

War Service

First—No extra premium will be charged on policies in force prior to August 1st, 1914, on the lives of any policyholders of the Canada Life Assurance Company who may engage in military or naval service, in or outside of Canada, irrespective of whether such policies provide for an extra premium or not.

Second—In the event of any policyholder who is engaged in active service, not having paid any premium falling due during his absence, the Company will keep his policy in full force and effect during his term of service abroad, the unpaid premium being treated as a loan upon the policy.

Policyholders should notify the Company upon entering foreign service.

Canada Life Assurance Company

HERBERT C. COX, President and General Manager

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Assets - - \$5,000,000.00

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Affairs in New Zealand

WAR AND POSSIBILITIES OF WAR

(From Our Special Correspondent.)

Wellington, N.Z., July 30.

THE European war, now definitely launched by the Austrian declaration against Serbia, has effect even in this far corner of the world. Already stock exchanges show weakness and grain an upward tendency, while producers, whose output is still afloat en route to England are fearful lest the steamers meet hostile craft before reaching their destinations. However, there is yet hope that the storm may not spread much beyond the Balkans, and visions of possible raids by warships do not spoil our slumbers. Should Britain become seriously embroiled I have no doubt many New Zealanders will be found ready, as they were fifteen years ago, to go promptly to the front—wherever it may be.

Austrian Colonists Excited.

There are several thousand Austrians, or Galicians, engaged in the kauri gum industry in the peninsula which forms the northern portion of the province of Auckland, and the northern extremity of the Dominion. The Austrian Consul at Auckland is inviting applications from men willing to go home to fight for their country, but so far his efforts as recruiting agent have not been successful. Indeed, they have produced results the reverse of successful, or even of pleasantness. Numbers of Croats are among the alien gum-digging population usually lumped together, for the sake of convenience, under the general heading "Austrians." Some of these the other night "demonstrated" outside the Consul's office in Auckland and relieved their feelings by shouting, "Down with Austria," while others decided to work promptly and thoroughly to raise funds for Serbia. It is fair to add, however, that considerable numbers of Austrians assured the Consul of their continued loyalty to the homeland, and some have already left these shores to join in the fray.

Our Own Warriors.

Speaking of war reminds me that our own "army" has been under review by the Inspector-General of Oversea Forces, General Sir Ian Hamilton. In his report to the Hon. James Allen, Minister for Defence, Sir Ian Hamilton pays warm tribute to the work already accomplished in the initiation of the compulsory mili-

tary training system in New Zealand. At the same time he points out existing faults in unequivocal terms; and he indicates the remedy in equally plain words. The General wants no waste on non-essentials; everything must be thorough—it may get by the easiest and quickest way to the object aimed at, but whatever the medium immediately concerned, training, organization, or equipment, "thoroughness" is the keynote. Sir Ian Hamilton saw the New Zealand troops in several big concentration camps, and he saw them under atrocious weather conditions. Rain, hail and wind made the camps in each case little less than a snowless but blizzard-swept Antarctic plain; yet always the men turned out and did their work in exemplary fashion. Many of these young fellows—clerks, warehousemen, factory employees and professional men in the cities—returned to their homes better in health, despite the Spartan nature of their training conditions. While pointing the way to secure fuller efficiency, General Sir Ian Hamilton is good enough to pat us on the back and say we have begun well; but—we must do better!

Our Naval Matters.

Regarding naval matters, there is little change. Last week H.M.S. Philomel was officially taken over by the New Zealand Government, to be used as a training ship for young New Zealanders desiring to enter the navy. There have been some discussions on the subject since Parliament met; but the Government's determination to continue its present policy is expressed in the words of the Minister for Defence a few days ago that "this country was not doing all it could to help in Imperial defence. We were willing to put our hands in our pockets; but the time had come when we should also train our young men and offer them for service in the Imperial navy."

Parliament has been in session a month, and little real progress is seen. The Opposition wasted its energies and the country's money on a censure debate the outcome of which was a foregone conclusion. Possibly it was done to secure what one member described as a weeding out of the sheep from the goats—just a definite pronouncement by one or two members thought to be doubtful where they stood on a party test.

FRANK H. MORGAN.

The Banking Situation

OUR Government bank returns are slow in coming out. Either the bankers or the Ottawa officials are tied up in too much red tape. The July bank statement on August 26th is ridiculous—but a fact.

The chief feature in July was the recall of eleven millions from New York. Even then our call loans there amounted to \$125,545,000. That is a tidy little sum to have down there. Perhaps Hon. Mr. White, the Minister of Finance, should have passed a law appropriating it for the purpose of helping the Government and the people of the country to which it belongs. But Mr. White did not do anything of that kind at the special session of Parliament held recently. On the other hand, he did pass an act which enables him to give the banks some more money which they say they need. What would Canada do if the United States were to declare that \$125,545,000 contraband of war and impound it till the war is over? What would Canada do if she ever went to war with the United States—facing a loss of one hundred and twenty-five million in cash the first day?

Call loans in Canada increased a million dollars during July, because Europe was selling us back some of the high-priced stock we had sold to them. Rumour says that they have

another twenty millions of our stuff all ready to sell us as soon as our stock market opens up again. The banks will find it necessary to arrange for this little transaction before the brokers let bedlam loose again.

Current loans to business people stood at \$840,000,000, or eighteen millions less than on July 30th, 1913. Apparently the business people wanted less money or got less, any way.

The savings deposits amounted to \$671,214,000, an increase of fifty million during the year. This is a neat little addition to our "nest-egg" accounts, and shows the confidence the people of Canada have in their chartered banks. The deposits, not bearing interest, declined ten millions during the same twelve months, leaving a net gain of forty millions. This is pretty fair evidence that Canadians are not hoarding their savings. No doubt the foreigners in Canada put a little gold by for a rainy day, but the real Canadian takes no such precaution. Since war broke out, no gold has been paid over the bank counters.

During the year the assets and liabilities of the banks increased nearly fifty millions, but the assets have the edge over the liabilities by approximately a round million.