

In a transaction where no rate has been expressed, the law fixes the rate to be charged. There are limitations on the rate that can be collected by process of law. Legislation within these lines is not difficult. Attempts at legislation beyond these may not be found easy. The depositor, or perhaps somebody who kindly champions his case, complains that at a time when many things have occurred to raise the value of money—things which financial men remember when proposed loans are under consideration—the rate allowed to depositors has remained at three per cent. There is room for doubt whether the banks have been wise in taking this one-sided view of the money question. The man who has money to put in bank probably has also an inquiring and logical mind. He will continue to wonder why, when the world is talking of the greater need and greater value of money, the rate of interest on deposits remains unchanged. The depositor thinks he has some cause for grumbling, and the numerous critics of our banking system obtain a standing ground that would not have been open to them if some war-time concession had been made to depositors. Granting, however, that there is room for discussion along these lines, it is not at all clear that the matter can be effectively dealt with by legislation.

There is no law which obliges a man to deposit his money in bank. The transaction is a purely voluntary one between the depositor and the bank. In most lines of business there is usually a competition which regulates prices. In banking, while there is competition in some things, there is none in the matter of the rates allowed to depositors, for, while there may be no written agreement among the banks, there evidently is an understanding that the three per cent rate shall not be exceeded. The Government are in a way parties to this understanding, since they adhere to the same rate of interest for depositors in the Government's saving banks. The Government are much concerned in the question, for if the chartered banks increased their deposit rates, and the savings bank rates remained unchanged, large sums might be withdrawn from the savings banks at a time when the Government might find inconvenience in providing the money. On the other hand, an increase of the Government savings bank rate might have but little effect upon the chartered banks, for the reason that only very limited sums will be received by the savings banks.

Money is a commodity, the price of which, like the prices of other commodities, will rise and fall from time to time. Only under very exceptional circumstances can the prices of commodities be regulated by law. If deposit rates are to be made higher, and lending rates lower, the change will probably come through some form of competition rather than through legal enactments to fix the rates of interest.

Our Future Taxes

SOME American interests hostile to the movement which has carried so many American settlers into Western Canada have been circulating in the Western States reports of conscription, war taxes, etc., in Canada, which, if left unnoticed, might do harm. The Minister of the Interior, Hon. Dr. Roche, therefore, called a conference at Chicago of the Canadian agents in that region, and attended the meeting. Hon. Mr. Norris, Premier of Manitoba, also attended. A telegram from Chicago credits to Dr. Roche and Mr. Norris the declaration that "Canada governs itself,

and is not influenced by Great Britain in any way; conscription never will be adopted in the Dominion, and there are no war taxes on Canadian land and never will be." It would not be well to accept too literally a general telegram of this kind. Messrs. Roche and Norris do well to guard against the effect of misrepresentations concerning Canada. But they in their turn may be expected to avoid giving assurances as to future Canadian conditions which they are in no position to guarantee. It would hardly be correct to say that there are no war taxes on Canadian land, and never will be. There are already in parts of Canada some small land taxes that have grown out of war conditions, and nobody is in a position to give assurance as to what forms of taxation may hereafter be adopted by the Dominion or Provincial authorities. The war is costing Canada a very large sum, which will assuredly require additional taxation at no distant day. It is not a pleasing fact, but it is a fact that must be frankly accepted. But whatever burden of this kind may be necessary the Canadian will cheerfully bear and there is no reason to believe that it will be heavy enough to deter any intelligent American who has contemplated settling in Canada from carrying out his intention. Even with the prospect of having to bear some share of war's burden Canada will still be the land of opportunity to the home-seeker.

The West and the Hudson's Bay Route

THERE are people—and they are not confined to any particular section of the country—who welcome any large expenditure of public money in their vicinity, or on works supposed to be beneficial to their neighborhood, without giving serious thought to the value of the undertaking as a means of promoting the general interests of the Dominion, or even to the local value of the work when the period of construction ends. Whether the case be that of a railway, a canal, a pier or a public building, the main consideration with them is to have the money spent. In some instances the mind is influenced by an expectation that some personal gain may come, in one way or another, from such expenditure; in others the pardonable hope of advantage to the locality is the governing cause for the advocacy of such outlay. In either of these classes of cases one can hardly expect an unbiased judgment as to the wisdom of entering upon such an undertaking. But even where there is this predisposition to regard a work with favor, it should be possible to obtain serious consideration of evidence calculated to throw doubt upon the usefulness of the undertaking, even from the local point of view. This being the case we should like to see among the people of the Prairie Provinces, in the press and in the various bodies which are representative of the public opinion of the respective communities, a fresh and frank discussion of the project of exporting their products to Europe by way of Hudson's Bay. In deference to Western opinion that seemed to be very general, Governments and Parliaments of both political parties have taken up the scheme. Considerable progress has been made in the construction of the railway from The Pas, in Manitoba, to Port Nelson, on Hudson's Bay. Extensive plans have been made and no doubt much money has already been expended for the construction of harbor works at Port Nelson. It may be said that, all parties having united in support of the scheme, and a large amount of money having already been spent

upon it, it is too late to reconsider the propriety of the undertaking. Nevertheless, if fuller inquiry leads to the conclusion that the whole enterprise is a mistake, it would be better even now to call a halt than to proceed with an undertaking which must call for very heavy expense, and in the end can be of no real value to the portion of the Dominion that has been most zealous in advocating the project.

We published a short time ago a statement from one of the returned Government officials who expressed a very strong opinion that the difficulties of navigation in Hudson's Bay and Hudson's Straits were such that under the most favorable conditions only for a few weeks in the summer season could ships rely on finding open water. Since that a similar opinion has appeared in the report of Mr. Anderson, the official representative of the Department of Marine, who has been working on surveys in Hudson's Bay. This report has just been submitted to Parliament.

Criticisms of the Hudson's Bay route by writers in the Eastern press are sometimes regarded in the West as the result of jealousy. But why should there not be a frank reconsideration of the matter in the Western country? If the Hudson's Bay project gives a reasonable prospect of securing for the West the cheaper transportation that is desired, the construction of the railway and harbor works should be prosecuted to a conclusion. But can our Western friends, in the light of the information before them, feel satisfied that the project, when completed, will be of any real value to them? It will be no gain to the West to have an enormous sum of money spent on the enterprise, with a knowledge that climatic difficulties make the route not available for more than a few weeks in a year, and these weeks not in the grain shipping season. To complete the work at immense expense, and then find the route impossible of commercial operation, would do no good to the West, but would build up a charge account against that region which might stand in the way of other and more useful enterprises. Why should not the leading Western journals, their boards of trade, Canadian Clubs, and other organizations take up the question fairly and express their views in the light of the information available? If there is still a good case to be made out for the Hudson's Bay scheme it should be submitted to the public in a reasoned statement. If no effective answer can be made to the statements so often heard, and now confirmed by Mr. Anderson's official report, our Western friends should have the courage to admit the fact and stop the wasteful expenditure.

A willing recognition of the claims of the West, a desire to give that great section of the country the best possible chance for progress and prosperity, led to the beginning of this undertaking. If Western opinion still holds that the enterprise will prove successful, we do not believe there will be any disposition in the East to withdraw support from it. But such Western opinion should be an intelligent, reasoned opinion, in which the objections that have been raised are frankly met and answered.

City dwellers who sometimes weary of their surroundings and sigh for the purer air and simpler life of the country, may take heart again. Dr. Wiley, an eminent American writer on health, tells us that the city dweller will live longer than the resident of the rural districts. The ruralist is menaced of disease because he lacks the sanitary conditions which are to be found in the cities and towns.