

HIGHER MONEY RATES.

Montreal Stock Exchange Members Notify Advance—
Bank of England and Imperial Bank of
Germany Raise Rates.

The advance in the Bank of England's minimum discount rate last week from 2½ to 3 per cent. was the first change since April 1st, when a reduction was made from 3 to 2½ per cent. It was raised to 3 per cent. on January 14th last. The increase was generally anticipated but it was not thought the governors would raise the rate for some weeks yet. Since 1896, the advance in the rate, which is almost invariably made on a Thursday, has occurred eight times in October. Those who have studied the money market closely predicted a rise in the bank rate to 4 per cent. in the near future, and this prophecy proved correct as the rate was raised to 4% on Thursday.

The members of the Montreal Stock Exchange this week issued notices to their customers, informing them that they have advanced the rates on loans to 5% per cent. This did not surprise the customers, as they had already heard that the banks had advanced their rates on call loans to brokers, to 4½ per cent., the former rate having been 4 per cent. Brokers usually get a margin of one per cent. between the price they pay the bankers and the price they charge their customers.

Bank Loans and Circulation in Canada.

In this connection, a few figures illustrating the financial conditions in Canada, as shown in the last government report, compared with a year ago and a month ago, will be interesting:—

	Circulation.	Total Current Loans.	Total Call Loans.
July 31, 1909....	\$71,006,005	\$572,574,426	\$169,288,591
Aug. 31, 1909....	71,847,552	573,816,100	177,339,681
Aug. 31, 1908....	70,389,897	541,714,737	102,276,542

These figures represent the financial situation in the matter of circulation and loans as at the end of August, subsequent to which time the advance of the stock market to its high point occurred and the culmination in trading. Also, during the month of September several records were made in the production of certain grades of iron and in the consumption thereof, all of which indicate approaching industrial development, the requirements of which will call for a large expansion of credits on the part of our banking institutions. These, together with the hardening of the money rates in New York, which latter was probably the immediate cause, occasioned the advance referred to among the local banks.

Call Money in New York

Call money loaned up to 6 per cent. in New York last week for the first time since the week ended January 17th, 1908. The highest rate quoted in the long interval from January, 1908, to October, 1909, was 4½ per cent., and that only in one week of last December. With the rise in call money to 6 per cent., and the hardening of time money rates the period of easy money which succeeded the financial panic of 1907 may be regarded as having come to an end.

There was only a difference of five months in the length of easy money periods that followed the troubles of 1893 and 1907. The recent panic was more severe but the general conditions of the country were better. The result was the greater wealth and inherent soundness of 1908, compared with the period fourteen years earlier. A noteworthy difference is found in the periods following the return to normal rates. In 1895 the markets ran into the troubles arising from the free silver agitation which ended in the crisis of 1896. In the closing week of October, 1896, and the first few days of November, call money loaned as high as 127 per cent., but the very week after the success of the sound money campaign call money dropped from 96 per cent., to 3 per cent. It is generally agreed that no such cause of disturbance is at hand.

Imperial Bank Rate Now Five Per Cent.

The Imperial Bank of Germany, on Monday, advanced its minimum rate of discount 1% to 5%. The 4% rate had been in effect since September 20th. The previous advance was accompanied by the announcement that the object was to call a halt on speculative activities, especially those pertaining to American securities. From the further rise it would seem that the former did not accomplish its purpose. New York bankers think that the move indicates unsatisfactory conditions in Berlin. The average rate of the bank since June, 1901 was 4.8%.

Mr. P. D'E Strickland, for many years manager of the Pembroke branch of the Quebec Bank, has succeeded Mr. C. C. Smith as manager in Toronto. Mr. Smith has been appointed manager at Quebec.

BANKING NEWS AND NOTES.

The Western and Hawaiian Investment Company, Limited, has been registered in Saskatchewan.

The Weyburn Implement Company, Limited, has increased its capital stock from \$20,000 to \$50,000.

The steamer "Princess Royal" was expected to reach Vancouver on October 7th with a million and a half in Yukon gold.

A branch of the Bank of British North America has been opened at Raymbre, Sask., under the management of Mr. G. Kelman.

The Traders Bank opened a branch at Vancouver on October 1st and may open a branch at Victoria, B.C., also, in a month.

A branch of the Bank of British North America has been opened at Bow Island, Alta., under the management of Mr. W. E. Hopkins.

Work on the new refinery to cost \$32,000, and to be built in connection with the Royal Mint on Sussex Street, Ottawa, is to be started immediately.

The capital stock of the Oriental Silk Company, Limited, has been increased from \$20,000 to \$49,500, the increase consisting of 590 shares of \$50.

Mr. Frederick Harold Eaton, manager of the Royal Bank of Canada, Bathurst, N.B., was married in Amherst, N.S., recently to Miss S. H. Mackinnon.

The Trust and Loan Company of Canada will apply for power to decrease the par value of the company's shares to £10, and to double their present borrowing powers.

Mr. J. W. McWhinney, general manager of the Union Trust Company, Toronto, was on the Pacific Coast last week. The company does a good business in Vancouver.

The capital stock of the Stewart, Howe and Meek Company, Limited, has been increased from \$150,000 to \$200,000, by the issue of 500 shares of new stock of \$100 each.

Mr. H. A. Stone, President of the Vancouver Board of Trade, on his return from a two months' trip to England, comments on the amount of British and French capital coming into Canada. When overseas he had many enquiries as to the desirability of investing funds in the West and British Columbia. Attention has been turned this way on account of the Budget. The alienation of the Roman Catholic institutions by the French Government has also had a tendency to attract capital.

The election of officers of the Chartered Accountants' Students Association took place last week at the institution's rooms, Toronto, and resulted as follows: Honorary president, G. N. Stiff, C.A.; honorary vice-president, R. E. Young, C.A.; president, G. A. McClatchie; vice-president, N. B. Banks; secretary-treasurer, H. A. Butt; librarian, J. W. Cringan; assistant librarian, A. E. Clark; executive, A. C. Rankin, R. S. Macpherson, G. A. Peters; auditors, A. A. Randall and R. Yeomans.

Mr. A. C. Barnhart, formerly a chartered accountant of New York City and travelling auditor for the New York Central lines in Pennsylvania, has opened an office in the Eastern Townships Building, Montreal, under the title of Financial Engineer. Mr. Barnhart has had a varied financial and business experience, and he hopes to be able to save institutions which have become financially embarrassed from going into absolute bankruptcy. He will undertake contracts for the protection of creditors, for the financing of industries and for financial flotations.

The sales of farm lands by the Hudson's Bay Company for the quarter ending September 30, 1909, amounted approximately to 20,900 acres for £51,900, as compared with 5,400 acres for £12,600; and sales of town lots to £500, as compared with £1,300 for the corresponding period of 1908. The receipts are £53,100, as against £48,600 in 1908. The sales for the six months to September 30, 1909, are 32,000 acres for £80,100, and town lots were sold for £2,400, as compared with sales of farm lands 10,000 acres for £23,500 and town lots for £2,900 for the corresponding period of 1908. The total receipts for the six months ending September 30, 1909, amount to £114,100, as compared with £100,000 for the corresponding six months of last year.

At the special general meeting of the shareholders of Cobalt Merger Limited, held recently, the following new board of directors was elected: Messrs. George Goodwin, T. A. Bement and A. W. Turner of Ottawa; S. S. Sharpe of Uxbridge and S. B. Morris, banker, of Rodney. At a subsequent meeting of the directors Mr. Goodwin was elected president, Mr. Bement vice-president and E. A. Larmouth of Ottawa, secretary-treasurer. The head office is to be removed to Ottawa. Some treasury stock was disposed of at par and arrangements made by the directors for funds with which to proceed with active prospective and development work, which will be carried on under the supervision of the Right-of-Way Company, of which they have secured a controlling interest.