

three or four times as much as this country could consume, and they were building up businesses here that would not only supply Canada, but look after their foreign trade.

As to the future, he spoke most optimistically, declaring that we would see the day when we should figure as competitors with any manufacturing country in the world, either for the trade of the British Empire or Europe, and when Canada would be able to take care of the Empire in the way of a supply of food. It would be of great service to Canada were Mr. Walker's address published in some popular English newspapers, as the position he so worthily occupies, and his eminence as a banker would carry weight in the old country.

Slanders of Canada.

Two slanders of Canada have been cabled here this week. The chairman of a trade convention, held at Nottingham, told a meeting, that "Canadians had shown no sign of caring for England, and their interests were bound up with the United States." This sapient, but clearly, very ill-informed man appears never to have heard of the Canadian Contingents, the "Strathcona Horse," or of the Preferential Tariff of Canada, in favour of British goods. He probably does not know in which hemisphere Canada is situated. Another slander appears in the last issue of "Truth," a weekly paper of which the title is ironical. "Truth" calls Canada "a rotten colony." We commend this malignant phrase and the sneer of the Nottingham speaker to the attention of the British trade delegates and the Press representatives, who have recently visited this country. We venture to say that every man of them regards such slanders of Canada with indignation and contempt.

Pocket Reserves.

The claim is made on behalf of the assessment system, that the policyholders retain a reserve in their own pockets instead of its being held by the insuring company. To some this is plausible and very attractive to some who would fain both "eat their cake and have it," for a pocket reserve is an utter delusion; not one person in a million would ever dream of keeping a reserve for this purpose either in his pocket, or in a bank. A recent article in the New York "Spectator," after giving figures showing totals of insurance in force, assets, liabilities and surplus of legal-reserve companies, fraternal orders and assessment associations respectively—reporting to the New York Insurance Department for 1902, puts the matter in a nutshell, thus: "For every \$1,000 of insurance in force, the old-line companies have assets in hand of \$202.60; the fraternal orders \$6.81; and the assessment associations, \$25.43.

This somewhat overstates the strength of the respective associations, as there are certain immediate liabilities to be provided for. In the case of old-line companies, the policyholders' security is represented by the reserves held and the surplus, the reserves being included in the liabilities. Fraternal orders and assessment associations, not being required to maintain reserves, their security (so far as policyholders are concerned) lies in the surplus funds. On this basis the old-line companies show reserves amounting to \$1,703,971,584; and surplus, \$327,910,463. This makes a total security of \$2,031,882,047—or \$199.60 for each \$1,000 of insurance in force. Fraternal orders, having surplus funds of but \$21,815,452, have only \$5.39 for each \$1,000 in force; and assessment associations, with surplus funds of \$6,733,299, show \$23.47 for each \$1,000. It needs no argument to show that the probability of all claims being met as they accrue, is stronger with a class of companies having \$199.60 in hand for each \$1,000 risk than with those having but \$5.39, or even as much as \$23.47."

THE RISE IN THE BANK RATE FROM 3 PER CENT. TO 4 PER CENT.

The Bank of England raised its rate on the 3rd inst., from 3 per cent. up to 4 per cent. The change is one among many that could be cited to show how this generally recognized standard of the rate for money is, at times, altered for reasons having no connection with the general state of the money market, or of business conditions. Exceptions prove the rule, and this is a case of an exceptional character. The general rule has been that, the amount of the Bank's Reserve, and the prospects in view of its increase, or decrease in proportion to the liabilities, have indicated the course of the Bank rate. That proportion is ordinarily a sign of money becoming scarce in relation to demand, or the demand being slack.

For some years past the fast accumulation of funds in England has lessened the significance of the fluctuations in the Bank of England's reserve, and lowered its power over the general rate for money. The balances which form a large portion of the Bank's liabilities, are the deposits of the London and other banks. As their funds increase, they become less and less dependant upon the Bank for help when the demand begins to enlarge. It is to be regretted that the Bank does not specify in its statements what amount it holds of bankers' deposits; they are all merged under the heading, "Other Deposits," as distinguished from "Public Deposits," which latter include those of the Exchequer, Savings Banks, Commissioners of National Debt and Dividend Accounts. The percentage of the Reserve, which so largely controls the Bank rate, is the proportion it bears to the liabilities. The amount of the