

BANKERS' ASSOCIATION JOURNAL.

of this quarterly completes Volume XII. with the London "Financial Times" on a comparison of England methods. Concluding that in the way of explanation and rejoinder, more of the matter from the Governor, the and the twenty-four directors.

Mr. Rives-Hall's lectures on "The Bank of Canada" continues his "History of Canadian Banking" sketches of the careers of several banks. "The Bank of Trade" is dealt with by Professor Inconclusive article. He discusses the reappearance of an excess of im- is a sign of an unhealthy state of affairs. self the direction of the balance of trade interpretation. The best lines of development solve large exchanges with other countries, a large foreign trade necessary. The wel- is dependent upon itself and its people— plitudinarian might say.

Mr. Rives-Hall's lectures on "The Bank of Canada" continues his "History of Canadian Banking" sketches of the careers of several banks. "The Bank of Trade" is dealt with by Professor Inconclusive article. He discusses the reappearance of an excess of im- is a sign of an unhealthy state of affairs. self the direction of the balance of trade interpretation. The best lines of development solve large exchanges with other countries, a large foreign trade necessary. The wel- is dependent upon itself and its people— plitudinarian might say.

Eckhardt discusses some of the effects of corporation methods, and reaches the case of all the campaigns, and investi- his paper nearly all the results achieved of the small stock holding and investing

on stock transfers is examined exhaus- M. Cotton, who concludes that, although no means free from doubt, the tax is.

RING HOUSE RETURNS.

are the figures of the Canadian Clearing ending with Thursday, 26th July, and 3rd August, 1905:

July 26.	July 26	Aug. 3, 1905
27,877,460	\$27,268,505	\$27,837,802
21,425,262	20,932,118	18,520,503
9,725,502	9,449,786	7,847,051
1,684,926	1,699,579	1,997,152
1,680,194	1,536,356	1,280,026
1,203,280	1,239,819	1,076,002
2,197,905	2,412,448	1,669,761
592,154	850,947	3,116,956
1,731,945	1,593,117	1,718,360
2,719,254	2,572,606	2,674,438
1,025,820	1,035,200	1,005,282
595,346	984,230	nil
	662,578	nil

clearings for July were \$42,262,170, more than last July, and \$17,437,000

and Geo. A. Sharpe are starting at Cal- ing out 70,000 pressed bricks daily.

etail Hardware and Store Dealers' As- 14 members, made up of 158 in Mani- ewan and 54 in Alberta.

the creditors of the Paackenham Pork limited, Stouffville, Ont., which went years ago, will be paid in full.

Gazette gives notice that the Monarch has received a license for the transac- in Canada. The chief agent is Mr. T. oronto.

ocation of Credit Men have a special "keeping tab" on the insurance com- pany and liberally with the people of San tment of their losses."

Arnaud's report to the Department of on business in Newfoundland is a at of the American Consul, noted on Arnaud points out that while the gen- ny is very prosperous, the population 220,000, and that, therefore, the pros- e not illimitable. Foreign trade has tailed in recent years during the industries, all of which seem to be ition. Still, as only a small propor- ars to be adapted to cultivation, there nearly the whole of the food supplies

BRITISH POINTS OF VIEW.

Gold Reserves, Electric Traction, Financial Journalism and Insurance Methods.

(From our own Correspondent.)

Manchester, July 23rd.

Discussion of the adequacy of the gold reserve of this country is so persistent that one may suspect the activity of forces not apparent on the surface. Surely the Chancellor of the Exchequer has been dropping hints, privately as well as publicly, to leading bankers. The bankers are of one opinion as to the desirability of enhancing the reserve. They are at sixes and sevens as to means of doing so. The reluctance of the great joint stock banks to stand a share of the expense of keeping piles of gold in idleness is evidenced on all hands.

The matter is between the Exchequer, the Bank of England and the great public banks. They have their chance now to arrange the matter satisfactorily by nego- tiation, and possibly that will be done. But if it be not, and if it be shown that a larger reserve is an imperative need, then legislation must follow which will not neces- sarily prove more palatable to the recalcitrants than such terms as could be settled independently.

Those who may have an idea of employing an agent in England and of restraining him from competition after the connection is broken will find a recent legal decision interesting. A retail firm engaged a manager on the signed understanding that he should not engage in any capacity in any competing business within a radius of ten miles. Such agreements are common among our shop com- panies and between professional firms and their trusted clerks. A county court judge held that these covenants are invalid where the restriction is greater than is necessary to protect the employer's interest. Thus the warning is against the proposition of exorbitant restraints.

The inclination of amateurs is to look on proposals to electrify railroads as one of first costs. But the point is not merely one of cost per unit of current or of steam. Experience on the Liverpool-Southport line shows that seventy trains per day can be run where thirty-six ran before, that terminal accommodation is greatly economized, that traffic is encouraged by the saving of time, and that the earning power of the equipment is increased. So our engineers say that where an increased steam service can- not be given without widening lines, enlarging stations and using more engines—electric traction is to be pre- ferred. The advantage is relative to conditions, and is not inherent either in electricity or steam.

A glimpse of the seamy side of financial journalism was procured the other day when the affairs of the "American Mining, Milling and Smelting Company" were unfolded in the police court. This "mining company" wanted quotations of its shares, in which there was no free market and no Exchange quotation, to appear in the "Financial News." An advertising agent arranged the matter on the ordinary business basis, which is to say \$500 per annum. An article on the company was required in the same paper, and for a consideration of \$250 the agent also arranged that transaction. Moreover, in evidence he avowed his opinion that the proceeding was perfectly honest. How- ever that may be, the path was smoothed for a concern that kept no cash books, owned no mines, mills or smelters, and had not, in fact, paid the 180 per cent. dividend of the advertisements.

Crucial Element of Corruption.

Parliament insists on the inclusion of the word "cor- ruptly" in the new law of right and wrong as between prin- cipal and agent. It will not suffice to prove that your agent has sought or received presents or rewards. Cor- ruption must be shown, and before the case can be taken into open court a law officer of the Crown will need per- suading that there is ground for the accusation. If con- viction follows the penalties are fairly severe, and opti- mists hone that their moral effect will be considerable. On the other hand, those who are not ashamed to tell of their own complicity in commercial bribery say that legislation causes them no qualms.

Banking business in England converges closer and more closely upon London, and in Germany the drift is all towards Berlin. Returns recently issued show the first nine banks of that centre to have a capital of \$222,000,000, reserves of \$57,500,000, and net earnings of \$24,500,000. In last year's records the Deutsche Bank was in all things first, and its dividend was 12 per cent. The average divi- dend of the next eight was 7.84 per cent., five banks dis- tributing 8 to 9 per cent., one 7 per cent. and two 6½ per cent.

Satisfaction with the doings of directorates of English life offices is not quite universal. When a mutual office merges its identity in another, policyholders ask whether the officers had a right to keep further generations out of the good things amassed by early members. When a pro- prietary concern—like the Star—sinks into the bosom of

the United Kingdom Temperance Office, angry policy- holders contend in the newspapers that the shareholding interest gets the better of their own. Had the Star board contented itself with less and given customers more bonus at the 1898 and 1903 valuations, it is said that subsequent years would have been less unsatisfactory in results.

Both Sweden and Canada are producers of butter, and both have an import tariff upon the article. The Do- minion's is four cents a pound, and Sweden's approxi- mately three cents, and in so far the circumstances of the pair are similar. Mr. Consul Duff, of Gothenburg, reports a curious consequence of the Swedish taxation. The tariff "acts as a premium in favor of second-class butter." The British market sets the standard of value for prime sorts, and the tariff is powerless to affect that price. It suffices, however, to check importation into Sweden of Finnish and Russian produce, and the Swede gets approximately the same price for poor butter at home as for good butter ex- ported. He has, therefore, little encouragement to follow the best methods.

Wonder has been expressed in Canada that our Gov- ernment department has one law for life and another for fire insurance companies. Life offices must make deposits and publish specified returns because their contracts are for life, or for long terms of years, and failure of an office perhaps sweeps away the savings of a lifetime. The fire contract, being annually renewed, is one that may be revised and safeguarded frequently, and the motto, "Caveat emptor," is held to appli- therein with more force.

ERA OF JAPANESE EXHIBITIONS.

Having disposed of the Russian menace to their ex- pansion, the Japanese are going ahead with all sorts of businesslike propositions. For propaganda purposes the Government has granted subsidies to ten technical colleges for the inculcation of weaving, porcelain manufacturing, dyeing, and almost every skilled occupation known in that land.

With the same ultimate end in view a great exhibition is projected at Mukden to show the slow-going dwellers in Manchuria what the Japanese can do in peace as well as in war. Newspaper reports indicate that arrangements for the event have been concluded, but official commencements are not yet forthcoming.

There is to be a great industrial exhibition at Tokio from March 20th to June 20th, 1907. The National Expo- sition is expected to take place next year also. It was originally intended to be held once in four years, and, though during the last two years the Japanese people have been engaged otherwise than in promoting shows, there is reason to believe that great effort will be made to prove that the fight with Russia has not effectively depleted the national capacity for this kind of thing.

Japan may not become such a consumer of British Columbia lumber as was at one time expected. The Japanese "Times" declares that a vast forest of cypress exists in Formosa. The amount of timber obtainable from it is almost beyond computation, for most of the trees are five feet in diameter, and many of them twenty-four feet. The Governor has granted the forest to a private concern, which will enjoy the services of two experts taken from the Gov- ernment Forestry offices—quite in the fashion to which we are becoming accustomed.

Japanese savings banks had 6,033,851 depositors in May, an increase of 114,362 in a month. The total amount deposited was 34,501,431 yen, or \$27,250,715.

GROWING COMMERCE IN WOOD FLOUR.

In the report of Commercial Agent Sontum, who writes from Christiania, there is a suggestion of a possible by- product of Canadian lumber mills:—

A product, for which there has been a steadily in- creasing demand abroad, is wood-flour. While as late as 1900 it was not the subject of special mention in the official Norwegian statistics, the figures for the following years show a very large increase. The export has been:—

Year.	Weight. Lbs.	Price per 220½ lbs.
1901	245,027	\$1 07
1902	345,136	1 07
1903	782,870	1 07
1904	2,888,226	1 20
1905	5,292,980	1 20

The principal part of this has been exported to Germany and England, where it is used by the oil cloth factories, partly also by dynamite factories. The wood-flour is, as a rule, shipped in sacks of 220½ pounds net each. There have been built in Norway during the last few years several fac- tories for the production of wood-flour; but many of them have been burnt down, very likely, by self-igniting, so par- ticular care is required in the manufacturing of this article.