

reasonable and salutary one, although it cannot be continued indefinitely, otherwise stockholders will reasonably ask for a division in some form of funds which appear to have accumulated beyond any reasonable figure.

ABSTRACT OF BANK RETURNS.

Description.	Dec. 31st, 1902.	Dec. 31st, 1903.	In Month 1903.
Capital paid up	\$72,795,000	\$78,563,000	Inc. \$165,000
Circulation	60,574,000	62,539,000	Dec. 4,886,000
Deposits	420,767,000	447,191,000	Inc. 5,416,000
Loans, Discounts and Investments	424,976,000	472,448,000	" 1,733,000
Cash, Foreign Balances, Net & Call Loans	177,347,000	169,517,000	Dec. 375,000
Specie	12,892,000	16,101,000	Inc. 624,000
Legals	24,720,000	30,941,000	" 477,000
Call Loans	95,089,000	74,020,000	" 1,690,000
Investments	61,259,000	63,590,000	Dec. 337,000
Government Savings Banks,	\$ 61,269,000		
Montreal City and District Savings Bank	15,395,000		
La Caisse d'Economie, Quebec	7,153,000		
Loan Companies	20,000,000		
		103,817,000	
Bank Deposits		447,191,000	
		\$ 551,008,000	

GOVERNMENT CIRCULATION.

Large	\$ 28,170,000
Small	12,917,000

Gold held, \$28,679,000. equal to 69 per cent.

MORTGAGE LENDING ON FARMS.

The remarks of the president at the meeting on Wednesday of the Canada Landed and National Investment Company suggest a backward glance at the origin and purpose of Ontario mortgage lending companies. Fifty years ago the rapidly growing farm population of this country were mostly poor. They needed money to clear their farms and to stock them, to provide implements, to build houses and barns. The primary purpose of the loan companies formed in Ontario was to furnish money for such purposes; and it is not too much to say that many a farmer, now comfortably off, with his mortgages paid, and with money of his own to lend, was put in the way of prosperity by the money first advanced to him by a loan company. Similarly, there are thousands of farmers in Manitoba and the Territories to-day who find mortgage loan companies of the most signal service. And indeed the farmer of the Western plains has a great advantage over the bush farmer of Ontario (who had to clear his land of trees), for he gets a quicker return for his labor than the latter can do. But in either case, the farmer is most often virtually beholden to a company or private lender for his start in life. And it is only fair to say that no mortgagee need look for a better borrower than an honest farmer or for better security than farm lands, especially in an agricultural country. Indeed, if some of the companies had stuck to farm lending and kept out of town and city properties and away from "booms" they would have been saved from irritating losses.

THE WOOLEN TRADE.

While no particular increase in the demand for Canadian wools can yet be chronicled, there would appear to be foundation for the belief that an in-

creased demand will arise in the not very distant future. This will not be, however, because our wools themselves are becoming better known in the world's markets, but because the latter seem, owing to recent circumstances, to be calling more for a class of wool to which Canadian grades closely approximate. Last year at the London sales there was a deficit shown in the Australian clip of nearly a quarter of a million bales. While this falling off of quantity, however, was counterbalanced by a great rise in value, this rise did not take place, as might have been expected, in merino, the class of wool which was notably short, but in the coarser crossbreds. As a matter of fact, the finer grades may be said for all practical purposes, not to have profited by their scarcity at all, for the public taste instantly turned, as we have said, in the direction of the coarser grades. As a matter of fact, the decreased offerings last year, consequent upon the long-continued drought in Australia had been fully foreseen in the year 1902, and, as to value, were discounted by the rapid rise towards the end of that year. Experience quickly proved that when fine wools ascend to that level, fashion steps in to show that they are not absolutely necessary, and that coarse wools, through their comparatively low price, can easily carry the day in competition. That the latter benefited, however, in the fray may be judged from the fact that, compared with an average merino, coarse crossbred, which a year ago stood 60 per cent., and medium crossbred 50 per cent. lower, now stand at only 50 and 36 per cent. lower respectively. At one time of 1903, namely, in September, both medium and coarse crossbreds stood at double their lowest value in 1901. Then there was a reaction, but even then, a month ago, they stood at fully 20 per cent. higher than a year ago. At the same time, it should be remembered that there are still people in the trade both in England and the United States, who predict a broadening range in the call for merinos; and while this may not tend actually to bring down the new high level for coarser wools, it is very apt to prevent them making further notable advances.

In Boston and other wool centres in the United States, a firm feeling for all grades of raw wool prevails, though so far the upward tendency has not materialized into higher prices. Stocks, however, are light, and there is reason to believe that a nominally active trade is in sight.

So far as the Canadian markets are concerned, pulled wools are in fair demand from the various domestic mills, but little business is being done in fleece. In fact, the export enquiry does not amount to anything, but this is not a strange condition at this time of the year.

PROSPECTS IN THE FUR TRADE.

As yet it is too early to write intelligently at any length on the conditions likely to prevail during the ensuing year in the fur trade, because only brief reports of the London sales, which have been going on this week, have come to hand. Such as have been received, however, say that there is a very distinct tendency in prices to go down. This threatened de-