

Call loans elsewhere	\$63,771,628
Current loans elsewhere	35,776,470
Due by banks in Great Britain	10,050,722
Due by banks in foreign countries	18,304,524
	\$127,903,344
Deposits out of Canada	\$55,287,013
Due to banks in Great Britain	7,532,724
Due to banks in foreign countries	1,068,530
	64,788,273
	\$63,115,061

Besides the above, there is another item, that of securities, under the head of which foreign investment could be made by the banks. There is no way of telling how much of their securities (bonds and stocks) are foreign. It is reasonable to suppose, however, that a fair proportion, especially of the item "Railway and other bonds," are foreign securities. As it would be idle to estimate just how much was foreign, the total holdings of the two classes of securities in which foreign bonds and stocks might be, are given:

	31st Dec., 1903.	30th Sept., 1906.
Canadian incl. foreign, British and other colonial securities	\$14,517,538	\$20,743,613
Railway and other bonds	38,351,233	41,854,116
	\$52,868,771	\$62,597,729

Thus the net balance employed abroad by the banks has grown from \$36,375,322 on 31st December, 1903, to \$63,115,061 on 30th September, or a matter of nearly twenty-seven millions to say nothing of whatever increase in holdings of foreign bonds there may be in the ten million dollar increase in the above mentioned two classes of securities. Clearly there is no reason yet to apprehend any trouble from a period of adverse foreign exchanges.

If from any cause our borrowings abroad should have to cease, or be diminished, we could run along comfortably, for a while at least, before the banks would be compelled to force a liquidation of their Canadian loans. But there are at present, hardly any signs that the stream of outside capital flowing into the Dominion is to decrease in volume. As long as it keeps up it is to be expected that the foreign balances of the banks will at least be maintained, unless the trade activity at home increases at a pace to call for more new funds than are coming this way. One feature of the foreign situation should not, however, be overlooked; and that is the world-wide stringency in money. The recent rise in the bank rates of England and Germany and the chronic state of stringency prevailing at New York might, if prolonged, operate to check the flow of foreign capital to this country. In any event the balance now available serves a valuable purpose. Such investments as these, which can be realized and recalled at very short notice, are much more available than are the loans and investments made for the purpose of carrying the various foreign enterprises in South America, Mexico, Cuba,

etc. The funds employed as above are quite properly considered as reserves, those invested in the other companies are more permanently placed; they would not be so easily liquidated, and, if the Canadian borrowings abroad should be stopped, the Mexicans, Cubans, etc., might have to be carried here.

MONTREAL LIGHT, HEAT & POWER COMPANY.

In our last issue we published a comparative statement of the Montreal Street Railway Company for the years 1902 to 1906 inclusive. A comparison of the figures of the Montreal, Light Heat & Power Company, for a similar period is given below, and in view of the negotiations now under way for an extension of the company's lighting franchises the table seems opportune and should prove interesting.

The strong strategical position of the company through its command of all the most convenient and available power developments in the vicinity of Montreal is admitted by all and it is a foregone conclusion that the city will come to terms on the franchise question with the Power Company. All talk of opposition or municipal ownership is to a great extent purely academic. That the city should obtain a fair revenue for the extension of franchises is only business and justice and that it will obtain this revenue on the lines so often suggested by THE CHRONICLE seems to be borne out in the amended offer to the city.

The earnings of the company for the year ending 30th April, 1906, were \$3,186,102, as compared with \$1,760,285 for the same period in 1902. Expenses advanced in the five years from \$930,068 to \$1,431,107, and net revenue increased from \$821,217 to \$1,754,005. Dividends in 1902 absorbed \$587,068 in 1903, the amount was \$679,334 and for the following three years \$680,000 per annum. The stock being now on a 5 p.c. basis the dividend item will in future amount to \$850,000 per annum.

The company's assets in 1902 were \$20,415,100, and in 1905 they had increased to \$27,437,731, while the surplus jumped from \$141,753 to \$901,158.

The recent epidemic of lumber fires in the South is attributed by a special agent who has given the subject much attention to the lack of inspection of such risks and the fact that the management of mills changes constantly, although the ownership remains the same. A desire to get a big output diverts attention from the necessity of proper care of shavings and other fire producing materials which are allowed to accumulate because the labor may be more profitably used in actual production.