

greatest advantages that accrue to a man in carrying a life assurance policy—the habit of thrift that is engendered in him? You may theorize all you want, but it is practice that counts; and I can show you many a practical result from the proceeds of a matured deferred dividend policy as against the memory of many annual dividends drawn and frittered away.

Of course, you cannot have your cake and eat it, too, but what the generality of people need is to save something for a rainy day. They may tell you that there are better ways to save it than in life insurance. That is not the point unless they save it; but such an excuse to a life assurance agent is usually made because they want to spend the money—not invest it.

Admit that the results on deferred dividend assurance have not been as large as was expected (I say nothing of the fact that this is equally true of annual dividend assurance): admit the worst that can be said in that line, and yet the results have been good. Is it not a fact that the comment most frequently heard when a policy matures is, "I only wish I had taken out two or three times the amount, as I would have been just that much ahead and never would have missed the money?"

THE CURRENCY SYSTEMS OF CANADA AND THE UNITED STATES DESCRIBED AND CONTRASTED.

CANADA'S CURRENCY AND BANKING SYSTEMS DESCRIBED; THE BANK ACT BASED ON SOUND PRINCIPLES; A CANADIAN BANK MUST HAVE A SUBSTANTIAL PAID-UP CAPITAL; THE MOVEMENT TO CONSOLIDATE BANKS; FEWER BANKS BUT STRONGER THAN FORMERLY; OVERWHELMING SECURITY OF THE NOTE ISSUES; OF WHAT IT IS MADE UP; BRANCH BANKS; WHAT THEY ACCOMPLISH; THE VALUE OF BANK STATEMENTS. UNITED STATES BANKING AND CURRENCY, THEIR FEATURES, WHAT EVILS THEIR DEFECTS CREATE.

Money in New York to-day 22 p.c., in Canada 5½ p.c., in London 2½ to 3½ p.c., in Berlin 3½ p.c., in Paris 3 p.c., in Vienna 4 p.c., in Hamburg 3¾ p.c., in Amsterdam 2¾ p.c., in Brussels 3¾ p.c.

The above quotations appeared in the financial journals in the early part of this month. Later on the New York rate rose to 30 p.c., while there was no change, beyond a fractional one, in the quotations in other monetary centres.

Such enormous discrepancies between the current money rates in New York, and those in London and the chief cities of the European continent, indicate there being some radical difference between the banking and currency systems of the United States and those of Canada, Great Britain and other countries.

The comparatively narrow range within which money rates in London fluctuate is in striking contrast to the conditions in New York. Ten per cent. may be regarded as the maximum rate of the Bank of England, which was reached in 1850, 1864, 1866; for a very brief period. While in New York the

rate has frequently gone over 20 per cent and has even reached over 100 p.c.

These different conditions are exceedingly significant of the relative degree of confidence reposed in the resources and stability of the financial institutions of Great Britain and those in the United States. When money yields an unusually high rate in London there sets in a current of supply which soon reduces the rate to a lower level. No such movement on such a scale, is set going when money in New York becomes abnormally dear, and when the demand for money becomes very urgent relief is looked for from across the Atlantic, and even Canada does some little in providing funds to relieve a stringency in New York.

DEFECTIVE CIRCULATION MEANS BAD HEALTH.

The currency and banking system of the United States may be compared to the circulating conditions of a man whose heart at times is too weak to keep the blood flowing freely through all the arteries and veins of his body, hence, though there is sufficient for ordinary needs and purposes, there come periods when there is too sluggish a movement for health, and he becomes faint because the circulation of the vital fluid is obstructed. The Canadian currency and banking system is a striking contrast to that of the United States as is shown in the following description.

As an unlimited issue of paper money by banks has been decided to be inadvisable the maximum was fixed by the Canadian Bank Act at the amount of the capital paid up, up to which sum each chartered bank may issue notes. There are eminent authorities who regard any limitation of note issues needless when they are made redeemable in gold on presentation, because, they contend, when this condition exists, the instinct of self-preservation, the consciousness of there being danger in an excessive issue which is not fully provided for, would keep a banker from putting more notes in circulation than he could redeem at call. While this theory has some foundation, practical experience shows that there will always be some few bankers rash enough to take the risk of excessive issues, and the general interests of banking are served by a limit being fixed for the issue of notes.

THE CANADIAN BANK ACT

is based on the principle that everything should be done to make these institutions worthy of public confidence. No bank can be opened in Canada until \$500,000 has been subscribed and \$250,000 of this paid in cash, which money must be deposited with the Minister of Finance. He retains this money until certain organizing formalities have been observed, then, when he has found the subscriptions to be genuine, he returns the deposit to the new bank's representatives and a certificate is issued by the Treasury Board, that is,