

OUR NORTH OF ENGLAND LETTER.

The speeches by Lord Avebury and Mr. Edgar Speyer on English extravagance have been taken as the keynote by speakers innumerable. Bankers in great number are holding their annual meetings, and few are the chairmen who find nothing to deplore in our local and national fashion of finance. The half-year has been a trying one, and the next half is not likely to be inordinately profitable. Yet, in the opinion of canny Sir Michael Hicks-Beach, an ex-Chancellor of the Exchequer, our traders have not yet learnt the fine art of "squeezing" banks in the matter of loan rates. Such a hint from the Board of the London Joint Stock Bank makes an arresting item. Whether it is really desirable to squeeze the banks is a nice point. They are far from likely to take the punishment passively, and their retaliatory measures might be unpleasant for some traders, if not for many. Our northern banks, and notably the Yorkshire ones financing the wool trade, make no secret of their intention to draw in their horns. As one of these bankers said significantly to me: "Accountants will be busy this autumn." But the wool trade is carried on to a greater extent than most others by the aid of bank funds.

The insurance expert of the London "Daily News" has been throwing bouquets at Canadian management. Says Mr. W. R. Dovey, F.F.A., "In no part of the world is life assurance being more energetically or successfully carried on at the present time than in Canada. The bulk of its business is in the hands of native officers, who combine the excellent traditions of English management with the indomitable energy characteristic of this young and developing country." From thence Mr. Dovey proceeds to an examination of the status of the Canada Life, "an office larger than most English ones," in "an impregnable position," and having "a great future before it." These commendatory remarks, given in a perfectly disinterested way, are made in course of a cursory survey of all British offices in turn. Doubtless the insurance world of Canada will be gratified to know that its triumphs are not lost to English sight.

A catchy phrase has been turned to advertising account by an emigration agent. He says simply, "Canada; the Land of Opportunity," a cliché that other people might adopt with good effect.

Further particulars are forthcoming of the progress of Canada's Asiatic rival. In Siberia, butter production began in 1894, and in 1902 some 2,730 dairying establishments were at work. These produce about 40,000 tons of butter per annum, but there is a clear prospect of doubling this output soon. Milk fetches 22½ cents per 36 lbs., and the estimated value of a year's milking is now 11¼ million dollars. Records show that Siberian butter is not yet all that might be desired. Out of 133 samples tabled at Kurgan, 13 were adjudged good, 52 satisfactory, and 65 unsatisfactory. Russia is striving, however, to rectify this severe disproportion. Even so, the business remains lucrative, and from its profits Siberia has increased her purchases of agricultural machinery from \$270,000 in 1897, to \$5,000,000 in 1903.

Mention of harvesting machinery and thoughts of transport difficulties, remind one that even Australia is shipping her Sunshine Harvesters via Liverpool to Buenos Ayres. About 450 tons are reported in one cargo, and a shipment of such dimensions is probably deserving of Canadian recognition.

As Canadians have some reason to know, insurance is one of our leading lines of "export," and our consuls now and again give us hints as to openings for insurance business over sea. For instance, the Faroe Islands are named. The Scandinavian companies, who pay particular attention to the Danish possessions in the North Atlantic, have doubled the fire rates, which are now \$50 per thousand. Our Consul avers that fires do not occur despite the prevalence of wood in building construction, and the huddle of forges, bakers, oil-dealers and dwelling houses. Perhaps this is due to the lowness of the roofs, and their customary roofing of sods of turf. The companies give no discriminatory powers to their agents, and dangerous and relatively safe risks are upon

one footing. It is suggested that an office willing to hearken to reason in this regard might gain a footing for fire as well as life and marine business. On the other hand events might repeat recent experience in the island of Curaçoa. A Dutch company intervened and upset ruling rates without great benefit to itself.

The Lancashire horizon is clouded by the menace of a strike. Cotton weavers have obtained their advance, and spinning operatives want 5 per cent. now for themselves. No doubt the concession would have been made but for the alarming disturbance in cotton prices, which is already making mill-masters talk of the expediency of running short-time in order to check consumption and spoil the speculators' game. Hope is strong that neither a strike nor a voluntary diminution of hours will be forced on us, and a new grimness has been added to the determination to enlarge the area of supply by cotton-culture on British soil.

More than one of the apologetic reports made by directors of industrial companies serve to recall that bitter jest. "Have you floated your business yet?" to which the cynic replied; "No, she isn't sinking." Perhaps the common practice of showing the average profits over a term of years, instead of the detailed profits, accounts for the decadence of concerns which looked well on the prospectus. Certainly, some of our captains of industry have developed a marvelous nose for the exact moment for selling-out, and a newspaper might be filled with the names of companies, great and small, that have all worsened their position since the shareholder assumed the risks.

However, it is satisfactory to be assured that capital is still accumulating. Bankers are of that opinion, and the success of attractive issues of shares seems to bear the opinion out. The money-rate is low, and consuls at round 90 are cheaper than at any time during the South African war. A revival in the demand for securities is predicted to take place on the signing of peace in the East. The tip has been so often bandied about that nothing is to be said for its originality. Indeed one may question the power of the peace to do more than give a temporary impetus to financial affairs. Not without numerous set-backs, business as between retailer and consumer seems to have improved materially. We have a legion out of work in manufacturing centres, and the course of prices in some raw materials obstructs progress. The visible, palpable boom in commerce is still deferred. Withal, commodities have changed hands during the summer with enough freedom to permit one to forecast improvement later in internal trade, and Canadians with selling projects may take it that prospects might be worse.

Manchester, 21st July.

NORTH COUNTRY.

PRINCIPLES OF CANADIAN BANKING.

BY H. B. SHAW.

(Concluded.)

The depositors of a bank are to a large extent secured by the fact that each shareholder is subject to what is known as a double liability, which means that "In event of the property or assets of a bank, after its failure, being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency to an amount equal to the par value of the shares held by him in addition to any amount not paid up on such shares." No transfers of stock sixty days before a bank failure avoid the double liability of the original shareholder unless the transferee is able to meet the liability. The shareholders, in turn, are largely protected from their liability by the strong reserve fund which every bank strives to maintain, and to which it is constantly adding. A list of shareholders in all banks is published annually by the Government, which gives full inspection to the public of the changes in bank holdings during the year. Canadian bank charters only last for a period of ten years; at the expiration of which time they come up for approval, and the principles and working of the Banking Act in all its details is thoroughly gone into by the Dominion Government and the Bankers' Association. The Government has recognized