posit twelve months ago, have since been turned into active employment in other directions. It is also probable enough that a proportion of this would be new capital imported into the Dominion from abroad.

There is an equally large shrinkage in the Bank's foreign call loans. These at October 31 last, were only $42,602,772, or $19,000,000 less than a year ago and nearly $35,000,000 less than two years ago. On the other hand, commercial conditions at home have demanded further large expansion in current loans and discounts, and these have advanced to $121,053,066 or $9,000,000 above last year and $30,000,000 higher than two years ago.

THE OCTOBER BANK RETURN.

Maximum Circulation, $107,408,000—Twenty Banks Issue Excess Currency—Canadian Current Loans and Discounts Advance $19,000,000—Large Increase in Deposits.

The anticipations in these columns that the banks would this year utilise the emergency circulation to a considerably greater extent than heretofore are shown, by the newly-published bank return for last month, to have been well-founded. Under normal circumstances, the October statement shows the banks' business at the flood-tide of its seasonal movements and the impetus given by the harvesting of the country's crops was such last month, as to carry the maximum circulation to the new high record of $107,408,361, a point more than ten millions higher than that reached in October of 1910, and $16,000,000 higher than in the "record" year 1909. The details of circulation in comparison with the banks' paid-up capital at the end of the month are as follows:—

CIRCULATION OF THE ACTIVE BANKS IN OCTOBER SHOWING EXCESS OR MARGIN OF ORDINARY CIRCULATION.

(+ = *Excess*, — = *Margin*)

Banks.	Paid-up Capital.	Maximum Circulation.		Excess or Margin.
Montreal	$14,887,570	$15,914,654	+	$1,027,084
New Brunswick	907,900	886,796	—	21,104
Quebec	2,500,000	2,523,179	+	23,179
Nova Scotia	3,909,740	3,671,392	—	238,348
British North America	4,866,666	5,016,121	+	149,455
Toronto	4,547,475	5,048,952	+	501,477
Molsons	4,000,000	4,143,857	+	143,857
East. Townships	3,000,000	3,314,910	+	314,910
Nationale	2,000,000	1,986,921	—	14,079
Merchants	6,000,000	6,642,969	+	642,969
Provinciale	1,000,000	1,183,868	+	183,868
Union of Can.	4,762,440	4,825,098	+	62,658
Commerce	11,486,920	11,882,445	+	395,525
Royal	6,200,000	6,504,265	+	304,265
Dominion	4,629,476	4,933,993	+	304,517
Hamilton	2,743,400	2,860,930	+	117,530
Standard	2,000,000	2,454,822	+	454,822
Hochelaga	2,500,000	2,435,257	—	64,743
Ottawa	3,500,000	3,937,185	+	437,185
Imperial	5,970,034	6,260,250	+	290,216
Traders	4,354,500	4,597,905	+	243,405
Metropolitan	1,000,000	1,067,347	+	67,347
Home	1,272,599	1,263,400	—	9,199
North. Crown	2,207,500	2,035,575	—	171,925
Sterling	968,584	1,017,405	+	48,821
Vancouver	620,505	491,000	—	129,505
Weyburn	301,300	303,615	+	2,315
Internationale	1,026,940	168,360	—	858,580

From this table, it will be seen that twenty of the twenty-eight banks which were actively transacting business last month were compelled to issue "excess" currency during October. In numbers, this compares with sixteen in the October of 1910, nine in October, 1909, and five in October, 1908. There has not only been this further increase in the number of banks using the excess currency this year, but a great increase in the amount of this currency which the individual banks have issued. In October, 1910,

COMPARATIVE STATEMENT OF RELATION OF BANKS' RESERVES TO IMMEDIATE LIABILITIES

(Compiled by The Chronicle.)

	October, 1911	September, 1911	October, 1910	October, 1909
LIABILITIES.	$	$	$	$
Dominion Government deposits	9,512,657	6,169,890	8,177,179	4,740,974
Provincial Government deposits	25,626,270	28,991,108	28,187,742	20,548,462
Deposits of the Public "demand"	331,953,562	313,584,893	280,838,612	250,968,487
Deposits of the Public "notice"	586,451,045	577,591,045	549,016,725	480,837,606
Deposits elsewhere than in Canada	73,482,197	78,887,510	74,355,783	75,544,887
Total deposits	1,027,025,731	1,005,224,446	940,576,041	832,640,416
Note Circulation	105,855,021	97,197,176	95,992,866	89,633,549
	1,132,880,752	1,102,421,622	1,036,568,907	922,273,965
*Less notes and cheques other Canadian banks held	68,382,456	49,568,123	42,935,382	40,077,281
Net Liability	1,064,498,296	1,052,853,499	993,633,525	882,196,684
AVAILABLE ASSETS.				
Specie and legals	123,303,470	120,878,932	108,486,282	94,597,879
Net foreign bank balances	46,642,003	54,021,108	44,272,171	41,539,051
Foreign call loans	88,722,640	93,517,076	103,279,774	129,964,353
	258,668,113	268,417,116	256,038,227	266,101,283
Percentage of Liability	24.30	25.50	25.77	30.16

*This item is deducted because it represents obligations of the banks held by themselves