

The activity in business still continues, and the bank returns reflect this in various ways. The chief interest is, of course, in the circulation outstanding, which has increased during the month by \$7,059,000. This increase is not as large as in October last year, when an increase of \$8,431,000 was shown, but this is accounted for by the fact that the crop movement in the West began earlier this year, thus causing a larger increase of circulation in September. Since 31st August the increase in 1905 is \$14,393,000, as against \$11,999,000 in the corresponding two months of 1904. The greatest amount of notes in circulation during the month was \$78,464,000, which is sufficiently near the legal limit to be a pointed reminder that by this time next year a larger amount of paid up capital will be required. However, one or two of the banks, the Bank of New Brunswick, the Bank of Nova Scotia, and the Eastern Townships Bank amongst them, are now preparing to call up new capital, and there is little doubt that in this way the circulation limits will be sufficiently enlarged. By this time the issue has doubtless passed its maximum for the year, and by the end of November the tide will have turned, while the figures for December and January will probably show that several million dollars of the banks' promissory notes have been redeemed.

In public deposits payable on demand there has been an increase during the month of \$9,640,000, and during the year of \$20,000,000. Most of this increase is probably of a casual nature and will disappear in the course of a month or two. Deposits payable after notice have grown by \$3,590,000 since 30th September, as compared with an increase of \$1,800,000 in October last year. Banks which have many branches in the West may expect their deposits there to show some improvement, but, on the whole, the result of the good crops will be in the liquidation of indebtedness rather than increase in bank deposits. Next year, if all goes well, should leave the farmer with some surplus, but this will depend very much on the acreage under crop. Reports from different points in the West, indicate that early frosts have interfered with ploughing, although it is not clear to what extent this is the case.

Deposits outside Canada again show a decrease, standing at \$47,077,000, as compared with \$50,505,000 in September. Total liabilities are \$658,645,000, a growth of \$14,700,000 during the month. During the last five years the figures of liability have been:

		Percentage of increase over previous year.
1901	\$445,439,014	15.6
1902	492,877,507	10.6
1903	520,740,000	5.6
1904	582,905,000	11.9
1905	658,645,000	12.9

Turning to the other side of the statement, we find that \$1,200,000 has been added to the cash reserves during the month, the total held being now \$59,411,000, or 9 per cent. of the total liabilities. A year ago the banks held \$53,096,000 in cash, equal to 9.1 per cent. of the liabilities. Notes of and cheques on other banks have increased from \$21,641,000 at the end of September to \$27,578,000 in October. A similar increase occurred last year, the figures being: October, \$25,357,000; September, \$18,725,000. To a considerable extent this is doubtless due to notes of other banks being hoarded by those banks which are up to their circulation limit, so that they may not be caught short of currency. To whatever extent this

may be the case, the figures for circulation outstanding fail to form a true index of the amount of currency required by the business of the country.

Call loans in Canada are \$2,200,000 more than in September, while call loans elsewhere have grown by \$1,500,000. This is somewhat unusual at this time of the year. In October last year call loans in Canada increased by \$400,000 only, while call loans elsewhere showed a reduction of \$4,700,000. In October, 1903, the changes were a decrease of \$932,000 in call loans in Canada, and an increase of \$5,953,000 in those elsewhere. Although the comparison is somewhat confusing at first sight, the fluctuations in call loans elsewhere than in Canada are readily accounted for by the level of rates in the New York money market. These were high in October, 1905, and 1903, but low in 1904.

Current loans in Canada continue to grow, \$7,400,000 having been added to the total during the month, as against \$4,100,000 in the corresponding month last year. The total now stands at \$450,413,000; in October, 1904, the figures were \$416,344,000 and in 1903, \$380,823,000. The increase for the twelve months ending 31st October, 1905, has thus been \$34,069,000, as compared with \$35,521,000 in the previous twelve months.

Taken as a whole the statement is a very satisfactory one and reflects steady growth in the business of the country. Although the current month will probably show a substantial high level in the circulation movement, yet so regular have its fluctuations become that we are able to state confidently that the strain of moving the crops has now been successfully borne.

THE UNEMPLOYED IN ENGLAND.

Outsiders oftentimes see more of the game than those taking part in it. The New York Journal of Commerce, in discussing Mr. Balfour's recent references in his speech at the Lord Mayor's banquet in London to the lamentably large number of unemployed in England, attributes this unfortunate condition of things, as we have done on more than one occasion in these columns, to the state of the land laws, which drive the people from the starving agricultural industries to swell the ranks of the unemployed in large cities. Of course a partial cause for the languishing of "the noblest of the arts" in England, a country fairly well blessed by nature and presenting the finest market in the world for all products, is the fact that great tracts are held in waste, and that it is for all practical purposes impossible for people of small means to own the land they would prefer to till. A comparison is offered by France, where though it can boast of no such wealth or the existence of such great incomes as are the portion of many across the channel, yet offers a picture of rural contentment which is deeper and much more general. And there can be no doubt that, with some limitations, the reason for this is the cutting up of the country into an enormous number of small farms, each owned by its individual cultivator. This, from the nature of the case, from the advantages which accrue from a widespread ownership of the soil, is infinitely superior to the tenant-farmer system which prevails in England, with its uncertainty and short tenure of leases.

As we have already stated, the N. Y. Journal of Commerce agrees with this view, but shows up an-