

which would be a menace to British India. The new railway will be too roundabout for it ever to become a successful competitor with the Canadian Pacific, for through trade with the East.

Returns from the principal clearing houses in the United States for last week, as given by the Boston Post, make a favorable exhibit. The total clearings at thirty cities were \$884,834,000, compared with \$787,117,000 the previous week and \$726,885,000 the same week of last year. Outside of New York, there is a gain of nine per cent. over the previous week and 21 per cent. over 1885. Money has been easier at the leading trade centres of the United States, and this has led to a larger distribution of merchandise, with a general and wide-spread tendency to higher prices. The New England cities very generally show large gains in clearings. The manufacturing cities show large gains, indicating a marked improvement in trade at the industrial cities. The largest gains, however, come from western points of distribution.

**BANKING REVIEW.**

The figures of the Canadian bank statement for August last will be found in condensed form below, and are compared with those for the previous month. The statement bears date, Ottawa, 15th September.

**CANADIAN BANK STATEMENT.**

LIABILITIES.		
	Aug., 1886.	July, 1886.
Capital authorized..	\$ 79,679,666	\$79,679,666
Capital paid up....	61,150,792	61,067,764
Reserve Funds....	17,690,141	17,690,141
Notes in Circulation	29,515,390	28,882,843
Dominion and Provincial Government deposits....	9,826,768	10,917,339
Deposits held to secure Government contracts & for Insurance Companies.....	803,546	775,044
Public deposits on demand.....	50,577,788	49,691,287
Public deposits after notice.....	51,163,831	50,958,274
Bank loans or deposits from other banks secured... ..		50,000
Bank loans or deposits from other banks unsecured.	1,967,360	1,535,776
Due other banks in Canada .....	936,421	1,209,759
Due other banks in Foreign Countries	153,330	79,637
Due other banks in Great Britain...	1,177,630	1,792,133
Other liabilities....	218,617	265,453
<b>Total liabilities..</b>	<b>\$146,340,723</b>	<b>\$146,154,546</b>
ASSETS.		
Specie .....	\$ 6,285,603	\$ 6,692,596
Dominion notes....	10,804,545	11,111,320
Notes and cheques of other banks..	5,693,054	5,054,740
Due from other banks in Canada.	3,324,486	3,222,659
Due from other banks in foreign countries .....	15,319,212	15,698,690
Due from other banks in Great Britain.....	2,624,835	1,639,021
Immediately available assets.....	\$ 44,051,735	\$43,419,026
Dominion Government debentures or stock.....	5,117,338	5,064,625

Public securities other than Canadian.....	2,961,286	2,998,600
Loans to Dominion & Prov. Gov....	2,688,905	3,122,152
Loans on stocks, bonds or debent..	11,984,077	12,680,569
Loans to municipal corporations ....	3,174,900	3,100,538
Loans to other corporations .....	13,875,384	13,288,310
Loans to or deposits made in other banks secured....	171,502	256,502
Loans to or deposits made in other banks unsecured..	570,047	544,537
Discounts current..	130,270,007	129,876,309
Overdue paper unsecured .....	1,070,321	1,087,283
Other overdue debts unsecured.....	79,894	82,564
Notes and debts overdue secured...	1,590,010	1,594,581
Real estate.....	1,322,669	1,320,356
Mortgages on real estate sold .....	820,476	846,058
Bank premises....	3,512,536	3,511,067
Other assets.....	3,625,116	3,443,796
<b>Total assets.....</b>	<b>226,886,205</b>	<b>\$226,236,872</b>
Average amount of specie held during the month.....	6,536,158	6,793,345
Av. Dom. notes do..	11,801,878	11,093,968
Loans to Directors or their firms....	8,300,392	7,827,574

The usual fall movement of circulation has already begun, and in August there was an increase of \$630,000. The probability is that the upward movement during the next three months will be considerable, as there is on the whole a good crop of cereals in the country. And low as the price of wheat is, there seems nothing to warrant farmers holding on for better quotations. For other grains the prices prevailing are good ones. Indeed, as compared with the price of wheat, the quotations for barley and coarse grains are relatively high. There has hitherto been a sure market across the lakes, at all times, for this class of cereals, but owing to the production of first-class barley in Washington territory and other parts of the Republic, the extent to which a market is likely to be found there in future, for that cereal, is doubtful. Next year the question is likely to obtain a practical decision; but at present the outlook for future years is not good. Barley should come out in quantity during the next three or four weeks, and should find a ready market in the States. It is to be hoped that no attempt will be made to get up a "boom" in barley or any other grain, this year. A "boom" is always followed by a collapse; and a collapse means disaster and ruin to numbers of people in the trade.

Other agricultural products are being moved with great activity, more especially animals and dairy produce. There has been an extraordinary rise in the prices paid for cheese, since the season set in. At one time, the rise was supposed to be entirely the result of manipulation and "cornering." Certain purchasers made arrangements for buying very large quantities of cheese and apparently so far the operation has been successful. The market has advanced over forty per cent., from the low prices prevailing a few months ago. The advance may be justified by circumstances, or it may not; time will tell. The price of cheese fluctuates from a low level to a high level, like the price of wheat,

A low level of prices prevailed for a considerable time, and little more was made by producers than the bare cost of production. The price has veered round from that level to a high range of prices, and it is questionable whether this heavy increase of price will not check consumption, and so bring things to a more reasonable figure. The drought that prevailed over large sections of the country has undoubtedly developed a speculative spirit. It is very doubtful if the effect of the drought has been so serious as has been alleged; we have seen no evidence which proves that it prevailed extensively in the cheese producing districts of Canada and the United States; or at all events not to an extent to justify such an enormous advance as has taken place. However, the market has advanced, and prices are at present well maintained. The rise has partly benefitted the producer; an incident which is certainly satisfactory. The merchant has been benefitted to some extent, and he has a right to the benefit.

The shipments of cattle have continued on a very extensive scale during the summer; but the price has been low. The supply is evidently over abundant.

Of the great staples of food—meat, bread, cheese and butter—the world, taken as a whole, seems to be producing more than enough. In the days of Malthus and since, political economists were able to point to the fact that the population of the world was increasing faster than the means of subsistence. Many able men seriously fancied that it would soon be necessary to take forcible measures to restrict the growth of the population. That there was serious alarm on the subject in Great Britain is incontestable; but since these views were first promulgated, the population of the world has increased enormously. Yet, owing to the progress of invention, which has vastly increased the effectiveness of labor, the supplies of food have increased faster still, and are pouring into England in greater abundance than ever.

To judge by the movements of the stock market one might conclude that a high tide of prosperity had set in, both for the banks and the country generally. Leaving the stock market to take care of itself, there seem evident signs of a fairly prosperous condition of things amongst us. There is a healthy and steady demand for goods of nearly all descriptions and merchants of all kinds are generally doing well. The manufacturers, as a whole, are experiencing a decided revival and many of them are making really good profits. Our manufacturers of course are now occupying a widely diversified field, and their conditions differ just as widely. Some manufacturers have been doing well, during the whole time of the depression, notably the smaller concerns which had their business in good shape, and carried it on with a sufficient amount of capital. But the large joint stock corporations have passed through a time of severe trial. Their stockholders have had little or no return for their capital, for several years. The only parties who are being benefitted have been the working men, who, strange to say, constantly assert that capitalists get the