

behind. To base a charge of inadequate Canadian banking facilities upon such an instance was an easy matter for yellow journalism.

It is claimed by the banks that in due time they made their customary advances for Western grain moving. Such credits were as usual employed by millers and buyers to fill their elevators and ship abroad the good wheat they could purchase for flour making. But along with the regular grain men, so it is stated, came numbers of speculators whose requests for credit were based upon a desire to buy grain for a hold—to these the banks refused accommodation. These disappointed ones are held responsible for much of the dissatisfaction.

But that there has been some regrettable delay in the movement of the Canadian crops is undeniable. The trouble, however, would seem to have been due less to shortage of banking accommodation than to the unfortunate circumstance of the ungradability of a great part of this year's wheat. Indeed, it is altogether likely that complaints from the West would be frequent this fall, even if monetary conditions were entirely normal. The banks have naturally exercised caution in making advances upon feed wheat—and the buyers have hesitated to fill their elevators with frosted stuff that would easily heat and spoil. Then, too, the farmers have themselves been holding back much of their low grade wheat, being loath to accept the low prices that have been offering. The News of Toronto sums up the situation by saying: "The conclusion of this argument is that the banks adequately handled the marketing of the first class wheat; that the movement of the low grade grain is handicapped by other than financial considerations." This year's increase in the storing up of grain at Fort William and Port Arthur is to be accounted for by causes altogether outside of the wrongly alleged curtailing of assistance by Canadian bankers. Financial conditions across the border practically stopped for a time all exports of grain by way of Buffalo, owing to unsalability of New York exchange. This threw a large bulk of unwanted trade into Canadian channels. Fortunately, recent improvement in the working of America's deranged financial mechanism has benefited the grain trade considerably during the last week or two, and Canada is sharing in the betterment of foreign demand.

Call Loans Abroad. The reduction in the Canadian banks' foreign call loans during last week as being over \$15,200,000. Naturally, there was some interested conjecture before the Government monthly statement appeared as to how the banks were faring in availing themselves of

their New York resources. It was scarcely the best of journalistic good sense that prompted the remarks of some Canadian newspapers when drawing attention to the amount of foreign loans at September 30—an amount, by the way, that was less than at the corresponding date of 1906.

A letter sent on November 20, by Mr. R. Y. Hebden, agent of the Bank of Montreal, in New York, to the Wall Street Summary is of interest in this connection. It said:

"I notice a statement run over your ticker service this morning saying that the Canadian chartered banks have \$63,158,631 out in call loans in Wall Street. This is quite incorrect and very misleading. The item, which I assume you have taken from the Government returns, is that for "call and short loans elsewhere than in Canada," and is not by any means confined to Wall Street, but includes London, Eng., as well. Our call loans here are not half the amount you name. If necessary we could readily call them in, and by the purchase of cable transfers place the money in London, from whence we could readily obtain the gold, for use either here or in Canada."

The \$63,158,631 total at September 30, was lessened to \$47,046,737 by October 31, and has since, it is announced, been further reduced, thus bearing out Mr. Hebden's explanation of the case.

Recommends a Canal Commission.

The Deputy Minister of Railways and Canals discusses in his annual report the future of the Dominion's canal policy. He is a firm believer in the economic wisdom of extending our canal system, but holds that it should be in accordance with a systematic plan and not undertaken at haphazard. In particular, Mr. Butler says:

"I venture to submit that before any action is taken with reference to the Georgian Bay ship canal or enlargement of the Welland it would be advisable that a commission should be appointed for the purpose of studying the economic problems involved and reporting thereon for the benefit of the Government and the country. This commission should consist of not more than three persons, one of whom should be a business man of large experience, one to represent the marine interests of the country, familiar with the size of ships and the various problems involved in the actual conduct of lake transport, and the third, an engineer of wide experience, one familiar with both railway and water transportation."

Canada is fortunate in having as deputy ministers of administrative departments, men who take their work seriously.