Due from Banks not in Canada........	2,279,060	3,120,124
Sundries	127,638	89,098
	$93,773,623	$92,531,098

ASSETS.

Specie and Provincial Notes............$	15,057,312	14,805,731
Notes and cheques of other banks	4,313,233	3,951,551
Due from other banks in Canada........	3,208,338	3,114,407
Due from banks not in Canada........	6,562,571	6,239 432
Available assets..	29,141,454	28,111,121
Government stock ..	1,405,595	1,405,440
Loans to Government	114.283	103,009
Loans to Corporations	3,579,654	3,681,705
Loans on bank stocks and bonds........	8,947,955	9,085, 97
Current discounts....	115,855,404	114,950,398
Notes overdue......	6,250,945	6,436,413
Real estate	967,956	977,283
Bank premises......	3,105,926	3,104,728
Other assets........	1,541,747	1,532,843
	$170,910,918	$169,390,337

The changes during last month are too insignificant to requ're comment. From the general lowering of the rate of interest in deposits we might have fairly anticipated a greater withdrawal than has taken place; and the increase of deposits at notice since the close of last year, in the face of a decline of interest, indicates how complete and general is the public confidence enjoyed by the Banks. But for the calls made by most of the Loan and Savings Societies for increased capital, the Banks would have had largely increased deposits, and been compelled still further to reduce their rates. From the continued development of the borrowings of these companies from the old country, and the almost certainty that their lendings are being largely called for because of the failure of last harvest, we incline to the opinion that, in case we have another succession of good harvests, they will be in the present position of the Banks, that is, overweighted with capital and compelled to reduce their rates for deposits.

The fall in the rate of Bank of Montreal dividend was more than discounted, as many were prepared for even 5 per cent., the decrease in this case will be found to indicate that their business has not made profits to the same extent as in preceding years, rather than the taking from profits to cover bad debts. The reduction of the Bank of Toronto semi-annual dividend to four per cent. occasions much comment. A fall of a third in the ordinary rate could hardly do otherwise than occasion dissatisfaction to some. But the grounds upon which, we understand, the directors reached this determination were, that more than this had not been safely earned, the earnings of the year being nearly four per cent. less than last; and that as the future was not very promising, it was not deemed wise to draw upon it. It would, of course, have been possible, by drawing on the reserve for the time being, to have brought up the dividend to the old figure. Some argue that one function of a reserve is to secure an equalization of dividends, and these will contend that a different course from that taken would have been preferable. The point is one on which different banks may take different views; and if rumor speaks true the Bank of Montreal has drawn upon its reserve to keep up its dividend to six per cent. for the half year. If the capital of the banks be in excess of requirements, this course could not, under the circumstances, be objectionable.

The impression entertained by some, that there are large stores of grain still left in the country, held for war prices, will now be proved to be erroneous. We are confirmed in this opinion by an informant who has recently gone through the country on an official inspection partly to test the matter, and to learn what would be moving forward in the event of a sudden leap in prices. Owing to the absence of statistical returns we cannot sum up with any accuracy the extent of the deficiency of last harvest. But much misapprehension prevails as to the extent of that failure. Indeed, an assertion of this journal that we were importing flour and wheat for home use has been denied; still, having taken considerable pains to ascertain the facts, we repeat the assertion that this country did not raise, last year, enough grain to provide for the home consumption, and we can name a dozen mills on the two trunk lines of railways, and in various companies, which must have closed but for their purchases of American wheat, which they used in default of Canadian.

The war has raised prices when we have nothing to sell; but as the English harvest promises to be a bad one this year, and the outflow from the East of Europe must be seriously checked by continued disturbances on the very fields and roads from and through which the Western markets are supplied, our next harvest cannot but be worth much beyond an average. But should we have little to spare, the increased price of grain will be but a partial benefit, as our local market prices will be driven up and the whole population saddled with an increase in the cost of living without any compensatory advantage, except to the farming community.

As we write the grain market is feeling the excitement of the war, prices have gone up at a bound, and speculative operations, on a large scale, are being entered upon. We trust the Banks will not help on this movement, and that all having money to lose will be warned in time, as the tendency is, at such periods as this, to overshoot the mark.

BUSINESS EXPENSES VS. PROFITS.

A writ of attachment was last week issued against the estate of Messrs. R. A. Hoskins & Co., auction and commission merchants in this city, a firm which some weeks before had endeavoured, but without success, to compromise at 20c. in the dollar. The balance sheet of this same firm at the close of 1874 showed a surplus of $27,817. It may be instructive to learn whither this amount vanished in two years time, and not only this amount but nearly as much more, for the estate shows to-day on paper but $19,900 to pay $44,500, divided amongst fifty-nine creditors for sums of over $100, *besides* indirect claims of $93,-300.

The firm began business in June 1868, buying out the bankrupt estate of Messrs. Hoskins and Cleland, and its only capital appears to have been the profit upon that purchase. On the first day of the next year the capital was $12,153; in 1871 it was $14,642; in 1873 $22,432, and on 1st May 1875 it had grown to $27,817.37, a very fair rate of progress to be sure. But the insight since gained of the nature of the firm's assets makes it clear that all this glitter of balance sheets was not pure metal. Among the assets there were railway and other *stocks*, which have doubtless shrunken in value, accommodation given to or exchanged, in spite of warning and advice, with such scamps as H. Davis of Montreal. There were losses by failures too during 1875, and the firm suddenly discovered that its assets were insufficient by $3,845 to pay what it owed on 1st May 1876.

Having this knowledge, it was the firm's clear duty to acquaint its creditors with the fact, and to incur no more obligations. But, says one of the partners, "we hoped to make it up;" so they continued, insolvent though they were, and the result of the years business was a deficit in February of this year, of $23,000, which it was still hoped, upon what ground we cannot conjecture, their bankers or their friends would come forward and make up. It was testified by the junior partner that, upon his going into the the warehouse as book-keeper in 1875 (he only became a partner in January 1876), he considered the business a good one, in spite of the demoralization of the staff, and the negligence and unbusinesslike habits of the senior partner; but when he learned how the figures really stood he insisted to the head of the firm that more capital must be got into the con-