

ed \$207,000,000 for his share in the Carnegie Steel Works. Estimates of his fortune run from \$500,000,000 up to a much higher figure. However, let us be satisfied with the "starter," and call Andy's nest-egg a mere half-billion. Mathematicians tell us that the human mind cannot really grasp the significance of the number one million. To visualize before the mind one thousand persons or things is easy, but to multiply this picture by one thousand is more readily said than done. What idea, then, can we get from the phrase that so fluidly slips from the tongue—"half billion?" Perhaps the lay mind of those of us who do not think in millions can better consider what Andy's annual income from his \$500,000,000 must be. A goodly proportion is probably invested in gilt-edge securities yielding 3 per cent. But as he has good reason to know what paying ventures various trusts are, no doubt he has large holdings in many such capitalistic enterprises which return in dividends all the way up to 50, and in some cases 100 per cent. To be well within the mark we shall suppose all his investments level up to 5 per cent. His income would be \$25,000,000. Did we say Carnegie could afford to give away a \$50,000 library every day in the year, Sundays included? Even then he would have a monthly allowance of over \$500,000, which would satisfy some of us. While the Government of Canada shivers at the enormous cost of the Georgian Bay Canal, the "Laird of Skibo" could pay every farthing of its total \$150,000,000 out of his yearly interest in half a dozen years. If his fancy turned to wheat he could in any one season pay \$1 a bushel for one thousand train loads, each train consisting of twenty-five cars, loaded to capacity, 1,000 bushels. And all this library-giving, canal-building or wheat-buying, remember, would only infringe upon his interest. That huge mountain of gold, \$500,000,000, remains intact, with ne'er an eagle taken from it. Does this line of thought start questions in your mind? Do you ask how all this wealth can belong to one man? Wealth is defined as the product of labor. Apart from man's efforts, exerted on field or forest, in mine or in factory, there is no wealth. And whose should the products of labor be if not the actual producer's? Is it possible for Carnegie or any man to add \$25,000,000 to the world's wealth in one year? Why, a 40,000 army of the United States Steel Trust's workmen, getting on an average \$500 a year, would altogether receive only \$20,000,000. Of course the brains of the manager should be liberally rewarded. But Carnegie has retired altogether from business. He can sit down twirling his thumbs and yet receive millions more a year than these 40,000 workmen toiling in the factories twelve hours a day for seven days a week. Can a system which permits and fosters such glaring inequalities be a right system? Even Carnegie himself says not. And if the present economic system fails to secure the approval of those who profit most by it, the rest of the people can hardly be expected to wax eloquent over it, or to resist a change as though society and industrial relations had reached the summit of perfection. But Carnegie is not the only sponge, literally absorbing the wealth which belongs to others. Everyone who puts in his own pocket values which the community and the community alone has created is doing on a small scale what Carnegie and others have done on a large scale. Yet our present system fosters, indeed forces, just such abuses.

### BANK MERGERS

The question of bank mergers is exciting a great deal of public interest at the present time, and inasmuch as the agricultural industry is vitally concerned it is important that the farmers of the West should endeavor to become acquainted with the banking system of the country and that they should make an effort to secure the protection of their interests. The question has been brought promi-

ently before the public within the past few weeks by the announcement of the merging of the Royal and Traders banks, following closely upon the absorption of the Eastern Townships by the Commerce, and the report that the Union Bank and the New Royal Bank are likely to be merged with the Bank of Montreal. The present, too, is a most opportune time for the discussion of the whole question of our banking laws, because one of the duties which Parliament is expected to undertake at the next session is the periodical revision of the Bank Act, which has already been deferred for two years. The responsibility for this act will rest largely upon Hon. W. T. White, the Dominion Minister of Finance. Mr. White is a financial expert of practical experience and undoubted ability, and in framing the new Bank Act we have no doubt that he will endeavor to give the country a banking law which will provide the greatest possible protection to both shareholders and depositors. We trust that the Finance Minister will also be able to devise some means of compelling the banks to render more adequate service to the public. The banks have very valuable privileges conferred upon them by the law, one of which is the right to issue bills equal in value to their own paid-up capital. By this clause of the Bank Act, the banks are provided with \$100,000,000 which they lend to the public at from 5 to 10 per cent. interest, but which costs them nothing except the cost of printing. Practically this is a gift of \$100,000,000 by the people of Canada to the banks. All the banks are required to do in return is to deposit with the Dominion Government gold coin equivalent to 5 per cent. of their notes in circulation, and on this deposit they receive interest at 3 per cent. The banks have other privileges, but this is mentioned merely to show that the public have a right to some voice in the disposition of the funds which they supply so generously. At present it will not be denied that large corporations, such as railway companies and manufacturing concerns, find it much easier to secure credit from the banks than smaller business men, farmers and the like. Most of the directors of railway companies and many of our leading manufacturers are also directors of banks, and it is perhaps only to be expected that these gentlemen should use their influence as bank directors to promote their other interests. Not only this, but the funds of the public entrusted to the banks through the note issue and through deposits are often used for the flotation of trusts and mergers, and are sometimes applied in such a way as to benefit the big interests at the cost of weaker concerns. Meantime the small men and the farmers who need credit to carry on legitimate business are refused accommodation or are given it only at a high rate of interest. The merging of banks will undoubtedly accentuate this undesirable condition. If it is not checked it will result in the control of the banking credits of the country being concentrated in a few hands, and a group of men will be able to sit around a table in Montreal or Toronto and decide who is to be forced into bankruptcy and who is to be carried. It would be in the power of such a money trust to paralyze any industry in the country. They would have the whole country, including the governments, at their mercy. Such a condition would be intolerable, and it is the duty of the Finance Minister and Parliament to see that the public is protected from such an eventuality. At present there is a certain amount of competition between the banks, but as the number of banks decreases this competition is gradually being lessened. In defence of the mergers it is claimed that larger banks give greater security and it is pointed out that the failures which have occurred in Canada have all been of comparatively small banks. It is not the fact of their being small, however, that has caused the failure of banks, but the dishonesty and negligence of their officers. The Farmers' Bank, to take the latest instance,

was a fraud from the start, and lent a large sum of money to the promoters of a practically worthless mine. We have never heard of a bank which failed because it gave too much credit to farmers. The extent to which the merger movement has already gone may be judged from the fact that in 1886 there were 41 chartered banks, while at present there are but 26. During the past five years, the Canadian Bank of Commerce has absorbed the Merchants of Prince Edward Island, and the Eastern Townships, the Bank of Montreal has absorbed the People's Bank of New Brunswick, the Northern Bank has absorbed the Crown, the Royal has absorbed the Union of Halifax and the Traders, and the Union of Canada has absorbed the United Empire. Further mergers are now talked of, and the public certainly have cause to be alarmed. It is to be noted also that there is no government inspection of banks. Had there been the Farmers' Bank officials could not have defrauded the public as they did.

### SOME WORDS OF LINCOLN

Our protectionist friends who live on the "forced philanthropy" of the wealth producers are fond of quoting Abraham Lincoln. Here are some of his sayings which may interest them:—

"Labor is prior to and independent of capital. Capital is only the fruit of labor and could never have existed first. Labor is the superior of capital and deserves much the higher consideration. No men living are more worthy to be trusted than those who toil up from poverty. Let them beware of surrendering a political power which they already possess and which, if surrendered, will surely be used to close the door of advancement against such as they and to fix new disabilities and burdens upon them, till all of liberty shall be lost."

"Gold is good in its place; but living, brave and patriotic men are better than gold."

"Let us have faith that right makes might, and in that faith dare to do our duty as we understand it."

"The purposes of the Almighty are perfect and must prevail, though we erring mortals may fail to accurately perceive them in advance."

"The one great living principle of all democratic government is that the representative is bound to carry out the known will of his constituents."

We can't find any words of Lincoln stating that any man has a moral right to plunder his fellow men. Neither can we find him endorsing the principle that the wealth producers should be compelled to give a large portion of the returns of their labor to a handful who are already glutted with millions.

We do more business with the United States than with any other country. Yet we are loyal. Some protectionists remark: "Yes, but our business with the United States is one-sided. We do most of the buying." Yet when the United States offered to permit her people to buy more Canadian exports they were refused. These people evidently have the idea that Canada suffers by buying more from the States than we sell to them. Do we buy goods that are not needed? If we didn't export to some other country we couldn't buy from the South. We should be able to buy and sell wherever we like.

A large party of Eastern business men, including several Conservative members of Parliament opposed to Reciprocity, will tour the West in the next few weeks for the purpose of investing some of their surplus cash. That is well. We hope that they will each invest in a good-sized farm. If a few members of Parliament felt in their own pockets what a larger market means to the farmers of the West, this part of the Dominion would not long be denied its right to that larger market. We would suggest that these investors live on their farms for one or two years and give us a practical demonstration of the great profits in farming.