

It is to be noted, therefore, that when "advances" of Canadian banks are computed on a basis approximating the Australasian, the ratio to deposits decreases about 1 p.c. during the year. When, however, current loans and discounts are alone considered, their ratio to total deposits increases 2.5 p.c. from June 30, 1906, to June 30, 1907. This makes probable the assumption that if loans and discounts could be separated from other "advances," the increase for the year in Australasian commercial accommodation would be seen as considerably greater than the obtainable figures show.

Returning to Canada, and comparing current loans and discounts with deposits of the public on a domestic basis, the banks of the Dominion show a still more marked growth in the ratio during the year—the increase being, as below, over 6 p.c.—a change made possible through the lessening (except in the case of call loans) of investments abroad.

Canada June 30	Canadian Deposits by Public	Canadian Loans and Discounts	Per cent. Loans to Deposits
1906	\$ 536,769,000	\$ 501,622,000	93.5
1907	589,460,000	586,930,000	99.6

THE WORLD'S FINANCIAL CENTRE.

Being the Ninth of a Series of Short Articles on Various Phases of the Position and Influence of the Bank of England.

In its broader significance, what is spoken of as the Money Market is world-inclusive—especially since modern conditions have minimized the effects of mere geographical separateness. But local monetary centres—or money markets—have still their individual importance. And the greatest of these is London. As an outcome of many contributing influences it became, early in the nineteenth century, the financial centre—the practical clearing house—of the world. To go back over the economic history of this development would be aside from present considerations—and still more alien would be any discussion as to the possibility of London's losing her proud pre-eminence. Despite the growing relative importance of Paris, Berlin and New York, staid old London is still in the lead—and Britons are not alone in believing that with "knowledge, activity and perseverance," she may continue always to the fore.

The strength and probity of the Bank of England did much to foster the development of London's financial strength in its earlier stages. Owing largely to the Bank's existence, though there were many periods of distress in the eighteenth century, the Government never defaulted in its engagements. Early in the nineteenth century the financial position of England grew

vastly in international importance—the result of world-wide commercial undertakings that involved direct dealings between London and all foreign countries. Other nations, whose international business was less extensive, found it more and more advantageous to settle commercial accounts through the intermediary of London—the more so on account of the country's firmly established gold currency and its banking certitude. While all parts of the globe dealt with London, few of them, in the first half of the nineteenth century, transacted much business with each other. Thus it came about that a New York or Boston merchant shipping produce, say to Amsterdam, would draw on some stipulated London house for his payment; the Dutch consignee would then provide this London house with the funds for the American draft by buying from another Amsterdam merchant a draft on some London customer who was indebted for goods sent from Holland; this draft would next be remitted to the London house on which the United States shipper had drawn; and it, by collecting locally the money called for by the Amsterdam draft, would thus settle the original transaction. Except for the growth of the established intermediary system which was evolved out of such dealings, countries without adequately reciprocal commercial transactions would not have been able to settle their indebtedness unless by constant shipment of actual money.

Long before the beginning of the present century, direct financial operations had become common between many countries that fifty years before were commercial strangers. While this has relieved London of some of its duties as "financial middleman," its position still remains unrivalled as the one centre that has direct commercial and financial connection with every section of the globe. A very practical evidence of London's continuance as the world's financial centre is that foreign banks and kindred institutions—German, French and American—find it necessary to have branches in that city.

THE FIRE HAZARD due to faulty electrical condition was discussed at length at the recent Frontenac meeting of the Western Union. A special committee on fire protection engineering has been working to secure more efficient electrical inspections by the municipalities and its model code has been adopted by a number of the leading cities and towns. An effort is now being made to extend inspection work to the smaller towns in which the use of electricity is increasing rapidly.

A BRANCH OF THE UNION BANK has been opened recently at Cochrane, Alta., under the management of Mr. R. W. Widdess.