In Canada the reports are that the monetary stringency is returning. Some of the banks have been calling loans from the street because of strong demands from their mercantile customers. As yet little has been heard of a rise in rates. In another month, with the opening of river navigation at this port, the movement of stored produce to Europe should be initiated; and when it is in full swing a sensible relief to our monetary tension may perhaps be expected. Produce dealers and others who have been carrying large lines of commodities in warehouse by the aid of bank loans, will be able to reduce their indebtedness through proffering bills of exchange on Europe which the banks can, of course, negotiate at once in New York if they are so minded. Under these circumstances it may be that the call loan rates will not be put up. They stand at present at 5 to 5½ p.c. But if it develops later in the summer, that the extraordinary pressure is still in evidence then a rise in interest rates would be timely and wise. There are indications that the Porcupine boom is absorbing a considerable amount of capital directly and indirectly. While this field promises to become an important gold producer it is not desirable that there should be a crazy boom in the shares of the principal properties. A mining boom such as this may be carried on independently of banking support. However, we can perhaps assume that the men at the head of the banking institutions of the Dominion will do what they can to check the exuberance of the professional mining stock manipulators and of the general public.

$50 GOVERNMENT BONDS AND THE DEPOSITS OF THE BANKS.

Some newspapers have given a considerable amount of attention to Senator Domville's suggestion that the Dominion Government should issue 3½ per cent. bonds in the denomination of $50, and purchasable at any post office. Certain newspaper writers assume that there is a vast amount of money lying on deposit with the chartered banks because the owners of the deposits are not able to find investments in which they can have confidence and which will give them a satisfactory return. One enthusiast, in referring to the subject, said there were "a thousand million dollars" lying in the banks, of which the Government might have the use if it would but popularize its bond issues. This, of course, is a gross exaggeration. The total of all classes of deposits in the chartered banks, exclusive of the deposits of one bank in another bank, was on February 28th, 1911, $920,894,152. But it is wholly absurd to say that any large proportion of this total would be available for the purchase of Dominion Government bonds if the bonds were issued in denominations of $50 and $100 and if arrangements were made under which they could be purchased conveniently at any post office. Let us, however, examine the deposits of the banks and see in what manner they are composed. First of all there are the deposits or balances of the Dominion and Provincial Governments amounting all told to $32,800,000. These balances are required by the federal and provincial treasuries for meeting their current expenses and payments. No part is available for investment in Dominion bonds. And if any portion were so available the denominations selected would be $1,000 and $500.

Next there is a matter of $68,300,000 of deposits elsewhere than in Canada. Obviously these too are to be excluded. No part of this total is available for investment in Dominion bonds and if any were so available the larger denominations of bonds would be preferred. This disposes of roughly $100,000,000. The next item is the deposits of the public payable on demand—$268,360,000. Everybody knows what this total is composed of. It consists nearly altogether of balances in current account of business firms, corporations and individuals. In other words, it is the grand total of the accounts into which the Canadian business men are depositing from day to day their current receipts, and upon which they are constantly drawing cheques. It would be entirely incorrect to say that any large portion of it was available for investment in any bonds, no matter by whom issued or what denominations they were. The money is required for carrying on the current trade of the country and it is not available for other purposes. Besides, a large part of the whole always represents book credits given by the banks to their customers, as proceeds of paper discounted by the latter.

Eliminating these classes of deposits which together account for some $368,000,000, we arrive at the only class remaining—the deposits of the public payable after notice or on a fixed day. The total as at 28 February, 1911, was $551,424,373. Let us now see if any large proportion of this total is available for the purchase of government bonds of $50 and $100 denominations. Now it should be remembered that while the savings of workingmen and the accumulated cash profits of farmers come under this heading, they do not make up the whole of these deposits. The total is swollen by the very large special deposits and standing deposits carried by big corporations and by wealthy individuals. One person may hold the deposit receipts of a bank for $500,000 or $800,000, or even a million. And it is quite certain that the total of the deposits owned by these big