

as to the conditions of the present, and as to potentialities of the future. The first fruits of his itinerary will be the appointment of commercial correspondents to the Board of Trade, so as to strengthen the commercial intelligence department of that great institution.

"The Monetary Times" is no out-and-out admirer of the free trade tenets of the Government of which Mr. Grigg is a non-political emissary. But it is good to recognize that the King's Government in the capital of the Empire, even though it be one which we in our wisdom, would have constructed differently, has still some capacity for imperial development. Our complaint against the Englishman too often has to be that, knowing nothing of Canada, he starts on a tour of inspection loaded up with preconceived conceptions about its inferiority to the Old Country, and ideas of his own importance and omniscience. He is more likely than not to be a peripatetic amateur in theories with a glorious lack of experience of the hard things of commerce and bread-winning. He spends a few weeks in unfamiliar environment, he returns to England, and writes a book which he thinks should be accepted as an imperial classic, but which we know to be an admirable exposition of the art of not learning anything.

In Mr. Grigg, the British Board of Trade has found a man who is pretty nearly the opposite of what we usually expect the travelling Englishman to be. He knows a great deal about Canada, but he knows that within the last few years the country is wonderfully changed. If he glories in anything it is in his hunger for knowledge of things as they are. It will be time to lecture the British Government when it shows reluctance to learn anything from Mr. Grigg. Four years ago the Board of Trade sent out a special commissioner to look up possible openings for British trade. His field of operations was in Siberia. At that time the president was the then Prime Minister's brother, who was first-rate at Greek iambics, and had never earned his own livelihood. Since then the Chamberlain policy has been promulgated; and a thirst for knowledge about inter-British commerce has beset the statesmen of Westminster.

Mr. Grigg is really a missionary of the Empire, albeit his immediate function is to hear and not to discourse. He will report especially for the Commercial Intelligence Department of the Board of Trade. It is too much to hope, perhaps, that as his suggestions will be expected to improve the trade relations of both countries, his report will be published simultaneously in London and Ottawa. When we reach a stage of more complete interchange of ideas, it is possible that followers in Mr. Grigg's footsteps will be invited by the Dominion Government to make a special report on what they conceive to be the respects in which Canadian commercial interests might strengthen their chances of predominance in the importing markets of the United Kingdom. Long before he gets through Mr. Grigg will have something to tell us, as well as Mr. Lloyd George. Often enough the looker-on sees the best of the game. It depends, of course, on what sort of a looker-on he is.

CAN THERE BE FUSION?

Dr. Goldwin Smith has corrected a statement made in Winnipeg to the effect that he has abandoned his belief in the annexation of Canada by the United States. Dr. Smith does not like the word "annexation." "Fusion" describes his idea of what will happen in the long-off future. The laws of Nature, he reminds us, are inexorable. Secondary causes may prevent them having their full effect for some time. But in the long run where there is geographical and social community, there will finally be political union.

In the case of Canada and the United States, Dr. Smith anticipates this will be brought about in the

most natural fashion; without shedding of blood, or any of the more violent means of political rectification, which, not so long ago were almost the only resources of the ambitious and far-seeing statesman. It is easy enough to generalize in this way. Fortunately, the duty is not cast upon Dr. Smith to formulate a scheme of fusion. There was a time when the annexationists seemed to rest their views upon the rooted belief that Canada could never have that surplus of prosperity, which is essential to the proper dignity of nationhood. Such an offspring of pessimism has not survived the last decade of expansion. Many who sat at Dr. Smith's feet have gained courageous inspiration from the Gamaliel of trade returns, and have ceased wistfully to look southward for an uplifting from poverty.

Our neighbors, not we, are thinking of reciprocity. The more intelligent among them do not think of Canada as nervously waiting for her neighbor to display willingness to unite. The difficulty of fusion will not be lessened by the lapse of years. In government and finance we have better systems than they. They will not change for us. It would not be to our interests to change for them. The most that the best-informed American bankers expect to do is to approximate somewhat to the Canadian system of currency. There is no one bold enough yet to propose a revolution in the system of national banks. To rail at the conservatism of finance profits nothing. In the nature of things a financier cannot be a consuming reformer, an iconoclastic innovator, a douma-like revolutionist. He makes the most of things as they are. He cannot afford to spend very much time looking ahead for those in whom he is not deeply interested. He thinks that it is better to make the best of the known, stable, lucrative inconvenience of to-day than to embark on the doubtful and profitless enterprise of inducing other men to help clear it out of the way for the day after to-morrow. The history of governments is littered with stories of how the zeal of the reformer has been deadened by the gilded coldness of the holder of the public purse-strings. Of course, there will be improvements in method; for the banker is not a fossil. But the general tendency is unmistakable; and where there are organic differences in financial systems there will be almost insuperable obstacles to political union.

A recent deliverance by Mr. Vanderlip, a banker of growing importance, associated with the house of J. S. Morgan, enforces the viewpoint of this argument. He says: "The business community seems to rest in the security of an all-pervading prosperity, while the vast financial work of the day continues to be performed by machinery devised two score years ago to fit a then abnormal situation. The free and normal development of our banking system has been prevented by prohibitions which had their birth in the financial exigencies of the civil war. In every other field of activity we have recognized that new conditions made new machinery desirable, but the machinery of banking has not been permitted to develop so as to keep pace with the growth of the work it has to do."

Hence talk of currency reform, more or less grudging admissions of the excellence of the Canadian system; with well-founded assertions of the impossibility of doing very much to imitate it. With our neighbors, the note issue of a bank is dependent on the Government treasury, and may easily be entirely incongruous with its own credit. The "national" system of banking is a disconnected series of institutions which combine a maximum of independence and inconvenience. With us, owing to the system of branches, and an elastic, safe currency, there is practically automatic provision for any need that may conceivably arise, even in the remotest part of the country.

The difference is almost as great as if it were one of language. The centre of gravity in the problem has changed its place since Canada's capacity to flourish has been so magnificently demonstrated to all the

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