

upon securing the services of one so well and favourably known.

The Guardian ranks as one of the strongest British fire offices. It was established in 1821; has a paid-up capital of £1,000,000 sterling, and its total assets are over \$25,000,000. It transacts business throughout the civilized countries of the world, except the United States, from which country the directors withdrew in 1804, for the reason, among others, that after payment of the ordinary losses and high expenses, the profits resulting from the United States business did not appear to be adequate to provide for conflagration hazards, to which towns and cities in the United States are subject, as history has shown.

The Chairman of the company is the Hon. Evelyn Hubbard, a director of the Bank of England, and the Guardian is also fortunate in having two other directors of the Bank of England on its Board, in addition to some of the most prominent citizens of London.

BANKING DEVELOPMENT IN PAST TWO YEARS.

A table appears on another page of this issue, prepared specially for THE CHRONICLE, in which are given the Capital, Reserve Fund, Circulation, Deposits, Current Loans, Call and Short Loans, as they severally stood at the end of 1901 and 1903. The table also exhibits the amount of the increase in deposits between December 31, 1901, and December 31, 1903, with the percentage of their increase, also the increase in current loans and percentage of such increase. The details of each one of twenty-seven banks will be found in the table. The other banks are grouped, as the aggregate of the capital and business of these six small banks is only one-third that of the average of the other twenty-seven, and their business is manifestly on the decline. Now that the strongest banks are establishing a branch wherever there appears an opening for business, the smaller local banks will find it more and more difficult to retain their deposits, discounting, and other classes of business. The prospect is that these six small institutions will be eventually absorbed by larger ones.

The totals at close of 1903 show a remarkable expansion of banking resources and business to have taken place since the end of 1901. The several increases, amounts and percentage of increase were as follows:

	1903.	1901.	Increase.	
	\$	\$	Increases or Decreases.	per cent.
Capital.....	78,563,236	67,691,311	Inc. 10,971,925	16.09
Reserve Fund...	50,598,511	37,364,708	Inc. 13,233,803	35.39
Circulation	62,539,407	54,372,788	Inc. 8,166,619	15.01
Deposits.....	434,326,757	367,695,525	Inc. 67,231,232	18.31
Current loans ..	403,036,195	321,319,223	Inc. 81,716,972	25.43
Call and short loans.....	74,021,090	82,915,902	Dec. 8,894,812	Dec. 10.72

By placing together the increase in resources from

new capital, increased reserve fund, circulation and deposits, the aggregate amounts to \$99,603,579.

The current loans and discounts were enlarged in the same period, 1901 to 1903, by \$81,716,972, against which increase there was a decrease of \$8,894,812 in call and short loans, leaving a "net" increase in loans of both classes, of \$72,822,160, against an increase in resources of \$99,603,579, the excess of the latter being \$26,781,419.

Between the close of 1901 and 1903, the banks enlarged their holdings of securities by \$7,300,804, and of their stock of specie and Dominion notes by \$14,065,652. In the same period their "Bank Premises" asset was increased to extent of \$2,216,100, while their real estate and mortgages were reduced by \$112,308. The "net" increase in what may be termed their Real Estate items, was \$2,103,792.

The increase in securities, in specie, and Dominion notes, and in real estate items (chiefly Bank Premises), aggregate \$23,470,248. Put in tabular form, the above movements make the following exhibit:—

Increase of capital between 1901 and 1903	\$10,971,925
Increase of Reserve Fund.....	13,233,803
Increase in circulation.....	8,166,619
Increase in deposits	67,231,232
Gross increase in above resources.....	\$99,603,579
Increase on current loans.....	81,716,972
Less decrease in call loans.....	8,894,812
Net increase in loans	\$72,822,160
Increase in securities.....	7,300,804
Increase in bank premises.....	2,216,100
Less decrease in real estate.....	112,308
	2,103,792
Increase in specie and Dominion notes.....	14,065,652
Gross increase in Loans, Cash Reserves, Securities, Bank Premises.....	96,292,408
Net Excess of Resources	\$3,311,171

In connection with the above comparisons and the table on another page, it is interesting to note the development of banking in Canada during the last ten years, as shown by the following returns:

	Dec. 31, 1903.	Dec. 31, 1901.	Increases
	\$	\$	\$
Capital paid up.....	78,563,236	62,099,243	16,463,993
Reserve Fund.....	50,598,411	26,459,815	24,138,696
Circulation.....	62,539,407	34,418,906	28,120,471
Deposits	434,326,757	170,479,224	263,847,533
Current loans	403,036,195	200,397,498	202,638,697
Call and short loans..	74,021,090	14,236,629	59,784,461
Total assets.....	663,145,534	304,231,696	358,913,838

While the paid-up capital only increased in ten years by 26 per cent., the reserve fund was increased 91 per cent., the circulation was nearly doubled, deposits and loans far more than doubled.

The banks might then increase their capital by an addition of \$15,000,000, and then they would have considerably less in proportion to their business, than