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A SLIGHT IMPROVEMENT.

Thanks to an improvement in sentiment abroad, the atmosphere of the Canadian financial markets has been a trifle more cheerful during the current week. Various industrial concerns are still coming forward with reports which are not in all respects satisfactory; but the street is gradually getting accustomed to these unfavorable reports. There is less disposition to think that Canadian industries in general are "going to the dogs." The reports now coming out are not all of them bad. In numerous instances the profits earned are very good indeed; and it is possible in several instances to trace the troubles of the concerns which have been in the limelight to errors made by the promoters and their associates in capitalizing new enterprises or consolidations.

SIGNIFICANCE OF BANK BONUS.

The declaration by the Canadian Bank of Commerce directors of the one per cent. bonus which has been paid every other quarter since a year ago, is accepted as reassuring. If things were very bad and if there were a prospect of any serious trouble the bank would perhaps prefer to omit the bonus and keep the $150,000 which it represents in its own possession. This declaration will probably also be accepted as an indication that so far as the Commerce is concerned the profits to be shown in 1913 will not compare unfavorably with 1912. The Molsons report, with its two special appropriations, points however, to the existence of sundry conditions in the banking field which have a tendency to reduce profits.

STRINGENCY SUBSIDING.

With respect to the monetary situation, although the London market is not favorable to new security issues, the stringency here appears to be subsiding. The banks are not holding so firmly to their funds and they are giving a rather more cordial hearing to the proposals of would-be borrowers on good collateral—providing the loans which are suggested do not run into large amounts. Call loans in Montreal and Toronto are 5½ to 6 p.c.; and discount rates applying to commercial paper range from 6 to 7 p.c. as heretofore.

LONDON POSITION.

Rates for money and discounts in the London market have been steady. Call money is 3½ p.c.; short bills are 4 11-16 to 4¾; and three months' bills, 4⅞ to 4 15-16. Bank rate is held at 5 p.c. The Bank of England got most of the $4,000,000 new gold available in London this week. Bank rate at Paris is held at 4 p.c. and discounts in the private market are 3⅞. And at Berlin the Imperial Bank of Germany quotes 6 as against the 4⅝ p.c. rate prevailing in the open market.

EFFECT OF CROP MOVEMENTS.

Relief is felt by all the European markets over the acquiescence of Servia in the Austrian demands regarding Albania. And European affairs generally have been settling down to normal. Although London is reluctant to part with gold for export to New York, it is said that the pressure of bills of exchange on the American market is so strong as to suggest that gold must shortly move this way across the Atlantic. Total agricultural exports from the United States in September were $18,600,000 above September, 1912, and they broke all September records. This heavy export of produce necessarily serves to create a great mass of bills of exchange on London; and if the movement is not offset or balanced by movement of securities, etc., the tendency would be to depress sterling quotations.

NEW YORK DEVELOPMENTS.

In New York call loans are 2½ to 3 p.c.; sixty day loans are 4½ to 4¾ p.c.; ninety days, 5 p.c.; and six months, 4¾ p.c. Through heavy loan contraction the clearing house institutions were enabled to show in their Saturday statement a substantial gain in reserve strength. In the case of banks and trust companies the loans were reduced $24,580,000; cash