

months' period, domestic credit shows an expansion of approximately 69 million dollars, or 11 per cent. Call loans in the same time show a gain of 15 millions or 13 per cent. In the 13 months, no serious decreases occurred in that account. Considering the short period under review, these percentage increases are eminently satisfactory. They are harbingers of the early return of normal prosperity.

The following table, showing the course of loans advanced by the Canadian banks during October of the past four years, brings that fact into relief even more prominently.

Loans.	Oct., '06.	Oct., '07.	Oct., '08.	Oct., '09.
Current in Canada	\$531,019,479	\$579,860,498	\$519,263,607	\$579,837,956
Current elsewhere	35,725,275	25,355,255	27,480,811	32,311,103
Call in Canada	56,878,521	46,843,488	42,102,565	56,996,065
Call elsewhere	60,536,737	47,446,488	70,239,118	129,964,353

Current loans last month were but \$22,000 less than current loans in October, 1907, when figures were making records. Not only was last month's total 69 millions greater than the 1908 figures, but they passed also the records of October of all previous years, with the exception of 1907, when the difference was only fractional. The current loans out of Canada were greater last month than in October, 1908 and 1907, and were only slightly less than the 1906 figures. Call loans out of Canada in October, 1906, were less than half the record of last month. They were low in 1907, when domestic credit was at a high point. In October, 1909, they were almost three times as great as they were in October, 1907. Despite this, the needs of the country have been well satisfied.

As will be seen by the following figures, the remarkable expansion of deposits continued in October:—

1908.	On demand.	After notice.
October	\$190,114,091	\$414,789,347
November	206,315,809	419,920,274
December	210,180,147	429,719,218
1909—January	193,286,465	443,170,532
February	192,968,536	441,390,540
March	200,843,984	445,626,884
April	207,039,031	450,450,722
May	216,916,294	453,599,117
June	226,480,468	445,178,476
July	222,555,749	466,337,816
August	228,397,679	472,591,818
September	239,967,052	474,103,799
October	250,968,487	480,837,606

In the thirteen months' period, October, 1908, to October, 1909, the deposits on demand have increased about 160 millions or 84 millions. Those after notice have gained in the same period 66 millions or 15.9 per cent., while total deposits have increased 136 millions or 22.5 per cent, all heartsome gains within comparatively a short period. Taking the figures for October during the past five years the following is the record:—

October.	On demand.	After notice.	Total.
1905	\$150,868,416	\$349,822,859	\$500,690,975
1906	181,408,733	390,909,519	572,318,252
1907	170,498,311	416,787,636	587,285,947
1908	190,114,091	414,789,347	604,903,438
1909	250,968,487	480,837,606	731,806,093

Only once in the five years under review did deposits after notice show a decline, and only once was that the case with deposits on demand, while the total deposits exhibited an increase every year, a gain in the five years of 231 millions, or 46 per cent. This is statistical testimony to the growing wealth of the average Canadian.

Circulation during the month made a gain of 13.2 per cent. and over last year of 7.9. The circulation of

the Canadian banks in October was within 8 million dollars of the total paid-up capital, which now amounts to \$97,842,330. Six banks took advantage of the emergency circulation measure and issued circulation above their ordinary limit. This, as is well known, is under the law especially enacted to enable the rapid handling of the bank's grain business during the fall.

In view of the excellent exhibit of the October bank statement it is interesting to glance at figures closely akin. The bank clearings of the first ten months of 1909 totalled more than four billion dollars and those of the corresponding period of 1908 a little more than three

billion dollars. The actual increase during the past ten months was \$795,000,000. The earnings of the three principal railroads in the ten months of 1908 totalled \$95,000,000; this year, during a similar period, they were \$108,000,000, an increase of 13 millions. The same satisfactory progress is noted in trade figures. During the twelve months ended September last Canada's imports total approximately \$328,000,000; its exports \$274,000,000, a total trade of \$602,000,000. That is \$36,000,000 greater than the total trade of the preceding twelve months. The 1909 trade record, in the last nine years, has only been exceeded once—in 1907. These are figures which will suggest many inferences to the thoughtful reader. They make an attractive argument for the investor.

JUDGE LEET'S DECISION.

Judge Leet decided at Montreal this week that the Dominion Parliament has no power to regulate the insurance business in the way in which the Insurance Act attempts to do. This in the Canadian fire underwriting camp is a legal bombshell, the explosion of which will perhaps awake provincial and Dominion Government departments which sleep. The text of the judgment is referred to elsewhere in this issue. It has brought satisfaction to unlicensed companies transacting insurance business in Canada. It has caused consternation among those companies which for many years have complied with the law now declared to be ultra vires. It has further complicated the Commons and Senate maze through which the new Insurance Act has just begun a journey. And it will be the means of bringing to a definite head one of the most unsatisfactory phases of underwriting in Canada.

Judge Leet's decision will probably be appealed. In the meantime, it is interesting to analyze the judgment. The case was brought under Section 60 of the Insurance Act, which requires every company carrying on the business of fire insurance in Canada to obtain a license to do business and to deposit with the government the sum of fifty thousand dollars. The penalty for non-compliance with the Act is a fine not exceeding fifty dollars in costs, and in default of payment, to imprisonment to a term not exceeding three months. Higher penalties are cited for subsequent offences. The defendants, Messrs. Willis Faber & Company, agents in Montreal for Lloyds of London, raised three points of defence. First, that they represented or were the agents of the insured and not of the insurer. Second, that Lloyds is not a company within the meaning of the Canadian Insurance Act. The judge decided against the defendants on these two objections. The third point raised by Messrs. Willis Faber & Company was that the Insurance Act is ultra vires. Judge Leet went into this objection at considerable length. He did not believe the Dominion Parliament could legislate as to who may en-

gage in that if the insurance legislature or anything called on the Parliament his opinion classes a question

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