

# The Monetary Times

## AND TRADE REVIEW,

With which has been incorporated the "International Journal of Commerce" of Montreal, the "Trade Review" of the same city (in 1870), and "The Toronto Journal of Commerce."

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EDWD. TROUT, MANAGER.

TORONTO, CAN., FRIDAY, DEC. 21 1883

### BANKING REVIEW.

The figures of the November bank statement will be found in condensed form below, and are compared with these for the previous month :

LIABILITIES.		
	Nov., 1883.	Oct., 1883.
Capital authorized.....	\$69,396,666	\$69,896,666
Capital paid up.....	61,413,833	61,794,375
Reserved Funds.....	17,865,724	17,615,724
Notes in Circulation..	35,007,350	35,563,243
Dominion and Provincial Gov't deposits...	10,681,552	6,316,585
Deposits held to secure Government contracts and for Insurance Companies.....	1,015,403	1,121,212
Public deposits on demand.....	43,779,054	45,714,948
Public deposits after notice.....	52,453,629	53,280,708
Bank loans or deposits from other banks secured.....	14,000	214,000
Bank loans or deposits from other banks unsecured.....	1,174,429	1,875,683
Due other banks in Canada.....	1,284,976	1,326,174
Due other banks in Foreign Countries...	101,719	79,158
Due other banks in Great Britain.....	1,896,943	1,566,893
Other liabilities.....	419,517	207,886
Total liabilities ..	\$146,328,576	\$147,266,495
ASSETS.		
Specie.....	\$6,115,010	\$6,723,187
Dominion notes.....	10,616,801	10,648,286
Notes and cheques of other banks.....	5,590,920	6,484,273
Due from other banks in Canada.....	3,275,202	4,078,940
Due from other banks in Foreign Countries	19,301,745	13,651,969
Due from other banks in Great Britain....	4,823,300	3,697,048
Immediately available assets.....	\$49,752,978	\$45,292,703
Dominion Government debentures or stock	900,722	900,722
Public securities other than Canadian.....	1,346,049	1,348,172
Loans to Dominion & Prov. Governments..	2,619,936	2,813,853
Loans on stocks, bonds or debentures.....	10,704,860	11,102,655
Loans to municipal corporations.....	1,225,219	1,405,165
Loans to other corporations.....	14,434,257	15,136,133
Loans to or deposits made in other banks secured.....	326,545	276,488
Loans to or deposits made in other banks unsecured.....	376,284	626,056
Discounts current.....	134,413,113	140,417,530
Overdue paper unsecured.....	2,146,811	2,022,648
Other overdue debts unsecured.....	128,899	222,775
Notes and debts overdue secured.....	2,110,341	2,054,855
Real estate.....	1,104,165	1,169,167

Mortgages on real estate sold .....	852,372	768,769
Bank premises .....	3,038,299	3,140,009
Other assets .....	2,400,040	2,141,185

Total assets.....	\$228,880,891	\$230,908,776
Average amount of specie held during the month.....	6,669,255	6,617,992
Av. Dominion notes do.	11,057,913	10,269,582
Loans to Directors or their firms .....	7,607,940	7,980,190

The most marked peculiarity in recent bank returns is the very slight expansion of circulation in the Fall, and the heavy contraction of discounts in November. The slight increase of circulation, as compared with former years, demonstrates that the movement of crops to market has been comparatively small. The difference, however, is not so great as might have been supposed, considering the statements that have been published of the heavy diminution of the wheat crop in Ontario.

A comparative statement of bank circulation in the fall, from 1880 to 1883, inclusive, is as follows :

30TH Nov., 1882. [In thousands.				
Description.	Banks in Quebec.	Banks in Ontario.	Banks in Maritime Provs.	Total.
Capital paid up ..	\$36,705	\$17,740	\$6,486	\$60,931
Circulation .....	19,658	13,389	4,134	37,181
Deposits .....	57,232	42,430	9,591	109,253
Loans & discounts..	36,940	65,863	18,851	121,654
Cash and foreign balances (Net)...	19,721	8,975	1,716	30,412
30TH Nov., 1883. [In thousands.				
Description.	Banks in Quebec.	Banks in Ontario.	Banks in Maritime Provs.	Total.
Capital paid up....	\$36,292	\$18,428	\$6,691	\$61,414
Circulation .....	17,399	12,229	4,380	34,008
Deposits .....	56,565	40,577	10,786	107,928
Loans & Discounts.	86,510	63,979	19,101	169,590
Cash and Foreign Balances (Net)...	27,581	10,158	2,650	40,389

BANK CIRCULATION FOR LAST FOUR YEARS IN THOUSANDS.				
	1880.	1881.	1882.	1883.
July .....	20,186	26,047	31,728	32,093
November...	27,745	33,145	37,180	34,007
Increase..	7,559	7,098	5,451	1,914
The expansion in the fall of 1880 was \$7,559,000				
" " " 1881 " 7,098,000				
" " " 1882 " 5,451,000				
" " " 1883 " 1,914,000				

It will thus be seen that there has been a falling off of \$3,537,000 as compared with 1882, and of \$5,184,000 as compared with 1881.

But the volume of the circulation as a whole is now far beyond what it was in 1880.

We started in July with a circulation much beyond the highest point of that year. The higher the general volume the less likely is any large increase upon it. These figures serve to cast a doubt upon the accuracy of the returns of a deficient crop before referred to. If our wheat crop is short to the extent of twenty millions of bushels, it would have been shown by a larger deficiency of circulation than this. But the truth is, all such returns of crops must be received with a very large measure of allowance. It is evident that the deficiency—whatever it may be—has been largely

compensated for by increased production in other directions. It has been pointed out, over and over again, that Canada is no longer dependent on her wheat crop as she used to be, or even on her crops of grain generally. Immense, and increasing, areas of farming lands are being devoted to the raising of cattle, and to dairy purposes. The total export of cattle has assumed an unprecedented volume. The export of cheese, too, has been enormously large. These exports, moreover, are all the product of the country. In this they differ from the exports of grain by the St. Lawrence; for in this latter case the grain is largely the produce of the Western States. But the butter, and the cheese and most of the cattle are our own; and together they make up a line of exports that is rapidly assuming an importance equal to that of our exports of grain.

These facts will go far to reassure those who are inclined to take a desponding view of the position of the country generally. There is really no ground for general despondency. Canada, as many and various interests now, and some of them are in a wholesome and sound condition. The various branches of our importing trade are healthy, as a whole, payments from the interior continue remarkably good. Bills are well met at the banks. Few renewals are asked; purchases are made prudently; credit is given with reasonable caution. Neither in the wholesale nor retail trade is there any general reason for complaint.

The increase in the past due bills, as indicated by the bank returns for this month, is not of this class. We imagine that the increase is rather to be found in the region of the bills of manufacturers upon commission agents, and loans to manufacturers, which are in process of being arranged on a different basis from what they were formerly.

### STATE OF THE COUNTRY.

Our manufacturing establishments, we know, have been over-producing. Prosperity has led to the usual consequences of a greedy desire for more gain, and this to overbuilding and over-production. But a very sharp check has taken place. One great channel of distribution has become clogged. Manufacturers are, more or less, curtailing or varying their productions, and before other twelve months pass over our heads, it is not at all unlikely that the manufacturing interests generally may be in a fairly prosperous condition. There are some mills indeed that are even now working on orders far ahead, and find difficulty in supplying the wants of their customers.

But there is an evil in the home manufacturing trade that ought to be dealt with, as it is fraught with innumerable bad consequences. The credit given by the manufacturer to the wholesale dealer is most unreasonable. It enormously increases the risk of business. It brings great blocks of business bills into the banks, of excessive length. It causes far more capital to be needed than is reasonable for such a limited volume of business. It ought to be dealt with. The banks have it in their power, if they will act unitedly, to put an end to all