

Early in January the Bank of England declined to make advances on bills of longer date than 2 months,—an indication of rates tightening. When a better feeling was beginning to prevail, the United States Senate disturbed the country by declaring in favor of a free issue of silver. Then they increased the mischief by voting in favor of the recognition of Cubans as belligerents, which would have led to war with Spain, had the President taken action on the lines of the Senate's resolution. After the convulsion caused in December over the Venezuelan incident, Mr. Cleveland wisely kept quiet about Cuba, respecting which Island and the policy of the United States in regard to it, there still

remains an uneasy feeling which keeps the money market very sensitive.

During the year the Ontario Bank reduced its capital from \$1,500,000 to \$1,000,000, a policy which was adopted after consultation with the largest shareholders. Hopes are entertained that by this drastic course, the assets of the bank have been brought down to "hard pan," upon which Mr. McGill, the new general manager, is sanguine a profitable business can be built up.

The movement in the Canadian banks during the year from 1st November, 1895, to 10th November, 1896, is shown in the following table:

LEADING ITEMS IN BANK RETURNS FROM 1st NOVEMBER, 1895, TO 1st NOVEMBER, 1896.

Compared with same items 1st November, 1891, to 1st November, 1895.

MONTH.	Circulation.		Deposits on Demand.		Deposits after Notice		Discounts.	
	1891-1896.	1895-1896.	1891-1896.	1895-1896.	1891-1895.	1895-1896.	1891-1895.	1895-1896.
	1894.	1895.	1894.	1895.	1894.	1895.	1894.	1895.
November.....	33,076,808	34,362,746	60,304,659	67,573,438	113,842,722	120,264,326	195,823,973	202,090,122
December.....	32,375,620	32,565,179	68,017,542	67,452,397	113,163,112	119,667,176	195,836,141	202,088,359
	1895.	1896.	1895.	1896.	1895.	1896.	1895.	1896.
January.....	28,917,279	29,429,065	66,601,119	62,493,728	114,269,762	121,252,378	193,754,865	204,479,884
February.....	28,815,434	29,819,536	64,655,103	60,419,199	115,083,710	121,446,870	195,622,126	207,484,616
March.....	29,414,796	30,780,457	64,452,014	59,874,403	114,417,688	120,609,502	199,086,112	211,603,715
April.....	29,152,152	29,654,973	61,578,933	60,859,028	114,457,027	120,644,617	203,273,500	210,292,687
May.....	28,429,134	29,395,444	65,343,334	61,881,340	115,058,980	121,934,721	203,572,324	206,970,096
June.....	30,106,578	30,336,844	66,582,930	62,930,531	114,081,499	120,835,461	205,497,046	208,014,178
July.....	29,738,115	29,575,380	68,175,704	64,948,908	114,512,523	122,100,074	203,607,210	208,759,940
August.....	30,737,022	31,509,154	67,386,516	65,264,335	115,716,520	123,151,850	197,526,285	207,410,954
September.....	32,774,422	32,652,176	67,774,818	65,827,150	116,634,480	123,436,216	197,729,834	209,959,682
October.....	+ 34,671,028	+ 35,955,150	67,812,853	+ 67,312,835	+118,852,499	+125,525,470	201,753,216	+214,159,871

Items marked * were lowest in the year, those marked +, the highest.

The total operations of each month of the Clearing Houses of Montreal, Toronto, Halifax, Hamilton and Winnipeg up to 1st December, 1896, were as below:

	1896.	1895.
January.....	\$94,507,000	\$88,162,000
February.....	68,114,000	67,596,000
March.....	75,881,000	74,061,000
April.....	74,251,000	73,985,000
May.....	84,163,000	89,491,000
June.....	82,932,000	90,993,000
July.....	88,465,000	91,486,000
August.....	79,271,000	85,472,000
September.....	77,409,000	79,202,000
October.....	86,702,000	94,661,000
November.....	87,264,000	100,346,000

Since May the banks of St. John, N.B., have operated a Clearing House, the monthly average being about 2½ millions.

Changes of a personal nature have taken place this year in banking circles, some of which were as follows: Mr. W. F. Harper, ex-Manager Merchants' Bank, London, died in March. Mr. E. H. King, the eminent ex-President of Bank of Montreal, died in April. Mr. R. Richardson, retired from Bank of Montreal, Belleville, in November was succeeded by Mr. R. J. B. Crombie, as Manager. Mr. F. W. Taylor, of Bank of Montreal, Peterboro, was removed to Deseronto, and Mr. Rogers, of Deseronto, appointed to Peterboro, Mr. Lewis being given position at head office. Mr. O'Grady was promoted from New York to be Assistant Manager, Chicago; Mr. Greata, of the St. John's, Nfld., office, to be

second agent, New York, succeeded by Mr. Hunter of Moncton. Mr. J. H. Pilon, of the Head Office, was appointed Manager of Kingston Branch. Mr. Dean, promoted from Hamilton to Montreal, Mr. Travers of Brockville to succeed him. Mr. Gault, Assistant Manager Merchants Bank, was removed to the New York agency, succeeding Mr. Henry Hague, agent at New York, who retired on an allowance. On Mr. Gault's removal, Mr. Hedden, from the Toronto office, was made Superintendent of Agencies at Head Office.

The following table gives the net profits of some of the leading banks, with the amount in excess of dividend paid, the percentage of total net profits to capital and rate of dividend per annum:

Bank.	Net Profits	Excess over Dividend.	Percentage of profits to Capital.	Div'd. per annum.
	\$	\$	p.c.	p.c.
Bank of Montreal.....	1,241,195	41,196	10.03	10
Merchants' Bank.....	501,999	22,000	8.30	8
Bank of Commerce....	466,623	46,623	7.78	7
Quebec Bank.....	266,320	10.65	6
Bank of Toronto.....	207,095	7,065	10.35	10
Imperial Bank.....	194,945	37,857	9.93	8
Dominion Bank.....	189,862	9,862	12.65	12
Molson's Bank.....	221,084	44,084	11.20	8
			and bonus 1 p.c.	
Mchts. of Halifax.....	188,485	83,485	12.56	7
Bk. of New Brunswick.	73,000	13,000	14.60	2
Standard Bank.....	105,658	25,658	10.56	8
Bank of Hamilton.....	124,754	24,754	9.98	8
E. Townships.....	143,211	38,274	9.55	7