

ber of United States bills have also lately been in circulation although whether merely as the result of the spendings of the American tourists who thronged Montreal, Toronto and other centres this summer or as the result of action by the banks does not appear.

#### A SATISFACTORY POSITION.

These changes in the leading liabilities and assets of the banks result in an increase of just over \$2,200,000 in the banks' net liabilities to the public. Coincidentally, owing to the decrease in the foreign call loans, and a downward movement in the net foreign bank balances, the immediate assets have been lessened by about the same amount. So that the ratio of immediate assets to liabilities to the public is fractionally decreased to 26.27 per cent. against 26.54 per cent. in July, 25.98 per cent. in June, and 25.65 per cent. in May. In view of the crop movement the banks' position would appear a satisfactory one.

The August return includes one or two minor points of interest. For the first time the return shows a paid-up capital by the going banks of the Dominion exceeding \$100,000,000. The fact that the return states a paid-up capital of \$103,716,900 is due to the inclusion of the defunct Sovereign Bank with its capital of \$3,000,000. Over \$1,000,000 new capital was paid up in various banks last month, and this process will continue, as a result of the capital increases which have lately been announced, for some months to come. In this connection, it may be mentioned that French interests have acquired \$250,000 stock in the new Bank of Vancouver and it is stated that they have an option on a further block. The capital account also should soon be swelled by the inclusion of the new Banque Internationale in the return. But it is significant of the trend of Canadian banking in this con-

nection that whereas the capital of the banks has been increased by \$4,517,000 in the twelve months to the end of August, their reserve has been advanced no less than \$9,501,058 in the same period, and is now within measurable distance of \$90,000,000.

The fact that there are in the current return no "loans from other banks in Canada" is due to the transfer of this item, which figured in the Sovereign Bank's statements to "other liabilities," as a result of the arrangement, doubtless, by which International Assets, Ltd., has come into being to take over the assets of the bank. This transfer also accounts for the exceptionally large increase in "other liabilities" shown for last month.

#### ROYAL BANK OF CANADA AND COLONIAL BANK.

We understand that the statement, cabled from London, that the Royal Bank of Canada has absorbed the Colonial Bank, of London and the West Indies, is unfounded. The Colonial Bank is an old established institution, dating from 1836, with a paid-up capital of £600,000. For several years past its dividend rate has been 6 per cent. per annum. It has fifteen branches in the West Indies. The Royal Bank has also extensive West Indian interests, having 18 agencies in Cuba and Porto Rico, and being located also at Kingston (Jamaica), Bridgetown (Barbados), Nassau (Bahamas), and two centres in Trinidad.

Shipments of wheat and flour from the United States and Canada last week were the largest of any week since November 24, 1910. They were 3,808,771 bushels, against 1,583,668 in the corresponding week of 1910, and 2,973,601 in 1909.

COMPARATIVE STATEMENT OF RELATION OF BANKS' RESERVES TO IMMEDIATE LIABILITIES.  
(Compiled by The Chronicle.)

	August, 1911	July, 1911	August, 1910	August, 1909
<b>LIABILITIES.</b>				
Dominion Government deposits.....	\$ 5,256,671	4,883,900	8,283,168	4,195,990
Provincial Government deposits.....	29,355,927	30,849,513	30,070,085	18,282,346
Deposits of the Public "demand".....	311,111,668	316,973,780	256,613,172	228,397,679
Deposits of the Public "notice".....	575,740,956	570,789,435	545,357,452	472,591,818
Deposits elsewhere than in Canada.....	71,810,723	73,120,807	78,815,399	70,807,662
Total deposits.....	993,305,045	996,617,435	919,139,276	794,275,495
Note Circulation.....	90,630,530	89,018,079	81,321,439	71,847,552
*Less notes and cheques other Canadian banks held.....	1,083,935,575	1,085,635,514	1,000,460,715	866,123,947
Net Liability.....	1,038,426,145	1,036,216,767	963,485,011	834,221,924
<b>AVAILABLE ASSETS.</b>				
Specie and legals.....	122,459,963	121,518,144	105,902,338	96,453,817
Net foreign bank balances.....	4,664,484	49,434,895	57,217,349	43 2 9,120
Foreign call loans.....	161,713,820	164,009,030	100,447,288	120,659,509
	272,838,267	274,962,069	263,566,975	260,462,446
Percentage of Liability.....	26.27	26.54	27.36	31.21

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