

Bank of Montreal .....	\$240,000
Bank of Commerce .....	579,000
Merchant's Bank .....	532,000
Bank of B. N. America ...	283,000
Ontario Bank .....	574,000
Royal Canadian Bank.....	211,000
Molson's Bank .....	55,000
Quebec Bank .....	258,000
Bank of Toronto .....	305,000
Dominion Bank .....	100,000

\$3,137,000

The causes of this immense reduction are probably to be found, in part, in the reduced value of wheat, and partly in the heavy falling off in the manufacture of lumber and timber. Something is also due to the pushing out of circulation on the part of new institutions, one of which has recently been taught by severe experience, how much easier it is to push circulation out into the country, than to pay the bills when they are presented for redemption. But whatever may be the causes of this state of things, the fact remains, that amongst the banks above-named there has been a reduction of more than \$3,000,000. This means that these banks have about two millions and a quarter less to lend.

The amount of money deposited in the banks went on increasing all last year and reaching its culminating point on 31st December. Money was easy; discounts readily obtained; imports were stimulated, and building operations engaged in with enterprise. But all this was on a very unstable foundation. The banks were all the time lending the money which had been lent to them, and when the tide turned after the new year, and their depositors (including the Government, which is by far the greatest of all) began to draw out money at the rate of nearly a million dollars a week, the sharp squeeze which all borrowers have lately experienced was inevitable. Had our banks generally not been in a sound position a drain like that which we have lately experienced would have brought on most serious difficulties. Fortunately, however, with a few exceptions, (none of which are included in the list below), they were prepared for any emergency.

The extent to which individual banks have been affected will be apparent from the following figures:

*Reduction in the Deposits of the following Banks from 31st Dec., 1874 to 28th Feb., 1875.*

Bank of Montreal.....	\$2,900,000
Merchants Bank.....	810,000
Bank of Commerce.....	20,000
Bank of B. N. America.....	309,000
Ontario, (no reduction)	
Royal Canadian.....	403,000
Molsons.....	160,000
Quebec, (increased \$36,000)	
Bank of Toronto.....	70,000
Dominion Bank.....	66,000

\$4,738,000

In addition to the above there was a drain of nearly two millions more from the rest of the banks, and our impression is that when the returns come in, it will be found that the drain has continued all through March. Both deposits and circulation are probable lower by several millions at this date than they were at the end of February.

The following statement of the fluctuations in Government Deposits during the last year will be found interesting:

*Total Government Deposits in Banks of Ontario and Quebec.*

February, 1874 .....	\$9,800,000
March .....	10,400,000
April .....	11,000,000
May .....	12,200,000
June .....	12,570,000
July .....	11,700,000
August .....	12,100,000
September .....	14,500,000
October.....	15,600,000
November .....	16,100,000
December .....	15,500,000
January, 1875.....	14,700,000
February.....	13,900,000

As all the rest of the deposits of the Banks only amount to about \$60,000,000 it will be seen at a glance what an important factor in any calculation is the action of our various governments. The above return includes the Government of the Dominion and the Governments of Ontario and Quebec in addition. On comparing the statements of these separately for the period during which the above drain has been going on, we find it to be as follows:

31st December.	
Dominion Government Deposits	\$10,700,000
Provincial (the two Provinces)	4,800,000
28th February.	
Dominion Government.....	\$8,900,000
Provincial .....	5,000,000

The drain therefore has been entirely with the Dominion Government, and as we have before pointed out, its severity has been largely aggravated by the working of the Legal Tender Act as now constituted.

## NEW YORK INSURANCE REPORT.

When it is stated—the authority being the official report of the State Superintendent—that the assets of the Fire, Fire-Marine and Marine Companies, doing business in the State of New York, in 1874, amounted to \$160,133,455, some faint idea and only a faint idea, may be formed of the magnitude of the insurance interest in the Republic. These figures showed an increase of about \$20,000,000 during the year. The year's income was \$86,854,169 and the expenditure—still more—\$68,491,125; being a decrease in expenditure of over \$10,000,000, and an increase in in-

come of \$138,958, as compared with 1873. Thirteen new companies came into existence during the year. The assets of the Fire and Fire-Marine Companies doing business in New York amounted to \$119,569,764. The Joint Stock Companies returned \$55,985,676; Stock Companies of other States \$60,702,636; New York Mutuals, \$366,367, and other State Mutuals, \$2,518,066. Some Companies unite a Marine and Fire business.

The liabilities of these Companies, exclusive of scrip and capital, are \$40,093,185; New York Companies, \$14,920,259; Stock Companies of other States, \$24,078,757; New York Mutuals, \$258,122; other State Mutuals, \$836,046. The amount of scrip liabilities is \$1,836,341 and of capital, \$56,059,192. The new sources of income during the year yielded \$64,261,610. The excess of income over expenditure was \$13,189,930; but there were twelve companies which expended \$164,833 more than they received. The total expenditure was \$51,236,414.

Of the purely Marine Companies the total assets were \$25,645,709; an excess of \$1,081,155 over the previous year. The liabilities were \$7,750,486, an excess of \$555,967 over the previous year. The expenditure was \$9,714,734, being \$1,863,433 less than in the previous year. Those Marine Companies had \$1,596,861 excess of income over expenditure; and not one paid out more than it received.

The "so-called capital" of the foreign Companies doing business in the State was \$5,712,104.

The total business done by all the companies making returns to the Insurance Department—223 in number—included \$6,313,967,008 of risks. These were incurred on the strength of an aggregate of \$153,231,611 net assets, or \$2.43 for every \$100 insured; and during the year, on receipt of \$88,149,384 in gross premiums, they carried \$7,814,355,864 of risks; or an average rate of \$1.13 for every \$100 insured. The average ratio of gross expenditure to gross income, was 78.77; of losses paid to premiums received, 45.50; of expenses to gross income, 25.86; of dividends to gross income, 11.57.

The amount of surplus held by all the companies was \$24,654,590 as against \$14,332,695 in the previous year; and the total impairment of capital had been reduced from \$378,006 to \$17,484. The ratio of losses to risks by the Joint Stock Companies of the State was decimal 19 against 23 in 1873, while in the case of like Companies from other States it was 44 against 58 in the previous year. The ratio of losses to