

000, this amount being almost absorbed in an increase in the foreign current loans of about \$2,500,000, and a \$2,740,000 gain in Canadian call loans. On the other side, there is a shrinkage of just over \$3,000,000 in demand deposits, and a fall of \$1,100,000 in the notice deposits which are some \$8,000,000 lower than at December 31, 1912. Foreign deposits have fallen off for the month, but, on the year there is the important gain of over \$16,000,000.

An important fact made plain by the December statement is the very large gain in the holdings by the banks of gold and Dominion notes last year. It will be seen from the subjoined figures that at December 31, the specie holdings of the banks were \$45,423,463, an increase of \$11,643,130 on December 31, 1912, and the Dominion notes holdings, \$104,778,358, an increase of \$10,193,874. In addition there are the deposits in the Central Gold Reserve, amounting to \$7,597,066, of which \$1,197,066 is in Gold coin and the balance in Dominion notes. So that there was in reality last year an increase of some \$30,000,000 in the actual cash holdings of the banks—a fact which is full of significance and assurance.

OUTLOOK FOR OUR NEW ISSUES IN LONDON.

The fact that early in the present week, the last Dominion loan, issued shortly before Christmas was quoted at 6 $\frac{3}{8}$ premium on the issue price, is a striking indication of the improvement which has taken place in the London investment market since the turn of the year. Moreover, several of our municipal issues have been quickly subscribed, and also are now quoted at substantial premiums. This after a many months' tale of underwriters being compelled to take up large proportions of our offerings is satisfactory enough, and as the keenest observers of financial problems are agreed that a comparatively prolonged period of cheap money has begun in the European markets, it is to be supposed that, if our issues are not pressed too freely that they will continue to be readily taken.

However, cheap money or no, the halcyon days when a fortnight in London was all that was necessary to secure \$500,000 cash on the strength of being the owner of an option on a tract of prairie land have departed, and any promoters who imagine that the present period of an improving monetary situation the world over is likely to provide them with opportunities of disposing of second rate securities, whether in the European or American markets, are likely to be sadly disappointed. "Once bit twice shy" and the foreign investor who has been badly bitten in some of our industrial and other flotations during recent years, is likely to be mighty careful about his security when he ventures again into Canadian investments. Moreover at the present time, both London and New York are chock-full of Canadian applications for capital, and it is certain that where demands are so numerous, only those who can offer the best terms both as to security and interest will be listened to. It will probably be found this year that while both in Europe and the United States, there will be a ready market for high-grade securities offering attractive rates

of interest, such as those of our governments, municipalities and railways, high grade mortgages and soundly-established industrial undertakings, beyond these, offerings will be relentlessly turned down and that consequently at the end of the year, the list of Canadian securities issued will contain a somewhat less proportion of issues of which we have subsequently some reason to be ashamed, than have the offerings of some recent years.

SHARP CONTRACTION IN BANKS' CIRCULATION.

There was a notably sharp contraction in the circulation of the banks during December. At November 30, circulation stood at \$119,497,321, but by the end of the year it had been reduced by nearly \$11,000,000 to \$108,646,425, or nearly \$1,500,000 less than the figures of circulation for December 31, 1912. This December redemption of circulation is unusually heavy, and in fact attains record proportions for the month, the customary experience being that the most notable movement in the way of note-redemption after crop-moving takes place in January. However, the crops were moved and marketed with extraordinary rapidity in 1913, and this accounts for the early redemption. Probably, there was a further reduction in circulation last month, owing to the contraction in business.

At the end of December, six of the banks had circulation outstanding in excess of their paid-up capital, comparing with eleven at December 31, 1912, and eight at December 31, 1911. With one exception these six banks had made deposits in the Central Gold Reserve, the exception being the Provinciale. However, in the case of the Nationale, the Gold Reserve deposit was not large enough to cover the whole of the additional circulation, some of which was accordingly subject to tax. The banks having excess circulation outstanding at December 31 are as follows:—

National	\$277,630	Royal	\$716,686
Provincial	146,923	Standard	207,548
Union	514,179	Ottawa	169,180

DEATH OF CAPTAIN R. D. MACDONNELL.

Captain Richard Doyne Macdonnell, Chief Commissioner of the Trust & Loan Company of Canada, passed away on Wednesday, after a brief illness.

A son of the late Dean of Peterborough (England), Captain Macdonnell served both at home and in the Indian army. In 1891, Captain Macdonnell was appointed an Assistant-Commissioner to the Trust and Loan Company of Canada, with residence at Montreal and Toronto; in 1898, he was promoted a Commissioner with residence at Winnipeg; and in 1912 was appointed Chief Commissioner of the Company and elected to a seat on the Board of Directors.

To Captain Macdonnell's unflagging energy, covering a period of 22 years with the Trust and Loan Company of Canada, the Company owes much of its present prosperity, and his loss will be sincerely felt by all with whom he served.

Captain Macdonnell leaves a widow and one child—a daughter—whilst a surviving brother is manager of the Perth branch of the Bank of Montreal.