

counts, it would be plain that the active business of the country was keeping pace with its savings. But this has not been the case. For while Canadian deposits during the last five years have increased by over \$50,000,000, the expansion of loans and discounts has only been about \$25,000,000, the balance being held by the banks in the shape of additional investments or securities of various kinds, and in call loans on bonds and stocks. It is evident that for the last few years the large increase in deposits in the banks has not been profitable to them. If these deposits could have been employed in commercial discounts and loans, they would have been profitable to a moderate degree. But there is little doubt that there are many millions of bank deposits for which more interest is allowed than is being earned upon them. This accounts to some extent for the diminished earnings of some of the banks and the difficulty of keeping up the returns of net profits as compared with former years.

It is to be hoped that when the tariff is finally settled the channels of business may again be filled with profitable transactions, thus promoting enterprise increasing the demand for the funds of the banks, and so benefiting both borrower and lender, as well as the community generally. The recent revision of the tariff has given great satisfaction to many industries that were at first affected adversely by the changes proposed. The tariff bill, as it stood originally, would undoubtedly have had the effect of destroying enterprises that gave large employment to labor, wheher it would have appreciably benefited individuals of the class who were supposed to be in view as needing relief. However, this danger may be considered to be past, at all events for the present. There is still, however, the disturbing element of the final interpretation that will be put upon the preferential clauses that have already occasioned so much debate and controversy.

## ABSTRACT OF BANK RETURNS.

30th April, 1897.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up .....	34,819	17,790	9,589	62,198
Circulation .....	14,532	9,664	5,458	29,654
Deposits .....	90,306	71,046	28,132	189,484
Loans, Discounts and Investments .....	116,055	83,769	37,545	237,369
Cash, Foreign Balances (Net), and Call Loans .....	32,090	21,375	7,915	61,380
Legals .....	6,688	4,561	2,309	13,558
Specie .....	3,640	2,690	1,477	7,807
Call Loans .....	4,518	7,631	1,222	13,371
Investments .....	6,982	10,954	4,861	22,797

30th April, 1897.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up .....	34,966	17,292	9,645	61,903
Circulation .....	14,931	10,114	5,770	30,815
Deposits .....	100,885	75,518	30,253	206,656
Loans, Discounts and Investments .....	123,888	85,325	38,775	247,988
Cash, Foreign Balances (Net), and Call Loans .....	35,585	24,265	9,392	69,242
Legals .....	7,230	5,511	3,051	15,792
Specie .....	4,181	2,791	1,681	8,653
Call Loans .....	4,396	7,564	1,580	13,540
Investments .....	8,867	13,285	4,988	27,140

Government Savings Banks .....

Montreal City and District Savings Bank .....

La Caisse d'Economie, Quebec .....

Loan Companies, 1896 .....

Bank Deposits .....

Total Deposits of all kinds .....

## GOVERNMENT CIRCULATION.

Small .....

Large .....

\$21,974,583

Gold held, \$10,366,625, or 47.18 per cent.

## THE COST OF PRODUCING LUMBER.

The United States Congress having announced its intention of putting a tax on Canadian lumber, is now looking about for reasons to justify this action. Mr. Carroll D. Wright, the United States Commissioner of Labor, has been asked to give a statement of the relative cost of producing white pine lumber in Canada and the United States. It was evidently the intention of the exponents of a high duty to show that by the cheap labor of Canada, the United States lumbermen were placed at a disadvantage in their competition with the manufacturers of this country. Mr. Wright's statistics were, however, not entirely satisfactory to the high protectionists. In his report Mr. Wright admits that he has no data upon which to base an answer to the question, that is, upon which to estimate the cost of producing one thousand feet of white pine lumber, but submits a report saying that the cost of labor in the United States is 91 cents, and of logging, \$4.27½, as against \$1.23 for labor and \$5.57½ for logging in Canada. Although these figures do not include the cost of stumpage, interest, taxes, insurance and office expenses, they clearly indicate that the difference in the cost of production in the two countries cannot be used as an argument in favor of protection. Logging in Canada has been made very expensive in recent years. The forests in the Ottawa and Georgian Bay districts, from which the lumbermen now draw their main supplies, are at great distances from the mills, and it is often late in June before the logs finally reach the mills. The operation of logging in this way involves the expenditure of considerable money for labor, and the investment of a vast amount of capital bringing no return for many months. A statement is made of the wages paid in four lumber mills in Canada and four in the United States during the past six years. It is shown that while the average wages has during this period decreased ten per cent., the average in Canada has increased one per cent. The conclusion is drawn that the lower wages in 1895 and 1896 are the result of the tariff law of 1894, when white pine was placed on the free list. If a comparison were made of the wages paid in other industries, it is probable a similar ratio of decrease and increase would be shown. The United States has passed through a severe industrial crisis during the past four years, which has materially affected the remuneration of labor and the returns from capital. The decline in wages in the United States lumber industry is the result of general trade depression, and has not been caused by the competition of Canadian mill owners.

## CONVENTION OF CREDIT MEN.

The subject of the management of credits by importers and manufacturers is one that is attracting much attention in the United States. The business community there are closer to a cash basis in sales than we in Canada are, but still they find losses by bad debts very irksome. Hence the interest with which suggestions of improved methods of supervising credits have been received. There are now associations of "credit men" in various cities of the Union, and they are, we believe, doing good work. Last year the members of these bodies held a convention at Toledo. This year the second annual convention of the National Association of Credit Men will be held at Kansas City, Mo., June 9, 10, and 11. Mr. J. G. Cannon, vice-president of the Fourth National Bank of New York, will deliver an address on "Individual Credits." John Field, president of the Philadelphia Association of Credit Men, will present an address on "Failures." Hon. J. L. Torrey will speak on "Bankruptcy Legislation." Other speakers,