

732 to the total of these loans, which is more than double the average increase of same month in preceding four years. The increase of circulation was also larger than customary at this season, and the increase of the year by \$1,004,102 was a striking contrast to the records of 1895 and 1894, when circulation declined in the course of the year respectively by \$2,375,573 and \$1,787,833. Deposits on demand are, as a rule, low in February, the drafts on credit balances being in excess of deposits, as receipts are small in volume. While these deposits are seen by the above table to fluctuate considerably, those payable after notice invariably increased in February, and without exception increased largely in the yearly period. These funds in the last five years have been steadily flowing in to the banks at the average rate of \$7,800,000 per annum. The Reserve Fund total was decreased by \$1,257,000 in February, owing to La Banque du Peuple having, very properly, ceased to include the sum of \$600,000 in their return, and the Bank of British Columbia having written off \$657,000 from the Rest, owing to losses in that Province. We trust this will soon be replaced by the recovery of debts which have been written off, and enhanced profits from a revival of trade.

#### LA BANQUE DU PEUPLE.

The question is being generally asked: What is the position of the People's Bank? A complete answer to this question is not possible under present circumstances. But, probably, curiosity is not excited so much just now as to what the exact financial position of the bank is, as in regard to the position in which it stands to the shareholders, the creditors, and the public. La Banque du Peuple holds a Charter which is one of the most eccentric ever formulated, the absence of business-like precautions against the dangers incident to joint stock companies being a prominent feature. The bank is a nondescript combination of a private firm and a joint stock bank.

The directors constitute the Corporation, the shareholders having no power over them, or any control over any part of the business. At the recent annual meeting on the 23rd March, the legal adviser of the bank, Mr. Geoffrion, Q.C., stated, that by the terms of the Charter, the shareholders had to be called together annually to receive a statement of the affairs of the bank and to appoint auditors. These are the only functions of the stockholders, as provided for by the Charter.

They have the privilege of meeting once a year to hear a statement, and they can appoint persons to verify it; beyond these, they have no further responsibilities, or privileges, or powers. Of course when a body of men are assembled they can hardly be stopped talking, but outside of that the stockholders could not go. Beyond relieving the feelings of a number of aggravated shareholders, who have very just cause for anger, the discussion at the meeting had no result. What then is being done at the bank? The Board sends a monthly return to the Government as though it were a going concern, but the statement is hardly

consistent with this being the case. Nor is it consistent either with the bank being in course of liquidation. It seems to be suspended like Mahomet's coffin, hanging between the heaven of hope and the ground of utter collapse. The situation is not a desirable one to be maintained. It raises utterly delusive ideas as to the ultimate outcome of the bank, and keeps up discussion over affairs which cannot too soon be sunk in oblivion. The financial position is as follows; the bank has the following liabilities and assets.

#### Liabilities.

Notes unredeemed .. . . . .	\$514,464
Deposits bearing interest .. . . .	3,529,117
Due other banks .. . . . .	10,405
Due on dividends .. . . . .	12,988
Capital .. . . . .	1,200,000

Total .. . . . . \$4,803,974

#### Assets.

Specie and Dominion notes .. . . .	\$ 929
Notes redemption fund .. . . .	41,880
Notes and cheques on other banks .. .	11,797
Deposits in banks .. . . . .	299,671
Call loans .. . . . .	16,100
Debentures .. . . . .	104,532
Loans on deposits .. . . . .	287,452
Loans on current discounts .. . . .	1,958,955
Overdue debts .. . . . .	1,689,700
Real estate and mortgages .. . . .	715,606

Total assets .. . . . . \$5,125,822

Total liabilities .. . . . . 4,803,974

Nominal surplus .. . . . . \$321,848

As to the Liabilities, they cannot be reduced. As to the Assets, their value is an unknown quantity. The debts represented by discounts for \$1,958,955 are liable to serious depreciation, so also are the "overdue debts" for \$1,689,700. Indeed as a matter of fact the discounts are really overdue debts. A very sanguine estimate of the value of these two sums, which make a total of \$3,648,655, is that they will realize \$2,600,000, a more cautious valuation puts them as worth about \$2,000,000. The real estate, including the bank premises and mortgages owned by the bank, are in the statement for \$715,606. Opinions differ very widely as to the value of these assets: if the Directors succeed in converting them into \$600,000 cash, they will do well.

What is the value of the Asset "call loans, \$16,100"? As these loans have been left uncalled and uncollected for over eight months, when money was urgently needed, we fear they are like the spirits Hotspur said he could call from the vasty deep—they won't come at call. What are the "debentures" which the Board is clinging to? Surely if marketable they would have been sold months ago. There are assets valued in the statement aggregating \$4,484,893, all of which will be subject to depreciation, upon the extent of which depends the position of the bank to its shareholders and depositors. We believe the Directors are administering their most disagreeable trust with the utmost economy and faithfulness. Their position is made a most anomalous and embarrassing one by the Charter. Their personal and official interests, however, seem to us so bound up with those of other creditors as to afford a guarantee of their doing all that is possible to make the best of the wreck.