in Canada," consisting chiefly as it does of items for the next days' clearings, reflects the activity of the general cheque circulation. At the end of November it amounted to $43,608,732 as compared with $36,989,587 on the same date last year. It can, therefore, perhaps be taken for granted that the cheque circulation this year is about 17 or 18 p.c. larger than a year ago. The fact rather points to a considerable contraction of bank liabilities in January.

CANADA'S NAVAL POLICY.

While a great deal has been said which had better have been left unsaid, on the question of Canada's duty in connection with the defence of the Empire, much still remains to be said. The feeling is growing that the critics of Imperial Defence are not as frank as they might be with regard to the motives which actuate them. That they are not united by anything approaching to opinions in common is manifest. With some it is a question of method; with others it is a question of amount; with still others a question of local antonomy; while a few with a frankness which is commendable at least, confess that their opposition is due to a reluctance to strengthen the bonds of British connection. Perhaps the least candid or the least informed of the critics are those who pooh-pooh the danger of an Anglo-German conflict.

One of the most admirable utterances upon the subject yet made was contained in the paper read on Monday evening, by Mr. Williamson, at the dinner of the Political Economy Club of which he is the president. It had the merits of common sense and of frank recognition of existing conditions. Mr. Williamson particularly emphasized the fact that the new German navy can have but one rational object, and that the whole trend of German politics is towards war with Great Britain. That the German Dreadnoughts with their trifling coal-carrying capacity are manifestly intended for use in the North Sea alone; that the colonial expansion so essential to Germany's progress in frustrated at every point by British occupation; that Germany's industrial development is retarded chiefly by British competition; and that the Kaiser's confessed ambition of German naval supremacy can only be achieved by Germania taking into her own hands the trident held for so many years by Britannia. Mr. Williamson's conclusion is that war with Germany is an evil, a curse which can only be avoided by a display of overwhelming naval strength on the part of Great Britain; he pointed out that the fate of Canada hangs in the balance, and that the battle which is to decide whether Canada is or is not to have an opportunity to work out her own destiny, will be fought in the North Sea. There is, of course, no question of Canada becoming a German province, but in the event of the crushing of the British Empire nothing could save it from becoming an insignificant and handicapped part of the United States. The American newspapers would get their pulp-wood at their own price and Canadians would become veritable hewers of wood for their neighbours. Canada's virtually national existence is involved in that battle of the North Sea.

If the German naval programme is suffered to be carried to its legitimate conclusion and the British Empire continues to be rent by divided counsels the issue can scarcely be avoided. The situation is a grave one and calls for more serious consideration than has yet been given to it by our leading politicians. Some of these same statesmen are a curious mixture. They are brave to the point of folly in daring the German Empire and every foreign foe from which they are now protected by the British flag; they are cowardly beyond expression, and mean beneath contempt, in their abject surrender to party influences and personal interests. The people of Canada must be aroused to a sense of their danger, their responsibility, their duty and their glorious privilege.

OVERSEAS INVESTMENT INTEREST IN CANADA.

There have lately been signs of increased investment in Canadian listed securities by London and Paris interests. This outside confidence in Canada's financial and business outlook has doubtless played an important part in the strength and breadth of the Montreal market. Recently, London interests have taken steps to increase their Textile holdings, and Power and Milling stocks have come in for attention.

While passing through Montreal the other day on his return from Toronto, Mr. E. Mackay Edgar of the London firm of Sperling & Co., confirmed the report that his firm had been negotiating for the sale of 5,000 shares of Molsons Bank stock in London. "Canadian banks," he said, "are in great favour in the British financial mind, and the Sperling firm is most desirous of creating a market in London for this superior class of securities."

"While the double liability system makes the investor at times a little shy in dealing with the security, we explain," Mr. Edgar stated, "that although there is no double liability in English banks, the balance of uncalled capital has to be paid over in case there is anything wrong with the affairs of the institution; consequently it is about as broad as it is long."

Another recent British visitor to Canada has been Mr. George Paish, editor of The Statist, of London.