

or the allowing of circulation to be based to a certain extent upon the surplus funds of the banks. But the consensus of opinion amongst bankers themselves has undoubtedly been expressed in the admirable address lately delivered by the President of the Bankers' Association, Mr. Clouston, general manager of the Bank of Montreal, viz., that it should be met by increase of capital. And as the banks by the operation of the safety fund are practically made guarantors for one another, their opinion is entitled to the highest respect. Our bankers are not theorists advocating a system of circulation which has only been thought out in the closet, but practical men, who are not only issuing notes, but redeeming them, every day of their lives, and to whom the question of circulation is as familiar as the paying of cheques or discounting of bills.

We present below a condensation of the monthly statement of Canadian banks for October, 1902. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities; average holdings of specie and Dominion notes. etc.:

CANADIAN BANK STATEMENT.

LIABILITIES.

	October, 1902.	September, 1902.
Capital authorized	\$81,332,566	\$81,626,666
Capital paid up	71,137,510	71,084,350
Reserve Funds	41,322,497	41,130,286
Notes in circulation	\$65,928,973	\$60,965,801
Dominion and Provincial Government deposits	6,196,799	6,875,782
Public deposits on demand in Canada ..	113,176,952	112,001,084
Public deposits at notice	248,612,677	247,813,411
Deposits outside of Canada	35,389,263	38,041,688
Bank loans or deposits from other banks secured	605,792	549,635
Due to other banks in Canada	4,202,361	3,883,122
Due to other banks in Great Britain	4,142,554	3,596,826
Due to other banks in foreign countries..	1,022,135	1,931,261
Other liabilities	13,599,921	12,453,860
Total liabilities.....	\$492,877,507	\$488,112,355

ASSETS.

Specie	\$13,304,301	\$12,501,727
Dominion notes	23,786,411	23,145,990
Deposits to secure note circulation	3,611,041	2,792,166
Notes and cheques on other banks	17,884,316	19,165,894
Loans to other banks, secured	849,125	549,633
Deposits with other banks in Canada	4,893,976	4,560,500
Due from banks in Great Britain	5,879,914	6,348,566
Due from other banks in foreign countries	13,075,900	15,299,173
Dominion or provincial Govt. debentures or stock	9,187,511	9,680,043
Other securities	50,110,580	50,283,947
Call loans on bonds and stocks in Canada ..	51,247,417	52,139,367
Call loans elsewhere	47,510,849	49,853,547
Total assets	\$241,341,341	\$246,320,553

Current Loans in Canada	314,300,587	303,518,223
Current Loans elsewhere	35,356,704	35,872,043
Loans to Dominion and Provincial Governments	4,136,550	3,759,210
Overdue debts	1,883,975	1,969,702
Real estate	876,026	826,668
Mortgages on real estate sold	772,829	815,963
Bank premises	7,366,484	7,161,593
Other assets	10,292,288	10,683,869
Total assets	\$616,326,970	\$610,927,964

Average amount of specie held during the month	12,727,314	12,761,962
Average Dominion notes held during the month	23,876,795	22,751,072
Greatest amount notes in circulation during month	67,535,392	61,682,502
Loans to directors or their firms	10,701,524	10,228,365

The Bank of Montreal has already taken the initiative in a movement of this kind, and its stockholders will undoubtedly concur in a considerable increase of the already large capital of the bank. On that increase dividends will of course have to be paid, but as the stock will no doubt be placed at a high premium, the bank will receive so large a sum as to make it a matter of ease to keep up the present dividend on the increased amount. We are glad to observe that at the same time a proposal will be laid before the stockholders to cause all shares of the bank to be of the denomination of one hundred dollars. It is certainly desirable that all the bank shares of the country should be of an equal amount, for great misapprehension is sometimes caused by differences such as exist at present.

We append a general comparative statement, the contents of which will be found highly interesting:

ABSTRACT OF BANK RETURNS.

31st October, 1901.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total
Capital paid up	35,714	23,540	8,293	67,548
Circulation	28,193	22,298	7,462	57,954
Deposits	172,273	151,542	46,143	369,965
Loans, Discounts and Investments	167,212	161,545	51,048	379,803
Cash, Foreign Balances (Net), and Call Loans	87,885	49,563	17,955	154,488
Legals	9,849	8,817	3,889	21,556
Specie	5,185	4,142	2,191	11,520
Call Loans	51,955	23,660	7,502	83,207
Investments	18,812	27,438	9,748	55,991

31st October, 1902.

[In thousands.]

Description.	The Government have now adopted a new form of report in which the total only is given. There s no division into Provinces.	Total.
Capital paid up		71,137
Circulation		65,928
Deposits		408,182
Loans, Discounts and Investments		415,821
Cash, Foreign Balances (Net), and Call Loans		176,025
Legals		23,786
Specie		13,304
Call Loans		98,757
Investments		59,297

Government Savings Banks	\$ 58,799
Montreal City and District Savings Bank	14,023
La Caisse d'Economie, Quebec	6,586
Loan Companies	20,000
Bank Deposits	—\$ 99,408
	408,182
	\$ 507,590

GOVERNMENT CIRCULATION.

Large	\$ 21,240
Small	\$ 12,844
	\$ 34,084

Gold held, \$20,644 or 60 per cent.

ANOTHER TRANSCONTINENTAL RAILWAY.

The announcement is officially made that a railway to the Pacific Ocean is to be built in connection with the Grand Trunk Railway Company of Canada, but constructed under a separate corporate name and called the Grand Trunk Pacific Railway. The road is intended to extend from North Bay or thereabout