

Foreign exchange has been rather weak, supposedly on account of offering of bills against foreign participants in the Union Pacific-Southern Pacific syndicate, and against Union Pacific stockholders in Europe who were exercising their right to take up Southern Pacific certificates. These drawings of bills would perhaps influence the foreign exchanges last week and at the beginning of the present week. The 2nd September was the last day on which the Union Pacific stockholders could make their payments.

PROBABLE GOLD MOVEMENT TO CANADA.

New York received a shipment of gold from the Argentine Republic, presumably for account of London. Although earlier in the year a large amount of gold was sent from New York to South America, the New York bankers are not looking for a large return flow from that direction just now. Rates of interest on call loans in Wall Street are too low to encourage any important inward movement of gold. It is quite likely, if the present low rates prevail, that a movement to Canada will be inaugurated towards the end of September. The money markets and the security markets have continued to be undisturbed over the partial destruction of the corn crop. Their equanimity is not to be taken as a sign of their indifference to the calamity but rather as an indication that all unfavorable events were fully discounted in the heavy declines of the recent past, and as an indication that the general situation in the United States is sound.

Attorney General McReynolds this week filed papers in his suit for dissolution of the Reading Company. As in the case of previous suits of this kind, the Government's contention is that the Reading represents a combination in violation of the Sherman anti-trust law.

FIREMAN'S FUND INSURANCE COMPANY.

The Fireman's Fund Insurance Company, whose head office is at San Francisco, has recently entered Canada. Messrs. Robert Hampson & Son, Limited, Montreal, are its city agents. This well-known firm are general agents for Canada of the Insurance Company of North America. They also represent the Providence-Washington and Fidelity-Phoenix.

The Fireman's Fund Insurance Company issued its fiftieth annual statement on January 1, 1913, showing capital paid up of \$1,500,000, policyholders' surplus of \$4,604,730, assets, \$9,268,924, and an income in 1912 of \$5,838,259. The Fireman's Fund has the distinction of having paid the largest loss ever paid by a fire insurance company, over a single conflagration. It paid on account of the fire which followed the earthquake at San Francisco in 1906, \$11,000,000.

SOVEREIGN FIRE RE-INSURED.

We understand that the Sovereign Fire Insurance Company, Toronto, has re-insured its outstanding liability with the Phoenix of Hartford, and that the price paid was very advantageous to shareholders of the Sovereign.

THE DEFERRED JULY BANK STATEMENT.

It is much to be hoped that the late appearance of the bank statement for July—the first published under the provisions of the new Bank Act—will not form a precedent for future action in this connection. Under the new Act the banks are allowed five additional days for the sending in of their monthly returns to the Minister of Finance. Whereas under the old Act only fifteen days after the expiration of the month were allowed for the making of the return, the period is now twenty days. Possibly the new requirements of the return led to some delay this month, which will not afterwards occur; in any event, it is to be wished that the bankers themselves will see that the returns are made as promptly as possible in order that when they are finally sent out by the Department of Finance, they are not the ancient history which they form on this occasion.

The most notable change in the banks' deposits during July was the large shrinkage, amounting to \$17,700,000 in the foreign deposits. This shrinkage had been generally anticipated and is accounted for by the redemption on July 1, of the Canadian Pacific Railway's 5 per cent. bonds. Some \$20,000,000 of these bonds, it is said, were redeemed in London, and as a result of this operation the Bank of Montreal's foreign deposits which at June 30 were \$49,219,310 were reduced at July 31, to \$27,548,498 or by nearly \$22,000,000. But the volume of these deposits has been again swelled since the making of the July return owing to the payment of a further instalment on the new C.P.R. stock issue last month.

In both demand and notice deposits in Canada there was a further slight falling off during July, and combined these deposits are nearly \$35,000,000 lower than at the corresponding date of last year. In regard to notice deposits, it is interesting to note that during July these fell off from the end of June total by less than \$1,600,000—a quite trifling movement.

On the other side of the account, it is seen that the banks continue to make heavy additions to their security holdings, which form part of their second line of reserves. They were added to by over \$6,000,000 during July, and at \$107,240,421 are nearly eleven millions higher than at the corresponding date of 1912. Both Canadian and foreign call loans were slightly contracted during July, while in comparison with a year ago, foreign call loans are down nearly \$29,000,000. Canadian current loans continue to go higher and total \$901,550,000. This total is inclusive of \$43,000,000 loans to cities, municipalities and school districts, which loans, under the new Bank Act, are required to be shown separately. The total of these current loans is practically \$50,000,000 higher than it was a year ago. The July percentage of reserves is the lowest since May, 1908, viz., 21 per cent. But probably the payment of the instalment upon the C.P.R. issue referred to above served to improve the position last month.