

rich individuals or corporations. And many such would doubtless consider a time when panic prices prevailed for securities and other properties, as a suitable occasion for drawing out their funds and investing them.

With March, 1908, however, there began—as the diagram graphically shows—a steady increase in deposits which continued up to the close of the year. To this, all Canadian deposits contributed, with the exception of Government deposits—which tended rather to decrease, owing to the falling-off in current revenues. Along with the increase in total deposits went continued contraction of current loans—though total loans (owing chiefly to call loans abroad) began to increase gradually after August. It was in July, for the first time in years, that total deposits caught up in amount with total loans—since which they have remained considerably in excess. In May last, predicting this trend, **THE CHRONICLE** pointed out that one of the happenings bound to accompany trade slowing-up, is the release of a lot of capital from active business. In the bank ledgers, the effect is seen in the enlargement of both the demand and notice deposits of customers at all branches and in the reduction of their loans and discounts. Happily however, trade depression was far from being the sole cause of increasing deposits. A fairly bountiful harvest with unusually favourable prices contributed largely to the total. The Census and Statistics Monthly for March shows that \$108,000,000 worth of agricultural produce was exported by Canada during the calendar year, 1908. Then, too, reductions in bank loans and some current gains in deposits were made by various industrial corporations and municipalities, as a result of floating new securities abroad. The placing of Canadian issues—government, municipal and corporate—to an amount of \$200,000,000 or over, was one of the remarkable financial features of the year 1908.

All in all, between February 29th and December 31st, last year, deposits increased \$106,000,000. In January, 1909, came the first decrease in months—one of about \$10,000,000. This decrease in Canadian deposits would have been nearer \$25,000,000, but for the circumstances of a \$4,000,000 increase in Government deposits (synchronous with a \$5,000,000 loan made to it by the Bank of Montreal), and the considerable decrease in foreign deposits that resulted apparently from certain corporations transferring to Canada, funds previously lying at their credit in the Bank of Montreal, at London. At any rate, it is noteworthy that, during January, that bank's deposits outside Canada decreased \$11,700,000, while its notice deposits in Canada increased \$10,500,000. While some January falling-off (in demand deposits at any rate) is customary, it would seem from the foregoing as though a more or less steady decrease

is now under way, so far as deposits of Canadian origin are concerned. While there was a \$6,000,000 increase in total deposits during February, Canadian deposits (apart from Government) decreased by more than \$2,000,000. In deposits abroad the increase was nearly \$9,000,000, accounted for practically by the showing of one bank—and resulting doubtless from the enlisting of fresh British capital in the service of developing Canada.

As remarked a week ago, if there be continuance of gradual trade quickening now in evidence, the March statement may be expected to show some signs of the re-transference of money into commercial channels. For a time, however, this is likely to be manifest in the decrease of deposits rather than in any marked growth of loans. Funds from abroad, and accumulations at home during months of trade slackness, have resulted in unprecedented deposit totals, now available for renewed business requirement as they arise.

THE DREADNOUGHT DEBATE.

The tone of the debate in the Canadian House of Commons on the Dreadnought resolution was altogether admirable. The spirit of the discussion, which we are convinced accurately reflects public opinion in this country, was expressed in the part of the resolution which reads:

"The House will cordially approve of any necessary expenditure designed to promote the organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

"The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give the Imperial authorities the most loyal and patriotic co-operation in every movement for the maintenance and the honor of the British Empire."

There was, and there naturally always will be, much difference of opinion as to the best plan to be adopted for co-operation with the United Kingdom in naval and military affairs. But by the resolution Parliament and people, Government and Opposition, stand committed to the principle that the Dominion of Canada deliberately and enthusiastically acknowledges its responsibility for doing its fair share in defending the integrity of the Empire. To us the expression may at first sight appear superfluous, but it will not be without effect abroad, where it will do the most good.

MR. JNO. W. WILSON has been appointed agent at Vancouver, B.C., for the Manitoba Assurance Co.