

continued activity in the Dominion—evidence also that the trend of affairs and the outlook is viewed by bankers favourably. This month's increase follows upon a four million increase in July, and one of nearly six millions in June, while it may be pointed out that in the twelve months from August of last year this item has increased by no less than \$114,659,107.

The decrease in both call loans and discounts outside Canada reflects the calling of credits by Canadian banks in Wall Street in August, and is further seen in the marked increase in the balances of the banks both in the United Kingdom and elsewhere. The fluctuations of foreign call loans and discounts and the banks' balances in the United Kingdom and elsewhere during recent months are shown in the following table:—

	Foreign Loans	Bank Balances
May..	\$103,494,728	\$43,205,924
June..	168,345,345	46,161,495
July..	142,703,427	54,922,728
August..	139,056,856	63,611,222
Decrease in Foreign Loans May-August..	\$24,437,872	
Increase in Foreign Bank Balances May-August		20,405,298

This turning of foreign call and discount loans into bank balances is a natural means of preparation for the employment of the funds in Canada in case of necessity and since there is a difference of over \$4,000,000 between the amount by which the banks' foreign loans have decreased during the four months and the amount by which their foreign bank balances have increased, it would appear that this margin has been actually transferred for employment in Canada.

Demand deposits are up to \$256,613,172 this month against \$251,638,522 an increase of \$4,974,650, which is, of course, natural in view of the increase in discounts. An August increase in notice deposits is also to be expected on account of realizations from produce. In 1908, the increase was \$4,517,339 and in 1909, \$6,254,002. This year the increase is \$6,973,081 raising the total of notice deposits to \$545,357,452, a figure which shows an advance of no less than \$72,765,634 upon the total of twelve months ago. This is extremely satisfactory evidence—perhaps the best which the bank statement affords—of the general prosperity throughout the Dominion.

The note circulation during August shows an increase of only \$392,149, as against \$841,547 in August of 1909. At the August figure of \$81,321,439, there is a margin of about \$14,475,000 for further note issue, before the banks avail themselves of the privilege of the extra issue allowed, equal to 15 p.c. of the paid-up capital and reserve combined.

It may be noted that the paid-up capital of the Canadian banks is now within practically \$800,000 of the one hundred million mark; and that their reserves are not far short of \$80,000,000.

MONTREAL STREET AND MONTREAL POWER.

The Canadian Power movement to control and amalgamate with Montreal Street has during the past week been somewhat overshadowed by the counter movement to merge Montreal Street and Montreal Light, Heat & Power on a suggested basis of 250 for Street and 190 for Power. This movement has resulted in a wild scramble in the stock market for Power stock, which the buying forced to 161³/₄ from its previous level of about 130. Amalgamations with enormous capitalizations have evidently captured the public; in fact they may be said to have become epidemic. The suggested amalgamation of Canadian Power and Montreal Street has already received some attention in THE CHRONICLE. It seems almost too ridiculous, although the Canadian Power people claim to have secured a controlling interest in Montreal Street.

The capital stock of Montreal Street is \$10,000,000 which at 250 would be equivalent to an investment capital of \$25,000,000

The capital stock of Montreal Power is \$17,000,000 which at 190 would be equivalent to an investment capital of 32,300,000

Making a total of \$57,300,000

At the present time Street is paying 10 p.c. on its \$10,000,000 capital, and Power 7 p.c. on its \$17,000,000 making together \$2,190,000 which would mean 3.82 p.c. dividend on the \$57,300,000. This seems a rather small return on these securities. Montreal Street at the present market price of 240 yields 4.16. Montreal Power at the present market price of 156 yields 4.48.

In addition to the stocks mentioned Montreal Street has outstanding bonds of \$4,420,000 and Power of \$10,142,000, but of course the interest, etc., on the bonds is paid out of revenue.

THE CANADIAN PACIFIC'S TRAFFICS.

The remarkable traffic showings made by the Canadian Pacific Railway have been the cause of plentiful comment both in this and other countries during recent months. Following upon its magnificent return of \$94,989,490 gross earnings and \$33,839,955 net earnings for the year ended June 30th last, the company has since, as our own table of traffic earnings shows, continued to do extremely well. For the two complete months to the end of August, gross traffics were practically \$12,500,000 more than for the same two months of 1909, and over \$19,000,000 more than for the corresponding period of 1908. The respective figures are:—

1910..	\$61,522,000
1909..	49,074,000
1908..	42,484,000