of the work he did for that great charity is only known to those who are very closely connected with it.

Sir Edward crowded much into his 63 years of life. The story of it should be an inspiration to every energetic and ambitious young banker in Canada.

THE OCTOBER BANK STATEMENT.

Mainly, no doubt, owing to the large increases which have taken place in the banks' capitals during the last twelve months, the banks did not find it necessary to use last month so much of the "excess" circulation authorised as in October, 1911. Fifteen out of twenty-six active banks used this circulation last month, as compared with twenty out of twenty-eight in October, 1911. The banks' maximum circulation last month was $113,530,301 against $107,-408,361 in October, 1911. A comparison of the individual banks' figures shows some interesting changes in this connection in the practise of this year from that of 1911. Perhaps the most striking changes are shown by the Bank of Montreal, which in October, 1911, issued over $1,000,000 "excess" circulation, but last month, $283,037, and by the Merchants Bank, issuing in October last year over $640,000 "excess" circulation, but this year in the same month having a margin of ordinary circulation of above $90,000. Both these banks, in common with others, have made heavy additions to their capitals during the past years, but it is also possible that these and other changes are due in part to a deliberate policy of keeping down the "excess" issues. It is well known that these issues are unprofitable while subject to the 5 p.c. tax and so it would be natural for the banks to keep them as low as possible. It seems not unlikely that this question of the banks' issuing powers will be among the matters which will be specifically dealt with at the revision of the Bank Act.

COMPARISON OF EXCESS OR MARGIN OF ORDINARY CIRCULATION IN OCTOBER, 1911 AND 1912.

(+ = *Excess*, — = *Margin*).

Banks.	Excess or Margin, 1911.	Excess or Margin, 1912.
Montreal	+ $1,027,084	+ $283,037
New Brunswick	— 21,104	— 31,626
Quebec	+ 23,179	+ 52,267
Nova Scotia	— 238,348	— 203,672
British	+ 149,455	— 94,453
Toronto	+ 501,477	+ 113,750
Molsons	+ 143,857	+ 188,012
Eastern Townships	+ 314,910	....
Nationale	— 14,079	— 35,518
Merchants	+ 642,969	— 92,434
Provinciale	+ 183,868	+ 106,128
Union of Canada	+ 62,658	— 97,271
Commerce	— 395,525	+ 553,824
Royal	+ 304,265	+ 293,314
Dominion	+ 304,517	+ 281,263
Hamilton	+ 117,530	+ 246,925
Standard	+ 454,822	+ 443,653
Hochelaga	— 64,743	— 217,048
Ottawa	+ 437,185	+ 377,090
Imperial	+ 290,216	+ 204,951
Traders	+ 243,405	....
Metropolitan	+ 67,347	+ 110,972
Home	— 9,199	+ 55,545
Northern Crown	— 171,925	— 282
Sterling	+ 48,821	+ 137,545
Vancouver	— 129,505	— 158,715
Weyburn	+ 2,315	— 1,010
Internationale	— 858,580	— 148,678
Total of Excess Circulation	$5,715,405	$3,448,276

In part, no doubt, also this reduction in the banks' excess issues would be accounted for by the use of the new Dominion fives. At October 31, there were in circulation $10,664,000 of these. The putting these notes into circulation by the banks has naturally an effect upon the banks' reserves and ability to discount which the use of the banks' own notes has not,

COMPARATIVE STATEMENT OF RELATION OF BANKS' RESERVES TO IMMEDIATE LIABILITIES

(Compiled by The Chronicle.)

	October, 1912	September, 1912	October, 1911	October, 1910
LIABILITIES.	$	$	$	$
Dominion Government deposits	7,444,337	7,163,781	9,512,657	8,177,179
Provincial Government deposits	26,293,169	28,127,078	25,626,270	28,187,742
Deposits of the Public "demand"	383,814,572	374,368,917	331,953,562	280,838,612
Deposits of the Public "notice"	640,097,928	640,536,652	586,451,045	549,016,725
Deposits elsewhere than in Canada	78,518,407	81,953,710	73,482,197	74,355,783
Total deposits	1,136,168,413	1,132,150,138	1,027,025,731	940,576,041
Note Circulation	110,696,877	104,334,287	105,855,021	95,992,866
	1,246,865 290	1,236,484,425	1,132,880,752	1,036,568,907
*Less notes and cheques other Canadian banks held	73,585,739	69,457,402	68,382,456	42,935,382
Net Liability	1,173,279,551	1,167,027,023	1,064,498,296	993,633,525
AVAILABLE ASSETS.				
Specie and legals	131,799,423	133,794,436	123,303,470	108,486,282
Net foreign bank balances	35,465,687	34,269,715	46,612,003	44,272,171
Foreign call loans	101,186,983	112,767,036	88,722,640	103,279,774
	268,392,093	280,831,187	258,668,113	256,038,227
Percentage of Liability	22.88	24.06	24.30	25.77

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