

**PAID-UP CAPITAL AND CIRCULATION OF CANADIAN
BANKS AT OCTOBER 31 OF TWELVE YEARS
SHOWING MARGIN OF AGGREGATE
ORDINARY CIRCULATION.**

(Unadjusted Figures).

October.	Paid-up Capital.	Circulation.	Margin.
1912	\$114,134,182	\$110,696,877	\$ 3,437,305
1911	106,163,549	105,855,021	308,528
1910	99,642,053	95,992,866	3,649,187
1909	97,842,330	89,633,549	8,208,781
1908	96,131,632	83,036,732	13,094,900
1907	95,827,992	84,289,983	11,538,009
1906	94,343,742	83,718,630	10,625,112
1905	83,864,828	76,890,863	6,973,965
1904	79,747,011	72,226,306	7,520,705
1903	78,286,682	70,480,611	7,806,071
1902	71,137,510	65,928,973	5,208,537
1901	67,548,410	57,954,779	9,593,631

Last month, the banks' Canadian call loans were reduced by $\frac{1}{4}$ millions to \$73,959,866. Since considerable amounts have been called by the banks during the current month, it is to be expected that the November statement will show a still further reduction of these figures. Calling home $11\frac{1}{2}$ millions of their foreign call loans, thereby reducing them to \$101,186,983, the banks increased their Canadian current loans and discounts by \$20,335,000, to \$879,676,655 or by about \$850,000 more than the increase in this item for the month of October, 1911. The great demands which the expansion throughout the country are making upon the banks is shown by the fact that these current loans have advanced by over \$111,000,000 during the last twelve months, while in the same period the total of all loans to the public by the banks have increased by no less than 133 millions to \$1,096,124,092.

Last month's developments were, of course, such as to weaken the reserve position of the banks. With an increase of \$6,000,000 in liabilities to the public, there was a \$2,000,000 loss in specie and legals besides the $11\frac{1}{2}$ millions decrease in foreign call loans, the only offset being an increase of \$1,200,000 in net foreign bank balances.

THE WORD "BANK."

The efforts in the United States to place private banks under some sort of supervision are likely to succeed, owing to the heavy losses sustained by those who pin their faith to the supposed probity of an individual rather than to the protection offered by the supervision given to the affairs of a legally established bank. Even the excellent clause now contained in the Canadian Banking Act, by which the use of the word "bank" is denied to any but chartered institutions is likely to be amended at the next revision of the Banking Act, owing to foreigners using the equivalent for the word "bank," and thereby luring the poor and illiterate among their countrymen to financial ruin and disaster. To immigrants, a bank means a safe place in which to deposit their savings; and, if the use of the word in English is forbidden by the law of the land, the substitution of the word "banco" or "banca" should not be permitted to any bold and unscrupulous adventurer, either in the United States or Canada.—*Journal of C. B. A.*

THE TRUST AND LOAN COMPANY OF CANADA.

The newly-issued annual report of the Trust and Loan Company of Canada affords interesting evidence of the increasingly important part which this well-known financial institution continues to play in the Dominion's development. Quietly and unostentatiously its development is proceeding, but it needs only a glance at successive balance sheets to show the highly conservative lines which mark the policy of those in charge of the company and of the remarkably strong position which is being built up. The Company does not receive deposits, taking the very sound position in this connection that thereby liabilities which mature unexpectedly cannot be incurred, the only liabilities being the interest on debentures and the debentures themselves—both of which are clearly known and fixed before-hand.

The figures of the half-year, printed on another page, afford excellent evidence of a satisfactory business period. The interest account in Canada expanded to \$624,548, an advance of practically \$50,000 upon the figures for the previous half-year, \$575,157. The half-year's net profits approximated \$284,919, which compares favorably with \$253,676 in the previous half-year and \$248,207 in the corresponding half-year of 1911. For the whole year to September 30 last, profits reached \$538,595 or above \$100,000 more than the \$432,834 of the previous twelve months. During the year ended September 30, 1912, the Company's investments in Canada were advanced by more than \$2,000,000. At September 30, 1911, they were \$14,106,271, by September 30, 1912, they had advanced to \$16,188,166.

From the half-year's profits the usual allocation is made to reserve as required by the Company's Act of Parliament and Royal Charter, viz., the moiety of profits over dividend at the rate of 6 p.c. per annum. This allocation absorbs \$97,459 against \$82,853 required by the similar allocation in 1911. There is then left at the credit of revenue, including \$28,885 brought forward from the previous half-year, a sum of \$216,345 against \$175,301 twelve months ago. Of this amount \$10,125 also goes to reserve, the special reserve fund being brought up to \$450,000 (£90,000). These allocations make the combined reserves of the Company upwards of \$2,000,000 or more than two-thirds of the paid-up capital. They are largely invested in gilt-edged securities outside the business proper and are an excellent indication of the strength of the Company. Nearly \$65,000 also is used to write down the cost of issue of debenture stock. An interim dividend at the rate of 8 p.c. per annum for the six months, free of income tax, is paid, \$16,992 being carried to the credit of the current half-year's accounts.

Col. L. Edye is the able Commissioner at Montreal, and Mr. R. C. Young, the Assistant Commissioner. That under the experienced direction of these and other officers whose field of service is in Western Canada, the Trust and Loan Company of Canada will continue to make conservative progress goes without saying. The Company is known as a model in its own field, and as Canada develops so will it achieve greater importance.