price-cutting by cotton manufacturers in the United States.

And now as to Mr. Frewin's contention that the Orient's manufacturing activities are being so fostered by the present low value of silver that they endanger Caucasian trade supremacy. There is no doubting that the awakening East will more and more enter into active industrial competition with the West. But there is this to be noted: thus far the Asiatic competition which has made the most material impression on European trade has been that of Japan, *whose currency is now established on a gold basis and where the prevalent rate of wages, if still low, keeps steadily growing.* That certain readjustments in cost of production must come as a result of the East's entrance into industrial activity cannot be overlooked. And, in the working out of the change, the likelihood is that some branches of industry will be shifted more and more to the East. But the development will be gradual, and the West must adapt itself to the change, making new gains to balance what it surrenders. As in all industrial transitions, there must be some losses and hardships entailed, but the final outcome will be for world-wide economic gain. A higher standard of living for the Oriental, rather than a lowed one for the Occidental, seems the likely trend. After all, there is not any very radical difference between our fright at the "yellow peril" of cheap oriental labour, and the old-time weavers' panic at the introduction of the power loom. And it is as futile to attempt to stem the tide of economic change by raising the silver prices of the East, as it was useless for the frantic Lancashire weavers to raze the cotton factories which they looked upon as involving their industrial doom.

MONTREAL CITY & DISTRICT SAVINGS BANK.

It speaks well for the thrift of the constituency served by the Montreal City & District Savings Bank, that its number of open accounts increased from 94,309 to 98,318 during 1908. That the average amount per depositer decreased by less than $3.50 during a year exceedingly trying to wage-earners, is another gratifying feature of the report. Deposits in all amounted to $20,490,941 at 31st December last, as compared with $19,913,915 a year before.

The net profits for the year were $152,244.18, and the balance brought forward from the preceding year's profit and loss account was $65,667.42, making a total of $217,911.60. From this amount have been paid two dividends to shareholders and $100,000 has been added to the reserve fund, increasing the amount at credit of this account to $1,000,000—leaving a balance at credit of profit and loss of $17,911.60 to be carried forward to the current year. It is to be noted that the reserve fund steadily approaches to being double the paid-up capital of $600,000.

The assets of the bank, totalling $22,486,843, are of the highest class throughout. Regarding these, the auditors remark that they continue to be impressed by the excellent nature of the securities held by the bank, or held as financial security for loans, both of which were considered to be an abundant guarantee for the depositors, not only in their intrinsic value, but in the readiness with which they could be converted into money.

At the 62nd annual meeting, held this week, General Manager Lesperance was congratulated by the shareholders upon the successful outcome of the year's business. With the remodelling of the head office, increased accommodation and better facilities are now afforded; the marked increase in the number of the bank's clients indicates that these changes are appreciated by the public.

The retiring directors were re-elected as follows: Hon. J. Ald. Ouimet, Michael Burke, Hon. Robert Mackay, H. Markland Molson, Richard Bolton, G. N. Moncel, Robert Archer, Hon. R. Dandurand, Hon. C. J. Doherty, Albert Hebert.

At the subsequent meeting of the newly-elected directors, Hon. J. A. Ouimet was re-elected president, and Mr. Michael Burke was re-elected vice-president.

THE GENERAL FINANCIAL SITUATION.

In the large financial centres nothing has occurred during the week to disturb the existing order of conditions. The Bank of England rate remains unchanged. Rates in the open market at London are: call money ½ to ¾, short bills 1¼, three months bills 1 5-16 to 1⅜. These are about the same as last week's figures in all cases.

At the continental centres also conditions are unchanged. The Bank of France's official rate remains at 3 p.c., while the Paris market went down a fraction—the quotation for the latter being now 1 3-16. The official rate of the Imperial Bank of Germany is also stationary at 3½; and the market rate in Berlin is now at 2.

Call loans in Montreal and Toronto are again unchanged at 4 to 4½ p.c.

In New York call money is 2 p.c.; 60 days 2¼ to 2½; 90 days 2½ to 3; and six months 3 to 3¼. Last Saturday's statement of the New York Clearing House Banks showed an expansion of $5,500,000 in loans, a loss of $1,600,000 in cash, an increase of $4,100,000 in deposits, and a decrease of $2,600,000 in surplus. The last mentioned item now stands at $7,859,475. When it is considered that about this time of year there is normally something of a movement of currency