

world. The mills of destiny grind exceeding slowly. The temptation to put a hand to the crank occasionally assails prophetic men. The situation in Newfoundland to-day is an indication of the wisdom of leaving some vital things alone. The case for the fusion of Newfoundland and the Dominion seems obvious to every Canadian Imperialist. The Governor-General is going to the island on a yachting trip. A public welcome was projected. The idea got abroad that Lord Grey's visit was a piece of scheming towards confederation. The populace became suspicious. Public welcomes are now impossible. A guileless excursion may precipitate a crisis between the Governor and the Government. The incident is not overwhelming; but it points a moral to those who are prone to fidget about the future of more desirable territories than Newfoundland.

Dr. Goldwin Smith says that with the hour for the obliteration of the international boundary will come the man; which is a truism based upon the un-failing teachings of history. The hour has not come. It is far too soon to begin to look for it, and there need be no anxiety, therefore, about the man. He is very much in the womb of the future.

JUNE BANK REVIEW.

We present below a condensation of the monthly Bank Statement for June, compared with the Bank Statement for May.

| Liabilities. | | |
|---|----------------------|----------------------|
| | June 1906. | May 1906. |
| Capital authorized | \$107,646,666 | \$106,146,666 |
| Capital paid up | 91,074,505 | 90,006,340 |
| Reserve Funds | 63,755,287 | 63,295,954 |
| Notes in circulation | \$69,366,505 | \$64,217,332 |
| Dominion and Provincial Government | | |
| deposits | 14,454,149 | 12,523,487 |
| Public deposits on demand in Canada .. | 157,992,133 | 154,983,952 |
| Public deposits after notice | 378,777,386 | 377,608,583 |
| Deposits outside of Canada | 47,344,212 | 46,284,312 |
| Loans from other banks in Canada | | |
| secured | 890,032 | 890,510 |
| Deposits made by and balances due to | | |
| other banks in Canada | 4,434,474 | 4,221,917 |
| Due to agencies or other banks in the | | |
| United Kingdom | 7,431,645 | 6,146,711 |
| Due to agencies or other banks in foreign | | |
| countries | 2,028,143 | 2,759,108 |
| Other liabilities | 15,995,551 | 17,177,969 |
| Total Liabilities | \$698,714,302 | \$686,813,961 |
| Assets. | | |
| Specie | \$20,108,117 | \$21,295,327 |
| Dominion Notes | 37,609,454 | 39,231,532 |
| Deposits to secure note circulation | 3,506,267 | 3,460,334 |
| Notes of and cheques on other banks .. | 25,499,128 | 24,337,655 |
| Loans to other banks in Canada, secured | 890,023 | 890,711 |
| Deposits with other Banks in Canada .. | 6,998,230 | 6,648,415 |
| Due from agencies or other banks in the | | |
| United Kingdom | 10,437,917 | 4,674,027 |
| Due from Banks or agencies in foreign | | |
| countries | 15,236,032 | 17,607,404 |
| Dominion and Provincial Government | | |
| securities | 9,537,253 | 8,926,769 |
| Other securities | 61,462,745 | 61,057,502 |
| Call and short loans on bonds and stocks | | |
| in Canada | 56,024,697 | 53,129,606 |
| Call and short loans elsewhere | 53,476,822 | 55,886,119 |
| | \$300,786,685 | \$297,145,401 |
| Current Loans in Canada | \$501,621,979 | \$493,505,634 |
| Current Loans elsewhere | 33,159,245 | 33,885,615 |
| Loans to Dominion and Provincial | | |
| Governments | 1,410,876 | 1,520,210 |
| Overdue debts | 1,601,353 | 1,468,127 |
| Real estate other than bank premises .. | 843,693 | 836,804 |

| | | |
|---|----------------------|----------------------|
| Mortgages on real estate sold | 436,400 | 450,971 |
| Bank premises | 12,460,214 | 12,393,966 |
| Other assets | 9,191,501 | 7,569,796 |
| Total assets | \$861,602,330 | \$848,476,612 |
| Average amount of specie held during | | |
| the month | 20,257,878 | 19,332,712 |
| Average Dominion notes held during the | | |
| month | 38,130,405 | 36,598,808 |
| Greatest amount notes in circulation | | |
| during month | 69,749,643 | 67,944,424 |
| Loans to directors or their firms | 8,924,270 | 9,230,405 |

The number of banks is this month reduced by one, the Merchants Bank of Prince Edward Island having been absorbed by the Canadian Bank of Commerce. It was one of the smallest banks in the Dominion, its total liabilities at the end of May having been only \$1,361,000, but it is believed to have done a good sound business throughout Prince Edward Island, and its acquisition by the Canadian Bank of Commerce gives the latter branches at five additional points.

The total number of banks now in business is thirty-four. In June, 1905, there were thirty-three, and in June, 1904, thirty-four. Paid-up capital has increased during the month by about \$1,000,000, the principal increases being the Bank of Toronto \$370,000, the Royal Bank of Canada \$105,000, and the Traders Bank of Canada \$615,000. On the other hand, the capital of the Merchants Bank of Prince Edward Island, \$350,000, has disappeared.

An increase in circulation may always be expected in June, but this year it is larger than usual, amounting as it does to \$5,149,000. In the previous five years the changes have been:—

| June 1905. | Increase | \$ |
|------------|----------|-----------|
| 4 | " | 3,451,000 |
| 3 | " | 2,241,000 |
| 2 | " | 1,916,000 |
| 1 | " | 3,199,000 |
| 1 | " | 2,971,000 |

The present unusually large increase speaks well for the activity of business throughout the country, but it gives cause for some concern as to whether the banks will be able to provide the additional amounts which will be required before the crops are brought to market. The total of notes in circulation at the end of June was \$69,366,000, and as the total paid up capital is \$91,074,000, there is a theoretical margin of \$21,708,000 available for additional circulation. At this time last year the total circulation was \$61,587,000, with a margin of \$20,612,000. By the end of October circulation had increased to \$76,890,000, and the greatest amount of notes in circulation at any one time was probably between \$78,000,000 and \$79,000,000. If this year the increase by November is no greater than last year, the highest point touched will be about \$87,000,000; with the present paid-up capital of \$91,000,000, this leaves a margin of \$4,000,000 only, which is not much more than is needed to supply till cash and to keep on the side of safety.

But the West will produce more wheat than last year, and the harvest is earlier, though it is doubtful whether the yield per acre will be as great as in 1905; So that notwithstanding the present lower price, the amount of currency needed in the West will this year probably be greater than in 1905, and the demand will be earlier. And as crops throughout the rest of the country are, as a whole, at least as good as last year, the chances are that a larger increase in currency will be demanded. At the moment, the banks have \$16,000,000 of capital authorized in excess of the amount paid-up, and by the end of October some of this will doubtless have been called up, but even so, they may for a short time have to make use of the small notes issued by the Government.

Public deposits in Canada have grown by \$4,177,000 during the month, and by \$68,000,000 during the