

when prudently managed, there would have been not a dollar left to pay interest on the bonds. The International Mercantile Marine Company is under obligations to bondholders and stockholders which it cannot meet in the judgment of expert observers, who are familiar with the finances of steamship lines, even under more favourable circumstances than this huge trust is ever likely to experience. The plain truth is, the organizers of this colossal scheme overreached themselves and those having English marine interests are viewing the discomfiture of American ambition with complacent satisfaction.

**Warning To
Investors In
Outside Securities.**

Mr. Jerome, Mexican Consul, in his recent report on the trade of Mexico, warns investors against the operations of promoters of fraudulent rubber companies who have been prohibited the use of the United States mails. Mr. Jerome says:

"The promoters of these schemes are turning their attention to England and Canada."

He then adds these very significant words:

"It is absurd for any one who is acquainted with the labour and climatic conditions of the hot lands of Mexico to suppose for a moment that large profits can be made out of tropical plantations. In the case of genuine concerns only a comparatively small return can be expected for the capital outlay, when the prospectus and literature of tropical agricultural companies promise wealth in a short time, it is safe to assume that the undertaking should be left alone. The British Consul General at San Francisco warns against the purchase of mining and oil shares in California, which have been and are being pushed on the notice of investors, many of whom, generally ladies and widows, have been deprived of their resources by investing in these foreign securities.

Local Directors.

The Consul-General at San Francisco reports that American banks are ousting British banks in San Francisco, and he considers that one of the principal reasons for this is that a British bank can take no important step without referring to the head office in London, valuable time being thus lost. A bank in California, he adds, cannot be conducted profitably in competition with local concerns by a band of directors sitting in London, but if good men were selected for local managers, and they were given more authority, there would, he opines, be better hope for the future of British banks now open there. Insurance companies, he affirms, are in a very similar position. Only one marine insurance manager has a free hand, and he is doing "a remarkable good business." In life insurance the more active—"possibly daring"—tactics of the

American offices have, the Consul-General states, driven the old British offices from the field, but the reputation built up by the old British fire insurance companies "will draw business for many a long year."

The large fires of recent years have proved too much for certain newly-formed American companies in California, just as they have made serious inroads into the profits of British offices doing business on the other side of the Atlantic.

PROPORTION OF BANK RESERVES FUNDS, CIRCULATION, DEPOSITS AND LOANS TO PAID-UP CAPITAL.

A table on next page exhibits the proportion between the reserve fund of the several chartered banks and the paid-up capital, also of their circulation, deposits and loans, compared with the same in 1903.

Since 1903 a number of the banks have enlarged their paid-up capital, the several increases having been as follows:—

	Increase paid-up capital. \$	Increase reserve fund. \$
Bank of Montreal.....	544,000	1,000,000
Canadian Bank of Commerce.....	1,743,000	1,417,336
Bank of Nova Scotia.....	217,210	548,320
Bank of Toronto.....	843,685	1,043,000
Molson's Bank.....	272,500	750,000
Eastern Townships.....	281,490	181,558
Royal bank of Canada.....	230,87	0202,000
Bank of Hamilton.....	223,540	535,540
Traders Bank.....	1,500,000	650,000
Quebec Bank.....	.....	150,000
Bank British N. A.....	.....	146,000
Union of Halifax.....	108,365	130,775
Ontario bank.....	.....	150,000
Merchants of Canada.....	.....	500,000
Union bank.....	.....	100,000
Dominion bank.....	.....	500,000
Standard bank.....	.....	75,000
Hochelaga bank.....	.....	150,000
Bank of Ottawa.....	123,000	205,700
Imperial bank.....	.....	363,688

Taking the paid-up capital of June 30, the several ratios of the circulation, deposits, loans, etc., were as follows:—

Capital paid-up.....	\$82,199,900	Ratio to paid-up capital.	68.6
Reserve Fund.....	50,408,680	"	74.9
Circulation.....	61,587.56	"	74.9
Deposits on demand			
in Canada.....	134,804,501	"	163.9
" p'ble after notice.....	333,767,147	"	460.4
Deposits elsewhere....	44,039,320	"	53.5
Securities held.....	67,729,067	"	82.4
Discounts in Canada.....	437,470,445	"	532.2
" elsewhere.....	23,793,189	"	28.9
Call loans in Canada.....	41,746,702	"	50.7
" elsewhere.....	43,067,558	"	52.4

The average reserve fund of the banks of Canada has risen considerably in the last few years. In 1897, the aggregate reserve fund of all the banks