upwards of $6,000,000 upon the December, 1909, total of $81,325,732. Five banks, compared with eight in November, had excess circulation out at the end of the year, the list being as follows:—

	Paid-up Capital	Circulation.	Excess.
New Brunswick ..	$ 774,300	$ 904,731	$130,431
Provincial	1,000,000	1,084,013	84,013
Commerce	10,000,000	10,039,056	39,056
Hamilton	2,689,900	2,799,938	110,038
Standard	2,000,000	2,161,627	161,627

The identity of these banks suggests that it is not deferred movements of grain, which are entirely responsible for this emergency currency, but that trade activity in all parts of the Dominion, in the Maritime Provinces as well as in the West, is largely the underlying cause. It will be remembered that at the recent annual meeting of the Canadian Bank of Commerce, Mr. Alexander Laird, the General Manager, referred to this subject, suggesting that difficulty might be experienced in providing the necessary circulation, if it was all to be withdrawn before February 1, and that it would be not unreasonable to ask that the period within which the emergency circulation may be withdrawn should be extended until March. As nothing has since transpired it may be presumed that the emergency circulation has been in course of retirement by the banks in question during the current month and that by the opening of February it will have entirely disappeared. At the same time circulation this month is reported as very active.

The width of this expansion of emergency circulation is shown by the following table of the *maximum* circulation during December of the banks which had outstanding emergency circulation at the end of the year:—

	Maximum.	Excess.
New Brunswick	$ 959,861	$185,561
Provincial	1,115,573	115,573
Commerce	10,622,350	622,350
Hamilton	3,105,480	415,580
Standard	2,323,892	323,892

There is further evidence of December activity in the fact that while at the end of November, only eight banks, including the five mentioned above, had emergency circulation outstanding, in December the *maximum* circulation of six banks, in addition to the five, went well over the limitations of the ordinary issue, but the emergency circulation was retired before the end of the year. The banks are:—

	Maximum.	Excess.
Toronto	$4,463,900	$463,900
Dominion	4,075,037	75,037
Ottawa	3,706,805	206,805
Metropolitan	1,052,667	52,667
Home	1,326,800	147,597
Sterling	960,565	16,148

For the first time since July the deposits of the banks show a decrease upon the preceding month. Demand deposits are down by $9,000,000 and notice deposits by about $7,000,000. To some extent it may be presumed this decrease is accounted for by holiday requirements and also by the fact that prior to Christmas, many people send gifts of money home to England and elsewhere, which in the aggregate must reach a very large sum. Even with this reduction, deposits of the public in Canada show a gain of $65,000,000 in comparison with December, 1909 and of $185,000,000 in comparison with two years ago. There is yet further evidence of commercial activity in the continued high level of current loans, whose trivial falling-off in comparison with November is without significance, while they stand $84,000,000 higher than a year ago. The banks have again made a heavy reduction in their foreign call loans, which stand in the December return at $90,710,437 against $96,404,136 in November and $103,279,774 in October, and in comparison with a year ago this item is about $48,000,000 down. Canadian call loans, after a sharp reduction in November from $64,561,641 to $62,866,513 have expanded to $63,983,912. This, however, is only $400,000 more than in December, 1909.

The balances due from the United Kingdom stand at a much lower level than in recent months —a probable result of the comparative lull in the flotation of Canadian issues in London during the autumn. With a recrudescence of activity in this direction, as is now promised, and with, in the spring, an increase, also, in the number of private transactions by which capital is imported into Canada, it is to be expected that this item will show a heavy increase.

IMPERIAL GUARANTEE & ACCIDENT INSURANCE COMPANY OF CANADA.

The sixth annual report of the Imperial Guarantee & Accident Company of Canada is printed in full on another page. An increased business was transacted in 1910, and the company is now undertaking additional lines of casualty insurance. Hitherto, it has confined its operations entirely to personal accident, sickness and fidelity guarantee lines, but a license has now been obtained to write plate glass and burglary insurance in addition, and the management believe that this widening of the scope of the company's operations will result profitably.

During 1910 the company issued 12,370 policies for $28,857,405, against 11,794 policies for $26,270,309 in 1909, or a gain of 576 policies and $2,587,096 business written. Premiums collected in 1910 reached $219,914, against $197,579 in the previous year. With interest earnings of $9,378, the total income for the year was brought up to $229,292, and the President, Mr. E. W. Cox, and General Manager, Mr. E. Willans, are fortunate in being able again to report, as they did in 1909, a substantial reduction in the ratio of expenses to premium income.