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YEAR'S BANKING DEVELOPMENTS AT HOME AND ABROAD.

The past year's banking developments in Canada cannot with exactness be compared with those in any other country. Available statements and returns differ too widely in detail to permit of more than a rough approximation. Still, it may be interesting to consider the following table, showing the movement in loans and discounts, in various countries between the beginning of December, 1907, and the corresponding date in 1908:

DISCOUNTS AND ADVANCES (ON OR ABOUT DEC. 1.)

	1907. \$	1908. \$	Inc. or Dec. %
Bank of England.....	162,900,000	147,900,000	- 9.2
*Eight English Joint Stock Banks.....	1,034,000,000	1,041,000,000	+ 0.7
Bank of France.....	374,000,000	254,000,000	-32.0
Imperial Bank of Germany	325,500,000	217,000,000	-33.4
New York Assoc'd Banks..	1,188,000,000	1,332,500,000	+12.2
National Banks of U. S. . .	4,585,400,000	4,810,400,000	+ 5.6
Chartered Banks of Canada:—			
Aggregate Loans to Public.	681,400,000	671,500,000	- 1.5
†Current Loans in Canada..	572,200,000	522,300,000	- 8.7

*Including cash at call and short notice.

†Including loans to other banks in Canada secured.

In all except the second line of the Canadian showing, both commercial and stock market loans are included—and as loans of the latter class tend to increase during a season of industrial depression, the extent of the falling-off in trade discounts is obscured. The working out of this may be judged somewhat by the circumstance that while commercial accommodations in Canada fell off about 9 per cent. in the twelvemonth, total loans decreased only 1½ per cent.—call loans abroad having increased markedly since the close of 1907. The effect of stock market activity is again manifest when the figures for the New York associated banks are compared with those of the national banks of the United States as a whole. In the one case, loans and discounts increased over 12 per cent.; in the other about 5½ per cent. The banks outside of New York showed an increase of less

than 3½ per cent. for the twelvemonth; but even this showing was, of course, largely affected by phenomenal stock market activity in New York and other bank reserve centres. As remarked in these columns two weeks ago, the loan item in the returns of national banks cannot be taken as any indication of current trade conditions. Not only does it fail to differentiate between call and time loans, but it includes the banks' own investments in stocks and bonds as well; in this respect the Bank of England statement, also, is non-informing.

Could the total of commercial loans be arrived at separately, the national banks of the United States would undoubtedly show a falling-off during 1908, owing to general trade recession. Such was the year's movement in all important countries. Even with stock market loans included, England, France and Germany show pronounced decreases. Especially marked was the decline in France and Germany. The Economist, of London, remarks upon the contrast presented between the behaviour of the Anglo-Saxon races and that of the European Continental nations. It points out that both the Banks of France and Germany curtailed discounts and advances by about one-third—indicating, in the case of the Reichsbank at any rate, severe and drastic liquidation. The case with France has been somewhat different. As recently pointed out, that country during 1908 seemed intent upon calling in her balances from abroad, partly for political reasons, partly in anticipation of important new flotations—and partly, perhaps, "because the rates offered her in other countries have not suited her notions concerning the price she ought to have for her money." French dealers in credit are somewhat peculiar in this; they often prefer "sitting on their money" to lending it at merely nominal rates. Paris is inclined to curtail credit when it is not wanted at a reasonable price.

Along with the reduction in loans and discounts at Continental centres has gone a tremendous piling up of gold—so that at the year-end the Bank of France had about \$700,000,000 on hand as against \$535,000,000 twelve months earlier. The Reichsbank's holdings at the close of December were about \$265,000,000, as compared with \$190,000,000 a year earlier. The Bank of England, on the other hand, had but little more than \$150,000,000—this being a few millions less instead of more than the 1907 year-end showing. Rightly or wrongly, the Bank of England is content to allow the central banks of other countries to accumulate idle gold, relying upon controlling the world's exchanges when necessary by changes in its official rate. Nevertheless, London will be relieved when the Russian loan is out of the way, presuming that its flotation will mean a let-up in the absorption of every ounce of new gold by the