

result in letting them in for considerable losses. Almost every year there are important deductions from profits to meet losses protective or actual.

With regard to the savings banks in the States, it might be said that some of the institutions that are paying 4 p.c. are mutual savings banks, and the interest payment represents therefore something in the nature of profit distribution. In the Eastern States, too, as every body knows, savings bank investments are limited pretty strictly to a very narrow field. They cannot lend their funds to the merchant or manufacturer, but must put the bulk in bonds, state, municipal, or the best railroad. A narrow margin between interest paid and received would suffice in those circumstances to pay expenses of operation. Losses should be small. It is to be noted, too, that it is not in these states that high deposit rates are general.

In a broad and general sense it is the borrowing customers of our banks who are most concerned in the matter of a change in deposit rates. Competition for good borrowing accounts is very keen. So long as it lasts the banks are likely to offer loans to their best customers at the lowest rate to yield them a living profit. There seems to be small likelihood of this competition dying off or slackening. Bankers know well that the increased rates they have received latterly have come mostly from the call loan department. These move up and down with the fluctuations in the market value of money in the great centres. Rates on commercial discounts have not risen very materially, if at all.



#### CANADA AND THE WEST INDIES.

Reference has already been made to the memorandum regarding West Indian trade that was handed to Sir Wilfrid Laurier, by the Halifax Board of Trade, on his departure for the Colonial Conference. A week or so later, further interest was evoked as to this phase of inter-imperial trade relations—the occasion being the presentation of a detailed report to the Toronto Board of Trade by Mr. James D. Allan, its representative upon the look-out delegation recently returned from the island colonies. Of timely interest, therefore, are the accompanying tables compiled from Government returns as to trade between Canada and the West Indies.

It will be noted that imports into the Dominion of West Indian products show a marked advance in recent years. The slight decrease in 1906 from the 1905 total is accounted for by the year's falling off in the supply of sugar; otherwise an increase would have appeared. As Mr. Allan's report points out, there is practical evidence within

the past few years of the marked aid afforded the trade in sugar and molasses by the Dominion's preference tariff upon these articles. That a wider preference arrangement, on a reciprocally fair basis, would stimulate Canada's export trade in the same marked way, was the belief prompting the memorandum submitted to the Premier at Halifax. And the returned Canadian delegates report a cordial desire on the part of merchants in the West Indies to buy much more largely from Canada—provided, of course, that they can advantageously do so.

And just here, emphasis may be given to the fact that neither tariff inducements, nor transportation facilities, can add permanently to the volume of exports if the practical trade principle of satisfying the customer is not acted upon. For instance, in exporting flour to the West Indies Canadian shippers continue to put it up in the clumsy and heavy barrel form, instead of in the 196 pound bags generally used by United States exporters. The latter form of packing is said to be much preferable, more especially on account of lightening cargoes ashore. Then, too, in the packing of cheese the West Indian customer is said to prefer smaller sizes than are usual in Canada. The delegates state, however, that Canadian cheese is holding its own, though there are some complaints of its keeping qualities. Holland, the United States and Great Britain are Canada's rivals for the cheese trade.

The Dominion supplies very little of the bacon, ham, beef, pork, oil meal, oil cake, refined sugar and condensed milk which is consumed in the island. The pork, it is complained, is not packed in Canada to suit the market, like that of United States packers who cater to the tastes of the purchasers. There are complaints also as to the keeping qualities of Canadian condensed milk.

While Canadian exports of butter are showing fair results, the demand is for a product to be sold at a very low figure. France supplies an article with only 72 p.c. of butter fat, the remainder being made up of salt and water, and this sells for twenty-two cents per pound.

In fish, cordage, fertilizers and lumber, Canadian firms do a good trade, and are reported to have practical monopolies in some of the islands. In paints, oils, wrapping papers, writing and news paper there is room for a good deal larger trade than Canada now does with the islands.

In comparing exports to the West Indies from Canada and from the United States it is to be borne in mind that a considerable volume of Canadian products destined for the West Indies is sent by way of New York, and is therefore in-