

the farmers of all the provinces are prosperous; for there can be no doubt that in Manitoba the low price of wheat is telling severely upon the agricultural class. Fortunately, the crop is both large in quantity and good in quality, the latter a most gratifying feature in view of past seasons, and one that it may be hoped will in time become the ordinary state of things.

The deposits of the banks, as a whole, are steadily increasing, and show a growth of thirteen millions during the past year.

The deposits of the chartered banks alone amount now to one hundred and eighty-six millions (\$186,000,000), a figure that is in itself an absolute refutation of attacks that are sometimes made on Canada by writers whose ignorance is even more conspicuous than their malice.

A recent instance of this kind has just occurred in which the editor of a financial periodical in London, England, has intimated that Canada has been retrograding steadily ever since the adoption of the National Policy, and is going down hill very rapidly at present.

Now, considering that the deposits in the banks amounted in all at the time when that policy was adopted to sixty-five millions, and that they are now nearly three times as much, one might fairly say that if this is a progress down hill he would be glad to have the pace considerably accelerated. For these deposits, it must be borne in mind, belong to the people of Canada, and represent their accumulations.

Our banks have never made the mistake that had so much to do with the frightful crisis in Australia last year, viz., of seeking deposits from the people of England and Scotland. The money deposited in our banks belongs to the people of Canada. But even this is not all. In addition to the sum of \$186,000,000 in the chartered banks, the people of Canada have over \$75,000,000 deposited in other places, viz., in Government Savings Banks, Post-office Savings Banks, and other local Savings Banks, as well as in the numerous Loan Companies.

It is well known that there has been a very large increase in these deposits also during the same period.

And it cannot be truly alleged, as some writers insinuate, that these deposits are only an evidence of sluggish trade and the want of energy and enterprise by our people. For such an assertion would be negated by the fact that the discounts and loans of the banks have increased to an enormous extent also.

The current discounts at the end of 1878 amounted to \$106,000,000 (one hundred and six millions). The amount now is \$208,000,000 (two hundred and eight millions), an increase demonstrating a very large augmentation of the business interests of the country.

The available resources of the banks—that is the resources available either immediately or within a few days for meeting the calls made upon them—are now at a very high figure, viz., \$72,800,000, which is fully thirty-three per cent. of their total liabilities. But with regard to this there are two misconceptions, which should be guarded against.

Although our banks as a whole have this amount of reserve, it is not to be supposed that each individual bank is in that position. This is certainly not the case. Some of the banks are much stronger in these respects than others; and it is undoubtedly desirable that certain of the banks whose resources are generally, or even habitually, below a reasonable standard, shall take measures to bring themselves up to a proper position.

Another misconception is to imagine that a bank has no resources which can be relied on for meeting liabilities, except the cash actually locked up in its vaults. It is well known that banks in all places keep a portion of their

available funds either in the hands of other banks at home or abroad, or in the shape of loans repayable on demand on stock exchange securities; or in the shape of securities which can be readily placed upon the market either at home or abroad and turned into cash.

Every banker who has carried on business for some time and has passed through various changes incident to a demand for money, either of ordinary requirements, or of pressure severe enough to be called either a run or a drain, knows perfectly well that he is practically in as safe a position with part of his funds in other banks—or in realizable securities—as if all his reserve were locked up in his safe. There is some reason to emphasize this point, inasmuch as respectable English journals, ordinarily well acquainted with Canada, have said that, beyond the actual cash locked up in their vaults, the Canadian banks have little or no resources at command. This is a grave mistake.

In speaking of resources, we deliberately exclude any immediately maturing mercantile discounts or loans; for these cannot be arbitrarily or suddenly called in without greatly embarrassing the customers of a bank and even endangering their position, and no banker in Canada who values his own credit and standing will trust to his bill-case as a means of raising money in case of heavy calls.

Good stocks and bonds are at abnormally high figures at present, and good investments of a permanent and safe character are not easy to be found.

The Government of the Dominion, we notice, is about to place a new loan upon the English market. The total indebtedness of the Dominion will not be increased by the full amount of this loan, inasmuch as a portion will be applied to extinguish debt already contracted.

But it goes without saying that all such operations should be very jealously watched by the taxpayers of the country.

We call attention to the following comparative statement of the position of the banks by provinces:

ABSTRACT OF BANK RETURNS.

30th September, 1893.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up	34,721	17,643	9,710	62,074
Circulation	17,620	11,653	5,856	35,129
Deposits	84,297	66,033	22,853	173,183
Loans, Discounts and Investments	112,001	82,369	33,361	227,731
Cash, Foreign Balances (Net), and Call Loans	33,477	19,936	6,110	59,523
Legals	6,528	4,222	2,148	12,898
Specie	3,781	2,349	1,186	7,316
Call Loans	5,187	8,139	1,634	14,960
Investments	6,794	8,635	3,322	18,751

30th September, 1894.

In thousands.

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up	34,783	17,680	9,735	62,198
Circulation	16,781	11,037	5,536	33,355
Deposits	91,026	70,579	24,400	186,005
Loans, Discounts and Investments	111,715	79,606	34,130	225,451
Cash, Foreign Balances (Net), and Call Loans	39,170	26,615	7,055	72,840
Legals	8,038	5,402	2,242	15,682
Specie	4,186	2,666	1,032	7,884
Call Loans	5,415	9,445	1,347	16,207
Investments	7,848	9,659	4,407	21,914

DEPOSITS.

Government Savings Banks	\$43,000,000
Montreal City and District Savings Bank	8,741,000
La Caisse d'Economie, Quebec	4,743,000
Loan Companies, 1893	19,000,000

75,484,000

Bank Deposits

186,005,000

Total Deposits of all kinds

\$261,489,000