

On Tuesday the open market discounts declined a further 5-16 p.c., while Wednesday brought the market rate a full 1 p.c. below the Bank rate.

There was continued improvement in Wednesday's stock prices, consols closing higher at 82½ both for money and account. Canadian Pacific advanced 2 points to 148, and Grand Trunk ½ point to 18¾.

The Thursday Bank of England statement showed the large reserve increase of £1,870,000—the reserve ratio to liabilities being 48.83 p.c., as against 38.78 p.c., a week ago.

**The Canadian Situation.**

So far as Canada is concerned, as previously stated from time to time in these columns, the banks are prepared to supply all reasonable legitimate requirements both for moving crops, and for commercial purposes. But there is no money for speculative purposes whether it be in lands or in enlarging industries.

In the course of an interview with a reporter of the Montreal Herald, the Hon. Mr. Fielding is reported as saying:

"I have been informed that in some financial circles it has been freely stated that the Government has been borrowing largely from the banks in Canada and that this is the explanation of the tightness of money. The Government have not for many years borrowed a dollar from any bank in Canada.

"The Government account in Canada has always been the other way, and is so at this moment.

"One of the banks shows in its return an obligation of the Government of about \$4,800,000. This, however, has not arisen from any borrowing by the Government, but is an obligation of the Quebec Bridge Company, for which the Government is guarantor."

The Finance Minister added:

"The bank is aware that the Government intend, either by loan to the company, or by taking over the bridge as a Government work, to protect the bank as respects the advances, and with this it is content. Having the Government guarantee to cover the debt, the bank regards it as equivalent to a Government loan. Apart from this obligation of the Quebec Bridge Company, for which the Government have become responsible in the manner described, the Government do not owe one dollar to any bank in Canada. On the contrary, every bank in Canada with which the Government has business has a balance to the credit of the Dominion."

The explanation given is satisfactory and convincing.

The hosts of friends of Mr.

**Mr. F. H. Mathewson.** F. H. Mathewson, manager at Montreal of the Canadian Bank of Commerce, will learn with deep regret of his serious illness. Mr. Mathewson has not been feeling up to the mark for some time past, and the strain on him recently was rather acute. He went driving Wednesday afternoon and his horse became difficult to control and ran for about a quarter of a mile before he managed to pull it up. In turning he was thrown out of the sleigh, but did not lose control of the horse and righted the sleigh and drove home his daughter. He complained of

pains in the region of the heart and the family immediately sent for Dr. Roddick, being somewhat alarmed at the symptoms. Three other physicians have been called in, and we regret exceedingly to say that he is critically ill. While there is life there is hope, and his many friends will join in a fervent wish for his recovery. According to latest report there is a slight improvement.

**Mr. Balfour on Socialism.** In his speech at Birmingham, Mr. Balfour gave a good definition of the difference between Socialism and Social Reform or Liberalism.

He said: "Socialism means nothing else than that the state should take all the means of production within its own hands, and that private enterprise and property are to come to an end. That is Socialism, and Socialism becomes no longer Liberalism. Social reform is when the state, based on private enterprise and private property asks them to contribute towards great national, social and public objects. That is social reform. There can be no ambiguity between the two."

"Socialism I believe to be absolutely ruinous, not to the possessor of property principally or chiefly, but to the whole community, which depends, not upon dividing the wealth of those who are above the average, but of increasing the production of the whole community. It is upon the productive activity, the inventiveness, the knowledge, the readiness to run risks and bear the result of risks when they go wrong—it is on this that the great community depends, and on this alone."

In a free country, there is always room for the most extreme differences of opinion and for the most free expression thereof. Tidal waves of extreme opinion are liable to overwhelm the most sensible peoples from time to time, and no doubt there is a rising tide of socialism even in England to-day, but the chief characteristic of the masses of the English people is a certain pig-headed common sense, and to them the language of Mr. Balfour will appear as words of truth and soberness.

**The Japanese Negotiations.**

The Hon. Rodolphe Lemieux is evidently losing no time in his negotiations with the Japanese Government concerning the limitation of emigration to Canada. There is every probability that before Parliament rises Mr. Lemieux will be able to report officially that he has arrived at an amicable understanding with our allies, which will be satisfactory to all men of good will. There is always scope for kicking by people who do not want to be satisfied and who habitually sneer at the demand for 'peace at any price,' but as a rule they are people who will not have peace at any price, if they can help it.

**The Suffragette Militant.**

"When lovely woman stoops to folly," she can beat any man at the game. It would never occur to mere man to systematically hold up the general administration of justice in order to call attention to a grievance of his sex. Apparently the "movement" has come to stay for a little time. Meanwhile the lords of creation can