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Some Banking Conditions in Australia.

REGARDING Victorian banking returns for the first quarter of 1907, the Australasian Insurance & Banking Review states that the inter-relation between liabilities and assets is fairly satisfactory, the increases in deposits and advances for the quarter being about normal. On the other hand, taking yearly movements into account, it is pointed out that—first, deposits are no longer increasing at the same rate as in the two previous years; secondly, advances show a large increase; thirdly, the proportion of deposits that are fixed has fallen; and fourthly, the ratio of the holdings of coin and bullion has sensibly declined.

Regarding the first point, it is shown that while the quarter ending March 1906 showed an increase of over £3,000,000 in deposits over the corresponding period of 1905, the increase for the first quarter of 1907 is but little over £2,000,000—the total standing at £38,165,945. Decline in prosperity, our contemporary affirms, is not to be held as the cause of this falling off. It is ascribed rather to greater business activity accompanied by a considerable increase in imports, so that traders' balances have been trenched upon.

With respect to total advances, the first quarter of 1906 showed an increase over the 1905 record of about £575,000—while the increase shown at March 31, 1907 over the corresponding date of 1906 is more than £1,675,000. As a consequence, the banking margin is increasing but slowly. Australia like other banking communities has problems to meet that grow out of conditions of active trade expansion.

As to fixed deposits, their ratio to total deposits for the March quarter during three years has been 60.83 p.c. in 1905, 59.6 p.c. in 1906, and 58.36 p.c. in 1907—a declining tendency which The Record deems scarcely satisfactory, considering that 60 p.c. is the desirable normal limit.

Australia being a large gold-producing country, the fourth point referred to—that of the declining ratio of coin and bullion holdings to liabilities—is not looked upon as a matter for alarm, provided that engagements abroad do not constitute too great a draft upon cash resources. However, a decline from a ratio of 54.49 p.c. to call liabilities for the March quarter of 1906, to one of 44.29 p.c. for the corresponding quarter of 1907 is not a matter to be overlooked. As mentioned in THE CHRONICLE of last week, Australian banks require heavy cash holdings on acount of the island continent's isolation from the world centres of financial activity.

Future of Suez Canal.

AT the recent annual meeting of the Suez Canal Company, Prince Auguste von Arenberg, who is president, predicted that the canal had nothing to fear from any projected competition. He said the company held the monopoly of the Suez Isthmus route and any competitive canal, like the proposed German waterway, would have to pass through the Valley of the Jordan, where the engineering obstacles were insurmountable. The Prince further declared that the Suez Canal had nothing to fear from the completion of the Panama Canal, as little American tonnage passed through the former. Besides he believed that every new trade route to the Far East would only serve to augment the traffic through the Suez Canal. The "all-red" fast line by way of Canada, projected for British Imperial interests, may interfere considerably with passenger and mail traffic via the Suez route, even though it is not to be regarded as a freight carrying line.

The World's Iron Industry.

THE annual meetings of the Iron and Steel Institute and of the British Iron Trade Association, were held during the past month. During their sessions some important features of the iron and steel industry were brought to attention.

Reviewing the year 1906 from a statistical stand-