

FINANCIAL REVIEW.

We present below a condensation of the monthly statement of Canadian banks for February, 1903. 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, etc.:

CANADIAN BANK STATEMENT.

LIABILITIES.		February, 1903.	January, 1903
Capital authorized		\$86,332,566	\$84,332,566
Capital paid up.....		73,691,509	72,856,125
Reserve Funds		45,023,697	44,630,856
Notes in circulation.....		\$55,746,498	\$55,040,987
Dominion and Provincial Government deposits		7,246,276	6,219,162
Public deposits on demand in Canada..		105,304,362	107,767,043
Public deposits at notice		261,377,760	259,017,187
Deposits outside of Canada		36,145,405	36,129,904
Bank loans or deposits from other banks secured		763,083	725,622
Due to other banks in Canada		3,672,029	3,728,604
Due to other banks in Great Britain		4,576,815	4,799,345
Due to other banks in foreign countries..		976,447	882,049
Other liabilities		10,417,519	11,947,302
Total liabilities.....		\$486,232,273	\$486,257,265
ASSETS.			
Specie.....		\$12,484,817	\$12,912,676
Dominion notes		25,169,582	25,148,231
Deposits to secure note circulation..		2,797,166	2,797,270
Notes and cheques on other banks		13,146,128	13,500,877
Loans to other banks, secured		728,267	725,622
Deposits with other banks in Canada		4,532,159	4,495,999
Due from banks in Great Britain.....		4,090,740	5,740,363
Due from other banks in foreign countries		11,100,956	12,007,668
Dominion or provincial Govt. debentures or stock		9,915,560	9,353,611
Other securities		53,670,650	53,738,791
Call loans on bonds and stocks in Canada		48,639,724	50,319,008
Call loans elsewhere		44,668,557	45,159,558
		\$230,944,406	\$235,899,674
Current Loans in Canada		331,646,220	322,597,941
Current Loans elsewhere		32,118,508	31,060,385
Loans to Dominion and Provincial Governments.....		2,480,016	3,340,977
Overdue debts		1,939,394	1,099,681
Real estate		878,319	854,096
Mortgages on real estate sold.....		763,895	765,313
Bank premises		7,754,916	7,646,645
Other assets		5,325,202	6,380,635
Total assets		\$613,850,954	\$610,545,531
Average amount of specie held during the month		13,068,213	12,678,492
Average Dominion notes held during the month.....		24,944,668	24,751,941
Greatest amount notes in circulation during month		56,496,318	60,149,936
Loans to directors or their firms		11,425,678	11,157,607

One of the most remarkable signs of the times, in the banking sphere, is the recent report of the Bank of British North America. This bank, as all Canadians well know, has for long years back been distinguished for a policy of the most solid conservatism. Through all the chances and changes of Canadian banking life, the old "British," as it was generally called, has proceeded on its even way. Its name was almost as much a synonym for safety as the Bank of England itself, and, while other banks were developing and spreading out, increasing their capital, and adding large sums to their "Rest," the British was content to do a solid and safe business, earning a little more than the moderate dividends with which its stockholders were perfectly satisfied. They are nearly all on the other side of the Atlantic, and of a class that have always looked more

to continuity and regularity than to large percentages in dividends. Not that the bank has been altogether quiescent in these moving times. It has not, as its opening a branch in the far off Yukon testified. For to open it the bank required to send what its directors called an "expedition."

But now a change has come over the spirit of the scene. The board authorities in London have determined on a policy more in accordance with the modern development of Canada than that which it followed until lately. While making every provision for safety it has enlarged its loaning operations, and so availed itself of openings for profitable business, that its earnings for the last half year were at the rate of twelve per cent. per annum; an astonishing figure, considering the moderate earnings of the bank in former years. But the board have shown their wisdom in not increasing the dividend beyond six per cent., and in placing a sum to Rest almost equal to the dividend. The "Rest" account of the bank, to say truth, has not compared favorably with those of its confreres, having never reached one-half of the paid-up capital, which for many years back has been the minimum amount considered to be desirable. Many of the smaller banks, however, have accumulated a far larger amount than that, and now show a Rest equal to or beyond the paid-up capital.

In comparison with these, the rest of the British Bank has seemed very small. It is, however, to be remembered that its surplus has wholly arisen from the profits of its business, and has not been built up to the extent of a dollar by the issuing of new stock at a premium. But the stability of the bank has been so firmly maintained as not to need any aid from a large surplus fund. This is demonstrated by the fact that its bills drawn by agents in New York upon the head office in London, command as high a price as bills drawn upon the strongest banks in London by banks on this side the Atlantic.

There is no likelihood of the bank being brought under the influence of any "boom," should the present expansion degenerate into one. The chairman of the board in his address to the stockholders, in speaking of the remarkable development of Manitoba, showed that they perfectly understand the difference between the speculative boom of former years, and the legitimate expansion of the present. And he might have said even more than he did. For whereas the boom of 1880-82 was founded on nothing but the mere fancies and expectations of men with excited minds, having no adequate basis of business, the present expansion is based on an enormous production of articles of prime necessity to mankind. The market for articles of luxury, such as wines, silks, etc., is a variable one. But a country that produces abundant supplies of the first necessities of life, such as breadstuffs and cattle, has a demand that can never fail. The only thing that can affect the development of Manitoba and the Northwest is the failure of the crops. That has been a serious factor indeed in former years. But there is reason to believe that with the settling up of greater areas of country the danger either from frost, drought, or excessive rain, will be no greater, if as great, as the agri-