

ASSETS.		
Specie.....	\$15,821,603	\$16,101,019
Dominion notes	31,277,656	30,941,367
Deposits to secure note circulation.....	3,130,844	3,130,844
Notes and cheques on other banks	14,280,708	21,686,472
Loans to other banks, secured	668,091	886,531
Deposits with other banks in Canada	5,412,080	6,392,486
Due from banks in Great Britain.....	8,861,544	9,258,198
Due from other banks in foreign countries	13,457,473	12,703,927
Dominion or provincial Govt. debentures or stock	10,697,910	10,722,900
Other securities	52,340,614	52,868,771
Call loans on bonds and stocks in Canada	38,149,737	39,029,667
Call loans elsewhere	36,043,662	34,991,423
	<u>\$230,141,982</u>	<u>\$238,713,605</u>
Current Loans in Canada	384,754,452	384,419,677
Current Loans elsewhere	18,048,983	18,616,518
Loans to Dominion and Provincial Governments.....	2,174,400	2,708,299
Overdue debts	2,071,724	2,229,568
Real estate	832,000	779,993
Mortgages on real estate sold	758,772	724,446
Bank premises	8,972,713	8,969,272
Other assets	6,400,777	5,983,964
Total assets	<u>\$654,545,980</u>	<u>\$663,145,534</u>
Average amount of specie held during the month	15,898,139	15,140,495
Average Dominion notes held during the month.....	30,861,173	29,647,360
Greatest amount notes in circulation during month	62,713,352	67,827,377
Loans to directors or their firms.....	10,909,406	10,878,573

Though we are commencing the year with, on the whole, good prospects, and while the banks seem to be in a strong position, able and willing to do business, there is yet a feeling of what may be described as incipient uneasiness developing in consequence of the outbreak of the war in the Far East. And it is a significant token of the way in which civilized nations are bound together in these times, that this outbreak, at such an enormous distance, is instantly felt to be a determining factor in the financial and political position of all European countries and also of the United States and Canada. This feeling of uneasiness and uncertainty will not be an unmixed evil by any means, but will rather tend to the benefit of legitimate business, if its effect is to moderate rash speculation, and prevent those violent upheavals and depressions which generally come of abounding prosperity. We have only just got through the effects of the great cotton speculation—if we have got through them—by which the raw material of a vast manufacturing interest was forced up to such a price as to make the business one of losing, instead of profit making; and now another of those speculative movements has developed itself, for which Chicago has had so notorious a name. Wheat has been forced up to a price far beyond the possibility of exporting it; a state of things which is invariably followed, sooner or later, by a collapse, which collapse generally means to hundreds of unwary people, simple ruin.

It is not without reason that we in Canada have had to take notice, and are taking notice still, of both of these developments. Our cotton manufacturers have had to pay excessive prices for such quantities as they were forced to buy, and hold on as they would, they were compelled in many instances to pay these prices. And as to grain, our intercourse with Chicago is almost as close as if it were one of our own Canadian cities. Many of our people in Canada have been caught in a whirlpool of speculation in Chicago, and left stranded and ruined. But there

are very rare instances of anyone in Canada making money (and keeping it), by Chicago speculation. Grain speculations on margin by people who were absolutely ignorant of the trade is perhaps not so common in Canada as it once was. But there are always a certain number of people that are attracted to this feverish centre, and flutter around it as moths go round the flame, retiring by and by with their wings singed, or their power of movement entirely destroyed.

The Bank Statement for January does not display any extraordinary features. The changes are such as almost invariably take place at this time of the year, especially in the reduction of circulation, which has now come down from \$71,000,000, in October, to \$57,000,000 in January. Thus, it appears that \$14,000,000 of the notes that were out last fall have come in and been paid for. This is a movement of sufficient magnitude to have been embarrassing at one time, but it has been carried out without the slightest disturbance, or sign of disturbance. Along with redemption of circulation there has been a withdrawal of deposits to the extent of \$2,700,000, making an out-go of money to the extent of \$7,800,000 during the month. But it has been easily met by a reduction in the immediate resources of the banks, which are diminished by exactly the same sum leaving the discounts and loans of the banks almost unaffected. The reduction in this has amounted to only \$1,700,000, a mere trifle out of a total of \$470,000,000. The available resources of the banks are over \$160,000,000, which is 32 per cent. of the liabilities in circulation and deposits; a most ample protection. The gist of the whole business lies, of course, in the quality of the loans and discounts comprised in the \$470,000,000. But as the banks are now almost invariably in charge of men of long experience in the business, it is not likely that any considerable amount of an undesirable element has crept in there. Even the new banks that are pushing strongly for business are in the hands of men, who, though young, have been trained in the larger establishments of the country. There is always danger, however, in a new institution, for business to be pushed somewhat too far, and it is not uncommon in such cases that new experience has to be purchased rather dearly. We speak, of course, only on broad and general principles. Exceptional vigilance may fully counteract the dangers that beset the path of explorers in this field, and if a little experience is bought at a certain cost, it sinks the more deeply into the mind and is valued all the more.

That fine old institution the Canada Permanent Mortgage Corporation is pursuing its new course with its wonted success. The report just presented is an admirable one, and the remarks made at the meeting are very much to the point. Those of the vice-president's cannot fail to commend themselves to all who have the welfare of this most useful company at heart. The Canada Permanent has rendered as much service in the farming and agricultural sphere, as any of the banks have in the commercial. Not that its operations are confined to loans to agriculturists. By no means. But this business was the original foundation of the company, and it has done Ontario immense