

who have examined the scheme, would, in operation, produce results inequitable in a marked degree. The Superintendent of Insurance figures out the actual results of the working of the proposed machinery to be that while the first investor in bonds would get 96 per cent., the fortieth would get only one and three-eighths. The bond scheme has been called a lottery, but it is something different from, and worse than, a lottery. A lottery depends on the law of chance, of which the result is theoretically calculable, when the drawings are on a sufficiently large scale to give full effect to the operation of the law, though in practice the theory cannot be fully realized, and individual drawings, on a limited scale, cannot realize the theoretical average, any more than partial statistics can be other than necessarily false. But a mode of paying investment bonds which gives \$96 to one investor and only \$1.38 to another who has paid in an equal amount, is one in which the investors bargain for wildly unequal results. In the United States, where the investment bond trick has played its part, the Washington Government treats it as a fraud and refuses investment bond companies the privileges of the mail. Let us apply the lesson of experience.

Another case for the application of the Monroe doctrine has arisen. This time France and Brazil are the parties concerned; the lands in dispute being claimed by France as forming part of French Guiana, and Brazil resisting the claim. There has been fighting, in which the French are reported to have destroyed one-half of Amapa and lost 100 men. The action is the same in its political aspect as if fighting had taken place between Great Britain and Venezuela over the territory which both these countries claim.

### FINANCIAL REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of January. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, &c.

#### CANADIAN BANK STATEMENT.

LIABILITIES.		Jan., 1896.	Dec., 1895.
Capital authorized .....	\$	73,458,685	73,458,685
Capital paid up.....		62,196,496	62,196,391
Reserve Funds .....		27,715,799	27,665,799
Notes in circulation .....		29,429,065	32,565,179
Dominion and Provincial Government deposits .....		6,747,750	7,194,274
Public deposits on demand .....		62,493,728	67,452,397
Public deposits after notice .....		121,252,378	119,667,176
Bank loans or deposits from other banks secured .....		9,663	12,403
Bank loans or deposits from other banks unsecured .....		2,732,915	2,959,409
Due other banks in Canada in daily balances .....		137,958	139,538
Due other banks in foreign countries..		171,654	219,541
Due other banks in Great Britain.....		4,645,748	4,326,912
Other liabilities .....		693,195	701,096
Total liabilities .....	\$	228,314,138	235,238,920
ASSETS.			
Specie.....	\$	8,193,570	8,239,378
Dominion notes.....		13,632,842	15,963,001
Deposits to secure note circulation....		1,814,624	1,814,624
Notes and cheques of other banks.....		6,402,345	9,115,065
Loans to other banks secured.....		4,663	7,403
Deposits made with other banks.....		3,548,408	3,650,210
Due from other banks in foreign countries.....	\$	19,593,123	17,897,593
Due from other banks in Great Britain..		4,299,260	8,175,874
Dominion Govt. debentures or stock .....		2,990,803	2,830,276
Other securities.....		20,820,899	20,636,961
Call loans on bonds and stock.....		15,909,208	17,089,307
	\$	97,149,835	105,419,692

Loans to Dominion and Provincial Governments .....	193,648	748,312
Current loans and discounts .....	204,479,884	202,088,259
Due from other banks in Canada in daily exchanges .....	191,507	153,144
Overdue debts .....	4,284,475	4,412,237
Real estate.....	1,300,177	1,332,394
Mortgages on real estate sold.....	565,891	550,343
Bank premises .....	5,658,999	5,651,487
Other assets .....	1,851,704	1,828,737
Total assets .....	\$315,676,305	\$322,184,811

Average amount of specie held during the month.....	7,983,597	7,710,988
Average Dominion notes held during the month.....	14,244,926	15,742,240
Greatest amount notes in circulation during month.....	32,307,557	35,014,003
Loans to directors or their firms .....	8,408,199	8,274,874

There can be no doubt that the times through which we are passing are characterized by anything but prosperity as a whole; notwithstanding the fact that in some lines a certain number of firms (how many we cannot exactly say) have made considerable money during the last year. It is undoubted that for the great bulk of our trading population the year was an unsatisfactory one. In numbers of cases but a bare living was realized from business, and in numbers of others the parties were worse off at the end of the year than at the beginning.

Canada is not alone in this, as is very well known. Our neighbors in the United States have been passing through far worse times than ourselves, and the financial and commercial atmosphere of England has been cloudy enough for some time back. With regard to our own financial position, it is indisputable that money is much more stringent than it was a few months ago.

An infallible indication of the state of the money market is to be found in the rate which borrowers have to pay for loans, secured by stocks and repayable at a day's notice. Loans of this kind simply represent the spare money of bankers, not required at the moment by their commercial customers. The rate is a matter purely of supply and demand in the strictest sense, as it is in New York and London. The element of risk is almost absolutely excluded. Now when borrowers on that class of security, and practically from day to day, have to pay, and are willing to pay, a rate nearly double what they could borrow at when money was plentiful, it is evident enough that the supply of surplus money in the banks is running very low. And that this is the case is evident enough from the figures of the present statement. Let us put it in a tabular form. The banks have paid out during last month:—

To redeem circulation.....	\$3,136,000
To depositors (over and above what they paid in) ..	3,588,000
And by increase in their loans and discounts.....	2,050,000

NET total paid out to customers of all kinds..... \$8,774,000

This represents the drain upon the funds of the banks during the single month of January. Consequently, we find their available resources, including cash, foreign balances and call loans, diminished by an almost exactly similar sum.

Here we have the indication of tighter money at a glance. Not that we can say that money is really tight in any business-like sense of the word. Fortunately, Canadian traders have known nothing at all about a really tight money market for many years past. To very many traders such a money market would be a new experience altogether.

If our manufacturers and traders experienced what so many did in the States two years ago, viz., an inability to borrow money at any price, no matter what security they offered, they would know what the words "tight money" really meant. But we are far from such a position as that at present, and we may never experience it at all, unless