

business was insufficient to utilize. Lloyds, for instance, which was exclusively a Birmingham bank for many years, first commenced to establish branches in adjacent towns, where they failed to secure enough discounts to absorb their gradually accumulating deposits which at one time they tried to check by giving lower rates than their neighbors. Then they opened in London, where they have been doing a large business in general finance, as floating loans, and lending upon securities such as we class as "call loans." The reduction of their dividend from 15 to 12½ indicates that they suffered heavily from the financial depression of 1894-95.

We are surprised to find the old London & Westminster, which was started so brilliantly in charge of the celebrated Mr. J. W. Gilbart, had the worst experience of all the strictly London banks, its dividend of 18 in 1890 and 16 in 1891 being cut down to 10 for the past year. This bank, as others in the above list, are to a large extent bankers' banks, as they owe much of their enormous business to the country banks all over England for whom they act as agents. The reduced dividends of these London banks arose, we believe, from the depression of trade throughout the large towns in England, which seriously reduced the demand for re-discounts, and other forms of business provided by country banks for their London agencies. Our Scotch contemporary, whom we have quoted above, attributes the decline in the dividends of London banks to their being over-conservative. He speaks of them as "great institutions with vast accumulations in their coffers, but they have been inclined to sleep upon the record of the past, and so enabled nimbler brethren to take a

large share of the new business which is always coming in." This is only true to a partial extent, and is rather creditable than a reproach to these "great institutions." What results from the enterprise of "nimbler brethren" was seen in the collapse of the Barings, whose nimbleness in securing new business brought them to the ground, and created a world-wide panic. The immunity of England from financial disturbances born of local conditions, and the remarkable fewness of bank failures in the old land, are to be attributed to a large extent to the conservative policy of the great banks of London, whose policy gives a tone to the whole of the provincial or country banks, and through them to the entire trading interests of the country. Every note discounted by English country banks passes through the hands of their London agents, and a large volume also of cheques on provincial banks are redeemed through the London clearing house. This system enables the London agent to see every note that is dishonored, and otherwise exposes the business of country banks to inspection by him. Through the London agent rediscounting is done, and to him appeals are made for assistance in times of monetary need, so that the business of each country bank is subject to regulation by one of the most experienced bankers in London whose finger is always on the pulse of the money market. We see from this how necessary it is for the London banks to be exceedingly conservative, and their reduced dividends were a consequence of a policy to which the whole financial interests of the Old Country owe much of their stability in times of depression. The London banks preferred rather to sacrifice their dividends than their customers.

STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA
Comparison of Principal Items.

<i>Assets.</i>	31st Aug., 1895.	31st July, 1895.	31st Aug., 1894.	Increase and Decrease for month.	Increase and Decrease for year.
Specie and Dominion Notes.....	\$ 22,555,843	\$22,833,780	\$ 23,804,974	Dec. \$ 277,937	Dec. \$1,249,131
Notes of and Cheques on other Banks	6,135,949	7,083,262	6,053,369	Dec. 947,313	Inc. 82,580
Due from American Banks and Agencies.....	26,505,856	22,968,798	19,904,605	Inc. 3,597,058	Inc. 6,661,251
Due from British Banks and Branches.....	6,339,165	5,677,303	3,539,880	Inc. 661,862	Inc. 2,799,285
Canadian Municipal Securities and Brit., Prov. or Foreign or Colonial, other than Dominion	9,393,325	9,214,629	10,712,561	Inc. 178,696	Dec. 1,349,236
Railway Securities	9,224,246	9,260,680	8,176,985	Dec. 36,434	Inc. 1,047,261
Loans on Stocks and Bonds on Call.....	16,766,317	15,889,213	15,282,727	Inc. 877,104	Inc. 1,483,590
Current Loans to the Public.....	197,526,285	200,697,210	199,908,340	Dec. 3,170,925	Dec. 2,382,055
Overdue Debts.	4,324,234	2,958,065	3,121,927	Inc. 1,366,169	Inc. 1,202,307
Total Assets.....	317,441,375	315,323,415	308,085,634	Inc. 2,117,960	Inc. 9,355,741
<i>Liabilities.</i>					
Bank notes in Circulation.....	30,737,622	29,738,115	30,270,366	Inc. 999,507	Inc. 467,256
Due to Dominion Government	4,395,918	3,876,161	2,603,151	Inc. 519,757	Inc. 1,792,767
Due to Provincial Governments	3,999,523	3,672,162	3,324,992	Inc. 327,361	Inc. 674,531
Deposits made by the public.....	183,103,036	182,688,227	176,388,133	Inc. 414,869	Inc. 6,714,903
Do payable on demand or after notice between Bks	2,780,631	2,461,151	2,587,234	Inc. 319,480	Inc. 183,397
Due to American Banks and Agencies.....	206,473	186,338	96,806	Inc. 20,135	Inc. 109,667
Due to British Banks and Branches.....	4,027,049	4,261,095	5,165,386	Dec. 234,046	Dec. 1,138,777
Total Liabilities	230,741,064	228,600,132	220,912,480	Inc. 2,140,932	Inc. 9,798,584
<i>Capital.</i>					
Capital Stock paid-up.....	61,704,458	61,704,458	62,189,585	Inc. nil	Dec. 485,127
Reserve Fund.....	27,083,799	27,083,799	27,166,850	Inc. nil	Dec. 83,051
Directors' Liabilities.....	7,687,676	8,159,067	7,973,633	Dec. 471,391	Dec. 285,957

Deposits with Dominion Government for security of note circulation being 5 p.c. on average maximum circulation for year ending 30th June, 1895, \$1,814,624.