

somewhat presumptuous for non-experts to dictate how large an amount of this class of assets a bank ought to hold. It is also not understood by some who are censuring bankers, that the foreign trade of this country necessitates the holding of large balances at foreign centres. How much, or how little they should be is a question outsiders cannot decide, the fact that some are condemning any such balances being held demonstrates only a total absence of practical knowledge of financial affairs involved in foreign commerce. Another charge is made that bankers are the confederates of gamblers when they make "call loans on stocks and bonds." When a banker advances money on any security, he does so because he has funds to invest and the security is ample. With the object of the borrower he has nothing to do, it is none of his business, and bankers are not Paul Pry's. Between advances on a sound, convertible security, and discounting trade paper there is a vital distinction. In the former case there is no reason for a banker knowing for what purpose a loan is asked, as his security is, or ought to be, perfect, but in discounting paper, or making advances for trade uses—to accommodate a trader—he has not only a right, but it is his duty to acquaint himself with the objects of the customer, so that he may form a judgment as to the prudence of the transaction.

The changes in the bank statement during December were mainly a decrease of \$701,248 in circulation, which

brought the amount \$2,043,316 below that of same date 1893, a decrease in deposits of \$1,539,267, which still left the total \$11,714,514 in excess of those held a year ago. The decrease in deposits was confined to those of the Bank of Montreal, caused by a transference of money to the government account. There was no change in volume of current loans in December, but during the year there was a decrease of \$4,561,357,—a heavy decrease, no doubt, but less than might have been expected from the prolonged depression. These loans now stand \$56,500,000 higher than they did twenty years ago. We append a table showing the average circulation each year since 1880:—

	\$		\$
1881 .....	28,516,692	1891 .....	33,036,092
1883 .....	33,283,302	1892 .....	33,788,678
1885 .....	30,720,762	1893 .....	33,811,925
1887 .....	32,486,451	1894 .....	31,166,003
1889 .....	32,207,144		

The situation in the States is not satisfactory, currency reform makes little headway, the views of the different parties being so widely apart. Meanwhile, Europe is piling up gold reserves to an enormous extent, and to that congested market is flowing the gold so greatly needed in the United States. We much fear there is a long road yet to be traversed by the Republic before its financial conditions enjoy the restored confidence of European investors.

#### STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.

##### Comparison of Principal Items.

Assets.	31st Dec., 1894.	30th Nov., 1894.	31st Dec., 1893.	Increase and Decrease for month.	Increase and Decrease for year.
Specie and Dominion Notes.....	\$23,227,881	\$22,748,839	20,978,623	Inc.	\$ 479,042 Inc.
Notes of and Cheques on other Banks.....	8,614,221	7,342,825	8,323,753	Inc.	1,270,396 Inc.
Due from American Banks and Agencies.....	25,299,986	25,274,623	18,229,248	Inc.	25,361 Inc.
Due from British Banks and Branches.....	3,097,628	4,401,819	2,540,220	Dec.	1,304,191 Dec.
Canadian Municipal Securities and Brit., Prov. or } Foreign or Colonial, other than Dominion .....	9,919,071	9,908,195	9,981,680	Dec.	49,124 Dec.
Railway Securities .....	8,435,572	8,340,293	6,622,856	Dec.	166,721 Inc.
Loans on Stocks and Bonds on Call .....	17,791,638	17,222,565	14,236,620	Inc.	69,073 Inc.
Current Loans to the Public.....	195,836,141	195,823,973	200,397,498	Inc.	12,168 Dec.
Overdue Debts.....	3,125,752	3,157,178	3,040,078	Dec.	31,426 Inc.
Total Assets.....	313,911,995	314,176,123	304,231,696	Dec.	264,128 Inc.
Liabilities.					
Bank notes in Circulation.....	33,375,620	33,076,868	34,418,936	Dec.	701,248 Dec.
Due to Dominion Government .....	5,440,323	2,304,027	3,399,250	Inc.	2,936,198 Inc.
Due to Provincial Governments.....	2,243,543	2,630,856	2,977,986	Dec.	337,033 Dec.
Deposits made by the public.....	182,080,669	183,206,981	170,479,224	Dec.	1,126,312 Inc.
Do payable on demand or after notice between Bks	2,534,463	2,947,418	2,421,394	Dec.	412,953 Inc.
Due to American Banks and Agencies.....	166,115	156,752	166,966	Inc.	9,363 Dec.
Due to British Banks and Branches.....	3,531,682	3,089,477	4,131,804	Inc.	442,203 Dec.
Total Liabilities.....	228,995,558	228,597,876	218,662,963	Inc.	307,682 Inc.
Capital.					
Capital Stock paid up.....	61,683,719	61,669,355	62,099,243	Inc.	14,344 Dec.
Reserve Fund.....	27,470,026	27,287,526	26,439,815	Inc.	182,500 Inc.
Directors' Liabilities.....	8,034,039	7,978,669	8,380,891	Inc.	55,370 Dec.

Deposits with Dominion Government for security of note circulation, being 5 p.c. on average maximum circulation for year ending 30th June, 1894, \$1,810,736. The seeming reduction of capital during the year is owing to the Commercial Bank of Manitoba, in liquidation, being struck off the list.