

greatly exceed in volume their expectations. And tourist travel, too, has proved unexpectedly large. It is of significance to Northern Ontario to have this favorable report about an enterprise and a district of the country which have not always received the consideration their importance warrants.

FINANCIAL REVIEW.

We present below a condensation of the monthly statement of Canadian Banks for July, 1905. It is compared with the Bank Statement for the previous month, and shows capital, reserve, assets and liabilities, and average holdings of specie, Dominion notes, etc.:

Canadian Bank Statement.

LIABILITIES		July, 1905.	June, 1905.
Capital authorized		\$100,246,666	\$100,746,666
Capital paid up		82,756,410	82,199,900
Reserve Funds		56,781,223	56,408,680
Notes in circulation		\$61,277,593	\$61,587,560
Dominion and Provincial Government deposits		9,613,155	11,371,557
Public deposits on demand in Canada ..		137,597,485	134,804,501
Public deposits after notice		336,505,877	333,767,147
Deposits outside of Canada		48,477,265	44,039,320
Bank loans or deposits from other banks secured		502,417	953,525
Due to other banks in Canada		4,724,411	4,959,445
Due to agencies or other banks in Great Britain		6,570,835	6,905,066
Due to other banks in foreign countries ..		1,462,661	1,372,686
Other liabilities		11,857,190	10,228,488
Total liabilities		\$618,588,463	\$609,989,375
ASSETS		July, 1905.	June, 1905.
Specie		\$18,929,396	\$17,190,791
Dominion notes		36,598,662	36,595,713
Deposits to secure note circulation		3,495,213	3,359,472
Notes of and cheques on other banks		23,197,622	24,488,773
Loans to other banks, secured		502,120	960,281
Deposits with other banks in Canada		6,455,043	6,382,138
Due from agencies or other banks in Great Britain		5,455,340	11,787,907
Due from banks or agencies in foreign countries		21,339,923	18,982,891
Dominion and Provincial Government securities		8,770,087	8,497,903
Other securities		59,468,372	59,249,164
Call and short loans on bonds and stocks in Canada		43,620,194	41,746,702
Call and short loans elsewhere		51,254,965	43,067,508
		\$278,996,937	\$272,291,293
Current Loans in Canada		438,069,270	437,470,445
Current Loans elsewhere		24,482,533	23,793,189
Loans to Dominion and Provincial Governments		1,731,801	2,044,825
Overdue debts		1,699,544	1,689,487
Real estate		767,767	656,946
Mortgages on real estate sold		530,195	601,366
Bank premises		10,577,223	10,499,682
Other assets		9,443,007	8,941,110
Total assets		\$766,318,465	\$757,988,531
Average amount of specie held during the month		17,845,364	17,345,744
Average Dominion notes held during the month		36,213,133	37,115,816
Greatest amount notes in circulation during month		63,516,010	62,183,720
Loans to directors or their firms		8,680,204	8,708,649

The purchase by the Bank of Montreal of the assets of the People's Bank of Halifax has now been completed, and the name of the latter bank accordingly disappears from the list. The Home Bank of Canada has, however, sent in its first return, so that the number of banks reporting to the Government remains unchanged. The totals of capital subscribed and paid up have increased by \$520,000 and \$557,000 respectively, the only changes of any moment amongst the older banks being the increases in the figures of the Imperial Bank of Canada.

Notes in circulation have followed the usual course in showing a slight reduction for the month. The circulation account of the People's Bank of Halifax has been transferred to the Bank of Montreal, thus increasing the amount shown as outstanding by the latter bank to \$9,072,000 as against \$8,359,000 last month.

Balances due by the banks to the Dominion Government have fallen off \$2,633,000, while those due to Provincial Governments have increased by \$874,000, both changes being doubtless due in great measure to the payment of provincial subsidies.

Public deposits in Canada have increased during the month by \$5,536,000, as compared with an increase of \$7,171,000 in the same month last year, and \$3,203,000 in 1903. For 31st July in each of the three years the figures are as follows:

	Demand.	Notice.	Total.
1903	\$110,543,000	\$271,597,000	\$382,140,000
1904	118,332,000	312,713,000	431,045,000
1905	137,597,000	336,506,000	474,103,000

Deposits outside Canada continue to grow, the total for July being \$48,477,000, an increase of \$4,400,000 for the month, and of \$16,000,000 during the year. In July, 1904, the total outside deposits were only \$32,643,000, so that during the twelve months they have increased by about 50 per cent. The Bank of Montreal and the Royal Bank of Canada are responsible for most of the increase.

Specie and Dominion notes held show an increase of nearly \$2,000,000 during the month, and of about \$6,000,000 during the year. While the banks as a whole carry ample cash reserves to meet any sudden demands which are at all likely to be made on them, there are, as we took occasion to point out a month or two ago, certain banks which allow their cash to remain at an unduly low level, depending apparently upon the larger and stronger banks to assist them in case of need. If a small bank chooses to keep a portion of its reserves in the shape of balances with a large, strong bank, little criticism can be offered. The larger bank can measure the responsibility which it is taking, and provide accordingly. But a bank which presumes on the feeling which undoubtedly exists that for the credit of the Canadian Banking System no solvent Canadian bank should be allowed to suspend payment ought to be given to understand that if by reason of its neglect to maintain proper reserves it should some day be driven to ask for help, it will probably be assisted, not to continue in business, but to go into "voluntary" liquidation. When banks like the Bank of Montreal, the Bank of Nova Scotia, the Bank of Toronto, the Dominion Bank, the Imperial Bank and others, which carry a good line of securities and call loans, consider it advisable to maintain cash reserves of from 8 to 16 per cent. of their total liabilities to the public, surely it cannot be wise for smaller banks

to be satisfied with 6 per cent.

Balances due have been reduced amount, with some into call and short those outside Canada \$8,000,000. Two the Canadian Bank sible, the call and Canada having increased the latter by \$1,500,000, responding decrease in Great Britain, apparently thought demands by transfer York. The increase what unusual at the a reduction of \$2,123,000 in July, as compared with \$78,263,000 in July.

Current loans have followed the call stationary. at \$438,069,000, and \$363,586,000 in amount of money in railway and other crop in the North next three or four increase, with, no in call and short

One of the prosperity which last few years is clearly shown by

July	\$1
1905	2
1903	1
1901	2
1899	2
1897	3

In 1897 the to \$338,244,000, a per cent., was shown above. In 1905 the amount of the about .4 per cent. La Banque du P in 1897, so that altogether normal

Bank premises from \$5,638,000 in view of the rapid last few years, at which the banks the increase can ferent banks, ho mises accounts Montreal, which spent a very large in Montreal, and of the country, trifling amount of have for some y