

the Dominion. Our correspondents are nearly unanimous in reporting abundant crops, but there is an almost general complaint of low prices for farm products. The following table, compiled from our Toronto market reports, comparing the present prices of grain with those of the corresponding period last year, will show that there are good grounds for dissatisfaction:—

	Sept. 25, 1895 Price per bush.	Sept. 23, 1896, Price per bush.	Increase Per cent.	Decrease Per cent.
Winter wheat (No. 2)	\$0.60	\$0.61	1 6	
Spring wheat (No. 2) ..	59	54	..	8.5
Manitoba hard (No. 2) ..	77	66	..	14.2
Barley (No. 2) ..	40	29	..	27.5
Oats ..	26	17	..	34.5
Peas ..	50	41	..	18
Rye ..	41	33	..	19 5
Corn ..	40	30	..	25

There is a reduction of more than fifteen per cent. in the aggregate prices of cereals as compared with the same period a year ago. The price of wheat has been better maintained than that of other cereals. Oats, barley, corn, rye and peas have fallen in the aggregate almost twenty-four per cent. during the year. It will be remembered that in 1895 prices were thought to be abnormally low, and verging on the cost of production. The more abundant crops this year will in part offset the reductions in prices, but they cannot make entire amends. In 1896, as a result of poor feed crops, many farmers were compelled to buy feed for their horses and cattle, but this year the yield of provender in most districts has been abundant. The articles of food, clothing, household furniture, agricultural implements, and other commodities which farmers are compelled to purchase, have declined in price, but although it is impossible to arrive at the actual comparative prices of these manufactured goods, it is certain they have not declined to the same extent as the products of the farm. Dairy products have proved the mainstay of the farmers. Cheese brings a better price than it did a year ago, while the farmers are obtaining more satisfactory results from butter through an increase in the number of creameries.

The commercial depression of the past few years has had the effect of impressing upon merchants the importance of conservative buying. As a consequence stocks in the hands of country merchants are, as a rule, light and well suited to the requirements of trade. The decline in the prices of general commodities has seriously affected the profits of merchants. The loss on stocks in store has not been so serious as it might have been on falling markets, had merchants not curtailed their buying operations in time, but the expenses of handling merchandise are as heavy when prices are low as when prices are high, and the profits of middlemen are necessarily reduced. So long as the tariff remains a political issue, trade must be disturbed upon the change of Government. There is at present great uncertainty in the country as to the tariff policy of the present Government, but it would be scarcely reasonable to expect an immediate declaration of their intentions. In the interests of the country the industrial situation should be carefully reviewed before any decided action is taken in regard to the tariff. When a thorough investigation has been made we will expect conclusions to be formed from which no deviation will be necessary until the conditions of the country have altered.

FINANCIAL REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of August. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, &c.

CANADIAN BANK STATEMENT.

LIABILITIES.		August, 1896.	July, 1896.
Capital authorized	\$	73,458,685	73,458,685
Capital paid up		62,220,759	62,204,673
Reserve Funds		26,348,799	26,348,799
Notes in circulation		\$31,509,154	\$29,575,380
Dominion and Provincial Government deposits		8,466,728	8,081,598
Public deposits on demand		65,264,335	64,948,908
Public deposits after notice		123,151,850	122,100,074
Bank loans or deposits from other banks secured		5,000	12,232
Bank loans or deposits from other banks unsecured		3,234,144	2,833,167
Due other banks in Canada in daily balances		83,411	107,956
Due other banks in foreign countries ..		200,157	153,221
Due other banks in Great Britain		2,166,101	3,317,168
Other liabilities		310,143	359,316
Total liabilities		\$234,391,104	\$231,489,104
ASSETS.			
Specie	\$	8,329,295	8,263,632
Dominion notes		15,419,799	14,297,764
Deposits to secure note circulation ..		1,846,340	1,846,160
Notes and cheques of other banks		7,280,493	6,383,296
Loans to other banks secured			
Deposits made with other banks		3,950,753	3,566,556
Due from other banks in foreign countries		15,299,453	16,713,630
Due from other banks in Great Britain ..		10,747,400	8,594,690
Dominion Govt. debentures or stock ..		3,037,540	3,036,532
Other securities		21,215,102	20,893,207
Call loans on bonds and stock		13,218,553	12,652,647
		\$98,844,728	\$96,248,114
Loans to Dominion and Provincial Governments		462,345	279,058
Current loans and discounts		207,410,954	208,759,940
Due from other banks in Canada in daily exchanges		135,619	143,452
Overdue debts		3,661,064	3,472,060
Real estate		2,072,476	2,045,390
Mortgages on real estate sold		571,576	588,655
Bank premises		5,627,639	5,619,142
Other assets		2,448,863	2,427,622
Total assets		\$322,735,463	\$319,582,621
Average amount of specie held during the month		8,501,135	8,085,731
Average Dominion notes held during the month		15,037,447	14,369,939
Greatest amount notes in circulation during month		31,900,414	31,172,494
Loans to directors or their firms		7,106,713	7,242,578

One of the most striking items of the Bank Statement for August is the large increase in circulation. The increase amounts to nearly \$2,000,000, and indicates an active and early movement of business. The position is so different from what formerly happens that it is worth while noting the manner in which the circulation has moved during the last seven years in this month. The movement was as follows:—

1889	Increase	\$ 747,000
1890	"	1,550,000
1891	"	1,432,000
1892	"	157,000
1893	Decrease	265,000
1894	Increase	469,000
1895	"	999,000
1896	"	1,934,000

The movement of circulation is, thus, the largest that has been known in the country for many years, and this is all the more striking that the range of prices is so low, as we elsewhere show. The price, of course, very largely affects the movement of circulation, as is naturally evident. All of which points to the conclusion that there has been a large and active movement in agricultural produce of various kinds, and in many other outlets by which the circulation of notes is affected.

At one time the movement of grain was almost the sole factor in the position, but now there has to be taken into account immense disbursements on our railways and in connection with manufactures, not forgetting the industries of the Maritime Provinces and British Columbia.