burden of deferred instalments, the result of past indiscretions, is still severely felt, new transactions had ceased altogether. In mining, too, another favourite medium for speculation, there had been no excitements, and, in fact, the only sign that the old spirit was still alive was seen in the little local oil bubble, which was dispersed by the echo of the first shot.

"Fortified by this more healthy atmosphere, Canada was able to brace herself for a great effort. Try to realise what it meant, after borrowing forty millions sterling year by year, to find those supplies in one moment absolutely cut off and to be compelled to stand alone, with no outside assistance to lean upon, and you will, I am sure, come to the conclusion, as I have done, that Canada has stood up bravely under circumstances of extraordinary difficulty. But the effort is only begun, and it will have to be sustained."

EXCHANGE BETWEEN CANADA AND THE STATES.

The question of the redemption of Canadian currency and cheques has lately come into prominence at all points where the intercourse between Canada and the United States is heavy, a Canadian correspondent points out. Thus the news items of a few days ago stated that the banks in Portland, Ore., have issued notice to their customers to the effect that Canadian currency and cheques were to be accepted only at a discount of three-quarters of one per cent., instead of one-half of one per cent. as formerly, and Canadian currency and cheques were to be accepted of one per cent. The difficulty would apply also at Buffalo, Minneapolis and St. Paul, Seattle and at the Vermont and Maine centres.

It probably appears to American bankers that the Canadian banks should not refuse to give American funds at par in exchange for Canadian currency deposited by an American correspondent bank. However, there is something to be said on the other side of the case. When a Canadian bank issues its notes it is under obligation to redeem them when presented at its counter. Redemption may be made through accepting the notes as payment for debts due to the bank, accepting them in the form of deposits, or through paying gold or Dominion notes. Since the war the last-named method of redemption is not compulsory by law. It will be seen therefore that the banks are under no obligation to give drafts on New York in redeeming currency sent to them by American correspondents.

The same applies to cheques sent in from the United States. The obligation is to pay in Canadian funds and if the parties sending the items forward wish to have payment in New York funds presumably they have no grounds for complaint if the funds are put in at market rate. At present a Canadian bank remitting a New York draft to its American correspondent must pay from ½ to ¾ per cent. premium for the funds. If it does not have to buy New York funds to cover the draft sent to an American correspondent it must forego the advantage of selling that much exchange in the home market at the ruling premium.

This explains the reluctance which the Canadian bankers have to the policy of remitting New York funds at par to American banks sending them Canadian collections.

STATE INSURANCE TROUBLES.

In the state of Wisconsin, which has been dabbling in State insurance schemes of one kind and another for several years, things are not looking hopeful for the enthusiasts. The first claim against the State life insurance fund has just been presented and refused payment by the State treasurer on the ground that the constitutionality of the law creating the fund is questionable. Hardly an encouragement to prospective policyholders, that.

Some time ago the State fire insurance fund was reported to have been practically bankrupted as the result of a loss on school buildings. The new Governor in his inaugural address has now recommended the repeal of the State fire insurance fund law, and bills have already been introduced to that effect and providing for repayments on cancelled policies. The new Governor holds that the State's experience has been unsatisfactory and that there is not enough business of each class in the State to furnish a satisfactory average. Meantime the Wisconsin insurance department has received a report from fire engineers on the hazards of the State properties covered by the State insurance fund. The report shows not only grave danger of loss of life in many of the State institutions, but recommends that much be done in the way of improvement and protection, particularly in the installation of sprinklers.

The bills in several of the State legislatures this year to imitate the example of Wisconsin in establishing alleged State life insurance have failed.