at least, the outlook for the fall is better this year than last. The speculators who brought off the famous Union Pacific coup last year, selected August as the time for springing it. As a consequence there was, just on the eve of the crop movement, an excited speculation for the rise that had the effect of locking up millions of dollars of the market's funds. This August the proceedings are very different. Instead of the bank position being weakened every day by what happens on the stock market it is every day being strengthened. The thing to be borne in mind, by those who have money to invest in stocks, is the great extent of the fall from high records. If they bear this in mind, and remember as well that after liquidation and decline have been carried to certain lengths the market gets into a condition in which it is able to withstand very heavy shocks without being affected at all, they will be the more apt to grasp the favorable opportunities for investment that are now offering.

THE OLD LADY OF THREADNEEDLE STREET.

A Series of Short Articles Upon the Bank of England. Its Working Methods and World Influence.

I. The Form of the Weekly Bank Return.

Any detailed discussion of the part taken in world-finance by the Bank of England might ordinarily appear to be of academic rather than practical concern. But recent monetary conditions give it an import less remote, and the weekly Bank return is nowadays awaited with keenest interest throughout America and Europe alike.

As reported by cable to newspapers on this side of the Atlantic, the weekly statement appears in a condensed form; and it is not to be wondered at that its complete significance is not always grasped by all who are sufficiently interested to peruse it.

The matter to which the press gives first mention is the change seen in various items from one week to the next. For instance for the week ending Wednesday, August 14th, the statement showed the following changes.

Total reserve, increased	£1,309,000
Circulation, decreased	516,000
Bullion, increased	792,000
Other securities, decreased	932,000
Other deposits, decreased	1,137,000
Public deposits, increased	174,000
Notes reserved, increased	1,322,000
Government securities, decreased	1,505,000

Aside from the announcement regarding the change to 4 1-2 p. c. in the Bank minimum discount rate, probably the point in which the average reader was most interested was the week's proportion of reserve to liabilities. The return of August 15th showed this proportion to be 50.62 per cent., against 46.90 for the preceding week, 46.74 July 31, and 46.16 July 24. The highest percentage thus far in 1907 was 50.62 for the week under discussion; the lowest 33.58 on January 5.

Following a statement of the above matters, the cabled reports are accustomed to give a somewhat detailed comparison with the year before, while certain of the most important items are given for several years back. For instance, in the Montreal Gazette of Saturday last there appeared the following comparison with 1906 for the week ending August 15th.

	1907.	1906.
(a) Bullion	£35,855,000	£37,033,197
(b) Reserve	24,959,000	25,881,937
(c) Notes reserved	23,656,000	21,494 605
(d) Circulation	29,347,000	29,601,260
(e) Prop. reserve to liab	50⅝ %	50¼ %
(f) Public deposits	6,640,000	9,515,111
(g) Other deposits	42,618,000	42,106,005
(h) Government securities	14,574,000	15 972,452
(i) Other securities	27,905,000	27,955,376

Following this was an exhibit covering corresponding weeks for a number of years.

	Bullion.	Reserve.	Other securities.
1907	£35,855,000	£24,959 000	£27 905,000
1906	37,033 197	25,881,937	27,955,376
1905	36,579,303	25 542,308	29,508,479
1904	35,771,195	25 632,185	25,049,787
1903	85,272,514	23,753,399	25,588,319
1902	36,900,763	24 506,713	26,258,452
1901	37,720,530	26,359,920	26,012,088

RATIO OF BANK OF ENGLAND'S RESERVE:

	Per cent.		Per cent.
1907	50⅝	1901	51
1906	50¼	1900	36½
1905	45¾	1899	46⅜
1904	54⅜	1898	47¼
1903	49⅝	1897	53½
1902	50⅜	1896	58⅜

The bearing of the changes that occur from time to time in the various items of the weekly return is a matter that calls for careful study. It is indicative not only of what has already happened, but to the monetary student has no little predictive value as well.

To grasp accurately the inter-relation of the various items given in the foregoing condensations, it will be best to consider first the form in which the statement is actually issued by the bank, pursuant to the Bank Charter Act of 1844. British periodicals containing the detailed return for August 15th are not, at this writing, yet to hand. From the cabled items and previous statements, however, the complete exhibit may be given approximately as follows:

ISSUE DEPARTMENT.

Notes Issued	£53,003,000	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin & Bullion	34,553,000
	£53,003,000		£53,003,000

BANKING DEPARTMENT.

Proprietors' Capital	£14,553,000	Gov. Securities	£14,574,000
Rest	3,578,000	Other Securities	27,905,000
Public Deposits	6,640,000	Notes Reserved	23,656,000
Other Deposits	42,618,000	Gold & Silver Coin	1,302,000
Seven day and other bills	48,000		
	£67,437,000		£67,437,000

Taking the items given in the cabled summary it will be seen that (a) "bullion" as there given includes the "coin and bullion" from both the Issue and