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PROSPECTS FOR EASIER MONEY

Throughout the week there have been reports of calling of loans by the banks, such calling being supposedly for the purpose of strengthening balance sheets for the annual reports to be dated November 30th. If the calling was for window-dressing purposes to any extent it can be presumed now that it is over for the time being. Next week the banks will not have the same occasion for making a display; and another thing contributing towards an easing of the monetary strain in the next week or so will be the December 1st dividend and interest payments. These now amount to quite a respectable figure, and doubtless the several corporations immediately concerned would be obliged to undertake a considerable aggregate of financing.

GROWTH OF THESE PAYMENTS.

It is doubtful if the street and the general public realize the extent to which the local payments of dividends and interest have increased in the past few years. Six or seven years ago they were not a very important factor; but latterly the number of concerns with payments to make has greatly increased and the capitalization of old companies has grown

considerably. The bank dividends for example are mostly payable locally. Taking the three leading banks the capitalization exceeds \$40,000,000; and the annual dividend payments approximate \$5,000,000, or an average of \$1,250,000 per quarter. Besides providing for their own dividends the banks must discount paper or make temporary loans to enable many of their industrial and other customers to make their distributions also.

The gold movement from New York to Montreal has proved more important than was expected, and it appears that the supply or stock of the metal in Canada must approach the level of a year ago.

NEW ISSUES IN LONDON.

Although the London market is supposed to be practically closed to new issues of securities, Canada continues to get occasional supplies of funds at the Imperial capital.

The City of Montreal loan of \$7,500,000 and sundry issues of short term notes by industrial concerns were announced in the past fortnight. And this week the City of Saskatoon got approximately \$840,000 through the issue of 5 per cents at 93. These issues together with the heavy export movement of agricultural produce probably account in large measure for our ability to draw gold from abroad.

Call loan rates in Montreal and Toronto are 6 to 6½ p.c. as heretofore and commercial lines of credit are carried at from 6 to 7.

EUROPEAN DEVELOPMENTS.

The African gold offered in London on Tuesday amounted to \$5,750,000 and the Bank of England secured \$4,500,000 of it. Bank rate is held at 5 p.c. In the open market call money is quoted 4½ to 4¾ p.c. Short bills are 4 15-16 p.c., and three months' bills, 4 15-16 to 5 p.c. Bank rate at Paris is 4 p.c. and private rate of discount, 3½ p.c.; and at Berlin the Imperial Bank quotes 5½ while discounts in the private market rule at 4½. It is noted in London that the money situation is improving. Some authorities hope that after 1st December the return of harvesting money to the capital will serve to ease the situation. But on the other hand it is remembered that at Berlin and other European centres the year-end settlements will occasion a considerable demand for credits. So there may be more or less tightness in the markets until the second or third week in January.

The military successes of the constitutionalists in Mexico are taken in Europe as indicating that President Wilson's policy will probably be effective in securing Huerta's elimination and perhaps in permitting Mexico to obtain a government representative to some extent of the Mexican people.

NEW YORK POSITION.

Call loans in New York are 2¾ to 3½ p.c. Time loans have been firm: rates, 60 days, 5 p.c.; 90 days, 5 p.c.; and six months, 4¾ to 5 p.c.