

These figures show that at October 31, the Bank had excess circulation of \$131,862. This compares with over \$1,000,000 at the same time last year—the reduction in this connection being one result of the recent increase in capital. Non-interest-bearing deposits are some \$800,000 lower than a year ago, but in interest-bearing deposits there has been the substantial increase of nearly \$6,500,000, bringing them up to \$141,970,011. It will be noted that two years ago these deposits were as high as \$154,000,000, but that figure was reached owing to very large special deposits, which were shortly afterwards distributed. In regard to loans, the principal change in comparison with 1911, is an addition of over \$12,500,000 to the Bank's call loans in Great Britain and the United States, making them \$55,158,633 against \$42,602,772 twelve months ago and practically \$62,000,000 two years ago. This increase in foreign call loans has been an important factor in making for the higher proportion of quick assets to liabilities to the public. The Bank's holdings of securities are about \$1,800,000 less than last year and current loans and discounts just over \$2,000,000 less. The Bank's total assets are increased by \$7,000,000 to \$236,927,519. It is an exceptionally strong position.

THE OCTOBER BANK STATEMENT.

The most striking changes in the newly-published bank return for October are in connection with the banks' loan accounts. The financing of the western crops and the other commercial demands upon the banks resulted in an increase in their Canadian current loans last month of over \$20,000,000 to the high figure of \$879,676,655. This is just over \$111,000,000 more than the total of these loans at the close of October, 1911. In consequence of this pressure of commercial demands, the banks' foreign call loans were reduced by \$11,600,000 during October to \$101,186,983, but at this figure they are about \$12,400,000 higher than at the corresponding date of last year.

Fifteen banks made excess issues of circulation during last month in comparison with twenty in October, 1911. At the end of the month ten had excess circulation outstanding.

Following are the leading items of the statement in comparison with September, 1912, and October, 1911:—

	Oct., 1912.	Sept., 1912.	Oct., 1911.
	\$	\$	\$
Circulation . . .	119,696,877	104,334,287	105,855,921
Demand Deposits .	383,814,572	374,368,917	331,953,562
Notice Deposits .	640,097,928	640,536,652	586,451,045
Deposits Outside			
Canada	78,518,407	81,953,710	73,482,197
Liabilities	1,283,211,402	1,272,617,505	1,164,585,963
Call Loans in Canada	73,959,866	75,205,261	69,088,467
Call Loans Outside Canada	101,186,983	112,767,036	88,722,640
Current Loans in Canada	879,676,655	859,341,193	768,492,008
Total Assets	1,521,105,096	1,509,255,749	1,381,280,989

THE BANKS AND AGRICULTURE: SIR EDMUND WALKER'S VIEWS.

Government Loans to Farmers would Depreciate Public Credit—Sir Edmund Sympathetic to Proposal that Banks should Lend to Farmers on Security of Grain and Cattle.

In an important interview given to Mr. J. W. Ward and published in the Grain Growers' Guide, Sir Edmund Walker, president of the Canadian Bank of Commerce, discussed the subject of the financing of the western Canadian farmer and intimated that he was sympathetic to the proposal which has been much discussed of late that the banks should be empowered to lend to farmers on the security of grain stored in their own granaries.

Sir Edmund said he had the greatest sympathy with any effort to give the farmer all the financial assistance which it is necessary for him to have. "There is no reason," he added, "why a loan to a farmer of \$100 should not have the same consideration as a loan to a manufacturer of \$100,000, if the conditions are right. Now, let us get at the conditions. No new settlement was ever made in a new country accompanied by such banking conditions as we have here. No one else ever got money so readily or at so low a rate of interest.

A CHEAP RATE.

"In this country, unlike Australia, New Zealand, and Great Britain, commercial banking and land banking are absolutely separate. A commercial bank in Canada is not allowed to lend money on the security of land, and for many good reasons that it is not necessary to go into now. Let us take the land side of it first, a matter with which I personally am not connected. The man who has secured the patent for his homestead in Saskatchewan or Alberta and gets his first small loan from a mortgage company at 8 p.c. may think that rate high because some one may be borrowing money elsewhere at 5 or 6 per cent. As a matter of fact the farmer similarly situated anywhere else in North America never got his money at anything like that rate. Very much higher rates were paid in the Western States when they were in the same stage of development. As conditions become more settled rates will go down, as they have done in Manitoba, where, I believe, 6 to 7 per cent. is the rule.

"If any plan can be devised that would provide that money more cheaply, one would like to see it accomplished, but I do not think it can be done unless you are to suppose that the State is to use the credit for that purpose which might otherwise be necessary for public works. If the Provincial or Federal Governments were to pledge their credit for the purpose of obtaining any large sum of money to loan to the farmers at low rates of interest, the inevitable result would be that the rate of interest would go up and all the money they required not only for this purpose but also for the public works which are necessary in this growing country, would cost them more. There are only a certain number of people who are seeking investment securities such as those of the Canadian governments, and the moment you ask for more money than is readily forthcoming your interest rate goes up."

The experience of New Zealand and Australia where the governments have for more than 20 years