

BANKING REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of November. 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, &c.

CANADIAN BANK STATEMENT.

LIABILITIES		Nov., 1897.	Oct., 1897.
Capital authorized.....		\$73,258,684	\$73,258,684
Capital paid up.....		62,288,636	62,285,196
Reserve Funds.....		27,243,999	27,223,999
Notes in circulation.....		\$40,143,878	\$41,580,928
Dominion and Provincial Government deposits.....		6,232,184	5,708,238
Public deposits on demand.....		8,402,878	78,210,044
Public deposits after notice.....		139,528,801	137,156,188
Bank loans or deposits from other banks secured.....		11,000	22,000
Bank loans or deposits from other banks unsecured.....		3,581,511	2,873,741
Due other banks in Canada in daily balances.....		124,208	132,923
Due other banks in foreign countries..		305,737	280,250
Due other banks in Great Britain.....		575,030	890,096
Other liabilities.....		997,621	338,208
Total liabilities.....		\$271,932,920	\$267,192,690
ASSETS.			
Specie.....		\$8,757,736	\$8,754,736
Dominion notes.....		17,337,778	17,283,787
Deposits to secure note circulation....		1,883,067	1,881,704
Notes and cheques of other banks.....		9,526,045	8,214,133
Loans to other banks secured.....		11,000	22,000
Deposits made with other banks.....		4,914,564	4,175,721
Due from other banks in foreign countries.....		28,410,443	29,133,777
Due from other banks in Great Britain..		16,579,039	13,038,952
Dominion Govt. debentures or stock		3,662,532	3,097,574
Other securities.....		29,778,402	28,394,466
Call loans on bonds and stock.....		18,930,378	18,308,707
		\$139,890,984	\$132,305,557
Current loans and discounts.....		205,723,909	208,485,640
Loans to Dominion and Provincial Governments.....		1,470,955	1,473,431
Due from other banks in Canada in daily exchanges.....		192,422	224,209
Overdue debts.....		3,391,838	3,615,117
Real estate.....		2,045,435	2,062,194
Mortgages on real estate sold.....		580,863	569,591
Bank premises.....		5,696,742	5,678,853
Other assets.....		2,139,633	2,124,683
Total assets.....		\$361,182,969	\$356,539,468
Average amount of specie held during the month.....		8,729,054	8,771,666
Average Dominion notes held during the month.....		17,033,825	17,455,407
Greatest amount notes in circulation during month.....		42,303,141	42,401,336
Loans to directors or their firms.....		7,562,652	7,079,839

As this is the last "Banking Return" that will be reviewed this year, it may be well to look back and consider the changes that have taken place since the year opened; that is, such changes as are apparent on the surface of these banking returns.

Passing by the item of capital, which has only increased by about half a million dollars, we come to the important item of circulation. At the beginning of the year, the circulation of the banks stood at \$33,100,000. On the 30th of November, it was \$40,100,000.

This increase of \$7,000,000 during the present year, to which must be added \$400,000 for the increase in Government small notes, is a remarkable evidence of the increased volume of our productive interests. We emphasize the words *productive interests*, for it is they that give rise, in a large degree, to the volume of circulation. In the conduct of the large and important business of our wholesale merchants, and largely also in conducting the business of our manufacturers, the circulation of the banks has little or no share.

It is in connection with operations on the land itself,

either in the way of raising crops, or feeding cattle, or making cheese and butter, that a large volume of our bank circulation is called into play, especially during the time when such products become articles of merchandise. The operations of lumberers in the forest and at their mills, and also the industries connected with mines, fisheries, railways and shipping, give rise to another large development of circulation. Bearing these conditions in mind, it is clear there has been in Canada, during the year, a largely increased development of productive operations. There has been considerably more produced and sold from the farm, the mine, the forest, and the fishery, than was the case last year. The increase is simply reflected in the figures above given, viz.: \$33,100,000 in January, and \$40,100,000 in November. It is of interest to compare the volume of circulation on the 30th of November for a considerable number of years back, thus:

1889.....	\$34,900,000	1893.....	\$35,100,000
1890.....	36,300,000	1894.....	33,000,000
1891.....	37,400,000	1895.....	34,300,000
1892.....	37,100,000	1896.....	35,200,000
	1897.....		\$40,100,000.

It must always be borne in mind that the increase in the number of bank branches has a tendency to diminish bank circulation. Facility of communication and transportation has also a similar tendency. This increase in branches does not affect the circulation of Government notes, for they are never sent in for redemption. But bank circulation is directly affected, and in spite of this, we see before us such figures of increase as the above table shows.

DEPOSITS.

But it is when we come to look at deposits that we are most impressed with the remarkable change that has taken place. A year ago bank deposits stood at \$205,000,000. On the 30th November this year they have mounted up to \$229,000,000. But the total deposits in all the institutions of the country that take deposits and make returns amounted to \$286,000,000 a year ago, while now the amount is \$313,000,000.

Only one million of dollars of this amount represents the increase in deposits of Dominion and Provincial Governments with the banks; consequently, the increase in the deposits of the public with Canadian banks has amounted to no less a sum than \$28,000,000 while the increase in the deposits of the public with other institutions has amounted to three millions more, thus showing that the people of Canada, as a whole, have \$26,000,000 more money at their command than they had a year ago.

To show the bearing of all this, we will again go back for a series of years. Deposits of all kinds, at the end of each of the following years are these, viz.:

1892.....	\$251,000,000	1895.....	\$276,000,000
1893.....	253,000,000	1896.....	285,000,000
1894.....	268,000,000	1897 to 30th Nov.	313,000,000

Certainly, a very remarkable record of progress, and indicating in a striking manner: First—That the Dominion of Canada is a country in which the people can steadily grow and prosper; and next, that the people of Canada are an industrious and economical community.

The point to be noticed about this increase is the steadiness of its character. There is no rapid increase at any time, no booming and rising up to an unnatural height, to be succeeded by an equally rapid fall. The steadiness of the rise is the best feature about it, for it is an almost certain assurance that it will be maintained. And certainly the development is remarkable enough for a country like Canada, and one that is very little appreciated abroad, even by those who know something of her.