

tion of money letters ventilated. To have to pay eight cents to send two dollars fifty miles is an outrage on the public; particularly hard on those who send small remittances for newspapers. I am a Conservative, but this increased fee for registry of letters is a step backward, and I would like to see you give the Government a breeze on it." Possibly the Department designs that the increased impost shall have the effect of making people buy more money orders. But whatever the end sought it is manifest that the five-cent registration fee is unpopular.

—We learn that the gentleman appointed to succeed the late Mr. Collier in the charge of the St. John branch of the Bank of British North America is Mr. H. A. Harvey, manager of the branch of that bank at Kingston. No appointment has yet been made, we understand, to the vacancy at Kingston occasioned by Mr. Harvey's transfer.

—Dividends have been declared by Canadian banks for the six months now current at the following rates per annum:

Canadian Bank of Commerce	7 per cent.
Bank of Toronto	10 " "
Ontario Bank	7 " "
Bank of Hamilton	8 " "

—The Freehold Loan & Savings Company has declared a dividend for the current half-year at the annual rate of 8 per cent.

Correspondence.

INVESTMENT OF SAVINGS.

Editor MONETARY TIMES:

SIR.—In your last issue "Financier" attempted to show that the public can do better than by investing in the "Investment Bonds" of the Dominion Safe Deposit Company.

"Financier" must know, as the facts are, that there is a gradual fall being experienced in the rates of interest upon the best investments; that rates of discount on commercial paper, whether A 1, or lower grades, have gradually decreased; and that the financial institutions of Canada, whether banks, loan and savings, or insurance companies, have been protecting themselves against the decrease. The life insurance companies during the past four or five years have been retaining out of their surpluses large sums of money, which would otherwise have been allocated as profits to the participating policies, against an anticipated greater reserve liability should the Government change the rate for calculating the reserves from $4\frac{1}{2}$ to 4 per cent. The banks and loan companies, in consequence of the decreased rates of interest and discount, influenced the Government to reduce the rate of interest paid to depositors in the saving banks of the Government to $3\frac{1}{2}$ per cent., which, when done, was quickly followed by the banks and loan companies decreasing the rate of interest to their depositors.

London, England, and New York being in close touch with our financial and commercial centres, large sums of money at low rates of interest are being constantly brought here for investment by our banks and loan companies. The Government and civic bonds and debentures are floated on outside markets to the eventual reduction of rates of interest here. The larger life companies are eagerly seeking at 4 per cent. and $4\frac{1}{2}$ per cent. investments for their large and increasing volume of assets. These loans are usually the best in the market. In Toronto, evidences of this fact can be obtained. The life insurance companies receiving large amounts in premiums annually from their policy-holders are practically furnished with free money to compete with other companies that have to pay a deposit rate for the use of money; thus the life companies are able to secure the choicest loans and readily accept

them at very low rates. Any life company that now computes, or that is now and has been preparing to compute its premiums on a 4 per cent. basis (though the Government requires a $4\frac{1}{2}$ per cent. valuation), can make money by investing in securities earning 4 to $4\frac{1}{2}$ per cent., because on a 4 per cent. basis on every \$1000 policy issued between 20 and 60, the company receives from the policy-holder for net premiums from 70 cents to \$1.30 more than it would receive on a $4\frac{1}{2}$ per cent. basis, and have besides a margin of $\frac{1}{2}$ per cent., so that companies that value on a 4 per cent. basis, when a $4\frac{1}{2}$ per cent. basis is required, have very large sums of free money. Theoretically, however, these companies are required to improve their reserves at $4\frac{1}{2}$ per cent., but the great length of time that must necessarily elapse before the maturity of their obligations, renders the money practically free to them: and their assets earning 4 to $4\frac{1}{2}$ per cent., enable them to comply with all the statutory requirements.

Therefore the above facts seem to point out a reason why our industrial classes and small trades-people are compelled to accept low rates of interest for the savings while on deposit. I am not, however, pessimist enough to assert that the above facts are injurious to our commercial interests, nor am I optimist enough to assert that the industrial classes and small trades-people are receiving the proper and equitable "share in the earnings of his savings," because neither the banks nor loan companies have shared with them any portion of the gains arising out of their small investments with them; but the banks and companies have been more ready to increase the large profits of the proprietors by way of bonus.

Wherefore, recognizing the existence of the facts as stated, greater facilities for the lucrative acquirement of competence and wealth for all classes in the community must develop to meet the growing demand.

The Dominion Safe Deposit Company has made an attempt to supply this demand, and while its investment plan may not meet the views of every one, yet it has done what no bank or loan company had done, viz., offers to allow its patrons to share in the profits which will be earned on their deposits. The letter of "Financier" makes an effort to show that the depositor in the banks and loan companies, or the endowment assured, will "share in the earnings of his savings" to a greater extent than he would if he invested in the Deposit Company's bonds. "Financier" failed to notice the facts above mentioned; and he did not seem to know that when the contract of the Deposit Company once issues, if the rate of interest should fail, no increase can take place so far as the payments to the company on the bonds are concerned. Yet, on the other hand, the Deposit Company does declare that, "being as deeply interested as the bondholder in obtaining the best possible results for him, and in making the investment as profitable as possible to him, will allocate to each persistent bondholder a participation in the profits earned from the sinking funds of the bonds; and it is believed that more favorable returns can safely be relied upon than in cases of ordinary investment."

In THE MONETARY TIMES article in issue of 10th inst., you say: "The bond for \$500 is redeemed at maturity with profits, if the full annual payments have been made." The company's circulars and advertisements engage that the bonds will be paid at maturity with participation in profits. Provision is also made for paid-ups, cash surrender values, and assignments or transfers. Every precaution seems to have been taken to prevent loss or inconvenience to the holder. "Financier," although a careful reader, overlooked the above facts. The banks and loan companies will not enter into a sealed contract with the depositor that they will not during a term of 5, 10, 15, or 20 consecutive years lower the rates on deposit, should there be a decline in the rates of interest on investments, nor will they share with him, to any portion, any excess earned on his deposits, so that "the earnings of his savings" may increase to him. Would "Financier" recommend the banks and loan companies, or the Deposit Company, to enter into a contract to pay the highest deposit rate of interest now obtainable for any definite long term?

I have not time, and perhaps you have not space, to pursue this subject further, though the endowment assurance feature deserves to be discussed, and perhaps I shall return to it.

ONE OF THE PEOPLE.

Editor MONETARY TIMES:

SIR.—Regarding the description of a failure at Mitchell given in your columns last week, some inaccuracies there are which we have asked you to correct. Some wholesale house must have stocked this trader up with his first lot of goods, as it is a very easy matter for any person to put on an apron and get all the credit he wants until the crash comes, and then they "wonder how it happened!"

Retailers who pay 100 cents on the dollar, sometimes have to pay exorbitant prices charged by combines to make up the losses caused by the unbusiness-like procedure of wholesale houses giving credit recklessly.

When will the commercial Millennium come?

ANS.—When Bills of Lading are attached to demand drafts and pass through the banks.

Yours very truly,

E. K. BARNSDALE & Co.

Stratford, 20th Oct., 1890.

THE TRUE DIGNITY AND VALUE OF EXCELLENCE IN LABOR.*

BY THE RIGHT HON. W. E. GLADSTONE, M.P.

We are at present engaged in the education—the technical education—of the artisan classes. I rejoice in that. Technical education means—taken in a broad and comprehensive sense technical education means—the exaltation of manual labor, the bringing of manual labor—speaking generally, I mean—up to the highest excellence of which it is susceptible. I wish heartily well to that movement. But, in order that the movement should succeed, it is not enough that the Government should propose, and the House of Commons should accept, the devotion of public money for the purpose. Public money may do something, but public money cannot do everything. It is very easy to waste it, thereby pouring out our bounty on a barren soil. What is requisite is that the public—the nation at large—should obtain a true conception of the subject; and that true conception is this—that every man who is engaged in manual production should study, not merely to get his living out of that manual production—no doubt that is a vital and essential purpose, which it is alike his duty and interest to pursue—but he ought to raise every description of manual production to the highest excellence of which it is capable.

There is a story told of Dr. Johnson which is a little applicable to the case. Somebody said to him once, "Dr. Johnson, how did you acquire this extraordinary faculty of excellence in conversation that you have?" And Dr. Johnson, I believe, replied, "I am not aware of any method by which I acquired any excellence of that kind, if I possess it, except that when I have anything to say I have always tried to say it in the very best manner that I could." There is the true principle of technical education; there is the principle that will live and will glorify labor; there is the principle that will raise the working men of this country in the best sense and in the best manner, namely, by means of a power of any energy springing up within themselves and devoted by themselves to the improvement of their condition by the improvement of their work.

It is sometimes said that there is a great deal of scamping of work in this country, and that it used not to be so in olden time. I have very grave doubts if it was not as bad then as it is now; but still there is some scamping of work; and no doubt if we do not mean to be flatterers of the English laborer by telling him what he wants rather than what is useful, we ought to say, and make it to be understood, there is such a thing as scamping of work; and perhaps there is as much excuse for it in the case of a man living by his daily wages as there is in the higher ranks of life, where there is also a great deal of scamping of work. But it is bad altogether; and we are speaking now of the working man, and it is bad in his case. It is bad, first, because it is a fraud on his employer, and secondly because it is a fraud on himself. Depend upon it, in the long run the interest of the working man is to do his work in the best manner; not to do it so that it shall pass the

*From an address delivered to the workmen at the Dee Chain and Anchor Works, Saltney, on the 12th Sept., 1890.