

The 30 banks whose capital ranges from \$180,000 to two and a half millions, have an aggregate paid up capital of \$36,681,744, and, in October last, an aggregate circulation of \$34,443,449, leaving them a total margin of \$2,238,295. Out of these there were 14 banks, with an average capital of \$1,900,000, whose circulation was quite up to the limit. The largest margin in the 14 was \$146,094, and 8 were under \$90,000. Such margins at the end of the month indicate that the maximum during the month was flush up to the limit. Certainly out of those 30 banks there was not one had a margin for increase of circulation sufficient to be a comfortable one for the manager, as such sums as \$100,000 to \$200,000 in the note issues of banks having branches spread all over Canada are so trifling as to be frequently exceeded during one day's fluctuations. It is evident from the above statistics that there are only 3 banks in Canada that have a margin for increased circulation worth any consideration in studying the problem such conditions present.

The following answers to the above questions are suggested to be:

- 1st. The limit of a bank's circulation should be its power to promptly redeem whatever notes it issues in current money which is acceptable to the note-holders.
- 2nd. No better protection is needed than what is provided for the security of Canadian bank notes, as it puts loss by note issues outside the sphere of probability.
- 3rd. A ready, safe and most rational way of extending the circulation limit would be to enlarge it along the present lines by adding some percentage of the Reserve Fund to the limit.

But this cannot be too strongly affirmed, that, under a system of daily redemption of notes, as in Canada, there cannot be an excessive, an over-issue, for directly the actual currency needs of the public are supplied, the surplus is sent back to the banks for redemption and they could not keep them out and in circulation even if they wished.

THE CANADIAN BANK OF COMMERCE.

The directors of the Canadian Bank of Commerce have issued a Report and General Statement which will be presented to the shareholders at the annual meeting on 14th January, 1902. The Statement is made up to 30th November, 1901, "for a period of six months only, the shareholders having at their last meeting consented to a change in the date of the annual meeting which necessitates closing the books of the Bank on the 30th Nov. in each year." The change will cause more attention to be given to reports of the annual meetings than when a number of bank reports are issued simultaneously, as is usual in each June. The statement being only for half the year it is not feasible to make extended comparisons

between the figures and those previously issued at the close of an entire year. The salient point of attention is the amount of net profits, which, for the half year ending 30th Nov. last, amounted to \$477,595. This is equal to within a trifle of 12 per cent. per annum on the paid up capital of \$8,000,000. This percentage will be very gratifying to the shareholders, both those on the old list and those who came in on the acquisition of the business of the Bank of British Columbia; as announced in Report of 18th June last. The machinery of the Bank must have got into excellent working order very rapidly, after the amalgamation, for such excellent results to have been achieved. A striking feature in the statement is the large circulation, \$7,266,266 being the total at close of last month. In October the notes issued went up to \$7,633,828, which was 95.42 per cent. of the legal limit.

The growth of this country in recent years is indicated by the expansion of banking business, of which the Canadian Bank of Commerce affords a very striking illustration. The following figures are eloquent, showing the growth of this prosperous bank.

	Total Assets.	Loans and Securities.	Deposits.	Circulation.
	\$	\$	\$	\$
May 31. 1899.....	39,682,786	31,485,997	27,726,362	3,368,420
Oct. 31. 1901.....	71,383,368	61,094,660	50,849,707	7,633,828
Percentage of.....				
increase.....	79.8 p.c.	94 p.c.	83.4 p.c.	126.6 p.c.

In the above are not included the figures of the Bank of British Columbia for May, 1899, and in those for October, 1901 are included about \$10,000,000 of assets which were taken over by the Canadian Bank of Commerce during the period under notice. The immediately available assets at close of November last amounted to \$25,825,595. This sum is exactly 50 per cent. of the total deposits, which indicates a very strong position.

The first report issued under the changed order is superior to any on record of the Canadian Bank of Commerce, and redounds very highly to the credit of Mr. B. E. Walker, general manager, who has a very able and assiduous colleague in Mr. J. H. Plummer, assistant general manager. The Bank, indeed, has a highly efficient and popular staff whose services add materially to its prosperity. The branch in this City has flourished rapidly and most satisfactorily under the management of Mr. Mathewson, and is promising to be a rival in the extent of its business to the head office, Toronto.

EGGS ARE SAID TO BE USED AS CURRENCY in a considerable section of Ireland. The "Insurance Spectator," of London says, this is "credibly reported." This would be the condition of Canada in considerable sections were it not for the note issues of our banks being put into circulation through the branch offices. It is to obviate the chance of such a condition arising that the circulation needs expanding.