

more it becomes apparent that his action in projecting himself into the presidential campaign was exceedingly unwise. Had he been content to remain in semi-obscurity, his name would doubtless have gone cleanly down to posterity as one of the great Americans. As it is, his good reputation seems in a fair way of being shattered; and if he makes a very poor record in the matter of getting votes, it is to be feared that the citizens of the Republic will have little disposition to waste any hero-worship on him.

Money market conditions in Canada are said to be but little changed. Call loans in Montreal are 5 p.c. and in Toronto 5½. In the latter city the brokers claim that it is rather difficult to get large loans on stock exchange collateral. A couple of the banks have also called loans in small amounts.

This week the Government has approved the absorption of the Traders Bank by the Royal, and presumably the two institutions will be united on September 3rd. In banking circles there has been no disposition to credit the rumors of Governmental interference. While some experts do not consider that further concentration of banking control is desirable, there was no proper reason for holding up the Royal-Traders merger. It is also difficult to imagine that the Government will take the responsibility of opposing or delaying the Canadian Pacific Railway Company's movement to increase its capital. It may be that C. P. R. freight rates are too high in some sections of the Western Provinces, but preventing the issue of new stock would not be the proper method of dealing with that grievance. The company needs to increase greatly its facilities for handling Western and Eastern traffic, and it would be a most short-sighted policy to interpose obstacles in the way of its procuring the necessary capital.

#### SUNDRY BANK NOTES AS A CURRENCY RESERVE.

In the two months, May and June, the bank note circulation rose from \$95,145,371 to \$102,011,848—the increase being \$6,866,477. The rise took place altogether in the month of June; as a matter of fact a decrease of some \$1,326,000 is recorded for May. It has been supposed that the unusual rise in June may have been caused in part by hoarding sundry bank notes. But a glance at the circulation returns shows that the increase in amount of notes outstanding took place nearly altogether in the portion of the circulation held by the general public.

Thus on April 30th, 1912, the total of notes outstanding as reported by the banks in the monthly Government return was \$95,145,371. The amount of bank notes held by banks other than the issuers, at the same date, was \$9,857,844. Therefore the public held \$85,287,527. On June 30th, the total circulation was \$102,011,848, of which the banks held \$10,222,111, and the public \$91,789,737. The net

increase of bank notes in the hands of the outside public was \$6,502,210.

The amount of bank notes in circulation and held by the banks themselves as at April 30th and June 30th, 1912, is somewhat higher than the amounts held in previous years on the same dates. In 1911 at the end of April it was \$7,828,159 and at the end of June, \$8,136,744; and in 1910 on April 30th, it was \$7,644,091, and on June 30th, \$7,022,049. No doubt, the steady increase in number of banking offices has some tendency to enlarge the bank holdings of sundry notes; and as the sundries constitute the most economical means of making counter payments, when a bank's own circulation is at the limit, it is but natural to expect the holdings of sundries to increase. Last year in September and October the totals of sundries on hand reached new high records—the figures being \$10,597,690 on September 30th, and \$12,800,815 on October 31st.

Those figures are well in excess of the totals shown so far this year; but it is quite probable that in the fall of 1912, the holdings will reach new high records notwithstanding the extensive use of the new Government "fives." In the following table are given the sundries or notes of other banks held by the individual institutions as at April 30th and June 30th, 1912:—

Bank.	NOTES OF OTHER BANKS ON HAND.	
	Apr. 30, 1912.	June 30, 1912
Montreal .....	\$1,156,188	\$1,391,915
New Brunswick .....	193,200	88,730
Quebec .....	150,626	174,553
Nova Scotia .....	522,968	400,030
British .....	340,831	310,903
Toronto .....	341,290	306,400
Molson's .....	322,305	384,535
Nationale .....	282,395	334,880
Merchants .....	627,770	488,700
Provinciale .....	177,827	170,213
Union .....	519,472	520,074
Commerce .....	1,087,236	1,188,383
Royal .....	720,226	724,105
Dominion .....	498,175	559,575
Hamilton .....	347,010	366,280
Standard .....	452,300	457,400
Hochelega .....	247,135	275,485
Ottawa .....	486,980	407,860
Imperial .....	464,595	666,750
Traders .....	475,270	472,745
Metropolitan .....	88,820	89,190
Home .....	76,210	77,750
Northern Crown .....	158,130	186,385
Sterling .....	116,730	164,945
Vancouver .....	.....	.....
Weyburn .....	.....	.....
Internationale .....	4,155	14,325
	\$9,857,844	\$10,222,111

It will be noticed that the banks holding the largest amounts as at June 30th, are in nearly all cases those having a narrow margin of issue power. The Bank of Montreal then had a margin of \$767,567; the Canadian Bank of Commerce, \$1,528,751; the Royal Bank of Canada, \$645,326; the Imperial, \$313,928; the Dominion, \$172,774; the Union, \$237,756; the Merchants, \$380,423; the Traders, \$445,323; the Standard, \$61,937; the Ottawa, \$65,825. For these banks the situation represented practical exhaustion of issue