

returns for the month came to hand, the figures recording a reduction of over two millions. The statement showed a reaction from the business activity of the previous month, due to the causes foreshadowed in these columns. An increase of \$2,361,264 in public deposits gave evidence of an increase in the people's savings, while accounting to some extent for the reduction in circulation. Among other more or less important changes, the following alone call for notice: A decrease of nearly \$500,000 in the unsecured deposits between banks, largely due no doubt to western and country banks having drawn their balances at financial centres to supply the demands of business. This is apparent from the increase of current discounts by a similar amount, the figures for April standing at \$152,778,348 against \$152,259,167 for the previous month. There was also an increase of over \$700,000 in the amounts due to correspondents in Great Britain, while the amounts due by correspondents there had been reduced from \$2,825,078 to \$1,099,731; showing that the banks had drawn largely on their English credits, partly to supply exchange to meet interest falling due by the Government and several large corporations. On the other hand, the balances due from other banks in foreign countries, principally through investments in the United States, had been increased from \$13,316,554 to \$15,145,251, or nearly \$2,000,000. There was a decrease in overdue paper of about \$500,000, which is principally accounted for by the amount written off by the Bank of Montreal and La Banque Nationale at the close of their financial years.

The bank statement for May, just to hand, indicates the revival in business activity incidental to the season, and calls for favorable comment. The demand for money has continued active, and although there was but a slight increase in the amount of outstanding circulation at the end of the month compared with the previous statement, the figures are slightly higher than they were a year ago. As is generally the case at the end of May, a month which closes the yearly operations of so large a number of our banking institutions, a large increase in the cash reserves calls for notice: the amount of specie and Dominion notes held being \$248,884 in advance of the previous month. Balances due from foreign banks are placed at \$16,100,153, an amount nearly \$6,000,000 more than during the corresponding month of last year, and \$954,902 in advance of the figures for April; showing an increase