

the intention of Canada. There are goods made in the States now selling in this city, after the Canadian duty has been paid, at the same price as in American cities after the Canadian duty has been paid. When such goods are competing with similar ones of British make the American price is reduced in order to keep the British article out of this market. Sacrifices, actual abandonment of profit are made by American exporters to check the development of British trade in Canada.

Is it creditable to this country to have her fiscal policy in favour of the mother country upset by the tactics of a foreign country? Are we not lacking in self-respect, in national dignity, when we sit down like a whipped cur as though cowed and controlled by a foreign power that renders our concession to Great Britain almost migatory? It is this lack of spirit in Canada that is inspiring the American agitation for reciprocity. Our good neighbours believe that the Canadian markets can be exploited for their benefit, while the United States markets are still kept to themselves. For over 30 years Canada has been offering reciprocity to the States only to have every offer rejected. Now that we have become independent we are to be courted for our fortune. It is Canada's turn now to show disregard for reciprocity.

ENGLISH VIEW OF CANADIAN BANKING.

A Canadian paper published in Toronto (not Montreal, as our English contemporary, "The Review," says), recently attacked the banking system of Canada as wrong because the foreign deposits held by Canadian banks is less than half their foreign loans. The facts are as follows: The banks of Canada on September 30th had call and short loans outside Canada to the extent of \$44,326,826, and current loans outside Canada amounting to \$27,306,614, making their total foreign loans \$71,633,440. On same date the banks held deposits outside Canada to the extent of \$31,465,489, the excess of outside loans over outside deposits being \$40,167,951, which is about the sum of their outside call and short loans. The Toronto journal condemns the system under which these conditions have developed, and declares the American banking system preferable. "The Review," London, England, says:

We differ *in toto* from this view. The American banking system as it stands to-day is the negation of common-sense. The theory that local American banks, being formed with local capital, can supply local needs with local money, has been exploded long ago together with the local fire office. It is the reverse of sound. The result is that the banking system in the United States is infinitely behind that which is practised in this country. Here we are moving in quite the reverse way. All the small country banks, whether joint stock or private, are being gradually absorbed into the big London banks, and the flow of capital is, therefore, equal throughout the country. If a man down in Missouri wants to borrow money beyond the power of the local bank, he has to get it somewhere else, and pay pretty smartly for it. The provincial branches of the London banks

work as at one with the head office. Thus we respectfully maintain that, as regards banking, the British system is immeasurably superior to the American, and the Canadian system is better also. We trust it will not be altered. The ancient idea of keeping money in the country, or keeping St. Louis money in St. Louis, or Birmingham money in Birmingham, is, as a matter of fact, dead, and it ought to have been buried long ago, but we presume that the ghost has been raised for some object."

General misapprehension exists in regard to the deposits and loans of Canadian banks outside Canada. It is believed that a much greater development of this outside business has taken place in the last two years than is the case. In July, 1900, the form used for the monthly bank returns of the banks was altered by inserting three new columns, one with heading, "Deposits elsewhere than in Canada," a second, "Call and short loans elsewhere than in Canada," and the third, "Current loans elsewhere than in Canada." These columns changed the classification of the bank deposits and loans by exhibiting those outside Canada, the respective amounts of which had previously been mixed up with the Canadian deposits and loans. The new form merely extended the classification of the business of the banks, and brought into view the extent of their outside operations, so far as could be judged by the deposit, call loan and current loan balances at their outside agencies. What these balances were is not known except to the respective officials of the banks which have outside connections, so that the comparisons some bank critics have indulged in regarding this class of bank business, are wholly imaginary. As the outside deposits of the Canadian banks on 30th Sept. last exceeded the outside current loans by \$4,158,875, so that no objection can be raised to such loans on the ground that they drain money away from Canada. As to the "call and short loans elsewhere than in Canada," they represent and serve the purposes of an immediately available cash reserve. They are practically an extension of the Till or Treasury. They constitute a line of defence against a sudden emergency. They render to Canadian banks an analogous service to that given by the bank of England to the provincial banks, by providing a source to be drawn upon for cash when some unusual demand arises. To condemn our banks for having such a reserve is to betray the critics non-acquaintance with banking history, banking exigencies and banking responsibilities.

THE NUMBER OF DISEASES AND OTHER CAUSES OF DEATH, to which mortals are subject, is shown by a table in "American Exchange and Review" to be about 335. A man's enemies are so numerous it is a wonder so many persons reach middle life. There are 33 kinds of Cancer, 30 kinds of Inflammation, 21 of Abscess, 9 of Fever, 20 of Sarcoma, whatever that is, and 13 of Tumor. Perhaps a little ignorance of these dangers is advisable, as it is enough to make one nervous to read the list of 335 modes by which life may be lost.