

Under the heading of Deposits with the Dominion Government for the Security of Note Circulation it will be noticed that the Bank of British North America has withdrawn the deposit which, owing to the absence of the double liability on its shares, it had, under Sub-section 2 of Section 51 of the Bank Act, been obliged to make before issuing circulating notes in excess of 75 per cent. of its paid-up capital.

Balances due from agencies in the United Kingdom decreased during the month \$3,113,000, the greater part of the difference being in the figures of the Canadian Bank of Commerce.

In loans the changes are not large, but all the various classes show increases except loans outside of Canada. The reduction in these has gone to swell the funds available for Canadian business.

Under the heading of Bank Premises the Dominion Bank shows an increase from \$446,000, the amount at which the bank has shown this item for over a year, to \$800,000. This is doubtless caused by the payment for the property purchased at the rear of its head office premises.

Taking a retrospect over the year 1905 it will be found to have been a year of general prosperity for the banks, as well as for the country as a whole. The number of banks in operation is the same as at the beginning of the year, but two of the old names have disappeared, the Bank of Yarmouth by failure, and the People's Bank of Halifax by amalgamation with the Bank of Montreal, while the Home Bank of Canada and the Northern Bank have been added to the list. The number of branches in operation has again increased largely, such statistics as are available going to show that about two hundred new branches have been opened during the year as against about half that number in 1904. The total number of branches in Canada cannot now be far from 1,350.

Paid-up capital has increased during the year \$5,239,000, and it is interesting to compare this with the increase in note circulation. The difference between the highest points reached by the latter in 1904 and 1905 was \$5,010,000, or, comparing the figures at the end of December in each year, the increase has been \$5,474,000, or about 8.49 per cent., so that increase in paid-up capital has almost exactly kept pace with the increased requirements of the country in circulating notes.

As might be expected in a period of prosperity, five banks have increased their dividends by 1 per cent., and one, the Metropolitan, has commenced a distribution to its shareholders at the rate of 8 per cent. It should be remembered in this particular case that this rate only represents a return on the investments of 4 per cent., as the capital was paid in at a premium of 100. The banks which have increased their dividend are Nova Scotia, Molsons, Royal, Ottawa and Sovereign. Nearly all have added something to Rest account, the Canadian Bank of Commerce and the Bank of Nova Scotia adding \$1,000,000 each. The total increase in Rest account, allowing for the banks which have disappeared from the return, has been \$6,302,000, or an average increase of 11.76 per cent.

Public deposits show an increase during the year of \$64,065,000, and current loans of \$81,096,000, exclusive of Government business in both cases. Taken in connection with the remarkable increase in bank clearings from \$2,735,744,000 in 1904 to \$3,336,602,000 in 1905, these figures show immense strides in both the wealth and the internal trade of Canada.

Finally, there is an increase in gross assets of \$85,618,000, or nearly 12 per cent., representing the added responsibility which falls on those who direct the chartered banks of the country. If the responsibility is as successfully discharged in 1906 as in 1905 there will be much occasion for congratulation on the part of the shareholders of the various banks as well as by the community at large.

WHY BRITISH EXPORTS TO CANADA DO NOT GROW.

Continuing our reference to the subject of an article of 12th January, "Why British Exports to Canada do not Grow," we present some facts from a very different source. A letter to the "Times" of 29th December last from Mr. F. C. T. O'Hara, Superintendent of Commercial Agencies [abroad] at Ottawa, is discussed by that valuable London journal, "Commercial Intelligence." Mr. O'Hara had pointed out how amazed Britons travelling in Canada usually are to find that there is not a single official appointed by the British Government throughout the Dominion whose duty it is to report to London upon commercial matters for the benefit of the exporters of the United Kingdom.

Contrast this with the alert attitude of the United States authorities upon trade matters. There are, scattered over Canada, 372 consular officials, representing the various foreign countries of the world. Of these, 189, rather more than half, are representatives of the United States. There are 16 from Germany and 15 from France. No fewer than 14 represent Brazil, while Belgium, Italy, Portugal, and Spain have 10 each, Norway and Sweden have 33. Smaller numbers represent other countries, Greece, Hayti, and Colombia having one each. The question put by Mr. O'Hara is a perfectly natural one: "Why should Great Britain permit herself to be placed at a disadvantage by standing quietly aside while active and energetic American consuls are ever alert all over the Dominion to increase the market for United States goods in Canada?"

The ignorance of most British exporters as to the relations of Canada to the Empire is illustrated by a statement of Mr. O'Hara—a Canadian official—that "frequently a British exporter takes a shot in the dark and addresses 'The British Consul, Toronto,' or 'The British Consul, Montreal,' or sends circulars to half a dozen such imaginary persons in various parts of Canada." If such missives find their way to Government House, or to any of the departments at the capital of Canada, they are answered when possible. But a Government department is not in a position at all times to answer enquiries implying the furnishing of a laborious statement of prices of commodities, cost of raw materials, various rates of wages, and so the British exporter, if he is not prepared to send a salesman across the Atlantic is at a disadvantage, for he has no one to whom to write. The American exporter can enquire at Washington, or he can write to some of the 189 consuls of the United States. It ought not to be necessary for us to point out that there are no British consuls in Canada. Consuls are for service in foreign countries. We are not a foreign country.

The suggestion has been made frequently in 1905 and is now repeated, that a British bureau should be