

logical Survey of Canada is \$8,231,538, while the Ontario Bureau of Mines valuation is only \$1,866,059. Such extraordinary discrepancies in official figures will tend to undermine the faith which exists in Canadian departmental statistics. The discrepancy in this particular case is due to the difference in basis of valuation. The Survey values the nickel contents of the mattes produced by the Sudbury furnaces at the average price of refined nickel in New York, while the Bureau's figures represent the value of the nickel in the form of matte and at the point of production, as given by the producers. The Survey thus reckons the charges for transportation to the United States or England, the cost of separating the nickel from the matte, and probably also the profit arising from the whole series of processes to which the ore is subjected from mine to finished product, as part of the value of the nickel when it leaves Canada in the matte. It can readily be seen how this method of computation swells the aggregate value of the mineral production. The Monetary Times doubts very much if figures thus obtained fairly represent the value. The Bureau's compilation seems more fair, and, therefore, more accurate. This is a matter which might well be discussed by the provincial mines departments and the Dominion Government.

ENGLAND'S CRISIS.

The House of Lords has rejected the famous Lloyd-George budget in what they consider the most diplomatic way under the circumstances. This finance measure is of such a nature that they think the country does not endorse it. Therefore, it is needful to sound public opinion with the help of the general election plumb. However the method of rejection be described, the fact remains that the budget has been rejected. During the weeks prior to the election one of the most strenuous political campaigns ever known will be waged. Two weapons will be pictorial cartoons and class argument. The former is effective and not very harmful. The latter is deplorable and dangerous. Lloyd-George set a questionable example in his Newcastle speech when he pitted one social class against another. His remark that it costs as much to keep one duke as it does two Dreadnaughts is a sample of ill-timed and ill-chosen simile. The Liberal Government will fight largely on the rejection of the budget, and, therefore, to some extent the curtailment of the power of the House of Lords. In this way the popular vote will likely be gained by the Liberals. The Socialist party will naturally vote for the budget and the government. The Opposition will try to show that instead of improving conditions in England, the Government's finance bill, if passed, will drive capital out of the country. The present election may also be chosen as an opportunity to push the propaganda of the tariff reform party. The thoughtful men of the country may be the decisive element in the election. In the coming vote it would likely be found, if the information were available, that many men had voted against their party, that many thought to be protectionists had voted in favor of free trade, and vice versa. Those who are not tied up to party and party journals and who think for themselves will be a strong element in the situation.

The debate during the last few days in the House of Lords has proved that England's Senate is far from a state of decay. Shorn of its absolutely useless members, it stands out in history as a Chamber of deep thinkers, men of high intellect and foresight. The utterances of both Ministerial and Conservative sides of the House were noteworthy. The growing Socialistic tendencies, more in the country itself perhaps than in the House of Commons, and the manner in which the House of Lords considered the Finance Bill, are two excellent arguments in favor of the retention of the second Chamber. In a monarchy such as England, where the indi-

vidual's freedom is actually greater than perhaps in any republic, a second House is a vital necessity. Its method of formation in Britain and the precedent it has created by the rejection of the budget may be questionable, but the principle of a second Chamber has been maintained.

The least discussed feature of the whole affair is as to what has really led to the crisis. The maintenance of England's naval supremacy is costing money. It would seem that the real aim of the present government has been to solve by legislation the complex social problems of Great Britain. In this connection, the old age pension scheme is also accountable for considerable expense. To mitigate the intensity of the unemployment, old age, workhouse, drink and other problems, the legislation already passed by the government will mean greatly increased expenditure. Taxation was then the next consideration. What have hitherto been regarded as sacred pockets have been disturbed to help pay the bill. Whatever be the issue, the onlooker with a knowledge of conditions in England, can only hope that a real beginning will be made to solve England's social problems. If allowed to go unsolved, they may force Great Britain to play a role which will make a blotch in British Empire history.

GOVERNMENT BANK INSPECTION.

Mr. H. C. McLeod, general manager of the Bank of Nova Scotia, is an advocate of government bank inspection. In his position Mr. McLeod, a banker of repute, stands alone. Little support has been received from his colleagues, and in the meantime he has issued a pamphlet on bank inspection, and especially the necessity for external examination. Mr. Byron E. Walker thinks that neither government inspection nor compulsory audit can accomplish what trained bankers do. If either of these means would give substantial protection to the general public the bankers of Canada would not object to their inauguration. If government bank inspection would help the public sufficiently to compensate for the work involved, that inspection would undoubtedly be worth while.

We have such inspection for our insurance companies, but it has not proved a success. The tendency of government inspection is usually towards mercy. It is to the interest of a bank or a company to keep its head above water. Regarding some small insurance companies' failures, blue book figures have shown that the company was on the verge of collapse. Yet the government has seldom, if ever, stepped in and interfered. Usually it has been a case of building a gentle incline down which the company could slide out of existence by voluntary liquidation or otherwise.

Is there a man sufficiently strong in Canada to head an army of government bank inspectors? He would need to have the training of the best general managers in this country. He would require the mathematical turn of the chartered accountant and the instinct of the highest type of detective. He would want tact and diplomacy in full measure. His political nerves would have to be dead, and in case of emergency his inspection knife sharp and respect for personalities, absent. There is some doubt as to whether the right man could be obtained and the right object accomplished.

Mr. McLeod thinks that the remedy for the prevention of bank failure is the verification of the work of the general management. That remedy, he says, can be applied at the head office where the evidence is available on which the general management prepares the statements furnished to the public. It is well that this matter should be thoroughly discussed prior to the revision of the Bank Act. And it is to be hoped that the bankers of Canada will make public their views on the subject. One point should not be overlooked. While dishonesty usually meets grief at the end of the journey, it can deceive not only a president, a director or a general

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