

comparison of reserve position in 1909 and 1907. (Principal inter-bank items in Canada are excluded):

LIABILITIES.	Oct. 1909.	Oct. 1907
Dom. Gov. deposits.....	\$ 4,740,974	\$ 4,915,745
Prov. ".....	20,543,462	9,345,779
Dep. of public, "demand".....	250,968,487	170,498,311
Dep. of public, "notice".....	480,837,606	416,787,636
Dep. elsewhere.....	75,544,887	54,226,639
Total deposits.....	\$832,640,416	\$655,774,110
Note circulation.....	89,633,549	84,289,933
	\$922,273,965	\$740,064,093
*Less notes and cheques other Canadian banks held.....	40,077,281	32,964,175
Net liability.....	\$882,196,684	\$707,099,918
AVAILABLE ASSETS.		
Specie and legals.....	\$ 94,597,879	\$ 73,927,693
Net foreign bank balances.....	41,639,051	6,639,382
Foreign call loans.....	129,964,353	47,946,737
	\$266,101,283	\$128,513,812
Per cent. of liability.....	30.2	18.2

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

From which it will be seen that, calculated on a conservative basis, the present reserve ratio of the banks is about 30 per cent. as compared with 18 per cent. two years ago. While deposit liabilities have increased by over \$175,000,000 in the interval, quickly available assets have grown by well on to \$140,000,000. And for all practical purposes much of the two years' \$14,000,000 increase in securities might be added to the latter item; for, during months of business depression in 1908-1909, the banks made considerable purchases of bonds and stocks with funds that would otherwise have remained non-earning. And these, as business demands increase, can be made available for commercial needs; indeed, during October, for the first time in months the holdings of securities showed some decrease.

Broadly speaking, in the past two years the promptly available funds of the banks have increased by about \$150,000,000, or within about \$25,000,000 of the increase in deposits—thus

mainly accounting for the notable strengthening in reserve ratio. The relative changes in the main items of assets and liabilities during the two years were approximately as given at the bottom of the page (in figures representing millions of dollars).

From the equation it is seen that the increase of 177 millions in deposits corresponds very closely to the gain of 179 millions in assets. Some such near-equation might have been looked for even if the two years had brought a decreased instead of an increased reserve ratio. In such case, however, increased deposits would have been automatically created by loan expansion, instead of representing quick asset accessions of about 150 millions, as in the period under review. According to this exhibit, loans of all sorts (except foreign call loans, which are considered as part of reserves) increased by less than 20 million dollars. In the ledgers of the banks, therefore, there was but slight creation of deposits by mere cross entries against loans. Thus it is, (to refer again to the matter of available resources) that the banks to-day have a reserve ratio of over 30 per cent. as compared with 18 per cent. two years ago, and with a normal range of between 20 and 23 per cent. observable since 1900; and this increase in ratio, as already pointed out, does not take any account of the increase in holdings of securities, part of which may be easily disposed of when the demand for commercial loans becomes sufficiently strong.

During October the note circulation of the banks increased by about \$10,500,000—the month end total of practically \$90,000,000 being some \$6,500,000 greater than last year's corresponding showing, and over \$5,000,000 greater than the October high record of 1907. While a circulation of \$90,000,000 is considerably within the total paid-up capitalization, nine of the banks took advantage of the provision for extra circulation during October.

ASSETS.			LIABILITIES.			
*Quick Assets	Loans, other than Foreign Call	Remaining Assets	Deposits.	Circulation.	Capital and Res.	Other Liabilities.
+151	+19	+9	+177	+6	+9	-13

*If increase of 14 millions in security holdings be included.
†Including Gov't Deposits.

GERMAN INSURANCE STATISTICS quoted by The Review of London, indicate that there are 26 foreign fire insurance companies operating in Germany, of which fourteen are British, three Austrian, two Swiss, two Swedish, two Belgian, one French, one Dutch and one Danish, and their total gross premium income in 1908 was Mk. 26,504,302. By far the greatest share therein falls to the British offices, and amongst these the first place is taken by the North British and Mercantile, which commenced business in Germany in 1863, its gross premium income last year having been Mk. 5,470,076.

PRICES OF CANADIAN BANK stocks are showing the effect of improving profits—and increased dividend prospects. On announcement of the Traders Bank's coming increase from a 7 p.c. to an 8 p.c. basis, the stock jumped promptly to 147½, as compared with 141½.

THE DIRECTORS OF THE HARTFORD FIRE have appointed Mr. J. W. G. Cofran second vice-president of the company. Mr. Cofran has long been in the service of the Hartford, and his successful work as associate Western manager at Chicago well qualifies him for this important promotion.