

pany without waiving its rights under the contract of October 20, 1903, offered to purchase suitable coal from the company at the price at which the latter is supplying other large customers. In reply the Coal Company expressed willingness, in so far as its obligations to its other customers would permit, to sell to Steel Company coal at the same price as other large customers, the New England Gas & Coke Company excepted, but stating that it may not be possible to guarantee to deliver definite quantities in large shipments. In answer to this communication the Steel Company states that it will require in addition to that contracted for elsewhere 45,000 tons a month for two months, and 75,000 tons a month thereafter and asks for definite information as to the amount that can be supplied. No doubt, temporary arrangements will be made on the above lines.

CANADIAN BANKERS' ASSOCIATION.

The annual meeting of the Canadian Bankers' Association was held in the board room of the Canadian Bank of Commerce, Toronto, on the 8th instant. The President, Mr. E. S. Clouston, occupied the chair.

It is understood that a small committee of the leading bankers was appointed for the purpose of conferring with the minister of finance, with a view of ascertaining if any greater safeguards can be devised, in connection, with the supervision of the returns of chartered banks. At the usual banquet held in the evening, following the meeting, Mr. W. S. Fielding, minister of finance, and Mr. J. M. Courtenay, deputy minister of finance, were guests of the association.

The following officers were elected for the current year:

PRESIDENT

E. S. Clouston... General Manager, Bank of Montreal

VICE-PRESIDENTS

Duncan Coulson... General Manager, Bank of Toronto
 Geo. Burn... General Manager, Bank of Ottawa
 H. Stikeman, Gen. Mngr. Bk. of British North America
 M. J. A. Prendergast... Gen. Mngr., Banque d'Hochelega

COUNCIL

B. E. Walker... Gen. Mngr., Canadian Bank of Commerce
 E. F. Hebden... Gen. Mgr., Merchants Bank of Canada
 D. R. Wilkie... General Manager, Imperial Bank of Canada
 Thos. McDougall... General Manager, Quebec Bank
 Jas. Mackinnon, Gen. Mgr., Eastern Townships Bank
 H. C. McLeod... General Manager, Bank of Nova Scotia
 Jas. Elliot... General Manager, The Molsons Bank
 P. A. Lafrance... Gen. Mgr., La Banque Nationale
 G. P. Schofield... Gen. Mgr., Standard Bank of Canada
 C. A. Bogert... General Manager, Dominion Bank
 E. L. Pease... General Manager, Royal Bank of Canada
 G. H. Balfour... Gen. Manager, Union Bank of Canada
 E. L. Thorne... General Manager, Union Bank of Halifax
 H. S. Strathy... Gen. Mgr., Traders Bank of Canada

BANK LOANS ABROAD.

In Professor Shortt's "History of Canadian Currency," towards the end of the last instalment which appeared in the October journal of the Canadian Bankers' Association, this passage occurs: "Since the crisis of the seventies there has been a steady stream of Canadian borrowings (abroad) on the part of our governments, national, provincial, or municipal; in more prosperous seasons also borrowing has been extensive on the part of transportation, manufacturing, and development corporations, not to speak of much direct investment in other lines. This stream of incoming capital, whatever ultimate shape it may take, maintains a considerable volume of exchange at the credit of Canada, and so long as it lasts there is little reason to test the capacity of the monetary system of the country, to meet an adverse balance of exchange, or a sharp crisis extending over the continent. One consequence of the favorable balance of international exchange is shown in the large balances which certain Canadian banks find it convenient to employ in such centres as New York and Chicago, chiefly it is claimed, upon call loans of the best description. Such investments, as long as they continue, are reassuring evidences of the capacity of the country to meet, for a time at least, adverse exchange conditions. But financial experience shows that, however, prolonged the period of importing foreign capital may be, it does not represent a permanent or stable condition. Payment must ultimately overtop borrowing, and the longer the borrowing is in the ascendancy the heavier must be the ultimate payment."

It will be interesting, in view of this, to compare the foreign position of the banks to-day with what it was say at the end of 1903, so that we can get some idea as to what the tendency of the last two or three years has been. Generally we know that the process of importing foreign capital has been going on with unabated force. But, coincidentally, there has been a great expansion of the home borrowing demand, owing to the prosperity of practically all our industries and trades. This would tend to keep the bank capital at home.

Taking the position at the end of 1903, we get the following:

31st December, 1903.

Call loans elsewhere than in Canada...	\$34,991,423
Current loans elsewhere...	18,616,518
Due by banks in Great Britain...	9,258,198
Due in foreign countries...	12,793,927
	<hr/>
	\$75,570,066
Deposits out of Canada...	\$34,479,937
Due to banks in Great Britain...	2,884,279
Due to banks in foreign countries...	1,830,528
	<hr/>
	39,194,744
	\$36,375,322

In the same way the position at the end of September, 1906, was: