

America usually amount to 11 to 12 per cent. of the total. It is evident, therefore, that Post Office Orders do not compete with bank drafts as much as they did when their average amount was over three times what it now is, for, when we consider how large a proportion of these Orders are drawn for trifling amounts, the Post Offices must have been issuing them for sums of \$50 or more to bring the average as high as it used to be. The fact is, the extension of branch banks has drawn away from the Post Offices a considerable business in Orders of the larger class. The competition between banks and Post Offices is not a serious detriment to banks, but the banks do suffer a large diminution of their legitimate business by the Money Order system of the Express companies. The new organization is then not a movement directed against the Post Office Money Order system so much as it is aimed at the Express companies. The object as it is declared to be, "To secure for the banks of the country a branch of their natural business which has been monopolized by Express companies and the Post Office." So far as Canada is concerned the Post Office may be ignored, though its business will suffer when "The Bankers' Money Order Association" is established here—as we anticipate it will be ere long. The prospectus of the Association very justly says: "A money order is a bill of exchange; it is a contract to which the remitter buys at a price to lay down a stipulated sum of money at a certain place." This is not accurately stated. A bill of exchange is not a contract "to lay down a sum of money at a certain place," but an order upon some banker to pay the owner of the bill at the time being the sum stated by the document. Bills of exchange do not require for their payment that the issuer shall "lay down money" at the place they are drawn upon but that the issuer has money at call or credit the title to a certain amount of which he sells and transfers by an instrument known as a bill of exchange. The "exchange" consists of an exchange of money paid to the issuer of the bill at one place, for money for the same amount, less a charge, to be at the service of the buyer of the bill at another place, where he requires it. As a matter of fact only a small percentage of the money needed to honour bills of exchange is laid down, or sent for that purpose. The vast bulk of such bills are drawn against the proceeds of goods sold in the place, or country, goods that have been exported from the place, or country where the bills of exchange are drawn. This business doubtless is, "in its essence" now of a banking nature, though it was carried on prior to banks being established, and was one of the objects for which they were organized.

The Express companies are alleged to "make enormous profits from the sale of money orders." It places them in possession of large funds from which they derive interest, and the cost of conducting the system is stated to be so small as to leave a large margin of profit on the commissions or fees charged. It is proposed to link all the banks in the States together

for the sale and payment of a new class of Money Orders. The new organization evidently means business, and steps will shortly be taken to bring the banks of Canada into affiliation with "The Bankers' Money Order Association," as soon as the new system gets into good working order and is found to be a success. We may point out that for 27 years the annual exports from Canada to the States have averaged, yearly, 40 millions of dollars, and for the same period our annual imports from the States have been, on an average, 52 millions. A large portion of the traffic in freight which is represented by a trade averaging 92 millions a year has been handled by Express companies. They have made large profits out of the business, and it would be no hardship were they restricted to the business of freight carriers, for which they were incorporated. For these companies to have the power of issuing a form of currency to an unlimited extent without furnishing any safeguards to the public, while our banks are under legal restrictions, and governmental supervision, seems somewhat anomalous. The attention of the Canadian Bankers' Association has been drawn to this matter, and, if they can so arrange matters as to develop a profitable Money Order business, their shareholders will be gratified, and remitters of money would be benefited by the greater security they would have in a Bank Money Order.

#### TRADE AND COMMERCE RETURNS, 1899.

The Trade and Navigation Returns for last year just issued form a much more bulky volume than its predecessors. We beg to suggest to the Minister of Customs, from whose Department this blue book is sent out, the desirability of dividing the returns into two volumes, one having the Customs statistics, the other those relating to "vessels entered inwards from the sea" during the year.

The tendency of official returns to assume an inconvenient size has been well met by the Auditor-General, whose report has been issued in sections to the great relief of all who use his returns.

The prominent feature in the trade tables of last year is the unprecedented expansion of our foreign trade. To some extent the increase is attributable to the general advance in the market values of a large number of articles. In metals especially has this movement in values been made as the following comparative prices show, the respective dates being the 1st July, 1898, and the 1st July, 1899, which is the period covered by the trade returns:—

	Pig iron per ton.	Steel rails per ton.	Copper per ton.	Tin per ton.
	\$	\$	\$	\$
1898.....	10.95	20.94	233.00	313.40
1899.....	17.08	24.55	358.60	588.10
Increase .....	6.63	3.61	125.60	244.70

As our imports of metal goods were over 14 millions it is clear that such largely enhanced values must have left their mark on the total amount of our imports. But, making every allowance of this kind, the total foreign trade of Canada in 1898-1899 was very largely