

## FINANCIAL REVIEW.

We present below a condensation of the monthly statement of Canadian Banks for June, 1905. 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.

	LIABILITIES.	
	June, 1905.	May, 1905.
Capital authorized .....	\$100,746,666	\$101,046,666
Capital paid up.....	82,199,900	81,792,536
Reserve Funds .....	56,408,680	55,862,330
Notes in circulation.....	\$61,587,560	\$58,136,070
Dominion and Provincial Government deposits .....	11,371,557	9,901,929
Public deposits on demand in Canada..	134,804,501	130,198,398
Public deposits after notice .....	333,767,147	334,924,450
Deposits outside of Canada .....	44,039,320	43,138,066
Bank loans or deposits from other banks secured .....	953,525	1,199,354
Due to other banks in Canada .....	4,959,445	4,982,939
Due to agencies or other banks in Great Britain.....	6,905,066	6,117,468
Due to other banks in foreign countries..	1,372,686	1,695,349
Other liabilities .....	10,228,488	9,044,675
<b>Total liabilities.....</b>	<b>\$609,989,375</b>	<b>\$599,338,771</b>
	ASSETS.	
	June, 1905.	May, 1905.
Specie.....	\$17,190,791	\$17,255,925
Dominion notes .....	36,595,713	37,891,097
Deposits to secure note circulation.....	3,359,472	3,328,771
Notes of and cheques on other banks.....	24,488,773	21,546,750
Loans to other banks, secured .....	960,281	1,160,808
Deposits with other banks in Canada.....	6,382,138	6,155,466
Due from agencies or other banks in Great Britain.....	11,787,907	10,831,212
Due from banks or agencies in foreign countries .....	18,982,891	17,361,880
Dominion and Provincial Government securities .....	8,479,903	8,479,147
Other securities .....	59,249,164	59,383,757
Call and short loans on bonds and stocks in Canada.....	41,746,702	39,487,563
Call and short loans elsewhere.....	43,067,508	40,285,841
	\$272,291,293	\$262,568,217
Current Loans in Canada .....	437,470,445	437,200,882
Current Loans elsewhere .....	23,793,189	23,128,257
Loans to Dominion and Provincial Governments.....	2,044,825	2,486,270
Overdue debts .....	1,689,487	2,286,239
Real estate .....	656,946	668,225
Mortgages on real estate sold.....	601,366	611,348
Bank premises .....	10,499,682	10,482,732
Other assets .....	8,941,110	6,990,190
<b>Total assets .....</b>	<b>\$757,988,531</b>	<b>\$746,422,543</b>
Average amount of specie held during the month .....	17,345,744	17,020,615
Average Dominion notes held during the month.....	37,115,816	37,459,927
Greatest amount notes in circulation during month .....	62,183,720	61,339,132
Loans to directors or their firms.....	8,708,649	8,550,748

The number of banks is this month reduced by one, the return from the Bank of Yarmouth being omitted, and the authorized capital thus reduced by \$300,000. The total number of banks making returns is now 33; five years ago there were 38, those that have disappeared, in addition to the Bank of Yarmouth, being La Banque du Peuple and La Banque Ville Marie,

which went into liquidation; the Halifax Banking Company and the Bank of British Columbia, which were amalgamated with the Canadian Bank of Commerce; the Exchange Bank of Yarmouth, absorbed by the Bank of Montreal; the Commercial Bank of Windsor, by the Union Bank of Halifax; and the Summerside Bank by the Bank of New Brunswick. On the other hand, three new banks—the Sovereign Bank of Canada, the Metropolitan Bank and the Crown Bank of Canada—have been added. Next month the People's Bank of Halifax will probably not appear, but the Home Bank of Canada will soon begin business, while the Northern Bank is endeavoring to complete its organization.

Circulation shows an increase during the month of \$3,451,000, thus making up for the unusual reduction in May.

Public deposits in Canada still continue to increase, the figures for June being \$3,449,000 larger than in the previous month. During the six months ending 30th June, 1905, public deposits in Canada have grown by \$14,759,000, as compared with a growth of \$24,018,000 in the corresponding period of 1904 and \$18,830,000 in 1903.

Total liabilities have increased during June by \$10,651,000, and during the year by \$55,544,000, an increase of 10 per cent. on the liabilities of a year ago.

On the assets side we find that cash on hand has been reduced from \$55,147,000 to \$53,786,000, although the average amount held during the month, \$54,461,000, is within a few thousand dollars of the average for May. Very few of our banks resort to what in England is known as "window dressing"; on the contrary, many of them frequently hold larger cash reserves during the whole month than they do on the date on which their returns to the Government are made up. For instance, the Bank of Montreal held on 30th June cash amounting to \$9,984,000, while its average holdings during the month were \$10,886,000. One or two of the banks, however, often show cash holdings at the end of the month considerably in excess of the average. In determining what their real strength is, it is the average holdings which should be considered.

While the actual cash held was somewhat less in June than in May, the other readily available assets were considerably larger, practically the whole of the increase in liabilities being either deposited with other banks and agencies, or put into call or short loans. Balances due from agents outside Canada increased by \$3,177,000, call and short loans in Canada by \$2,259,000, and call and short loans elsewhere by \$2,782,000.

Current loans in Canada remain practically unchanged. Last year in the same month they increased by some \$4,000,000, and in 1903 by \$5,266,000. For the six months ending 30th June, 1905, current loans in Canada show a growth of \$23,691,000, as compared with \$28,973,000 in 1904, and \$40,450,000 in 1903. Overdue debts have been reduced by \$597,000, due principally to the disappearance of the \$539,000 of overdue paper held by the Bank of Yarmouth. Other items show very little change.

The totals of the bank statements are not growing as rapidly as they have done during the last year or two, but the progress that is being made is quite satisfactory, while the banks are probably in a stronger position than they ever were. Crop prospects all over the country are, on the whole, better than they have been for years, and the North-West is looking for a wheat crop of anywhere from eighty to a hundred

million bushels, a record crop upon the ground. It will be most satisfactory, not thinking of the crop, for all the "big year" too early reports indicate 1901. The and it is to be borne out by a good deal to 1905 will be the banks' prosperity which

## HEAL

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