

lications. Indeed, seeing that the Canadian Government has, and must continue to have, for several years, a great deal of propagandist machinery, it might even be a wise thing to have a Minister of Publications. At least the Department of Trade and Commerce should have facilities for a much more rapid dissemination of news and statistics than is possible under existing conditions. If State information is worth publishing at all, it is worth publishing at the earliest possible moment, and in the most attractive guise.

JULY BANK REVIEW.

We present below a condensation of the monthly Bank Statement for July, compared with the Bank Statement for June.

	Liabilities.	
	July, 1906.	June, 1906.
Capital authorized	\$108,646,666	\$107,646,666
Capital paid up	91,781,790	91,074,505
Reserve Funds	64,002,577	63,755,287
Notes in circulation.....	\$68,182,979	\$69,366,505
Dominion and Provincial Government deposits	14,817,992	14,454,149
Public deposits on demand in Canada.....	195,077,790	157,992,133
Public deposits after notice	379,030,511	378,777,386
Deposits outside of Canada	50,826,445	47,344,212
Loans from other banks in Canada secured	747,923	890,032
Deposits made by and balances due to other banks in Canada.....	5,011,553	4,434,474
Due to agencies or other banks in the United Kingdom.....	6,631,552	7,431,645
Due to agencies or other banks in foreign countries.....	2,591,347	2,028,143
Other liabilities.....	14,315,700	15,995,551
Total liabilities.....	\$707,233,874	\$698,714,302
	Assets.	
Specie.....	\$20,680,454	\$20,108,117
Dominion Notes	39,418,861	37,609,454
Deposits to secure note circulation.....	4,093,186	3,506,264
Notes of and cheques on other banks.....	26,549,698	25,499,128
Loans to other banks in Canada, secured.....	747,915	890,023
Deposits with other Banks in Canada.....	7,041,714	6,992,230
Due from agencies or other banks in the United Kingdom.....	9,976,621	10,437,917
Due from Banks or agencies in foreign countries	17,626,673	15,236,032
Dominion and Provincial Government securities	9,893,275	9,537,253
Other securities	62,043,173	61,462,745
Call and short loans on bonds and stocks in Canada.....	58,208,627	56,024,697
Call and short loans elsewhere.....	54,261,216	53,476,822
	\$310,541,413	\$300,786,685
Current Loans in Canada	\$500,933,935	\$501,621,979
Current Loans elsewhere	34,379,778	33,159,245
Loans to Dominion and Provincial Governments.....	981,400	1,410,876
Overdue debts	1,658,722	1,692,553
Real estate other than bank premises.....	851,281	843,693
Mortgages on real estate sold.....	439,743	436,400
Bank premises	12,701,060	12,460,214
Other assets.....	10,133,910	9,191,501
Total assets.....	\$872,670,468	\$861,602,330
Average amount of specie held during the month	20,017,533	20,257,878
Average Dominion notes held during the month.....	38,219,320	38,130,405
Greatest amount notes in circulation during month	71,369,605	69,749,643
Loans to directors or their firms.....	8,867,831	8,924,270

The July Bank Statement is not usually one of great interest, covering as it does that month of the

year which in this country brings a relaxation of activity in almost every line of business. Accordingly the changes in the statement this month are not marked by any great importance.

An increase of \$1,000,000 in capital authorized is due to the action of the Imperial Bank of Canada in taking the preliminary steps for increasing its capital from \$4,000,000 to \$5,000,000. Only as late as five years ago there were only three banks with an authorized capital of this amount or over, and only four whose capital exceeded \$3,000,000, or whose paid-up capital exceeded \$2,500,000, whereas now there are seventeen, exactly one-half of the total number, whose authorized capital is \$3,000,000 or over, and sixteen with a paid-up capital of \$2,500,000 or over. This directs attention to the remarkable growth of the Canadian banks in the interval, during which their total assets have increased about 60 per cent. and their current loans in Canada over 77 per cent., while paid-up capital has increased during the same period a little over 36 per cent., and note circulation 39 per cent. This shows that the growth in the capitalization of the banks, while large, has been by no means excessive, having not quite kept pace with the increased circulation requirements, while the amount of aid extended to the mercantile business of the country—as evidenced by the total of current loans—has increased considerably more rapidly than the resources of the banks.

This has doubtless a bearing on the dulness of the Canadian stock markets at the present time, but it goes to show that the banks, in the employment of the resources entrusted to their care, have not been blind to the true interests of the country. At the same time, in this huge volume of loans lie the possible seeds of future trouble, and we can but hope that in the anxiety to open new branches the quality of the men appointed as managers has not been overlooked, especially in regard to their ability to judge as to the quality of the loans they make. A perusal of the bank reports of, say, 17 or 18 years ago will impress on the mind of the reader the evil possibilities which are latent under the guise of inefficient bank management.

The increase in subscribed and paid-up capital and rest are insignificant, and do not call for any special remark. Notes in circulation have decreased during the month \$1,184,000, as compared with a decrease of \$309,000 in the corresponding month a year ago. Probably the size of the decrease is an offset to the unusually large increase commented on in connection with the June statement. It is worthy of note in this connection that the greatest amount of notes in circulation at any time during the month is larger than both the corresponding figures for June, and those for the end of that month, showing apparently that the expansion reported in June continued during the early part of July, and that the process of contraction which followed was not in operation during the whole of the month under review.

Public deposits payable on demand in Canada show quite a considerable increase amounting to \$7,085,000, distributed fairly evenly among the list of banks. We may surmise that a cleaning up of last season's operations by the grain men and their making ready to handle the new crop may be responsible for some of this increase. Deposits after notice show but a small increase of \$253,000, while the corresponding month a year ago showed an increase of \$2,738,000. Deposits outside Canada have increased \$3,482,000, the principal change being in the figures of the Bank of Montreal, which has gained \$2,114,000 under this heading.

The changes in balances due to banks and agencies in the United Kingdom and in foreign countries respectively are unimportant, the former heading showing an increase and the latter a decrease, while total

liabilities show the reverse for the month.

On the other side there has been an increase in liabilities in legals of \$1,809,000, compared with 8.26 per cent.

The total of deposits for security of notes this month of \$587,000,000, an annual adjustment which is a provision of the Bank Act, the fund at credit of each per cent. of the average circulation during the twelve months ending June in each year, this Act for the adjustment.

The balances due to banks and agencies in foreign countries show a decrease. There has been an increase in other bonds, debentures, and a change in the holding.

Call and short loans in Canada, and \$785,000,000 in Canada have decreased during the current time during the current a decrease, and it is due to slackening of business.

Current loans have increased of \$1,220,000, while the increase of \$3,482,000 doubtless goes to show that some of these are in the business of Canada, which is not affected by the increase of the business of Canada, which increased during the month \$11,008,000, which cannot be for a dull season of the year.

Taken as a whole, the month is sending no very striking continuance of steady progress. To those who are interested it may reveal a measure of activity which must be maintained will probably not be fulfilled until the figures for the next month are made public.

CANADA'S FOREIGN INVESTMENT

Investment is one of the things that goes looking for chances. It indicates that its day is coming.

It is probable that investments far afield, in the early stage in its history, as a search for profit in the world, will be attributed to many reasons. It may be because of the present openings of its capital. It may be that the world are not sufficiently seduced by the promise held out in foreign competition, extra-desire for the cause, more than counteracted by the distance from headquarters.

Canada herself is called upon for capital to develop her resources, to run its waterpowers and to render her one of the great powers of the earth. Reason for her call is, of course, cannot be found in the considerations named. One