

**Previous
London
Bank Rates.**

EVEN the 5 p.c. rate to which the Bank of England changed from 6 p.c. a week ago, was abnormal for January. Never in half a century has it stood so high at the time of year except in connection with some London panic, such as during the Boer War, or in the year of the Baring crisis. Not since 1839 has the even 6 p.c. rate been maintained so long as during the recent three months when that figure obtained. In that year it held for nearly six months. But a still more unusual record was that of 1860, when on the eve of the American Civil War the rate rose to 6 p.c. on December 31, and subsequently to 7 and 8, not falling below 6 p.c. until April 11—altogether an interval of 100 days. Of course, the most abnormal trend was that of 1865, when 6 p.c. was fixed on October 5, shortly followed by rises to 7, 8, 9 and 10, in the terrible Overend-Gurney panic of that year. It was not until September 6, that the rate fell below the 6 p.c. point. Thus the record for 6 p.c. or higher extended for almost a year.

As a rule the bank's rate reaches its lowest point for the year during May or June—such being the experience of 1906, when 3½ p.c. was fixed on June 21. Just what this year's movement will be must, of course, depend largely on Berlin's and New York's demands upon the world's money resources.

**State and Federal
Control.**

The difficulties encountered in dealing with San Francisco's Japanese problem are but another instance of an unending series of conflicts between State and Federal control in the United States. As Professor Goldwin Smith said recently in commenting upon Chief Justice Clark's pamphlet on the nation's Constitution, these difficulties are "the marks of its origin as a compact among states, each of which regarded itself as sovereign and was jealously tenacious of that character." The inferiority of a hard-and-fast written constitution to a vitally evolving one of the British type is nowhere to be more clearly seen. The development of the United States as a coherent nation has made irksome and hampering many provisions in a constitution which has been outgrown. Taunts at Britain's tendency to remain bound by its precedents came amusingly from a people who are tied by provisions that have stood in black-and-white practically unchanged from the 18th century until the 20th. The inevitable outcome has been a practical overriding of the democratic spirit of the constitution as shown in the drift towards centralization of sovereign powers in the hands of the President.

There seems a growing feeling in Congress that it is time to cry halt to what is considered usurpation of power by the executive—and two resolutions voicing the protest are said to be pending in the senate. Even more intense feeling has been aroused by the charge that Roosevelt has taken upon himself altogether undue authority in matters that affect the law-making branch of the Government.

A joint resolution, which will require the sanction of both Houses of Congress, will be offered in the Senate, directing the President to transmit to Congress at the beginning of each session a copy of every executive and departmental order which shall have been issued since the last previous transmission and to attach to each copy a citation of the law under which the order was issued. An effort will be made to press this resolution to a vote and it is expected a bitter fight will result. Altogether it seems to the outsider that it is high time to follow some such suggestion as that of Senator De Armand (Missouri) when he advocates the holding of a federal convention to consider a list of amendments to the constitution dealing definitely with what is apparently an inevitable centralizing tendency.



**Money from
France.**

Some months ago the Pennsylvania Railroad Company secured considerable accommodation in Paris, disposing of \$50,000,000 of notes there which apparently were not saleable in New York. It is not unlikely that a good part of the United States railroads' money demands will be supplied by French capital, thus relieving the New York money market of some part of the strain that must be put upon it by the unparalleled railroad financing now in sight. London financiers are not too well pleased at the prospects of the American roads borrowing so largely abroad this year. But France has money to lend and seems increasingly willing to have it go to the United States.



Manitoba's Surpluses.

The Manitoba Government's annual surplus is like the wheat crop of the province, as Mr. Weller would say "swelling wisely." The figures since 1900 are as follows:

1900.....	\$11,056
1901.....	42,444
1902.....	289,686
1903.....	148,777
1904.....	249,358
1905.....	465,123
1906.....	518,399