Loans to municipal corporations	553,130	486,515
Loans to other corporations	4,270,148	4,497,986
Loans to or deposits made in other banks secured	......	......
Loans to or deposits made in other banks unsecured	478,895	637,746
Discounts current	93,705,288	93,592,321
Overdue notes unsecured	1,514,487	1,532,629
Other overdue debts unsecured	196,378	233,337
Overdue notes and debts secured	2,701,071	2,757,416
Real estate	1,971,346	2,017,455
Mortgages on real estate sold	386,266	376,385
Bank premises	2,830,482	2,743,769
Other assets	1,698,469	1,769.626
Total Assets	$173,694,082	$173,726,933

In comparing the total liabilities and the total assets for January with the figures of December, it appears that business in banking circles was not over active during the first month of this year. The changes under the various headings indicate that profitable investments are not readily found, and that public depositors are increasing their balances on deposit receipts. Deposits at notice were $730,500 more in amount in January than in the month previous, while those on demand, not bearing interest, decreased by $192,300.

In the assets column, we notice a reduction of $1,795,700 in the balance due by the United States banks, which we should have been glad to have seen transferred to the more remunerative column of Discounts Current. These, instead of having advanced, have suffered a decline of $113,000. The difference alluded to would seem to have been largely held in notes and cheques, which show an increase of $1,263,600. "Bonds and Stocks" employ $791,000 more than in December, and "Corporations other than municipal," likewise advance their figures by $227,800.

Circulation, as is always the case at this season of the year, has gone backward; the extent of the retrogression last month was $1,299,600. Looked at with a view to increased dividends, the statement for January is the reverse of encouraging, but these decreases in earnings are to a satisfactory degree counterbalanced by the indication of the statement that writing off large amounts for bad debts is not likely, for some time to come, to disturb the equanimity of stockholders.

LOAN COMPANIES' MEETINGS.

Notwithstanding that the earnings of those Loan Societies already in operation are being in most cases reduced by the competition and lowering of rates which prevail, we find still more companies being formed to enter the field. That there is disappointment in store for some of them it is not difficult to foresee. Eagerness for business, in this as in other directions, is certain to bring with it lax administration. The valuing of properties to lend upon, is a vital point in the carrying on of these companies; and from instances given us we see that over-valuation, for the purpose of obtaining a loan, has been resorted to in more cases than it is pleasant to think of. To "get a good loan through," *i.e.* to borrow more upon a property than is safe for the lender, is a process not unfamiliar, as the profit and loss account of many a company will show. The thus described pleases a number of parties: the borrower, to whom it is a relief; the agent, who obtains his commission; the valuer, who gets his fee. But alas! for the company, which has to stand the loss, if there be one. A company is considered fair game; if a man can get an excessive sum advanced upon his farm he has been known to use the money or abscond with it, and leave the land for the lender to take possession of. So the prudent agent or manager is on his guard against over-valuations.

We find, in the recent suspension of an Edinburgh company, the Scottish Heritable Security Company, limited, a warning which some of our lending societies would do well to heed. This is a company which lends on real estate, issues debentures, and receives money on deposit. During the prosperous times of five to eight years ago, it had lent money upon rows or blocks of fine houses at inflated values. These houses were in many cases erected on speculation by builders and contractors, in the hope of obtaining liberal rental. They did not rent readily, and when the hard times of the past few years came on, the properties dwindled in value, their builders failed and left the buildings on the hands of the Scottish Heritable Security Company, depreciated in value, unsaleable, and in many cases unlettable. Then, the people whose deposits with the Company had been used to erect these palatial buildings when times were "flush," found more need for their money as business depression increased in Britain. A pressure for deposits came upon the Company, which could not realize upon its brick and mortar assets, and it was compelled to suspend last month with liabilities of something like £800,000 stg. Uneasiness prevails, we are told, in the British mind with respect to other companies in the United Kingdom of the same kind. And the reason is not far to seek.

There is a moral here for loaning companies in Western Ontario which appear eager for deposits. Careful observers have long been of the opinion that the societies in London, for example, have been imprudent in accepting large sums of money on call Their deposits and withdrawals have been upon a scale which rendered some of them virtually cheque banks. If, from unforeseen causes, a sudden call should arise for depositors' money, it might be extremely inconvenient to meet it. The suggestion has been made that in the item of interest, it is possible to carry forward from year to year, amounts accrued, which may never be recovered. That, we remark, would appear to be largely a question of security, for if the margin were adequate, the company might give time on loans without risk of serious loss.

Our columns this week contain a further instalment of reports from Ontario societies. That of the Huron & Erie Loan & Savings Company shows that the resources of that old and prosperous Company have been well employed during the year. It holds mortgages to the amount of $2,290,184 and its earnings have been $200,782, or say 8·76 per cent. enabling the usual ten per cent. dividend to be paid, and the Rest to be increased to 28 per cent. of the paid capital. The losses made on real estate in former years are admitted and the productive and unproductive properties temporily held are frankly shown. Some items of expense have been reduced in amount, and upon the whole the statement is creditable to the management, and must be satisfactory to the shareholders.

A company doing one of the largest and most strenuously pushed lending businesses in this Province is the Ontario Loan & Debenture Society. This Company has the name of lending at rates generally lower than the average of such societies, indeed, it has more than once been accused of "breaking the market" for the other companies. Upon close enquiry, however, it does not appear that this accusation is strictly merited. The average rate of its loans, we have been assured, is 8½ per cent., and stories of its having numerous recent ones at six is untrue. In ten years, the Company has been able to bring the aggregate of its mortgage loans up to $2,691,806, of which $58,523 are in arrear, and put aside $180,000 to Rest and this year $12,000 to Contingent Account, by no means a bad showing. The year's earnings, $115,000, are even larger than those of 1879. It is stated that a considerable share of the debentures of the Company have been paid off or renewed at lower rates of interest within the year. In connection with the subject of debentures, we may remark that the expense account of the Company for debenture transactions appears nowhere in its report, unless it be included under "office expenses." When so large a sum as $534,000 is received from sales, there must naturally be no in-