ment has yet been made by the authorities at Ottawa in regard to this matter, and it will be interesting to see what takes place.

The difficulties encountered by the banks last month in adjusting their circulation within the limit are effectively shown by the table which is comprised in the return of maximum circulation during the month. The paid-up capital of the 27 active banks at the end of last month was $101,392,280; their maximum circulation during September was $99,733,695 or within $1,700,000 of the end-of-the month limit. In addition to the three banks who ran over their limit, a fourth ran it so fine as to have its maximum circulation last month only $142 short of the limit, while a fifth was only $298 short. The facts disclosed, together with the inconvenience to the public last month, go to support the suggestion voiced by Mr. William Molson Macpherson, at the annual meeting of shareholders of the Molsons Bank last week, that when the new revision of the Bank Act is undertaken, the period during which the "excess" circulation may be issued, be advanced by one month from October 1 to September 1.

GENERAL ADVANCE IN LOANS.

Apart from the matter of circulation, which it may be noted was $10,000,000 higher at the end of last month than at the corresponding date last year, the chief interest of the September return lies in its statement regarding the loans of the banks. That the banks have the crop-moving situation well in hand is shown by the fact that in addition to an expansion of $14,300,000 in commercial loans to the new high figure of $749,007,607, Canadian call loans were expanded by $2,600,000 to $67,717,991, foreign current loans by $2,000,000 to $35,587,127 and securities also were added to by a couple of millions, bringing their total up to $95,699,941. The only decrease in this connection was in foreign call loans which were cut down by $8,000,000 to $93,517,076. The effect of these movements of loans is to cut down the total of the banks' call loans by $5,500,000 to $161,235,067 and to advance the total of current loans by $16,000,000 to $784,594,734. So that the aggregate of banks' loans to the public was increased last month by $10,600,000 to $945,829,801. It is to be noticed that while the western crop is so much larger than in 1909, yet the September expansion in current loans of $14,300,000 is nearly $3,000,000 below the advance shown in September, 1909, a fact that may possibly be due, as has been suggested, to the combined effects of the poor weather during harvest time, and to the farmers holding back their crops until after the electorate's decision of September 21.

THE RESERVE POSITION.

Deposits do not show a very pronounced advance upon August, except in the case of foreign deposits, which are increased by $7,000,000 to $78,887,510. The Canadian public's deposits increased by $4,300,000 to $891,175,938. As regards the reserve position, this is slightly weakened, as might be expected during September. In the net liability there is an extension of $14,000,000, while in the immediate reserves, cash is a little lower—an advance in specie reserves of $1,183,197 being offset by a fall in legals of $1,764,288, and the fall in foreign call loans is only partially offset by the rise of $5,400,000 in net foreign bank balances. So that there is a decrease of $3,000,000 in the immediate assets. This makes the

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

	September, 1911	August, 1911	September, 1910	September, 1909
LIABILITIES.	$	$	$	$
Dominion Government deposits	6,169,890	5,256,671	9,807,950	3,730,276
Provincial Government deposits	28,991,108	29,355,027	29,601,075	17,977,103
Deposits of the Public "demand"	313,584,893	311,111,668	273,529,461	239,967,052
Deposits of the Public "notice"	577,591,045	575,740,956	545,630,667	474,103,799
Deposits elsewhere than in Canada	78,887,510	71,840,723	87,392,099	76,556,786
Total deposits	1,005,224,446	993,305,045	945,961,252	812,335,016
Note Circulation	97,197,176	90,630,530	87,256,332	79,207,441
	1,102,421,622	1,083,935,575	1,033,217,584	891,542,457
*Less notes and cheques other Canadian banks held	49,568,123	45,509,430	43,608,321	36,476,053
Net Liability	1,052,853,499	1,038,426,145	989,609,263	855,066,404
AVAILABLE ASSETS.				
Specie and legals	120,878,932	121,459,963	106,813,431	96,340,570
Net foreign bank balances	54,021,108	48,664,484	60,237,232	37,118,151
Foreign call loans	93,517,076	101,713,820	103,534,884	131,634,384
	268,417,116	271,838,267	270,585,547	265,093,105
Percentage of Liability	25.50	26.18	27.34	31.00

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