

money. Ninety per cent. of the foreign loans are made by five of the thirty-four chartered banks in Canada. Indeed, practically 50 per cent. of the total foreign loans are made by a single Canadian bank. Therefore, twenty-nine banks, at least, are immune even from criticism. Here are the banks which show call loans elsewhere than in Canada. The figures show a growth in three months of about eight million dollars, a natural increase considering the season of year:—

	May.	June.	July.
Montreal	\$28,818,479	\$28,942,889	\$31,728,910
Nova Scotia ...	3,247,648	4,565,803	5,783,369
British North America	5,534,802	6,293,289	5,612,893
E. Townships...	377,958	245,654
Toronto	600,000	300,000
Merchants	3,461,179	3,570,270	4,689,932
Commerce	8,093,688	8,194,344	8,818,595
Royal	1,747,924	1,886,624	2,475,415
Imperial	1,600,000	1,000,000	1,200,000
Total	\$52,281,678	\$55,298,873	\$60,609,114

The Monetary Times has the best authority for stating that there has been no concerted action in this direction. If there was a general movement among bankers to store up money against harvest time, it was doubtless caused by the feeling of each conservative bank manager that such proceeding was dictated by prudence and by good banking.

Unquestionably, our Great West needs money. It will always need money. It was, if memory serves, Mr. B. E. Walker, of the Bank of Commerce, who said, speaking before a Manitoba Board of Trade: "You [i.e., the West generally] will for a long time need more money than you can ever get at any one time for development purposes." Local banks, with local management, to serve local interests, are an alluring suggestion. But they have been tried in Canada before, with disastrous results. There is the difficulty, too, in a time of universal stringency for money, of obtaining the necessary capital for new banks.

It is not alone the money of the Eastern part of the Dominion, nor of the Eastern banks, which has so long supplied the varied needs of a new and rapidly-growing country. Scottish money and English money is being used. It is likely, too, that Old Country folk will be found equally resolute to adhere to tried and proved methods of financial management.

While much complaint is made of the money constituting reserve funds and placed out of Canada, little is said of the increase which has occurred in the current loans in Canada, as will be seen by the following table:—

1907.	Current, in Canada.	Elsewhere.
January	\$550,938,838	\$36,016,552
February	564,678,044	34,615,133
March	579,957,554	33,305,188
April	586,149,738	28,933,174
May	584,707,830	25,412,267
June	586,930,448	23,388,259
July	581,327,878	23,723,397

In January the current loans in Canada amounted to \$550,938,838. Last month they had grown to \$581,327,878, an increase of \$30,388,040. In the same period, the current loans out of Canada declined from \$36,016,552 to \$23,723,397, a decrease of \$12,293,155. Going back a number of years, we find that in July, 1903, the current loans in Canada amounted to \$363,586,174. Thus, in the five years they have increased something like \$118,000,000, while those elsewhere than in Canada have increased by only one million dollars.

Naturally, call loans out of Canada have also increased. The more money loaned in the country, the more must be reserved for the proverbial emergency. The following figures show that, during the winter

months, when the crop movement is not a primary consideration, the loans on call in New York are much smaller than during the months preceding the fall.

Dec., '06.	Jan., '07.	February.
\$58,958,156	\$53,079,637	\$55,948,496
March.	April.	
\$51,340,792	\$48,430,477	

As mentioned above, it would appear that too narrow a view of the money scarcity is taken. If the unfortunate situation were confined to the Dominion alone, there would be some justification, perhaps, for complaint. But as the need for money has reached an acute point in almost all countries and in every financial centre, the critic must look farther than his own particular district or country when considering the question.

It is very annoying to have progress checked by the lack of money. But it would be disastrous were the little cash, which is really available, to be distributed without due regard to the strength of the reserves of our banking institutions. No one knows yet what will be the story of the 1907 crop. Reports are very conflicting. For our banks to have funds easily available, not only for the crop movement, but for any partial or complete crop failure, seems but sound business sense.

SINS OF OMISSION.

When someone talks of a pump, one is apt to associate with it a certain amount of ridicule. Montreal has been very unfortunate with its pumps. Of talk by the city council there has been no lack. Of action, there has been practically none. Consequently Montreal's water supply and fire protection question has reached a stage which would be ridiculous were it not for its graveness. Little interest, perhaps, would have been taken in the subject had it not been that the fire insurance underwriters apparently held the whip in their hands. Certainly, they have occasionally applied it by increasing the insurance rates, or threatening to increase them, if something was not quickly done to lessen the risks of fire in the congested portions of the city.

Then the merchants and business men of the city bestirred themselves and called the attention of the city council to existing evils. A virtue which the average municipality has not learned is the art of giving satisfaction. Business men in other cities can imagine the experiences of their Montreal colleagues. It was everybody's business to see that there was a proper water supply and fire protection. Thus, it was nobody's business. In the future some system of Government may be developed by which any subject of importance can, without loss of time on the part of the citizens of Montreal, be forced upon the attention of those administratively responsible.

It is only recently that the vital importance of an adequate water supply and fire protection service has agitated the mind of the city council. Superintendent Janin took advantage of a breakdown of a pump. This incident deprived a considerable portion of the city of sufficient water even to perform their morning ablutions. For a time the city was at the mercy of a conflagration. Then did the superintendent succeed in prevailing upon the council to consider the matter seriously. As a result a new conduit will be built. This is unlikely to be completed before the end of next year. As to what is to become of the city in the meantime is a question which the underwriters have lately been asking.

During the early portion of August the big pump again broke down. By the time it was repaired the reservoir water had reached a dangerously low level. Then it became known that the boiler capacity of the pumping-house was insufficient to operate the new pump, delivery of which is shortly expected, and that, should anything unforeseen occur to the boilers the city must depend largely upon the turbine pumps, the efficiency

of which depends largely upon the height of the water in the river and the aqueduct.

At this juncture the underwriters should be invited to act with the various business organizations to discuss the subject and awaken the attention of the serious condition of affairs. At the same time it was stated that the insurance companies were doing their utmost to reduce the amount of force, and had succeeded already to reduce the amount to \$2,000,000. An absolute refusal to insure in the congested districts, and the big rise in rates, were other intimations.

Naturally, all the business organizations should be called. They have done so in the past, and have come of it. But there does not seem to be any more effective method of accomplishing the object at present. The Montreal city council, in other directions, disregarded the request, and acted in direct opposition to the action taken must be the sober will of the people might be accomplished through almost any means of initiative or referendum adopted. Had the underwriters of Montreal had recourse, the unprotected condition of the city never have developed. The same might be said of other situations which have developed in other cities from time to time. The governing bodies what is wanted by the people in its accomplishment, is an essential element. We hope that by the meeting of the business organizations of Montreal a method of dealing with the situation and averting a possible disaster discovered.

EDITORIAL NOTE

The London Financial Times, in a circular, issued in the British metropolitan area, attracted attention to the apparent "Socialist" threatening vested interests in Great Britain to think that the socialistic "taint" is not so. This may be so. But the fact remains that there are equally as good, if not better, opportunities for legitimate investment than in the United States. It is not our opinion only, but was voiced by representative British newspaper men, who have travelled throughout the Dominion.

"Let us go down with guns to the city and bring Japanese to Vancouver." This was shouted by someone at a meeting of the Anti-Asian League at Vancouver. If so, the unthinking ruffian responsible for the disturbance once removed from the hall. British Columbia has a serious problem in its Oriental labor force, much involved, concerning as it does the interests of Great Britain, Canada as a whole, and the United States. That such absurd twaddle as heard at the meeting should be effectively stopped, dealing with its racial controversy, should be a bid to appear as ridiculous in war as the neighbor on this continent recently did. That the meeting was preceded by a letter to "awaken Vancouver to the serious situation." Brass bands are not needed in Vancouver. A band, even if playing a tune, is no proper asset to the discussion of a delicate situation.

Regarding the proposed Newfoundland Trade Review, of St. John's, prints contain much pertinent comment. "In part, 'that everyone would like to see on two grounds: First, for purely patriotic reasons, secondly, because the resulting annual report kept in the country, and thus added to the spending power. Everybody says that a bank stocked by local capital must be