

this consolidation was offset in part by the fact that other banks' new capital was in process of being paid up during the month, so that the actual shrinkage in the paid-up capital of all the banks at September 30, in comparison with August 31, was only some \$400,000.

The privilege of making the excess issues was used by seven of the banks last month. It is a curious fact that no fewer than five of these banks are Toronto institutions and only one has its head office in Montreal. The details of the excess issues are as follows:

	Paid-up capital, Sept. 30.	Maximum excess issue.	Excess Sept. 30.
Molsons	\$4,000,000	\$ 91,057
Dominion	4,953,122	76,506
Standard	2,314,086	236,582	\$183,222
Ottawa	3,728,260	78,385	70,600
Imperial	6,523,423	236,129
Metropolitan	1,000,000	16,292
Sterling	1,014,257	29,563	29,563

The figures given with regard to the maximum excess issues are not strictly accurate in the case of those banks which have new capital in the process of being paid up, but are given as a guide to last month's events in this connection. It will be seen that at the end of the month only three of the banks had excess issues outstanding, and a comparison of the total of circulation, both maximum and at the end of the month, and of the banks' capital shows that as a whole the banks were in a somewhat easier position than at this time last year. At the close of last month, the active banks had a margin between paid-up capital and circulation of \$6,388,901, whereas the similar margin last year was about \$2,000,000 less, and the margin between paid-up capital at the end of the month and maximum circulation was nearly \$4,000,000 while last year this margin was less than \$2,000,000.

While there was last month a large increase of approaching \$14,000,000 in demand deposits, or from \$360,575,425 at August 31 to \$374,368,917 at September 30, notice deposits fell off by about three millions to \$640,536,652. This would be accounted for probably by the withdrawal of some special deposits of monies, which have been left with the banks pending their use in the purposes for which they have been sent to Canada. In this connection it may be noted that the banks' foreign bank balances were at the end of last month comparatively low—a reflection of the congested condition of the London market for new issues and of the fact that Canadian issues of importance in that market recently have not been numerous.

Call loans in Canada at September 30, were practically unchanged from the end of August total. New York call loans were reduced by about a couple of millions last month, while the unceasing demand for commercial credits in Canada caused a \$7,300,000 rise in this item to \$859,341,193.

BANK MERGER CONFIRMED.

We mentioned last week that rumours were in circulation regarding the absorption of the Bank of New Brunswick by the Bank of Nova Scotia. These rumours have now been confirmed. It has been announced that terms have been agreed upon between the banks and that the necessary meetings of shareholders to ratify the arrangements will be called in due course. The terms are that shareholders of the Bank of New Brunswick shall be given share for share, together with a bonus of \$10 per share. Provision is also made in the agreement for the retention of the employees of the Bank of New Brunswick and their enrolment on the pension list of the amalgamated institution.

This amalgamation will send the Bank of Nova Scotia up to about the fifth place among the Canadian banks in point of assets, their total being increased to practically \$80,000,000. It will also probably result in the closing of a certain number of bank offices in the Maritime Provinces, where up to the present, the two institutions have been competitors. Following are the latest official figures regarding the two banks, as at September 30:—

BANK OF NEW BRUNSWICK.	
Capital paid up	\$ 1,000,000
Reserve	1,790,000
Circulation	947,209
Total Deposits	8,576,054
Specie and Dominion Notes	979,536
Canadian Call Loans	1,121,821
Foreign Call Loans	300,000
Canadian Current Loans	8,314,005
Total Assets	12,676,121

BANK OF NOVA SCOTIA.	
Capital Paid up	\$ 4,410,530
Reserve	8,074,742
Circulation	4,058,954
Total Deposits	48,944,971
Specie and Dominion Notes	8,310,125
Canadian Call Loans	5,155,392
Foreign Call Loans	4,461,844
Canadian Current Loans	30,930,246
Foreign Current Loans	5,377,157
Total Assets	66,982,002

THE MOLSONS BANK.

The fact that the annual report of the Molsons Bank is the first of the series of bank reports which make their appearance during the winter months always adds interest to the statement of a conservative and well-established institution. That solid progress was made by the Molsons Bank in its financial year which closed on September 30, is evident from the subjoined leading figures of the balance sheet for the immediately past year in comparison with those of the previous year and also those of the year ending September 30, 1905, when the bank reached its half century:—

	Sept. 30, 1905.	Sept. 30, 1911.	Sept. 30, 1912.
LIABILITIES.			
Capital paid up	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000
Reserve Fund	3,000,000	4,000,000	4,700,000
Circulation	2,906,979	3,761,032	3,953,807
Deposits not bearing interest	3,478,640	5,021,139	7,405,649
Deposits bearing interest	16,806,024	28,829,232	31,676,978
ASSETS.			
Specie and Dominion notes	2,021,376	4,178,303	5,407,363
Securities	3,218,005	2,764,839	2,842,834
Current loans	17,831,821	29,882,294	31,689,133
Call and short loans	3,476,345	5,559,665	5,755,496
Total assets	30,118,464	47,517,833	52,958,505