Bank System Of Canada

Termed the Best In the World by Those Who Are Experts on Matter.

Automatically Adjusts Itself to Requirements of Every Part of Dominion.

(By L. Stewart-Patterson in Journal of Canadian Bankers' Association.)

Of late years the Canadian banking system has met with no small share of attention on this side of the line, and papers are frequently read at the various bankers' association meetings on our system; it was, therefore, with a good deal of diffidence that I accepted the honor of addressing you on such a hackneyed subject, not only because I follow more able and eloquent exponents, but because of the difficulty of taking it out of the plane of monotonous repetition.

I will first inflict on you a little history, because I wish to lay particular stress on the fact that our banking system has been evolved, not made, that it has grown up with the country, suffered with it, prospered with it, and since confederation has been the sturdy hand maiden of commerce and agriculture; the careful decennial revisions of the banking laws keeping it continually in touch with Canada's constantly altering conditions and requirements.

From 1608 to 1760 is generally known as the "New France Period,' 'and is famus principally for its "card money." This was actually made from ordinary playing cards, signed by the intendant and the clerk of the treasury, with the crowned fleur de lis impressed in wax, presumably secured by expected remittances from Old France. This form of money was scandalously over issued with the usual disastrous effect, yet for lack of a better circulation medium it was used in a more or less modified form until the capitulation in 1760, when it was then at a discount of 60 to 70 per cent .

1760-1791, British Occupancy.—Country without paper money. Coins of various countries used as legal tender. Government imported and paid out large quantities of Spanish dollars at 4s. 6d. dollar, or $4.44 4/9 per pound, the old par of exchange.

1791-1812. — Representative government was established in 1791, but all attempts to obtain charters for banks of issue were unsuccessful.

1812-1817.—War with the United States. Imperial army bills came into general use and passed freely as legal tender to the marked benefit of the colony.

1817-1867.—The present Canadian banking system practically originated in May, 1817, when the Montreal Bank, now known as the Bank of Montreal, was founded, and was followed by the establishment of other banks under charter from the various provinces.

1867-1905, Dominion of Canada. Charters now issued by the Dominion, instead of the provincial governments. By the Bank Act of 1871 the duration of a bank's charter was practically limited to ten years, and we find decennial renewals concurrent with the decennial revision of the bank act in 1880, 1890, and 1900, under the latter act we are now working. Such revisions are neither made by theorists nor tainted by political expediency, the ablest men in the country are consulted regardless of politics, lawyers, merchants, bankers, and others equally well qualified, all contribute their criticism and advice to the best interests of the country and its advancement, and thus with little or no friction, the measures are fully debated, and when finally passed, are acceptable to all interests.

The present Canadian Bank Act has over 100 clauses, and stipulates that a new bank must have a subscribed capital of at least $500,000, with not less than $250,000 paid up and deposited with the government as a pledge of the bona fide nature of the undertaking; this is, of course, returned when the charter is finally granted or refused. The liability of a shareholder is limited to as much again as the paid-up value of his shares. This is called the double liability. No dividend must be paid out of capital, or exceed eight per cent., until the reserve equals one-fifth of the capital. Monthly statements are compulsory, showing the exact position of the bank's affairs, and these are published in the Official Gazette as well as by the press; a full list of shareholders is also submitted to the government and published by them annually, and subjected to the keenest scrutiny by the other banks and the public. Every chartered bank in Canada publishes twelve monthly and two semi-annual statements a year of their detailed assets and liabilities, all of which are subjected to the most searching investigation and criticism of thousands of bankers, investors and others, who are thus afforded not only a close insight into the position of each bank, but a bird's-eye view of the whole financial condition of the country, a most important feature in a national banking system.

My time being limited, I will confine myself to the two distinctive features on the Canadian banking system—that of note issue and branches—a combination which has not only aided materially in the wonderful progress of the country, but has placed ours among the first banking systems of the world.

Three or four years ago President Stickney, of the Chicago, Great Western Railway Co., asked the American Bankers' Association "How it was that a narrow fringe of population on the borders of the Arctic Circle was practically unaffected by the serious panics and financial disturbances to the south of them, and were able, not only to move their own crops, but a great part of the American crops, and lend millions on the New York money markets with the utmost ease, while the great American nation, with all its wonderful wealth and resources, looked helplessly on." It is this question that I am going to do my best to answer in part in explaining the note issue and branch system of that "narrow fringe."

There are in Canada today thirty-two chartered banks, some of them having over 100 branches scattered throughout the Dominion, receiving money in Dawson City today and lending it out in Halifax tomorrow, endlessly working to remove money where it is plentiful to where it is most needed; in other words, by this system, money always finds its own level, and the merchant in Victoria, B. C., pays practically no more for his banking accommodation than his confrere of equal standing in Montreal.

I will now try and give a practical illustration of how the branch system actually works in distributing the wealth of the country evenly. A bank, say, has two branches in two towns; it is immaterial whether only ten miles or 2,000 miles apart; Dullville is a comparatively wealthy town, with a population composed in great part of retired merchants and farmers, with practically no industries, and with little or no enterprise; the deposits here are heavy, with no demand or outlet for money in the town. Workville, on the other hand, is a bright little manufacturing town, with all its private money invested in its constantly increasing industries, and the branch here receives but meagre deposits to meet the heavy demand for advances; now, here is where the branch system steps in and enables the Workville branch to use the surplus funds of Dullville, and thus supply the legitimate requirements of its customers, to its own profit and the benefit of the town. If you can imagine this principle working every day in hundreds of branches throughout Canada, 10, 100 or 1,000 miles apart, and yet each as intimately interdependent on each other as the above, you will realize the wonderful financial system we have evolved in our midst. A branch till is like the widow's cruse of oil, you can never empty it, nor yet, on the other hand, can you cause it to overflow.

In round numbers there are about 14,000 banks and trust companies scattered throughout the length and breadth of this great country of yours, each carrying an account in a New York bank or other central reserve city. Fourteen thousand varied opinions on the financial situation, and all looking askance at their neighbor and the New York money market, basing their criticisms and opinions in great measure on the weekly statement published by the clearing house banks in New York, which not only forms a poor criterion of the financial condition of the country at large, but even of New York city itself; and all this with no possible chance of united action to avert financial disaster or panic in the country.

Contrast this "splendid isolation" of financial interests with Canada, whose territory, though is even larger, is so thickly populated, yet, in case of emergency, twenty-four hours will suffice to bring the managers of our thirty-two banks to Montreal, and their united counsel and experience can forefend the anticipated trouble, and, if necessary, they could in a few hours cause every branch in Canada, from Dawson City to Halifax, to act in unison; and, mind you, it would be united action in fact, there would be absolute obedience to the order telegraphed. We can hardly imagine a panic with a system under such perfect control. Consider, too, the personnel of such a council as mentioned above, men trained from their youth up in the profession, as only such a system can train; in their early years moving from branch to branch throughout Canada, and thus becoming thoroughly versed in local customs and environments, and in many cases gaining experience in foreign branches in Europe, United States or West Indies. Later on we find them as accountants and managers of large city branches, until finally, as general managers, we see them with their finger on the pulse of the country, receiving daily advices from their numerous branches, comprehensive, if not exhaustive, of the financial conditions of the country at large. Our general managers are well known all over Canada, and have the friendship and respect not only of all our own prominent men, but also of all the leading financiers of the States and England, and the banks can claim a truly national character, if not international. I think I have now said sufficient to satisfy you as to the advantages of the branch system over isolated banks, and I will now pass on to a consideration of the note issue, which is intimately connected in its successful working with the branch system.

By the Bank Act, Canadian banks are allowed to issue notes of $5 and multiples, up to the amount of their unimpaired paid-up capital, against the general security of their general assets, on which they form the first lien. As a further security, and to avoid discount at the moment of suspension of a bank, each bank is obliged to keep a deposit with the government equal to five per cent. of the average circulation of the month. This is called the bank circulation redemption fund, and notwithstanding the almost impossible happen, this is, of course, returned when the charter is finally granted or refused. The liability of a shareholder is limited as much again as the paid-up value of his shares. This is called the double liability. No dividend must be paid out of capital, or exceed eight per cent., until the reserve equals one-fifth of the capital. Monthly statements are compulsory, showing the exact position of the bank's affairs, and these are published in the Official Gazette as well as by the press; a full list of shareholders is also submitted to the government and published by them annually, and subjected to the keenest scrutiny by the other banks and the public. Every chartered bank in Canada publishes twelve monthly and two semi-annual statements a year of their detailed assets and liabilities, all of which are subjected to the most searching investigation and criticism of thousands of bankers, investors and others, who are thus afforded not only a close insight into the position of each bank, but a bird's-eye view of the whole financial condition of the country, a most important feature in a national banking system.

The note-holder is amply protected therefore: First, by the total assets of the bank. Second, by the five per cent. redemption fund. Third, by the double liability of the shareholders. Fourth, by the entire redemption fund.

The amount of circulation at the end of May, 1905, was about $59,000,000 for the whole of Canada, and to meet this, in case of trouble, the banks could show: Total assets, $739,000,000; five per cent. redemption fund, $3,300,000; double liability, $82,000,000; or nearly $70 assets for every $5 note issued. Penalty for issue over paid-up capital ranges from $1,000 to $100,000. Notes of failed banks bear interest at rate of five per cent. per annum from date of suspension until redeemed either by liquidator or government.

It may perhaps occur to you why should all this precaution be taken to protect the note-holder, as against the principal creditor, the depositor, but you will recognize an essential difference between note-holders and depositors, the former being an involuntary creditor, and the latter a voluntary. The depositor becomes a creditor of his own free will for his own apparent benefit, and exercised his own choice in the selection of a bank. The note-holder, however, received it in good faith, in payment for labor or merchandise, and has to be protected fully. A note issue, to fulfil its best and most useful functions, must be absolutely and without question as good as gold.

All the banks are required to insure the circulation of their notes at par in every part of Canada. This is effected by requiring each bank to have known redemption agents in the cities of chief commercial importance, namely: Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg and Victoria. Every bank, therefore, takes all bills at par and forwards them to the nearest branch or redemption agent of the bank of issue, hence every day, all over Canada, the banks receive a severe test as to their ability to redeem their circulation, no matter how freely offered for redemption. This fact forms one of the strongest advantages of our note system, and makes the circulation perfect and free from stagnation. It is in fact a prototype of the circulation of our own bodies, the bills forming the life blood of the country; leaving the heart, or bank of issue, they flow through the main arteries of commerce and trade through Canada, returning by the veins of the redemption system to the bank of issue, there cleansed from soiled and mutilated bills and again sent out to their allotted task; changing in velocity and volume of circulation as the activity or requirements of the country demands; and as the pulse tells the doctor the condition of his patient, so does the pulse of the circulation tell the experienced banker the prosperity or otherwise of his country.

Before going further I must impress on you the fact that in theills of its own bank, a note has absolutely no value, except as stationery, any more than your own note has to you after you have paid it. So that every bank can carry a good supply of its own notes at every one of its branches without the least expense. A bank, say, with a paid-up capital of $3,000,000, and only $2,000,000 in circulation, could lend or pay out $1,000,000 more in any part of the country requiring it, and so the circulation expands and shrinks according to the wants of commerce. It will expend to pay for butter and cheese, to move the crops, to pay for lumbering operations, here, there and everywhere, and contract silently when it has performed those respectiv duties, and all this without the least disturbance of any of the bank's other numerous functions or obligations. You will now see how a deposit can be made or a loan paid in Montreal and loaned again in Vancouver, the same day without the transference of the actual cash itself.

In every country, more especially every new country, where the agricultural interests are naturally preponderent, the alternations of the seasons, the rotation of the various crops and other agricultural products have a marked influence on the currency requirements of the nation. Thinking it might prove of interest to you, I have prepared a table showing how absolutely and simultaneously Canada's currency meets these sudden demands, and now with equal ease the circulation returns when its usefulness is over.

Note issues in no uncertain tone of "something doing"; in the early part the lumber drivers, if all has gone well, are paid off; payments for dairy products commence their upward swing, and constant activity prevails throughout the newly awakened land.

July, strange to say, shows a falling off, the bills paid out in the previous month for lumber return as in April; circulation paid out for butter and cheese during June is used to discharge the winter store bills by the farmer; factories are closed down for repairs and stock-taking, and the steady circulation of pay days assert itself by its absence.

August recovers bravely, butter, cheese and hay and all manner of fruit and vegetables for canneries and table use, call busily for currency, and with increased momentus join issue with the cereal crops in September, culminating in the highest point of circulation in October. In November the steady return commences and continues all through December and January.

It is impossible to detail all the influences that affect the circulation, but roughly I think I have covered the most important. A late winter, such as we had this year, will, of course, affect the amount of the spring differences slightly, as will late crops or a holding for better prices affect the fall. But on the whole the months run either as an increase or a decrease concurrently for each year. A glance at the movement of the national bank currency shows no such seasonal rise and fall of circulation, it shows, it is true, a gradual rise every month, denoting new banks or other causes besides that of public polity. If I may be pathoned the metaphor, your circulation can be likened to the gentle undulating uprise of the foothills, vaster in bulk and more unwieldly than the clear cut and abrupt rise and fall of the mountains themselves, to which a diagram of our own frequent fluctuations bears a close resemblance.

To sum up, I hope I have demonstrated why the Canadian system of bank currency has been accorded such a high place among the currency systems of the world, not only on account of the absolute safety to the note-holder, but also on account of its elasticity in meeting every need of national life and commerce. The unfailing reciprocal payment of each others notes at par, by banks all over the Dominion, followed by prompt redemption, renders unhealthy inflation an impossibility, while the automatic expansion of the circulation, whenever required, or called for, by the exigencies of agriculture and commerce, from no matter what part of the Dominion, has been no mean factor in making Canada what it is today.

Volume of Circulation of Canadian Banks in Millions, 1901-04.

	Jan.	Feb.	Mch.	April.	May.	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.
1901	77.9	76.8	78.7	78.9	78.5	78.3	77.1	77.8	78.4	79.1	80.4	82.5
1902	79.7	77.9	80.9	81.7	82.1	82.2	81.2	81.9	82.6	83.4	84.7	86.2
1903	82.1	80.7	83.3	84.6	85.3	85.4	84.1	84.8	85.7	86.9	87.4	89.4
1904	85.3	83.7	86.7	87.1	88.7	89.1	87.7	88.4	89.4	90.2	91.2	94.5

Difference Over Previous Months in Above.

	Jan.	Feb.	Mch.	Apl.	May	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.
1901	.....	1.1	1.9	1.7	.4	.2	1.2	.7	.6	.7	1.3	2.1
1902	.....	1.8	3.0	2.8	1.4	.1	1.0	.7	.7	.8	1.3	1.5
1903	.....	1.6	2.6	1.3	.7	.1	1.3	.7	.9	1.2	.5	2.0
1904	.....	1.6	3.0	.4	1.6	.4	1.4	.7	.9	.8	1.0	3.3

Volume of Circulation, 1891-94.

	Jan.	Feb.	Mch.	April.	May.	June	July	Aug	Sept.	Oct.	Nov.	Dec.
1891	31.9	32.	32.5	30.9	31.5	31.4	32.6	32.8	33.3	35.1	36.2	36.3
1892	32.7	32.7	32.7	31.4	31.4	32.5	32.5	32.8	33.3	35.7	37.1	38.4
1893	30.5	30.6	30.6	29.7	30.6	30.8	29.6	30.2	30.1	30.9	31.1	32.3
1894	30.1	30.1	30.7	30.6	31.1	31.7	31.1	31.3	31.8	32.8	34.4	35.6

The first part of the table shows month by month in millions the volume of circulation since 1901, steadily increasing year by year, but fluctuating unerringly in the same direction in the corresponding month of each year.

The second part of the table shows the difference of each month over the previous month, and demonstrates the inexorable law of seasonable demands. The third table shows the volume of circulation ten years ago, 1891-94, and, though not worked out into differences, shows the seasonable requirements equally regular, thus:

Looking at the second table you will notice that circulation is at its lowest in January, when little or nothing is doing in the country, and some five or six millions are redeemed. February shows a slight output, principally advances to small independent jobbers by the large lumber companies.

March again calls for an increased issue; large lumbering camps are being paid off, sufficient men for the drives being only retained.

April most of this circulation returns, by lumbermen depositing it or paying up the family bills for the winter at the stores, or in many cases, I am afraid, spending it not so wisely.

May, the spring month, is more or less undecided and shows a general average of inertia.

June speaks in no uncertain tone of "something doing"; in the early part the lumber drivers, if all has gone well, are paid off; payments for dairy products commence their upward swing, and constant activity prevails throughout the newly awakened land.

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COMMON ERRORS.

Who does not make errors in everyday speech? As a matter of fact it is very unusual to find any person whose use of the English language is absolutely correct. The following are examples of some very frequent errors or faulty expressions often heard:

"Let you and I go"—should be "you and me."

"I am as good as her"—should be "as she."

"You are younger than me"—should be "than I."

"Come to dinner with John and I"—should be "John and me."

"Between you and I"—should be "you and me."

"Where are you going? Who? Me?"—should be "Who? I?"

"Who do you see?"—should be "whom."

"If I was her"—should be "If I were she."

"Was it him?"—should be "Was it he?"

"Who was it by?"—should be "whom"

These examples of "Faulty Diction" are so common that many people look upon the improper form as being the correct one, and Thomas H. Russel, L. L. B., editor-in-chief of Webster's Imperial Dictionary, has done the public a great service in having twritten the new book, entitled "Faulty Diction, or Errors in the Use of the English Language, and How to Correct Them," which the publishers have, by printing it on thin Bible paper, succeeded in getting into what may be called Vest Pocket size.

Illustrating the comprehensive treatment that has been given the subject by the author, there are 1917 heads treated in the book, under some of which —"plurals" for instance—over fifty errors that are not at all unusual are to be found illustrated and corrected.

It is rarely one's good fortune to become possessed of so valuable a book, and especially one so compact and of as much general interest. It is handsomely bound in Russia leather and will be sent postpaid on receipt of 50c to any address by Geo. W. Ogilvie & Co., publishers, 169 E. Randolph St., Chicago, Ill. They will also publish the same book in cloth binding and will send a copy of it in that style on receipt of 25c.

CONFIRMED IN SEAT.

Yukon Election Protest Is Thrown Out of Court.

A special despatch to the Seattle Post Intelligencer dated Dawson, Nov. 14, says: Judge Craig today handed down a decision which confirms Dr. Alfred Thompson as a member of parliament from the Yukon. Thompson ran on an independent ticket, composed of conservatives and dissatisfied liberals. Thompson was elected by an overwhelming majority.

John Grant, former mayor of Victoria and supporter of Congdon, protested the election. The court rules Grant failed to prove his status as a registered voter and dismissed the case. The case is open to appeal.

Aime Sylvester fell by the wayside on the trail between Glacier and Dawson and froze to death. She was a native of Stanfeld, Quebec, aged 36. A brother is attached to the government timber service.

Joe Davidson, a layman on Hunker creek, commited suicide by shooting himself with a revolver Saturday. He was a native of Sprout, Va., aged 37.

A woodchopper named Glass, aged 37, was killed on the Little Salmon by a load of wood falling upon him. He was a Russian Jew from near Riga. Relatives live in the States.

The river is not yet solid. Ice moved Saturday night, carrying barges and scows down Sunnydale slough 200 feet, and taking one barge belonging to the N. A. T. Company into the main river.

FINLAND WINS HER LIBERTIES.

One of the happiest results of the present crisis in Russia is the restoration to Finland of its ancient liberties, of which it had been deprived by the Czar. After peaceably submitting for years to the despotism of Nicholas II., and giving to the world the idea that they would never strike a blow to free themselves, the Finns have seized the psychological moment for an armd demonstration. They tied up the railways, drove the Russian soldiers out of their capital, and then sent a peremptory demand to the Czar. He yielded at once, and today Finland finds herself free to enjoy greater liberty than has ever been her portion. It is true that the Czar may break his promises, but it is also true that so much of his power has been shorn that what remains will not suffice to coerce Finland. It is not likely that any such attempt will be made, for there is no element in Russia more important to that nation's strength as a fighting power than the Finns. They alone of the polyglot population are natural seamen, and if the Russia of the future is ever to have a first-class navy it must be recruited in Finland.

The Story of Finland.

To follow the course of the Finnish trouble, now happily a thing of the past, it is necessary to go back only seven years.

Emperor Nicholas, in 1898, chose to break faith with a portion of his people who had been among the most loyal adherents of his family for 90 years. The Russian explanation is that the Russian idea, held in check for nearly a century, so far as Finland is concerned, at last burst the artificial restraint put upon it by Alexander I., and rushed forward to fulfil its destiny. The facts are not in doubt, however much though their interpretation may differ. In 1809 Sweden ceded to Russia the Grand Duchy of Finland. Alexander I., Emperor of Russia, a just and humane ruler, as well as a far-seeing statesman, formally guaranteed that the constitution of Finland, which, under Swedish rule, had always been respected, should remain unchanged. Practically every liberty of a sovereign State was thus assured the little dependency, which, undisturbed by politics, turned its attention to agriculture, to commerce and to art. For generations after, whenever a Russian was reproached with his country's tyranny, he would point triumphantly to happy Finland, prosperous, cultivated, loyal, and free. Education, especially, reached a high plane, the University of Helsingfors being famous all over the world. Finland, the free, developed a national literature, and intellectually greeted her sister nations, receiving their welcome.

Prosperity Breeds Jealousy.

So ran smoothly events in Finland till 1890, when the jealousy of other sections of the vast empire, growing bitter as Finland waxed prosperous, found a vent in the semi-official press. Of the attacks which were then made on Finland the London Times said: "Press attacks on the Poles were mild compared with those on the inoffensive Finns." Never for a month since then have these attacks ceased or moderated. Fearing lest some inroads should be made on its rights during this season of villification and insult, the Finnish Diet appealed to the Czar, who ratified the ancient constitution and relieved Finland's fears. The attacks in the press did not cease, however, and in 1898 came the famous declaration. The Czar deliberately ignored the venerable constitution, and announced to Finland that in future only such affairs would be managed by the Diet as his Majesty chose. The Grand Duchy, which had hitherto maintained a small standing army, was ordered to quadruple its numbers and send them as conscripts to the Russian army; the term of enlistment was increased from three to five years.

A Peaceful Protest.

The service was to be lightened for Finns who could speak, read, and write Russian, and Russians were to serve in the Finnish, as well as Finns in the Russian army. In short, Finland was to "knuckle under," abandon her absurd ideas about a distinct national existence, and take her place beside Poland. At once a peaceful agitation was begun to induce the Czar to withdraw his ukase. Petitions were sent to St. Petersburg. Nordenskjold, the great explorer, presented one of them. Literary and scientific men all over the world showed their appreciation of the work of Finnish philosophers and professors by sending a petition to Nicholas on their own responsibility. It was signed by 1,500 famous names, including those of Lord Lister, Owen Meredith, Herbert Spencer, Zola, Flammarion, Virchow, and Mommsen.

The Depopulation of Finland.

All was of no avail, and the work of conscription went forward. Lacking the sangulnary nature of the Poles, the Finns did not signalize the conflict by an armed resistance. They either submitted quietly or left the country. Emigration increased tenfold in one year, and thousands of patriot Finns flocked to Canada and the United States, where they have become valuable settlers. In the past year or two the Russians have redoubled their efforts to subdue Finnish dreams of liberty. Patriot Finns have been subjected to the most outrageous persecution. They have been ruined in business, arrested without charges, and imprisoned without trial. Governor Bobrikoff developed a perfect mania for squalid persecution. Then came his assassination last year, and for a moment it appeared that the long patience of the Finns was at an end and that they would at last burst into armed revolt.

The Wisdom of Waiting.

This they did not do, although the war between Russia and Japan seemed to offer a rare opportunity. Events have proved their wisdom in waiting. A premature outbreak would have left few Finns to take advantage of the better opportunity presented last week. Unfortunately, there have been divisions among the Finns themselves, and these must now be abolished if the duchy is to reap the full benefit of the present situation.

Martial Law And A Dictator

Quiet at St. Petersburg But the Authorities Prepared For Extremities.

Report That Grand Duke Would Take Helm Caused a Panic.

St. Petersburg, Nov. 17.—(2:35 a. m.)—Although the industrial tie-up in St. Petersburg yesterday was even more complete than it was Wednesday, and though no break has been manifested in the ranks of the workmen, and strikes have broken out at Moscow and Reval, the most important feature of yesterday's developments was the failure of the walkout to spread generally outside the capital. The movement apparently lacks the spontaneity and contagiousness of the last great strike, which broke out at Moscow and despatches received from the industrial centres of Russia up to this hour show little inclination on the part of the workmen to take up the cudgels in behalf of Poland. The factory strike at Moscow, which has assumed considerable proportions, probably (45,000 men being out), has no direct connection with the St. Petersburg walk-out, and despatches from the railway companies states that the men received the request from the St. Petersburg committee today.

The whole great network of railways centering in Moscow, except the St. Petersburg line, is still in operation.

At Reval the employees of the railway shops struck today, but the reasons for the strike are not known.

At St. Petersburg, yesterday passed with complete order. The strikers forced the (closing of Moscow railroad station) yesterday, stopping outgoing traffic for Moscow, and at 10 o'clock last night they finally succeeded in closing the electric station, and in cutting off light from the city.

Committees were sent to all the theatres and succeeded in stopping the performances in progress and in outlying districts they went from store to store ordering them to close and threatening destruction of their stocks if they refused. The action of the strikers with regard to the drug stores is a striking contrast with the course pursued in Finland where the druggists were directed to remain open.

Termination of Strike

At a meeting of the strike committee last night, the question of the termination of the strike was not brought up but many of the delegates it is said expect the strike to end Saturday. At the meeting the workmen were asked to distribute one percent of the wages for a strike fund. There is no betterment of the Agrarian districts. Despatches from Kurks, Poltava, Riazan, Samara and other provinces continue to report the spread of disorders which in Poltava are taking an anti-Jewish turn.

However the imperial manifesto regarding the distribution of the crown domains which by strenuous work was finished last night will be issued early this morning and the Emperor and Count Witte hope it will tend to pacify the peasants and will have an important tactical effect on the coming struggle with the socialists and other anti-government forces in the elections for Douma.

A panic prevails on the bourse today as the result of a rumor that the Grand Duke Nicholas Nicholavich, commander of the imperial guards, had been appointed military dictator. There was a stampede of holders of industrial, who hastened to unload. Government lotteries fell 25 points to 400, and imperial fours dropped to 83½, a lower point than touched at any time during the war.

A false emperor has suddenly made his appearance near Penza, and already his followers number 50,000. This is the startling report received this afternoon in a despatch from Simbirsk. Penza is the heart of the vast region extending westward from the Volga, where agrarian uprisings on a large scale have occurred, and if the report turns out to be true that the pretender to the throne has placed himself at the head of the peasantry, the government will soon face, beside the other troubles, a formidable agrarian rebellion.

Rumors are circulating this afternoon that the ukase on the land question will be issued tonight.

There was an immense meeting of workmen and Polish sympathizers at the new theatre on the Moika Canal this afternoon. An overflow meeting was held outside.

At 5 o'clock this afternoon the electric lights failed and the city was plunged in darkness.

The Moscow railroad employees joined in the strike today.

Yesterday's meeting of the ministers at Count Witte's residence in the annex of the winter palace was prolonged until 3 o'clock this morning. After it ended Count Witte decided to make a personal appeal to the workmen, and drafted the following, which was sent to the factories, halls and other works, to be posted throughout the industrial section:

Appeal to Workmen

"Brother Workmen: Get to your work. Cease making disturbances and have pity on your wives and children. Do not listen to bad advice. The emperor has instructed me to devote special attention to the labor question. For this purpose His Majesty has created a ministry of trade and commerce which must especially seek to establish just relations between workmen and employers. Have patience. All that is possible will be done for you. Listen to the advice of a man who sympathizes with you and wishes you well. (Signed) Witte."

When the above appeal was read to the workmen at the Westinghouse works the leaders replied: "Witte promises us a soft bone, but in the meantime we must sleep on a hard one."

Like the workmen of other factories, the Westinghouse employees informed the manager that the strike would proceed until Saturday, when it would be decided whether to continue it or call it off.

FISHERIES COMMISSION.

Departmental Officer at Port Hammond Gives His Views.

At the session of the commission at New Westminster on Wednesday, J. J. Wilson, fisheries officer at Hammond, was the first witness. He said it was about 27 miles to Haney from the mouth of the river. At Haney he found there were plenty of fish at 6 o'clock Sunday night, and by Monday morning the nets there might as well be hung up. Not more than 10 of the 27 miles could be fished on account of narrow channels, obstructions, etc. The length of net was sufficient and satisfied the fishermen. Some used nets 110 meshes deep. The fish could always pass along the shores. At no point was it possible for the nets to block the river. Or most of the week nets blocked the river at its mouth, and that affected the fishing up-river. There were too many nets anyway. One entrance to the river should be kept clear. If the weekly close seasons were extended from 6 a. m. Mondays the fishermen above the Westminster bridge would not catch any, for those which had passed the mouth of the river Saturday would have passed above the Mission bridge and the number of nets at the mouth of the river, say after 6 p. m. Sunday, stop any more ascending. As far as he knew twelve fishing boats was the largest number towed as far as Barnston Island by tugs. Between Whonnock and Bon Accord there were 70 boats this season; not over twenty boats above Whonnock. Between Westminster and Mission bridges there were 150 boats, but most of them were compelled to fish below the bridge. He had been 22 years on the river and 9 years in the service. As to the settlers along the river, most of them bought Dominion lands at $160. He had fished on the Columbia River and was attracted by the chance to take up a homestead along the Fraser River. There was a good deal of waste of fish. Fishermen on contract with canners were limited to 200 fish per day, yet this season he knew instances where such canners would only take 100 fish, and the fishermen had to throw the other 100 away. The trout season was at the wrong time of the year; the trout was the greatest enemy of the salmon.

To Commissioner Brown witness said that when officers examined licences on the river there was nothing to show whether the holders were British subjects or not. Anyone could apparently use a canner's licence. He would be in favor of not allowing any cannery licences. There was an early run of sockeyes, in April or May. One year Mr. Ewen caught 10,000 and he maintained they formed a regular yearly run, but as only spring salmon nets were in use there were not now netted. He believed Mr. Babcock in his report called them silversides or cohoes. But this run did not go much higher up than Coquitlam River.

Philip Jackman had been on the river for 47 years, and a fisheries officer for 5 years. Since the use of deep nets began there were no fish up-river all through the week as there used to be, and only at the first of the week when a limit had been put on the fishermen at the mouth of the river. If shallower nets were used at the mouth of the river, more salmon, also sturgeon, would get up river.

SENATOR IN DISTRESS.

Lumber Carrier from B. C. Reports Loss of Deckload.

British ship Senator, which sailed from Hastings mills at Vancouver on May 31, for East London, has arrived at her destination after a long passage, damaged by storms encountered en route. The British ship, a vessel of 1,589 tons, commanded by Captain Kinney, had part of her deck load washed from her deck and was also forced to jettison part of her deck cargo. The Senator had on board nearly one and a half million feet, to be exact, 1,484,788 feet, valued at $13,200. She received a rate of 52s. 6d.

Use Lever's Dry Soap (a powder) to wash woolens and flannels,—you'll like it. 32

Up Against a Hard Proposition

Status of Victoria & Sidney Railway Bothering the City Council.

Market Building Being Occupied by the Company Free of All Rent.

Several of the aldermen are endeavoring to find the present status of the president's failure to pay the instal Victoria & Sidney Railway. The question was raised at a recent meeting of the board and the opinion was advanced that some action should be taken.

In the agreement which was passed between the city and the railway company, Clause No. 1 made it compulsory on the part of the company to construct, operate and maintain a line of railway over the streets of Victoria to connect with the terminus of the Esquimalt & Nanaimo Railway, and to make contracts and other agreements to transfer passengers and freight with the companies operating the two lines of railway.

Clause B compelled them to build and operate a ferry between the present or any other terminus of the railway and some point on the Fraser River, the steamer to be seaworthy and to have accommodations for 400 passengers and eight loaded cars, and maintain a speed of fourteen knots and make a daily connection with the railway, winds, fogs or other elements to be the exception.

On the city's part, a lease of the market building was to be given for a period of 25 years at an annual rental of $100, and pay the company $15,000 annually for a period of years.

It is claimed by the aldermen that the railway company has not lived up to the agreement. In the first place, they did construct a ferry steamer, but purchased one and had her repaired in this city. They made application to the city for the $15,000 and for the lease, but they were refused. Since that time the railway company has failed to maintain the ferry and have not paid a cent of rental for the market building. This is the question which is now confronting the present council.

It is claimed by several of the aldermen that the company are only occupying the present building under sufferance and that they are liable to be turned out at any time. The city authorities are anxious to come to some understanding, but whether it will be done this year or not it is impossible to say.

One alderman when questioned on this point remarked that he did not think anything would be done this year. He said: "If I take the matter up it will be said that I am working for election purposes. It appears to be a very silly notion that the aldermen are not to do any work during the last three months of their term or they will have it thrown up in their faces that they are working for the next election."

At the last meeting of the council the suggestion was made that the city charge the company rent, not the $100 per year but a rent in keeping with the cost of the surroundding buildings. If this action were taken it is claimed by one of the aldermen that they would soon come to some arrangement, but as long as the company are allowed to use the market building without rent it is safe to say that they will raise no objection. But if the council endeavor to collect the rent for every month as well as the back rent, there will very likely be "something doing."

At present the matter is left in abeyance.

IRON MINING IN ONTARIO

Mackenzie & Mann Interested In Moose Mountain Ore Deposits.

The latest issue of The Mining Journal of New York has an article relative to an important development in iron mining in Ontario in which Messrs. Mackenzie and Mann of the Canadian Northern railway, are interested. In part the article says:

What are known as the Moose mountain iron ore deposits of Central Ontario are passing into the hands of those who will actively exploit them. A tramroad is to be built at once from or near the little village of Killarney, on the north shore of the Georgian bay, to these ore fields, a distance of about 70 miles. Ore shipping piers are to be erected on the bay, and the distance from these piers to lower lake ore receiving ports will be less than from any of the upper lake shipping ports on the American side of the lakes, even less than from Escanaba, on Lake Michigan.

A minority interest in these ore lands has been sold by Messrs. J. C. Spry, of Chicago, and C. S. Osborne, of Sault Ste. Marie, for a sum that makes the entire property worth about $2,500,000, and the buyers are negotiating for another small interest. These buyers are the great Canadian railway building firm of Mackenzie & Mann, whose transcontinental line passes a few miles south of Moose mountains, and by a slight deflection might be made to touch the new district.

It has been stated by experts that there are now more than 10,000,000 tons of sixty per cent. and better ore exposed above the 200-foot level from the top of the bluffs, and that of lower merchantable grades there are many times as much.

The Moose mountains are in the township of Hutton and unorganized territory in the district of Nipissing, along the west branch of the Vermillion river. The deposits extend for thirty or forty miles, and besides Mackenzie & Mann the chief owners, are Messrs. Joseph Sellwood, Duluth; J. T. Gates, J. L. Lambert, J. J. Mitchell, Chicago; Blair & Co., New York.

With reference to the above, the Toronto Globe interviewed Mr. Mann, who said: "The article is substantially correct. We will have the line of railway from the iron ore deposits to Killarney finished by September of next year. Construction is now going on."

To other questions, Mr. Mann said that Mr. Mackenzie and himself held only a minority interest in the properties, and he could not therefore say exactly what were the plans of the company, which is known as the Moose Mountain, Limited. No doubt, however, the ore would be largely shipped to