strings should gradually tighten with perhaps acute tension in the seasons of the year in which the world's cash has to do exceptional work.

Since the rise in money rates, there has not been any issue in London by which might be estimated whether Canada's loan rate had been materially affected. But it appears likely that if a long-term loan were made now the bonds would have to bear at least 3¾ p.c. and perhaps 4 p.c. interest. Nor does it appear likely, if January or February is waited for, that an emission can be made on any better terms than were secured in the loan floated at midsummer. If the London money market again experiences ease it is not at all likely that it will be of long duration; and if we are obliged to borrow we should seize the opportunity to provide for our needs for a considerable time in advance even if we do have to pay 3¾ pc. for the accommodation. The truth of the matter is that the money lending interests are too well acquainted with our necessities for us to get 3 p.c. money at present.

The rise in the national revenues has helped the Finance Minister considerably. The fact that the revenues have enabled him to pay his way in the first half of the current fiscal year has been of great assistance. But sooner or late we shall have to appear on the market again as a borrower.

OLD-WORLD AND NEW-WORLD BANKING POSITIONS.

If Canadian banking tendencies during 1908-09 be compared with British, it will be seen that the growth in ready funds has been proportionately much greater here than in the old land. This did not come about through relatively severer trade recession, but through the incoming of fresh capital from abroad. The extent to which recent accessions of overseas funds have strengthened the Canadian banking position is strikingly shown by the following exhibit. Comparing "small with great," it indicates the changes in leading banking items and their relations, between June 30, 1908, and June 30, 1909. The Economist, of London, is authority for the returns from which the items are collated relating to the joint-stock banks of England and Wales.

It is to be premised that differences in the form of available statements make exact comparison impossible between British and Canadian figures. However, if the bearing of the various foot-notes be kept in mind, the ratios will indicate relative trends with a fair degree of accuracy. In determining the position of Canadian institutions, the plan followed has been to eliminate principal domestic inter-bank items. While it is not feasible to do this entirely with the English reports, a similar basis has been arrived at as nearly as possible, by omitting Bank of England figures—duplication of items being principally due to its position as a central bank.

	Joint Stock Banks. England and Wales.* Millions of dollars.		Chartered Banks o. Canada.† Millions of Dollars.	
	June 30, 1908.	June 30, 1909.	June 30, 1908.	June 30. 1909.
I Depst. & Curr. Accts	3,279.5	3,393.5	645.6 (b)	773.8 (b)
II Note Circulation..	1.5	5 0	68.2	70.2
III Chief Liabs. to Pub.	3,460.6(c)	3,601.0(c)	686.3 (d)	809.4 (d)
IV Curr. Loans & Disc.	2,134.0	2,126.1	556.9 (e)	568.6 (e)
V Cash................	492.0(f)	518.0(f)	100.5 (g)	128.6 (g)
VI Call & Short Loans	427.5	478.0	93.9	167.9
VII Total Assets.....	3,887.1	4,025.6	880.7 †	1,005.8 †
	(Per Cent.)		(Per Cent.)	
Ratio (V+VI) to III. i.e., Quick Assets to Liab. to Public....	26.6	27.7	28.4 22.3 (h)	36.6 30.1 (h)
Ratio V to III. i.e, Cash to Liab. to Public....	14.2	14.4	14.7	15.9
Ratio IV to (I+II). i.e., Curr. Loans to Depsts and Circul.	65.0	62.5	78.0 74.9 (k)	67.4 63.4 (k)
Ratio IV to VII. i.e., Curr. Loans to Total Assets.......	54.9	52.8	63.2 60.7 (k)	56.5 53.2 (k)

* Excluding Bank of England.
† Excluding principal Canadian inter-bank items.
(b) Including Government deposits.
(c) Includes acceptance liabilities and miscellaneous items.
(d) Sum of two preceding items, less inter-bank Canadian cheques and notes.
(e) Of these amounts $534,523,000 represents current loans and discounts in Canada at June 30th, 1908, and $535,212,000 at June 30th, 1909.
(f) Cash in hand and with other banks. Relative amount of this and short loan item estimated on basis of reports of two-fifths of banks.
(g) Cash and net foreign bank balances.
(h) Ratio if domestic call loans be not included as liquid assets
(k) Percentage if domestic current loans and discounts be alone considered.

It will be seen that the current loans and discounts of British banks were slightly less in amount at June 30, 1909, than a year earlier, while those of Canadian banks increased somewhat in the aggregate during the interval. The domestic loan account, however, showed but slight change, though of late months expansion in Canada has been steady. In both the old land and the new, the ratio of current loans to combined deposits and note circulation lessened during the twelvemonth —from 65.0 per cent. to 62.5 per cent. in the case of English, and from 78.0 per cent. to 67.4 per cent in the case of Canadian banks. The year's growth of well on to $130,000,000 in the deposits of Canadian banks accounted for this much greater change in ratio.

However, increased deposits are not always to be taken as indicating growth in actual banking resources; they sometimes arise merely from book entries corresponding to fresh loan accomodations. During the twelvemonth under review however, the growth in Canada was chiefly from what The Economist calls "primary" deposits, and not from the "secondary" class that consists of entries contra loans. This is evident from the fact that the ratio of "cash, call and short loans' to "banking liabilities