

a necessity, but mutual satisfaction in this matter is hardly likely to be secured unless there is mutual co-operation.

Some of the Canadian municipalities who have lately been speculating on the future of the London market for new issues by making arrangements for temporary financing instead of selling their bonds, might well note Mr. Meredith's remarks that British lenders for various reasons, require at the present time a better return on their investments and that a better yield can be secured elsewhere than in the Dominion should we decline to pay these higher rates. This temporary financing is an undesirable expedient in the general interest and it will be considerably better for the municipalities to make up their minds that, owing to economic circumstances over which they have no control, they will have in future to pay a little more for their funds in London than they have paid in some recent years. The process may be unpleasant, but it can't be helped.

BONUSES BY THE BANKS.

An indication that 1912 has been a profitable year for at least one of the leading banks is to be found in the fact that the Canadian Bank of Commerce has announced that with the regular quarterly dividend of 2½ per cent. payable on December 1, a bonus of 1 p.c. will also be paid to the shareholders.

It will be in recollection that a few months ago the Bank of Montreal made a similar declaration, and the announcements are interesting not only as signs of a profitable period, but as evident indications of a policy regarding distribution of profits which it appears likely will be adopted by a number of the

banks in the future. One reason why the banks have leaned to conservatism in the matter of increasing their paid-up capitals has been their desire to safeguard their existing scale of dividends, not merely in the interests of the shareholders, but also because so long a time has elapsed since a Canadian bank reduced its dividend rate, that were one to do so now, the action which might be taken for perfectly legitimate reasons, might be apt to be misconstrued and lead to distrust and suspicion. The system of maintaining the dividend at a moderate level and rewarding the shareholders in a specially good year by a bonus is not open to this very grave objection. A bonus initiated in a time of exceptional prosperity can be readily dropped in a less profitable period without exciting anything but the most natural comment and having no other practical effect than perhaps a slight fall in the value of the stock.

THE SEPTEMBER BANK STATEMENT.

With September, the number of chartered banks making their monthly reports to the Government was reduced to 27 by the coming into force as of September 1, of the Royal-Traders merger. Of these 27 banks, one, the Sovereign Bank, is in liquidation, so that actually the banking business of the country is now being carried on by 26 banks. That number will be further reduced to 25 when the prospective union of the Bank of New Brunswick with the Bank of Nova Scotia is consummated, although there are possibilities that the present number of banking institutions will continue at least for a time owing to the starting of a new bank, which has been in process of organisation at Moose Jaw, Sask., for several

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

	September, 1912	August, 1912	September, 1911	September, 1910
LIABILITIES.	\$	\$	\$	\$
Dominion Government deposits.....	7,163,781	10,759,159	6,169,890	9,807,950
Provincial Government deposits.....	28,127,078	28,089,075	28,991,108	29,601,075
Deposits of the Public "demand".....	374,368,917	360,575,425	313,584,893	273,529,461
Deposits of the Public "notice".....	640,536,652	643,663,596	577,591,045	545,630,667
Deposits elsewhere than in Canada.....	81,953,710	78,147,556	78,887,510	87,392,999
Total deposits.....	1,132,150,138	1,121,233,811	1,065,224,416	945,961,252
Note Circulation.....	104,334,287	101,501,270	97,197,176	87,256,332
*Less notes and cheques other Canadian banks held.....	1,236,484,425	1,222,735,081	1,102,421,622	1,003,217,584
Net Liability.....	69,457,402	54,527,412	49,568,123	43,668,321
Net Liability.....	1,167,027,023	1,164,107,669	1,052,553,499	989,609,263
AVAILABLE ASSETS.				
Specie and legals.....	133,794,436	131,809,933	120,878,932	106,813,431
Net foreign bank balances.....	34,269,715	39,614,867	54,021,108	60,237,232
Foreign call loans.....	112,767,036	114,847,864	93,517,076	103,534,884
	280,831,187	286,272,264	268,417,116	270,585,547
	24.06	24.58	25.50	27.34
Percentage of Liability.....				

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