

30TH APRIL, 1883.

Description.	Banks in Quebec.	Banks in Ontario.	Banks in Maritime Prov's.	Total.
Capital paid up....	\$ 36,717	\$ 18,027	\$ 6,487	\$ 61,231
Circulation	17,571	11,647	3,864	33,082
Deposits	55,042	43,189	9,809	108,040
Loans & Discounts.	95,459	67,335	18,628	181,422
Cash and Foreign Balances (Net)...	17,075	7,715	1,768	26,553

There is nothing in these calling for special remark, except it be that the movement of circulation seems to be different in Nova Scotia from what it is in Ontario and Quebec. While the circulation of the larger Provinces has come in, as it invariably does at this season of the year, that of the banks of the Maritime Provinces has rather a slight increase.

Most of our banks are approaching the end of their year. A bank year is something like a voyage round the world, in which risks and possible casualties have to be looked for, as a matter of course, as there are shoals and rocks and quicksands about in various quarters. Even when the season is fair, the captain of the ship needs to keep his weather eye constantly open, and if he meets with a few mishaps in the course of varied experience such as this, it is no more than might have been expected.

Our banks discount from \$20,000,000 to \$100,000,000 of bills every year, besides cashing cheques, drafts and foreign bills, for scores of millions in addition. When brokers and other such wise people discuss the earnings of banks, they generally assume that lending money on promissory notes and bills is as easy as A.B.C., and as little liable to casualties as loaning on Government securities. It is in truth very easy to do a banking business. Nothing is more easy than to lend money and to discount bills. And nothing is more pleasant, so long as the business of lending goes on, and the business of getting the money in again is lost sight of. This leads us to the point that, nothing is more difficult than to do a banking business safely. To lend millions of money on promises to pay, without losing any of it, is a task which taxes the ability of experienced men to the very utmost. These remarks are all in point, now that the banks are about to tell their stockholders what is the net result of this financial voyage we have been speaking about.

If somebody would be kind enough to take the responsibility of all the money that the banks lend, and guarantee them against losses, the banks would show very fine statements every year. But the shoals and quicksands aforesaid are met with in every voyage, and it is idle to expect entire immunity from them.

We speak, of course, of the banking interest as a whole. Some banks may be more fortunate than others in any particular year. Some will escape almost harmless one year, and be pretty severely caught the next. But there is a certain average of casualties which has to be borne by somebody. It is only when a bank gets more than a fair average of loss that any question of bad management can arise.

One of the most important matters that has to be dealt with by a bank in making

out its annual balance sheet, is that of estimating at their true value whatever doubtful claims it may carry in its books. Every bank has more or less of these. They need not all necessarily be overdue. Many a doubtful claim is in the shape of a current note; secured, as it is called, by endorsements, collaterals, or properties of various kinds. But whether current or past due, every bank has a share, more or less, of this description of claims. It is doubtful, in truth, whether harm is not done by the excessive detail of our bank statement, in forcing banks, for the sake of making a good return, to put notes in a current shape, and so carry them on from time to time, when they would be much better forced to a settlement. The estimates of doubtful matters made by outsiders on the strength of bank statements to the Government have been proved by evidence to be entirely delusive. It is precisely here where the experience and sound, sharp judgment of a trained banker come into play. It is matter of notoriety that mistakes to an enormous amount have been made in such estimates. Some men are constitutionally disposed to take a sanguine view of things that are doubtful. Others err in the opposite direction. But, as a rule, experience shows that bankers are disposed to take too favorable a view of the value of things in doubt. If a property falls into their hands, they almost invariably value it too high. If an estate is in insolvency, and their securities are disputed, they are inclined to take the benefit of the doubt, and consider their position secure. There are exceptions of course. Some men have had the habit of cautious estimating beaten into them, so to speak, by hard and long experience, and fortunate it is for stockholders of a bank to get a thoroughly sober judgment exercised. Nothing can be a greater shock than a rude awakening to the realities of the position, after listening to the sanguine estimates of a confiding manager for years. The stockholders of some of our banks have had such shocks, and a very unpleasant experience it is. There is no excuse for further repetitions. The cases referred to are standing beacons, and it is utterly inexcusable for any banker to fall into the same error again. In making their report to the stockholders, it is to be expected that a moderate and cautious tone will prevail, as it should do.

Money continues anything but easy. We doubt whether it is likely to be better. Stocks of goods are heavy. A backward season makes sales slow. Manufacturers are overstocked. Mercantile demand for money therefore continues heavy. Crop prospects cannot be called good. Fall wheat is extensively damaged. Altogether it is a time for caution for all parties in business, and for their bankers too.

The annual report of Reuter's Telegram Company, for the year 1882, gives the net profits, after payment of current charges and deducting rebate in unexpired subscriptions at £1380, including £236 brought forward. The sum of £2500 has been transferred from reserve fund to the profit and loss account, making the total amount available for distribution £8880, and leaving a reserve of £7499. The usual interim dividend of 2½ per cent. was paid in October last, and the directors now declare a further dividend of 4s per share, making a total distribution of 5 per cent. for the year.

INCREASE OF AGRICULTURAL WEALTH.

The doctrine of the Physiocrats that all wealth is derived from the land is no longer preached; and if preached, it would not be believed, in presence of the marvellous operations of manufactures and the wealth which manipulation adds to the raw material. But the produce of the farm is still a very real form of wealth; and it is one, the increase of which is the best criterion of the general increase of wealth in an agricultural country. Complaints are constantly made that many of those who are brought up on farms are anxious to take up some other occupation. In spite of his desire, the wide spread existence of which cannot be doubted, farming operations in Canada do extend and the products of the farm do increase. The increase in the area of "occupied" land, in Ontario, Quebec, Nova Scotia and New Brunswick, between 1871 and 1881, is nearly one-seventh, but still something less. It would at this rate of speed, take more than 70 years to double the quantity of land under occupation in 1871. This pace, which is not swift, will be greatly beaten, thanks to the facility of farming in the open prairie, in future. But a better test than that of occupation, which attests an intention to do something, is the increase in improved land and the relative area, at the two dates, under crop. The following figures which represent the totals in the four provinces above named, give the basis for the produce:

	1881.	1871.
Acres occupied	41,091,789	36,046,401
" Improved	20,838,316	17,335,818
" Under crop	14,309,938	11,820,358
" In pasture	6,135,639	5,240,786
" Gardens & Orchards	392,739	274,674

The total of occupied land in the Dominion, be it observed, is 45,358,141 acres; the quantity improved, 21,899,181 acres, and under crop, 15,112,284 acres.

Extending the comparison to the produce of this land, we are able to note the progress with which the census credits us in the decade, in the four provinces mentioned:

	Spring wheat—bush.	
	1871.	1881.
Ontario.....	7,891,989	7,213,024
Quebec	2,035,921	1,999,815
New Brunswick	203,592	517,997
Nova Scotia.....	224,410	522,602
Totals	10,355,911	10,253,438

	Fall wheat—bush.	
	1871.	1881.
Ontario.....	6,341,400	20,193,067
Quebec	22,155	19,189
New Brunswick	1,309	3,959
Nova Scotia.....	3,087	6,649
Totals	6,367,961	20,222,864

	Barley—bush.	
	1871.	1881.
Ontario.....	9,461,233	14,279,841
Quebec	1,688,208	1,751,539
New Brunswick	70,547	84,188
Nova Scotia.....	296,050	228,748
Totals	11,496,038	16,344,311

	Oats—bush.	
	1871.	1881.
Ontario.....	22,138,958	40,209,929
Quebec	15,116,262	19,990,205
New Brunswick	3,044,134	3,297,534
Nova Scotia.....	2,190,099	1,873,118
Totals	42,489,453	65,370,781