

cannot be withdrawn, except to the extent that some companies, most of them, as I am informed, against the better judgment of their officers, have permitted that only element of possible danger called "cash-surrender values" to be injected into their contracts. You will pardon me for expressing myself strongly on this subject, but I know you will give me credit for being honest and sincere when I say that the cash-surrender value in all policies is nothing but a chromo of the cheapest kind, and if placed in policies so that it can be taken advantage of at any time, then a scandal in any company, however unfounded, might precipitate a run on the company which would be like the run on a bank. The company and bank might be solvent, but when its doors are once closed they are closed forever, the bank is a wreck and so most likely would be the insurance company. A life insurance company is not a savings' society. It is better and broader; it has a different mission to perform, and a cash surrender, even up to the full reserve, is not the full value of a life-insurance policy to the old holder, much less is it the full value to the wife and children.

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MONEY-LENDING POWER.—Some good financiers have suggested that the banking system of the United States should be so changed that there might be a branch bank of some greater bank, and the branch bank located in any centre needing its facilities or the use of its issued currency. It is possible that the laws of some of the states might need some amendments, but with those amendments the life insurance companies could have any sum from \$100,000 to \$100,000,000 to loan to good borrowers on approved security in any needed locality or business centre, and it would not be currency issued on the faith of certain deposits of questionable or even the best of securities, but it would be real money, if you will excuse the word, and the borrower can have it not only for thirty, sixty or ninety days, but for a period long enough for him to adjust his affairs, save his business from ruin and himself from bankruptcy. * *

THE MONEY ORDER BUSINESS OF CANADA.

Wholly apart from the ordinary business of a national postal service, which is the delivery and transmission of letters, post-cards, newspapers and packages, the Post Office Department transacts a financial business of great magnitude. There have been strong objections urged by some economical authorities to a government engaging itself in such affairs as the issuance of money orders and the case of the people's savings. Such classes of business are certainly outside the ordinary sphere of a government according to the ideas which have the sanction of many centuries of usage. But the new conditions of modern life have led to a modification, and expansion

of old ideas in this, as in other matters, and the principle is now generally accepted that a government may provide such services for the public convenience as it can furnish more generally, and more efficiently, and more economically, than can be done by private enterprise. The proved utility of a system is now held to be its sufficient justification, however opposed to long established theories. The money order system is a conspicuous example of such a service.

No financial corporation could provide offices and a staff at so large a number of places for the issuance of drafts for money as is done by the Post Office Department, nor would it be possible for a private enterprise to have business connections spread over the whole world for the redemption of its drafts, and at which such drafts could be drawn that it would pay at sight. The extent of the money order service is shown by the following statement of the money order offices in operation in Canada last year.

Ontario.....	654	P. E. Island.....	15
Quebec.....	225	Manitoba.....	68
Nova Scotia.....	174	N. W. Territories.....	45
New Brunswick.....	110	British Columbia.....	60

Since the above return was compiled, there have been over 400 new offices opened, so the total number of money order offices in Canada is now about 1,750. This gives an office for each 570 families, on an average for all Canada. The orders issued last year in this country were drawn upon places spread over thirty different countries, including those of Europe, the British colonies, China, Japan, Hawaii and Fiji. The following shows the number of the orders issued in each Province in 1897, their totals, and the total of those paid in each Province.

Provinces.	No. of orders issued,	Total Amount.	Total Amount of the orders paid.
Ontario.....	653,724	6,262,715	6,954,754
Quebec.....	127,095	1,608,768	1,852,238
Nova Scotia.....	118,035	1,507,576	1,463,799
New Brunswick...	68,203	868,231	798,709
Manitoba.....	66,866	921,364	830,280
N. West Territories.	40,864	550,474	241,241
British Columbia...	77,991	1,142,974	606,240
Prince E. Island...	9,431	125,125	159,486
	\$1,162,209	\$12,987,230	\$12,906,749

The commissions received amounted to \$105,332, the average being 9 cents each. Postmasters outside cities are allowed one-quarter of one per cent. commission on all orders issued and paid by them.

The costs of the Money Order service are not covered by the net commissions received, which is a manifest proof that no private corporation could provide such a service so economically to those needing it. The excess of costs over commissions in 1897 was \$6,362. The following table gives the number and amount of the orders issued in Canada and of those drawn outside the Dominion and paid in Canada in 1897:—