in 1909, above \$17,000,000. So that it is not unreasonable to anticipate that the returns for the current month will show these loans to have reached at least \$750,000,000 and not unlikely that they will be towards \$760,000,000.

This advance in current loans was accomplished last month without disturbing the Canadian call loans to any extent. At the relatively high level of \$65,106,110, they were only \$200,000 below the level of the close of July. But it is generally understood that there have been some heavy calls upon these loans during the current month, and it is to be expected that the next statement will show a considerable decrease from the end of August figure. Conditions differ widely from those prevailing last year, when September saw an increase of \$2,000,000 in these call loans. The comparative failure of the crops last year led to an absence of the heavy calls upon the banks which have been made this year, and which throw, naturally, some strain upon the banks' second line of defence.

SLIGHT FALLING-OFF IN DEPOSITS.

The foreign call loans, which were added to considerably during July, were already called upon last month, and are down by about \$2,300,000 to \$101,713,820. On the other hand there was a small expansion of \$800,000 in the foreign current loans. So that, on the whole, the banks' loans to the public at the end of last month, showed an increase of \$9,200,000 from the close of July to \$935,193,088.

The total of deposits, on the other hand, shows a slight falling off in comparison with July. The demand deposits are down on the month by nearly \$6,000,000 to \$311,111,668. Last year there was an August gain in this connection of practically \$17,000,000. To a great extent, the present loss is, however, offset by the gain in notice deposits, which at \$575,740,956 are \$5,000,000 higher than at the close of