

a number of other banks reduced the amount of their excess issue by the end of the month. The Merchants, Commerce, Dominion, Hamilton, Ottawa, Metropolitan and Sterling, did so, and altogether the excess circulation had been reduced over a million dollars by the end of October.

Then another interesting fact is that three banks which used the excess issues last year in October are not in the list this year. They are the New Brunswick, the Home and the Northern Crown. The New Brunswick began to use the excess notes in December, 1909, and it overcirculated according to law in January, October, November, and December, 1910, and January, 1911. The Home has taken advantage of the extra issue power every season since it became operative; the Northern Crown did so in October, 1909, and in October and November, 1910. The Nationale had recourse to its right of extra issue in October and November, 1908, the first year in which the amendment applied, and has been careful not to use it ever since. The Nova Scotia and the Hochelaga have never appeared in the bank statements as issuers of the excess currency.

So far as the record for October, 1911, is concerned, it shows scarcely any of the banks using a large proportion of their issue power. The Standard used two-thirds of its authorized amount; the Provinciale six-sevenths; none of the others used as much as one-half of their authorized issue. Most of the banks appear to have been careful to keep the excess issues down to a small amount. It is well known that they are unprofitable while subject to the 5 p.c. tax. And if a bank was not careful to keep its excess circulation down to a reasonably small amount it would probably discover that it was paying special taxes in order to supply its rivals with currency for counter purposes. It would be in the interest of the business men of the country if the tax on these issues were reduced to a figure which would leave the banks a small profit. Then, the suggestion made in a Toronto paper a couple of weeks ago, that the right to issue should be based upon the reserve funds of the banks rather than upon capital and reserve, has much to recommend it. It certainly seems that when a bank without any reserve fund is given the right to issue notes up to the amount of its capital the provision is generous enough. If further rights of issue are made contingent upon building up a good reserve fund the bank is more likely to resist the temptation of paying most of its profits as dividends to its stockholders in the earlier stages of its career.



Canadian bank clearings last week totalled \$183,796,076 against \$142,319,085 in the corresponding week of last year. The clearing house open in both years, showed an advance of 27.3 per cent.

THE TRUST & LOAN COMPANY OF CANADA.

In our last issue, we published the leading figures of the Trust & Loan Company of Canada, for the half-year ending September 30 last, as received by cable. In the current issue the balance sheet appears on another page. The figures there given and the details of business for the half-year show that this important undertaking is continuing to take its full share in the expansion throughout the Dominion. To date, the development of the Trust & Loan Company of Canada is actually greater than appears from the balance sheet here presented. Since September 30, the company has issued an additional \$1,500,000 of stock which brings its subscribed capital up to \$14,600,000 (£3,000,000). This issue follows upon a number of other issues which have been made during the last few years. The company having now reached the limit of its authorised capital, notice has been given of an application to Parliament at the present session for power to increase the capital to \$25,000,000 (£5,000,000). The fact that the time has arrived for this step to be taken is gratifying evidence of the increasingly large scale of operations of this institution, and of progress that is the more satisfactory since it arises as a result of the Trust and Loan Company's magnificent reputation throughout the Dominion.

Turning to the figures of business for the half-year ended September 30 last, it is seen that the interest account in Canada has expanded to \$530,435. This compares with \$483,978 in the previous half-year, showing the satisfactory expansion of \$46,500. The net profits of the half-year approximated \$248,207, comparing with \$184,627 in the preceding half-year, and \$173,166, in the corresponding half-year of 1910. For the whole year to September 30 last, profits reached \$432,834 or above \$100,000 more than the \$330,196 of the previous twelve months. Twelve months ago also, it may be mentioned, at September 30, 1910, the company's investments in Canada were \$12,246,684; these had been increased by September 30 last, to \$14,106,271 or by almost \$2,000,000.

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 \$82,853 against \$50,958 required by the similar allocation in 1910. There is then left at the credit of revenue, including \$10,008 brought forward from the previous half-year, a sum of \$175,301 against \$137,343 twelve months ago. Of this amount \$38,625 also goes to reserve, the special reserve fund being brought up to \$375,000. These allocations make the combined reserves of the company upwards of \$1,800,000 or nearly 67 per cent. of the paid-up capital. A dividend at the rate of 6 p.c. per annum and a bonus of 1 p.c. for the six months, equal to 8 p.c. for the