

p.c. of their liabilities and higher. And there is another point to be noted. Among the liabilities is an item "Due to banks in Great Britain \$666,619." The probability is that this London overdraft was secured by the deposit of securities, say \$900,000. Taking the reserve on that basis, would make it \$2,438,606, as against \$14,605,652, of liabilities. The proportion of quick assets to liabilities thus falls to a little under 17 p.c., which is not a strong showing.

Similarly taking the position on 30th September 1905, the liabilities are \$13,614,405, and the quick assets as follows:

Specie and Legals. . . . .	\$663,778
Notes and Cheques other Banks. . . . .	579,482
Deposits in other Canadian Banks. . . . .	494,589
Due by Banks in Foreign Countries. . . . .	108,409
Securities. . . . .	1,389,483
Call Loans Canada. . . . .	518,925
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	\$3,754,666

Here the proportion of the cash reserves, according to the management's figures, is nearly 28 p.c. Allowing for a London overdraft of \$413,150 and the pledging of say \$600,000 in securities against it, the reserve falls to less than 24 p.c. of liabilities. Some of the items of quick assets given in this statement may have included a part of the losses by speculation. If any of these were included the proportion would be less. At the end of September, 1904, the liabilities were \$12,750,068, including a London overdraft of \$377,089. The quick assets were:

Specie and Legals. . . . .	\$498,078
Notes and Cheques. . . . .	466,811
Deposits in Canadian Banks. . . . .	333,658
Due by Banks in Foreign Countries. . . . .	30,612
Securities. . . . .	1,244,944
Call Loans Canada. . . . .	630,220
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	\$3,204,323

The reserve here is 25 p.c. before, and 21 p.c. after, making allowance for the London overdraft. From these figures it is seen that, granting the correctness of this part of the bank's statements, the reserve carried might be described as fair though not strong. All of the items quoted are usually claimed by the banks as "cash reserves," but, of course, they all of them cannot rank with cash in availability. There is another test which is commonly applied by bankers to the statements of banks. It is to compare the *average* holding of specie and legals with the amounts held on statement day—the end of the month. By this comparison it is possible to tell whether any banks show a disposition to indulge in window-dressing. Applying the test to the Ontario, the following result is obtained:

Specie and Legals.	Amount held at end of month.	Average held through month.
31st Dec., 1903. . . . .	\$408,332	\$352,900
31st March, 1904. . . . .	421,168	406,832
30th June, 1904. . . . .	475,354	528,287
30th Sept., 1904. . . . .	498,078	399,689
31st Dec., 1904. . . . .	538,790	560,924
31st March, 1905. . . . .	651,263	596,160
30th June, 1905. . . . .	783,471	590,029
30th Sept., 1905. . . . .	663,778	486,150
31st Dec., 1905. . . . .	713,541	542,432
30th April, 1906. . . . .	554,448	521,120
30th June, 1906. . . . .	575,234	589,527
30th Sept., 1906. . . . .	373,548	387,200

The disposition to window-dress, though present, it not very marked, except in some months. What is noticeable is a marked drop in the cash towards the end.

In summing up, it must be said that there is not much in the above that would enable the general public to perceive any material weakening in the Ontario Bank's position.

#### THE LATE MR. J. W. GRIER.

The death occurred on the 9th instant, of Mr. J. W. Grier, at his residence, Dorchester St., in this city, at the age of 49 years. The deceased gentleman was for many years engaged in the business of insurance (principally fire). He had a valuable connection, and was greatly esteemed by every one connected with him in business, he was also much respected as a citizen.

#### PROSPECTIVE CANADIAN DEMANDS IN LONDON.

In the last four years the Government of Canada has had to meet nearly £10,000,000 in loans maturing in London. Thanks to the circumstance that the loans came due some in every year, it was possible to provide for them, to a very large extent, out of surplus revenue. The amounts due each year were as follows:

On 1st October, 1903, I. C. R. guar. 4 p. c. loan. . . . .	£1,500,000
" 1st October, 1903, I. C. R. unguar. 5 p. c. loan. . . . .	500,000
" 1st April, 1904, Rupert's Land, 4 p. c. loan. . . . .	300,000
" 1st May, 1904, 4 p. c. loan. . . . .	4,000,000
" 1st November, 1905, 4 p. c. loan. . . . .	1,000,000
" 1st November, 1906, 4 p. c. loan. . . . .	2,500,000
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	£9,800,000

Temporary loans were negotiated with London bankers to retire certain of these loans. At the end of October this year, on the eve of the maturity of the last item on the list, these temporary loans had been all repaid. Presumably though, it would be necessary to negotiate a fresh one to help retire the £2,500,000 due on 1st November. Of the £4,000,000 loan, due 1st May, 1904, £2,500,000 was extended for three years, and the option given holders to convert their bonds into a 3 p.c. loan due 1938. The option was exercised on £573,345 of the amount, leaving the balance £1,926,655 to