

by something under \$700,000, making their total \$71,855,565. Foreign call loans increased \$2,786,503 to \$120,607,677. In August, 1914, following the outbreak of war, there was a decrease in these loans of above 29 million dollars. Canadian current loans and discounts were practically stationary during August, but at \$758,342,735 are over 78 millions less than a year ago.

MUNICIPAL LOANS STILL INCREASING

The Dominion Government repaid during August, presumably from the proceeds of its recent New York borrowing, five millions of the amount it had borrowed temporarily from the Bank of Montreal. The banks' municipal loans continue on the upward grade, a further increase of two millions being made during August to \$46,020,730, over six millions more than their total at the close of August, 1914. The banks' holdings of securities were also proportionately largely increased during August by \$5,498,784 to \$125,209,429. This advance makes the banks' holdings of securities \$22,782,378 larger than at the close of August, 1914.

The banks' reserve position naturally continues to be one of exceptional strength. Immediately available reserves of specie and Dominion notes, deposits in the Central Gold Reserve and to secure the note issues net bank balances abroad and foreign call loans at the end of August were in the proportion of 29.5 per cent. to the note circulation and deposits of all kinds. The end of July figures were 28.3 per cent.

GERMANY'S "FLASH" LOANS.

The latest German loan scheme exhibits financial desperation in all its welcome nakedness. State employes may have part of their wages in advance, in consideration of their lending the "money" to the State. But how does the State benefit? Herr Brauneberger, a public servant drawing 5,000 marks a year, applies for an advance of half his salary for the next ten years—say 25,000m.—and subscribes the "money" to the war loan. But the advance was paper, and the subscription is paper. The State is no gainer by Brauneberger's transaction, which is almost precisely equivalent to the action of a man who lends himself large sums of "money" consisting of cheques drawn on a bank where he has no balance. As for Brauneberger himself, he is simply swindled. He has mortgaged his salary, for years ahead, against "securities" which are utterly worthless in the light of existing German bankruptcy and inevitable default. The German Government can keep currency created in this fashion on the move and grab goods in exchange for it; but the collapse is as certain as death, and the longer it is postponed the more cataclysmic it will be. Every unit of worthless German sugar paper is fighting on the side of the Allies.—*London Financial News.*

The Sun Insurance office is entering the Patriotic Assurance Company, of Dublin, Ireland, which it has owned since 1907, in the United States field to take the place of the Sun Underwriters.

AN IMPOSITION ON THE BANKS.

In regard to the suggestion sent out from Ottawa recently that in order to meet the sterling exchange situation, the Minister of Finance instead of drawing on London balances may issue Dominion notes against gold held in London for account of the Receiver-General, a correspondent points out that in practice this might easily develop into an imposition on the Canadian banks—for it is they who would have to take the new issues of Dominion notes, and if they had no use for them and could not utilize the gold in London, it would simply mean that their enlarged holdings of Dominion notes would crowd out other investments or advances.

The London drawings are, of course, in connection with the Canadian Government's military expenditure, to meet which it is generally understood, the British Government is lending the Dominion Government through the Bank of England £2,000,000 sterling monthly.

THE COLONIAL BANK.

The Colonial Bank, of London and the West Indies, which recently obtained a charter to operate a Canadian subsidiary bank, to be known as the Colonial Bank of Canada, has appointed Mr. A. R. Doble to act as its Canadian representative pending the establishment of the Canadian branch. The Colonial Bank, which dates from 1836, is particularly well known in connection with West Indian trade.

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