

on the several amounts of call loans of certain banks as compared with other banks, when the correct data for such comparisons and such comments were not published.

The same confusion existed also in regard to the deposits, for it was not revealed, until a few years ago, how much the banks had on deposit elsewhere than in Canada. It was well known to a few who analysed these statements every month that the banks had both call loans and deposits outside Canada which were not shown in the monthly statement, but they were held to be not a proper subject for comment.

When more complete information was given in regard to the outside business of our banks it was seen that they held a large amount of deposits at their branches or agencies "elsewhere than in Canada," which usually equalled the volume of their "call and short loans elsewhere than in Canada," so the attacks which had been periodically made upon our banks for withdrawing money from Canada for the benefit of outsiders were shown to have been made without justification.

OUTSIDE BUSINESS.

The items referring to outside business in the last bank statement dated June 30 were as follows:

Call and short loans elsewhere than in Canada.....	\$43,061,558
Current loans elsewhere.....	23,793,189
Total outside loans.....	\$66,860,747
Deposits elsewhere than in Canada.....	\$44,039,320
Net amount of Canadian funds utilized outside Canada.....	\$22,821,427

Since the change in the form of the bank monthly statement, the total amount of call and short loans has changed as follows:

Total call and short loans, June 10, 1900.....	\$28,641,774
Total do do do 1905.....	\$84,814,260

In the return up to June, 1900, no information is given as to either outside loans or deposits, so the only clue we can get in this matter is found in the outside Balances, excluding those of the United Kingdom.

These stood as follows:

Balances due from agencies abroad, June 1, 1900....	\$21,217,311
Balances due to foreign agencies.....	925 571
Net Balance due from agencies abroad.....	20,291,740
Balances due from agencies abroad, June 30, 1905..	\$18,982,891
Balances due to agencies abroad.....	8,277,752
Net balance due from agencies abroad.....	\$10,705,139
Increase since 1900.....	9,586,601
	\$20,291,740

The reduction from \$20,291,740 to \$10,705,139, a decrease of \$9,586,601, is, of itself, a very insignificant amount, but, when it is considered that since the earlier year, 1900, the business of the banks has

increased by 73 p.c., it may fairly be inferred that the decrease in the net balance due from agencies elsewhere than in Canada, when business generally had nearly doubled, may be explained by the outside call and short loans and deposits having been separately classified.

The items in the June statement referring to foreign business were as follows:

Balances due from agencies of the bank or from other banks or agencies in the United Kingdom...	\$11,787,907
Balances due from agencies elsewhere than in Canada or United Kingdom.....	18,982,891
Total outside balances due to Canadian banks.....	\$30,770,798
Balances due to agencies or to other banks in United Kingdom.....	6,905,066
Balances due to agencies elsewhere than in Canada and United Kingdom.....	1,372,686
	\$8,277,752
Net balance of outside balances due to Canadian banks from outside agencies, June 30, 1905....	\$22,493,046
	\$30,770,798

These outside agency balances vary considerably at different periods, being enlarged, or decreased, as exports are being realized abroad and as imports are being paid for, and other drafts made upon these funds for travellers, etc.

For instance, at the end of November last year, the amount due to our banks in Great Britain was \$14,514,627, and elsewhere \$21,988,618, making a total of \$36,503,245, since which date these outside credit balances have been drawn down, those in Great Britain by \$2,726,720 and those elsewhere by \$3,005,727, a total reduction of \$5,732,447.

On the other hand, the amounts due to outside agencies have increased, those due to British agencies having risen from \$3,881,800 to \$6,905,066, an addition of \$3,023,266, and those elsewhere from \$1,302,038 to \$1,372,686, an increase of \$70,648; these two enlargements making together \$3,093,914.

The change since November in these outside agency balances has been as follows:

Due to British and other agencies, Nov. 1904.....	\$5,183,838
Due from do do.....	36,503,245
Net credit balance, Nov., 1904.....	\$31,319,407
Net credit balance, June, 1905.....	22,493,041
Net reduction in net amount due from British and other outside agencies to Canadian banks since Nov., 1904.....	\$8,826,366

When the proceeds of the harvest move forward these balances in Great Britain will probably increase, as drafts upon British banks and agencies are not likely to be as large as the deposits made to the credit of Canadian banks. It is true there is a cry being raised that imports are assuming very large proportions as compared with exports. This is referred to in another article.