

## THE BANK STATEMENT FOR MAY.

May is seldom a month which presents much material for comment in its Bank returns. It is rather a time for preparation for active work than one of much activity. Hence we find the rapid development which usually precedes the opening of navigation somewhat checked in May, as the season is so undecided a one, the winter operations having ceased, and those of summer not commenced. The harvest of the woods is over, but that of the fields is not ready. The imports for the following season are not flowing in yet, and what wheat and other grains are exported have usually become low in stock. The falling off of circulation from \$29,152,152 in April to \$28,429,134, a decline of \$723,018, might be taken as proof of the improved prospects so markedly shown in April not having been fulfilled. But the decrease of circulation in May is rather the rule than otherwise, and is wholly disconnected with the condition of trade at the several times it has occurred.

The following shows the state of the note issues, and discounts at the close of April and May in a number of past years:

	May.	April.
1885 Circulation .....	\$ 29,124,000	\$ 28,491,000
Discounts .....	125,859,000	125,172,000
1890 Circulation .....	30,831,000	30,671,000
Discounts .....	153,095,000	152,067,000
1891 Circulation .....	30,917,000	30,904,000
Discounts .....	151,181,000	152,778,000
1892 Circulation .....	31,383,000	31,496,000
Discounts .....	193,311,000	191,995,000
1893 Circulation .....	31,927,342	32,633,073
Discounts .....	207,685,000	206,789,000
1894 Circulation .....	28,467,000	29,596,472
Discounts .....	205,051,000	207,122,000
1895 Circulation .....	28,429,134	29,152,152
Discounts .....	203,572,324	203,273,500

It will be noticed that in several of these years there was an increase of loans of a million or so, without any noticeable change in amount of note issues; and decrease also in loans, without any sign of the change in the circulation. In earlier years there was always a heavy decline in note issues in May, the decrease being not infrequently 7 to 8 per cent., which would now mean a drop of over 2 millions. How general this movement was last May is seen by 22 banks showing decreases, which gives the insignificant average of \$33,000, a sum which is a mere bagatelle to any ordinary sized bank. The current loans only increased \$298,824, there being no special movement to call for enlarged accommodation. The large decrease in overdue debts, which in May fell from \$2,928,751 to \$2,283,272, a fall of \$645,479, means, we fear, a transfer of that sum to the debit of Profit and Loss, and so to the cutting down of the Bank's profits by that sum, in view of the annual statements made in June. It would be invidious to analyze these items, and very useless. As this wiping out was confined to the banks of Quebec and Ontario, which have discounts to extent of \$174,353,616, we are able to fix the percentage of the clearance from overdue debts account at 0.34, on their trade loans, which is a very

low figure considering the adverse conditions of business in the past year. But the past year has not been one of heavy losses to the Banks, indeed some have had an exceptional good experience in this respect, which can only be attributed to the very wise policy so promptly adopted early in 1893, when signs of the coming trouble were looming so ominously, and by which Canada was kept steady when its neighbor was being shaken by a terrible financial storm. Taking a general view of the May bank returns, they may be fairly described as normal, but as rather confirming the view generally expressed at bank meetings, that while no great improvement has taken place, "the tide has turned," and the prospects are favorable for better times, especially if Providence favors us with a bountiful harvest.

## FINANCIAL.

Mr. Holland, General Manager, of the Ontario Bank having resigned, Mr. McGill, manager of the Peterboro branch has been selected as his successor.

Funds placed with a bank for account of a specified note cannot legally be applied in payment of, or to reduce any other liability without direct instructions from the person who lodged such monies.

Messrs. Dr. Ulyot of Peterboro, and R. D. Perry wholesale grocer, Toronto, have been elected directors of the Ontario Bank, to fill vacancies caused by late Hon. C. E. Fraser and Mr. A. M. Smith.

The United States Treasury gold reserve is up to the \$100,000,000 mark again, and there is still between 6 and 7 millions more to come in from the syndicate, through whom it has been raised, and kept steady.

The banks whose meetings were recently held wrote off, or reduced, the gross amount of their overdue by \$470,000, in the month of May, when considerable efforts are always made to bring these accounts into as good shape as possible.

Bankers' loans in New York increased in a recent week by close upon 5 millions, going beyond any figure for many months. Deposits increased over 8 millions also exceeding figures for a length of time. Chicago, St. Louis, and Pittsburg banks also show active demand for loans. Many Chicago banks have advanced rates.

The Directors of the Union Bank, Newfoundland, are to be placed on trial for breach of trust in their misuse of the funds of that bank. They may be deserving of punishment, but we doubt the wisdom of this prosecution at the present juncture. If the Island had been part of Canada, the banks would have been sound, and helped to prevent a panic, as they did here, instead of aggravating it as the two Newfoundland banks did.

The United States Interstate Commerce Commission Report is just out. It gives 192 roads extending 42,000 miles as in hands of receivers on 30th June, 1894. The total railway capital at that date was \$10,796,473,813, one fourth of which was that of insolvent roads. The gross earnings for year 1893-94 show a decrease of \$147,390,077. There were 93,994 fewer men employed on the United States railways last year than at any time since 1890.