

notified the minister of finance, Reshad Pasha, that it would not entertain any request of the Government for advances. The Deutsche Bank then came to the Porte's aid with an offer to assist the treasury. The Germans are thus for the moment in complete possession of the financial field, and an 'Irade' has already been promulgated, ordering the purchase of all the new guns in German factories."

In the case of this Turkish loan the connection between it and the foreign trade of Germany is plain. The securities will be issued, banks and financial houses will take them at first, and afterwards they will find their way into the hands of speculators and investors in Germany and in other European countries. The German factories will turn out the goods and ship them to Turkey, the proceeds of the loan will be paid to the German factory owners for the goods supplied and to the bankers for commissions on the flotation. The greater part of the money does not leave Germany, and German manufactured exports show an increase in consequence of the transaction. In the case also of the Russian loan of \$81,000,000 lately floated in Berlin, the effect on the foreign trade of Germany can readily be seen. This money also was paid, and is being paid, to the Krupps and the other great German arms factories, a large part goes to German workmen as wages. German exports are swollen by the stream of warlike stores poured across the Russian border.

England owes much of her huge foreign trade to London being the best market in the world for foreign loans. Formerly both Russia and Turkey borrowed in London. Political happenings and other things shut out both these borrowing nations from that centre. But a large array of other nations, as well as all the British colonies, patronize London exclusively. Notwithstanding the feelings of hostility and suspicion entertained by Americans towards Great Britain as a result of the Revolutionary war, the war of 1812, and the British sympathy for the South during the Great Rebellion, London was always the supplier of capital for the United States, until they became wealthy enough to supply themselves. These government loans are floated chiefly for the purpose of buying ships and war stores, for railroads and public works, for carrying on as well as for the refunding or renewal of existing loans. Whenever it is possible to do so the purchases are made in Britain, and the proceeds are largely sent out by Britain in the shape of manufactured goods.

The bulk of our own public debt is held in Britain. That was floated for many different purposes. The construction of the Canadian Pacific Railway, the Intercolonial, Canals, and other public works, resulted in the importation by us of large quantities of British goods which we paid for by giving the Britishers our bonds. The different provincial debts, assumed by the Dominion Government at Confederation, were incurred for similar purposes.

Besides the public, or national flotations, London

is bringing out numerous private loans all the time. Railroad, mining, and industrial corporations from different countries, some standing on their own feet and others supported by governmental guarantees, go to London and float bonds when their credit is good enough. Even the United States, wealthy as they are, send some of their best railroad loans to London. In the last few years, however, the British Government has borrowed money in New York, during the Boer war when the London market, having been subjected to an enormous drain of capital, was in an exceptional condition. When in the normal condition London can probably take care of all the loans offered there. It may be said that the effects of the Boer war had not entirely passed from the London market when the present war in the East broke out. Japan being Britain's ally, London was under a sort of obligation to advance money to that rising empire. This it has been doing, and at the same time it has been standing a heavy withdrawal of French capital. When money rates in London became attractive on account of the heavy borrowing by the British Government during the South African war, a large mass of French capital was transferred to London and invested in short date bills. Since the outbreak of the present war, and particularly since the Russian land disasters, this capital has been flowing back to Paris. The preparations for the next Russian loan to be brought out in the French capital in April or before, and the political disturbances beginning about a month ago in Russia, caused a violent increase in the London to Paris movement. London has, it is true, shifted some of this burden on to New York, by selling American securities and by drawing home British capital, accounting in some measure for the abnormal gold export movement from New York to Paris. These circumstances probably account for the unwillingness of the London bankers to encourage fresh colonial borrowings at this time. It has just become known that the Ontario Provincial Treasurer, who went to England a little while ago to float the bonds of the Temiscamingue and Northern Ontario Railway was not able to float them on satisfactory terms even though they bore Ontario guarantee. He was obliged to content himself with obtaining a temporary loan pledging the bonds as collateral.

A BANKER ON CANADA AND CANADIAN CITIZENSHIP.

Mr. Byron E. Walker, general manager of the Canadian Bank of Commerce, delivered an Address before the Canadian Club, Ottawa, on the 4th inst. His subject was, "The Duty of Canadians to Canada."

A passage in the opening part of the Address may be taken as the text from which it was developed. The ideal future for this country would be:

"That condition of national life which will support many, but not too many millions, in comfortable, but not too affluent circumstances, with a civilization which gives us as much liberty as is good for us, a