

burden upon the whole community met from public expenditures and by private charity. It will cost money to remedy the situation, but it is—whether we realize it or not—costing the nation huge financial outlays now, in the upkeep of jails, hospitals and houses of refuge. The only remedy that is worth applying is the segregation of the mentally deficient so that they can not reproduce their kind, and the rigid enforcement of our immigration laws. These laws are perfectly good; the officers honest and capable; but the staff furnished for the work, if it is to be adequately done, is altogether too limited. Inspection should be undertaken on the other side of the water as well as at Canadian ports of entry if results worth while are to be secured. It is far better to pay out public money in this way than for the erection of jails, orphanages and asylums.

The simple truth is that, among the very fine types of immigrants that the Dominion has received there has been a considerable percentage of the physically and mentally unfit. First the United States and then Canada was used as the "dumping ground" of undesirables, particularly from the United Kingdom. Let the plain facts be faced; for a continuance of this policy places the life of the nation in jeopardy. The data gathered in Manitoba shows that Canadian born deficiencies afford the lowest percentage, in proportion to population, of all; then Austrians, Russians and Italians; and the British born the highest of all. Let there be no misunderstanding here. The British stock has made Canada what it is among the nations of the world; it has given us brilliant, resourceful and able men; and of these, of course, nothing but good can be said. More, and still more, immigration from the United Kingdom of this quality is desired, but an end must be placed to the making of Canada a place of refuge for the mentally and physically unfit.

The Manitoba Public Welfare Commission is to be congratulated for having encouraged the making of this social survey. Such surveys should be undertaken in all the provinces, so that stock may be taken of our human resources, of unsurpassable importance in comparison with anything else the Dominion may possess.

There is a difference between government subsidizing of railways and government construction of railways. The former permits economies of private management and the earning of profits. The latter assures that no such results will be obtained.

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The government of Saskatchewan, which guaranteed the bonds of some of the branch lines of the Grand Trunk Pacific is not yet certain whether it will have to pay the interest on them. In this case, however, it is maintained that the province would have the right to foreclose on these lines as its claims would rank ahead of those of the Dominion Government in respect of the general advances made by the latter.

## THE RELEASE OF EXCHANGE

Last week the government regulation of French exchange was removed and this week similar action has been taken regarding sterling exchange. The result has been a substantial decline in each case. In September, 1915, sterling exchange in New York had fallen to about \$4.50, and more than six francs could be purchased for a dollar. This represented an extreme situation, and it was decided to maintain quotations at a more stable level. The British government appointed J. P. Morgan and Co. as its agents in America, and through them secured sufficient funds to hold the sterling cable transfer rate at about \$4.76 7-16 to the pound. The methods adopted in the French exchange were not quite so thorough, but quotations were nevertheless fairly stable, especially compared with exchange on Italy.

## CANADIAN BANKS AS RESERVE INSTITUTIONS

THE importance of Canadian banks as financial stabilizers was illustrated recently in Vancouver by the part which one of them played when a run took place on the Japan and Canada Trust Savings Co. On March 11th, as the result of a baseless rumor, about \$80,000 in deposits was withdrawn from the trust company in the afternoon. The following morning many out of town depositors arrived, and the company obligingly opening its doors at 8 o'clock instead of 9 o'clock in order to accommodate the crowd, about \$80,000 was withdrawn. Large quantities of money were still visible behind the wickets, however, and soon demands began to fall off. Many depositors whose faith in the institution had not been shaken had made additional deposits to help it stand the strain. The company's reserve had nevertheless been dangerously reduced, and after it had drawn on its deposit in the chartered bank, the Japanese consul arranged for further credit.

This affair was of course limited to one institution in one city. It nevertheless illustrates the fact that the Canadian banking system is not merely an institution for accepting and loaning money. It is an agency for maintaining equilibrium among different branches of business and among different sections of the country.

The Right Hon. Austen Chamberlain, Chancellor of the Exchequer of the United Kingdom, stated a few days ago that the treasury control of capital would be removed so far as it applied to investments inside the United Kingdom. Issues of foreign securities, however, can still be made only under license.

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After a conference held in Ottawa on March 21st, it was decided to call for tenders for 250,000 ties to be used in further construction on the Hudson Bay Railway. It would appear, therefore, that it is the intention of the Dominion Government to proceed with this work. Interests throughout Canada have discovered that constant pressure at Ottawa is necessary to secure progress in any work, no matter what its economic advantages may be.

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A genuine case of political patronage has been unearthed in the accounts of late New Brunswick government. Commissioner James McQueen, who was empowered to make an investigation, made his report in the provincial legislature on March 19th. In 1914, the New Brunswick government purchased 68,603 barrels of potatoes in order that a patriotic shipment might be sent to the Imperial government for distribution. The cost of this to the provincial government was \$153,506. The orders were distributed among the members of a patronage list, not by public tender.

## LOOKING OVER PACIFIC FIELD

Mr. A. Van R. Schermerhorn, manager of the insurance department of the United Grain Growers' Securities Co., Ltd., with headquarters at Calgary, with Mr. W. Laidlaw, superintendent of the Car and General Insurance Corporation, Ltd., a British company which has recently entered the Canadian field, and whose policies are guaranteed by the Royal Exchange Assurance Co., were recently at the Pacific Coast looking over the field with a view to establishing agencies in the British Columbia territory, the United Grain Growers being general agents of the Car and General for the territory from Port Arthur to the Pacific Coast. Both Mr. Laidlaw and Mr. Schermerhorn were well pleased with the outlook, and were of the opinion that the Car and General, as soon as it got established in British Columbia, would be doing its fair share of business.