fusing the system of note issue more widely than when it came only from a single bank.

The panic of 1907 brought home keenly the importance of having a rallying point for other banks. The local banks were subjected to a good deal of pressure in the form of withdrawal of deposits, which reacted ultimately upon the volume of their notes remaining in circulation. The National Bank, although not corresponding entirely in character to its name, came to the aid of the market by liberal discounts and increased note issues. The result was that between September 30th, 1907, and March 31st, 1908, the note issues of the National Bank increased from $35,040,817 to $39,283,609, while the issues of other banks shrunk from $60,633,073 to $55,126,868. Practically, the National Bank gained in outstanding issues what was lost by smaller institutions.

The last report of the Minister of Finance shows that this tendency to concentrate the banking strength of the country in the National Bank has not been reversed since the passing of the panic. The total note circulation of the country fell at the close of 1908 to $87,504,630. The year 1909 showed an increase of about $14,000,000, of which about $9,750,000 belonged to the National Bank; while the following six months, ending June 30th, 1910, showed a further increase in note circulation of about $11,700,000, of which $6,300,000 fell to the National Bank. Comparing the figures prior to the crisis of 1907 with those for June 30th, 1910, it appears that the circulation of the National Bank increased during this interval more than $17,000,000, while that of the other banks declined by about $600,000. In other words, the entire increase in volume of business since 1907 represented by outstanding notes has fallen to the National Bank.

Apparently the National Bank, in spite of local competition at interior points, has been able, with the cooperation of the Bank of London and Mexico, to keep a firm control on the exchanges and to perform essentially the function performed in Europe by a central bank. In this respect the conclusion suggested by the monograph issued by the National Monetary Commission on the Banking System of Mexico appears to be sustained —that "the essential requirement for control of the exchanges is control of the supply of capital or currency on the margin of supply; it is the sufficiency or deficiency of this supply on the margin which practically determines the course of the exchanges."

DISSATISFACTION AND LIFE POLICIES.

It sometimes happens that a man feels, and loudly expresses, his dissatisfaction with his life policy when, after a few premiums have been paid, he discovers that it does not give the results he expected, and that it does not mean what he imagined it meant, or what he was told it meant, and that it costs more than he ever understood or could afford to pay for. Such a man may either have been his own adviser in the taking out of a policy, or may have been advised by a not over competent agent. In either case he derived a wrong impression; and it may easily be that he might have been prejudiced thereby most unjustly against life assurance as a whole.

We have in mind the case of an impatient and sanguine young man who, when he had paid several premiums and was about to get married, found to his surprise that he had contracted with the life company in such a manner that he could not withdraw any of the profits on his policy until a date ten years later than he had understood or intended. Thereupon he suffered himself to become enraged against the company as "unfair, unreasonable, in fact, dishonest," and the agent as a perverter of the truth; in fact, an "extortioner."

This young man was not a business man. He had not acquainted himself with the many forms of policy of which an insurant has the choice of late years. It also appears that the agent who had "landed him" was himself none too well informed as to the life business, did not know the young man's circumstances, and failed to explain the full significance of the policy taken out. There are such agents. A contemporary describes a man who had been induced to take out a policy that had proved to be altogether unsuitable, and, therefore, a burden: "The circumstances show that it was due to the ignorance of the agent, or his wilful neglect, for there were several other contracts available in the same company that would have been far preferable. Happily, in this case, a way will probably be found of changing from the undesirable to the desirable. The fact remains, however, that this incompetent agent was responsible for a dissatisfied policy-holder—the last kind of client any company wishes to have."

It has been well said that the education of the life agent should be sufficient to meet the fact often demonstrated, that the average man is rarely capable of judging of the soundness of a life company, and not always able to choose the form of policy that best suits his cirsumstances. Yet, the selection of a life policy is often second only in importance to the choice of a life office. All the more reason, therefore, that the preparation of the life agent should be adequate to the numerous cases where an intending insurant requires minute advice as to the kind of policy he needs and is able to pay for.

There are many agents who are capable of giving intelligent and sincere advice in such circumstances as described above. These are they who are the best friends and exponents of life insurance, which is increasingly recognized as one of the greatest blessings of modern life.

SMALL CHANGE.

Another chapter in the Fitzpatrick-Preston controversy has been written. It was claimed by Mr. W. T. R. Preston, Canadian Trade Commissioner to Holland, that Sir Charles Fitzpatrick had so advised Dutch capitalists against investment in Canadian Western lands that a company formed for that purpose had been dissolved. A supplementary return laid on the table of the House of Commons last week indicates that Sir Charles supplied the information to Judge Lohman, one of the company, but this, it is claimed by some at Ottawa, was not of the character described by Mr. Preston. In reply to a cable from the Chief Justice, Mr. Lohman, son of Judge Lohman, said he had had an interview with Sir Charles, who had told him that assuredly there was a good opportunity for doing business in Canada, but at the same time there were some difficulties in the way of new enterprises, since the value of lands was not real, but would eventually decline. The opinion was also expressed that on a basis of fifty per cent. of value it would be hard to get 7½ per cent. interest. Money could be obtained for 5. Mr. Lohman then wrote the promoter of the company that he would have to withdraw.

It is difficult and perhaps unnecessary to delve into the personal phases of the subject, but the incident is another reminder of the extreme sensitiveness of capital. While the particular enterprise affected will assume shape shortly, although for a smaller amount than was first intended, it will take many months and much labor to assuage the alarm which was created in Dutch financial circles. The truth about Canada is the best information for prospective investors.

Copies of The Monetary Times dated November 26th are wanted. Will those who do not keep a file, kindly send them to the head office, 62 Church Street, Toronto? A month's subscription gratis will be allowed in return.