

during the crop movement, is available. This is a better state of affairs than has been exhibited by the bank statement for some time. Taking October, 1907, for instance, the circulation was within \$11,000,000 of the legal limit. The present note circulation figures, in conjunction with the improvement in the deposit account, give a bright outlook.

It will repay the student of the bank statement to glance at the totals of July, 1908, as compared with those

of July, 1907. These are printed on another page. Looking at the loan account some marked changes are discovered.

Current loans in Canada decreased \$9,000,000 during July last, while they show a decline of \$56,000,000 from the figures of a year ago. Call loans in Canada and elsewhere show a decrease also of about \$13,000,000. The figures below are instructive:—

	July, 1905.	July, 1906.	July, 1907.	July, 1908.
Deposits on demand	\$137,597,485	\$165,077,790	\$166,352,146	\$164,791,398
Deposits after notice	330,505,877	379,030,511	423,121,386	402,964,565
Deposits out of Canada.....	48,477,265	50,826,446	58,421,023	74,469,793
Total	\$522,580,627	\$594,934,747	\$647,894,555	\$642,225,756
Current loans in Canada.....	438,069,270	500,933,935	581,327,878	525,271,185
Current loans elsewhere	24,482,533	34,379,778	23,723,397	23,153,095
Total current loans	\$462,551,803	\$535,313,713	\$605,051,275	\$548,424,280
Call loans in Canada	43,620,194	58,208,627	48,441,077	40,467,165
Call loans elsewhere	51,254,965	54,261,216	60,609,114	54,915,935
Total call loans	\$ 94,875,159	\$112,469,843	\$109,050,191	\$ 95,383,100
Total—Current and call loans	\$557,426,962	\$647,783,556	\$714,101,466	\$643,807,380

This shows clearly the course of the banking situation during the past few years. As a bank manager remarked this week, "The Canadian banks in 1905-6 were putting on too much steam. Our discounts exceeded our deposits by a considerable sum. Matters have had to be balanced." The 56 millions of dollars referred to, is a concrete example of how matters actually have been balanced. It will be observed that the total deposits in July, 1905, were 522 millions, while total loans were 557 millions. In 1906, the deposits had increased to 594 millions, while loans were 647 millions, or 153 millions greater. Last year the deposits had increased to 647 millions, while the loans were 714 millions, or 67 millions greater than deposits. The position in July, 1908, has brought the deposits' and loans' totals to an amount within about one million and a half dollars of each other.

While in some respects the current statement does not compare favorably with that of July, 1907, there are features which show that the banks will be in excellent condition and position to move big crops. First, it is obvious that speculation has been curbed by a reduction in current loans. It apparently has been thought wise to check general business expansion, which, like the balloon, is liable to burst if filled with too much gas, or, in banking parlance, credit. Herein is one good reason at least why business has been quiet. To this should be added a rider. It has been to the best interests of the country that a slow and sure policy should be followed. In the spring, the commercial world will know better whereat it stands. The conservative loan policy of the banks will bear fruit this fall. Naturally, complaint has been heard of the difficulty experienced in obtaining credit. This was especially the case early this year. With the gradual awakening to the fact that a quiet year was best, the woeful cries of money starvation ceased.

In practically only one important account does July, 1908, show an increase over the corresponding period last year—deposits elsewhere than in Canada. This time in 1907 the amount was \$58,421,023, while, according to the last statement, the total was \$74,469,793. July, 1908, also showed an increase over June of the same year of some 9 million dollars. The 16 million dollar increase is accounted for by the figures of the Bank of Montreal. In July, 1907, they were \$26,125,167; in July, 1908, they were \$42,503,385. The gain is likely due to a variety of causes. The Bank of Montreal receives a considerable amount of deposits in Newfoundland, Chicago, and other places outside the Dominion. It has handled also several Canadian issues in London, which would help to swell the total.

The general policy of our banks, therefore, has been conservative. This is one of the chief assets for the coming crop movement. Then there is the wide margin left for expansion of note circulation, and the gradual growth in the deposit account. Taken altogether, the July bank statement is one of the most encouraging of recent years. It indicates a firm hand, too.

FROM THE SEA TO MONTREAL.

Ships from time immemorial have offered a peculiar charm to man, be he in any of the seven stages. The stowaway is no scalawag. His object seldom is born of dishonesty. His first thoughts are not that he shall obtain free transportation. To see new lands is the desire. One may observe in any port the boy's, his father's, sometimes his mother's imagination hungry for a glimpse of realms beyond the blue waves. The romance of the harbor and the port ends only with the appetite for romance. Each vessel is the foundation of dreams.

Ports have a strong fascination, especially those in which the flags of the world flutter in commercial harmony. Of European ports, perhaps Rotterdam, the first commercial port of Holland, is one of the most interesting. Standing twenty miles from the sea on the River Maas, it is the great emporium for the products of the Dutch colonies and the home agricultural industries. From the wharves there may be watched the shipping. It is an instructive sight. From the dignified ocean liner to the less impressive and businesslike tramp steamer, from the electric canal barge to the heavy and lengthy lighter, which carries on a large part of the Rhine traffic between Germany and Holland, there is an everlasting and changing scene of water transportation.

The port of London does not appeal to the imagination as much. Its immensity forbids. One London dock alone makes a good showing beside many an individual port. But whatever port is visited there clings to the traveller a keen interest. Behind all is the charm of commerce. One is apt to forget sometimes that the vessel's depth in the water is made deeper because the good things of the earth are stored in the hold.

The report of Mr. George W. Stephens, the president of Montreal's Harbor Commissioners, and Mr. Fred W. Cowie, chief engineer of the Harbor Commissioners, just published in blue book form, squeezes out the romantic juice of shipping. It gets down to the business sediment. The volume is excellently written. Its value lies chiefly in its conciseness, its informative nature, and its classification. One impression of these gentlemen is that the ports doing the biggest business,