

FINANCIAL REVIEW.

We present below a condensation of the monthly statement of Canadian banks for March, 1906. 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.

	Mar. 1906.	Feb. 1906.
LIABILITIES.		
Capital authorized	\$105,146,666	\$102,869,666
Capital paid up.....	87,304,198	85,958,202
Reserve Funds	61,254,566	60,188,472
Notes in circulation.....	\$65,991,818	\$62,434,893
Dominion and Provincial Government deposits	15,400,181	10,367,326
Public deposits on demand in Canada..	152,520,394	149,621,785
Public deposits after notice	367,296,587	373,693,731
Deposits outside of Canada	44,777,840	45,824,676
Loans from other banks in Canada secured	1,092,904	969,743
Deposits made by and balances due to other banks in Canada.....	4,796,469	4,986,694
Due to agencies or other banks in the United Kingdom.....	6,481,119	6,299,379
Due to agencies or other banks in foreign countries.....	2,109,992	2,369,281
Other liabilities.....	15,228,957	14,718,507
Total liabilities	\$675,696,341	\$671,286,098
ASSETS		
Specie.....	\$20,329,036	\$19,469,879
Dominion Notes	35,916,888	38,431,050
Deposits to secure note circulation.....	3,435,334	3,435,334
Notes of and cheques on other banks....	20,732,891	22,268,632
Loans to other banks in Canada, secured	1,092,891	969,736
Deposits with other Banks in Canada....	6,621,636	6,665,985
Due from agencies or other banks in the United Kingdom.....	12,505,023	10,362,521
Due from Banks or agencies in foreign countries	14,611,276	16,143,335
Dominion and Provincial Government securities	9,043,708	8,699,789
Other securities	60,699,313	61,219,589
Call and short loans on bonds and stocks in Canada.....	55,968,563	55,591,764
Call and short loans elsewhere.....	55,317,690	62,353,020
Total assets	\$836,184,184	\$828,518,332
Average amount of specie held during the month	18,955,796	18,412,627
Average Dominion notes held during the month.....	37,665,268	38,488,723
Greatest amount notes in circulation during month	66,876,223	63,911,481
Loans to directors or their firms.....	9,081,162	9,011,032

The Bank Statement this month presents several features of interest. To begin with, there has been a substantial increase in capital. Authorized capital has risen by \$2,250,000, for \$2,000,000 of which the Sovereign Bank of Canada is responsible, while the remaining \$250,000 is in the figures of the Bank of New Brunswick. Subscribed capital shows an increase of \$2,409,000; the banks principally concerned

being the Bank of Nova Scotia, the Royal Bank of Canada and the Sovereign Bank of Canada, whilst a growth of \$1,346,000 is to be found in the paid-up capital, \$350,000 of which is in the statement of the Royal Bank, and \$736,000 in that of the Sovereign Bank. There is an increase in rest account of \$1,066,000, principally due to the premiums received on new capital paid up.

In accordance with the usual rule, circulation has increased, though the increase of \$3,557,000 is rather more than usual. In March of last year, indeed, there was a small decrease, this being due in part to the early spring in the West, and in part to the stagnation in business in the Maritime Provinces. The increase in circulation during March, 1904, was \$2,024,000, and during March, 1903, \$2,537,000. The larger increase this year is probably due to the great activity in the West.

Provincial Government deposits have risen from \$6,790,000 in February, to \$12,802,000 in March, the increase being almost entirely in the deposits held by the Bank of Montreal. Public deposits in Canada payable on demand have increased \$2,899,000, while those after notice show a decline of \$6,397,000. The Bank of Montreal shows a decrease in notice deposits of \$6,915,000, and the Quebec Bank one of \$1,012,000. Changes in the figures of the other banks are unimportant.

Total deposits in Canada now amount to \$519,817,000, an increase during the year of \$63,878,000.

For the last five years the figures have been:—

March 31st, 1902, Deposits:	\$331,910,000
“ “ 1903, “	372,055,000
“ “ 1904, “	404,398,000
“ “ 1905, “	455,939,000
“ “ 1906, “	519,817,000

The increase during the past year has thus been greater than in any recent previous year.

Deposits outside Canada show a decrease for the month of \$1,047,000, almost the entire change being in the figures of the Bank of Montreal.

Other items of liabilities show little change, and total liabilities have increased by \$4,410,000.

On the assets side specie and legal tenders show a net decrease of \$1,655,000, the total amount held being \$56,246,000, as compared with \$57,901,000 a month ago, \$55,320,000 a year ago, and \$47,228,000 two years ago. The percentage of cash to total liabilities to the public is now 8.5. Last year it was 9.4, and the previous year 8.8. This can hardly be regarded as satisfactory, more particularly when it is observed that the balances due from agents in the United Kingdom and abroad are considerably less than last year. If, however, we note the quick assets held as on 31st March in each of the last four years, the comparison will be as follows:—

	1906.	1905.	1904.	1903.
Cash	\$56,246	\$55,320	\$47,228	\$38,083
Agents' balances ..	27,116	31,845	17,621	16,006
Securities	69,743	66,005	63,730	63,599
Call & short loans ..	111,286	83,047	78,557	88,208
Total quick assets	\$264,391	\$236,307	\$207,136	\$205,896
Total liabilities ..	\$675,696	\$586,643	\$535,249	\$497,750
Percentage quick assets to total liabilities	39.	40.	39.	41.