

Banks.	LONDON BANKS.		Discounts and Advances.	
	Deposits and Current Accounts.			
	1904.	1903.	1904.	1903.
	\$	\$	\$	\$
Barclays.	181,962,085	172,859,405	106,975,405	105,219,500
Lloyds...	280,818,575	272,338,660	182,915,105	185,878,080
Lond. and Prov..	66,742,735	64,658,490	43,193,760	43,537,160
Lond. and S. W'n.	65,828,700	64,496,480	41,194,200	40,242,650
Lond. City and M'd	239,361,720	227,115,480	145,373,485	144,596,390
Lond. Int.				
Stk....	81,756,345	83,867,525	42,403,175	45,294,600
National.	57,626,509	56,975,070	46,425,130	45,230,780
Parr's...	142,461,200	136,516,825	89,640,340	88,734,145
Williams	56,772,280	55,759,050	35,963,910	36,332,165
Totals.	\$1,172,330,300	\$1,134,587,085	\$734,083,810	\$735,065,570
PROVINCIAL BANKS.				
B'ham District....	32,718,115	27,209,700	26,688,350	23,075,600
L'shire and Y'kshire	41,145,350	34,800,000	30,046,800	27,608,700
Manchester and C'v..	43,259,800	42,264,850	33,235,800	34,366,600
Manchester and Liv'l	77,191,370	76,854,900	58,588,140	58,464,920
Metro'litan	41,571,300	41,027,700	26,672,200	27,092,050
N. and S. Wales...	52,549,000	52,590,600	36,427,000	37,430,900
York City and C'v.	52,920,000	53,354,260	39,155,500	44,198,700
Totals..	\$341,354,935	\$328,102,010	\$250,813,790	\$252,237,470

In the first group, including 9 London banks the amount of the deposits and sums at credit of current accounts rose in 1904 from \$1,134,587,085 to \$1,172,330,300, an increase of \$62,256,785, which is equal to an advance of 5.48 per cent. On the other hand the discounts and advances receded from \$735,065,570 to \$734,083,810, a decrease during last year of \$981,760, which is only about one-eighth of one per cent.

The 7 Provincial banks show the same changes, that is, an increase of deposits and decrease of loans. The increase of deposits and current accounts last year was \$13,252,925, which is over 4 per cent., while the discounts and advances decreased to extent of \$1,423,680, which equals over half of one per cent. The shrinkage in discounts and advances of the Provincial banks was less in proportion than in the London banks, and the increase in the deposits and current accounts of the Provincial banks was also less proportionately than in the London banks.

The conditions indicated by the above tables indicate that the supply of money in England last year was increasing beyond the demand. The changes in 1904 as shown in the returns of the principal London and Provincial banks do not indicate any serious disturbance of trade, or any diversion of the accumulating financial resources of the country from the banks to less desirable institutions.

One of these is the municipalities of England, some few of which are reported to have commenced receiv-

ing money on deposit to ease their finances which have been strained by engaging in trading enterprises. That this form of enterprise has been so far overdone in some English cities and towns is admitted, but it is highly improbable that depositors will withdraw funds from banks to place them with a local Corporation when it is known to be in financial difficulties from overspending. The deposits placed with municipalities so far are believed to be quite insignificant.

The signs point to the conditions of trade and of finance generally having become more favourable during the winter despite the labour market being disturbed. The supplies of gold from the Transvaal are having a wholesome effect on the London money market by protecting the gold reserve from depletion by foreign demands. This condition is likely to continue throughout the current year.

BANKING AND INSURANCE.

Canadians are justly proud of the banks of this Dominion, and of the system of which they exhibit the working. The notes of our great financial institutions pass current from Halifax to Victoria. The Banks of Canada have branches throughout the Dominion, agencies in cities of the neighbouring Republics, as well as across the ocean, and they form a striking contrast to banks in the United States, which are merely local institutions.

Our citizens, likewise, view with pride, the palatial offices for those banks, or their branches, which have been, and are being built all over the country. They feel those massive structures are emblems of security. They have no doubt as to the entire safety of their money deposited with those banks, which, after paying dividends and providing for losses, can invest the surplus profits, or reserves in such handsome structures.

This is generally regarded as a commendable policy for a bank to adopt, yet so strange is the inconsistency of human nature, what is highly creditable in a bank, is always stigmatized as robbery in an insurance company. We have known the same individual, who, after pointing to a bank, and extolling its prudence in having such a solid investment in a handsome office building, in which he likes to think his money is securely placed, turn round to observe an insurance building, and bitterly complain that the latter had been erected out of the revenue from exorbitant rates, which should have been much lower, or should have been returned largely to the insured, in the shape of bonuses. It is surely obvious that insurance companies, equally with banks, must invest reserve funds, which they, as surely as the banks, hold in trust against contingencies, certain or probable. With life insurance companies these contingencies are "certain," because to everyone death comes