

into the country. Under normal conditions, therefore, there is no occasion for interfering with the freedom of the individual owner of Canadian gold to dispose of it as he sees fit. Moreover, so far as the command of Canada upon the gold markets is concerned, there is no difference between the export of Canadian raw gold and Canadian wheat, lumber, or manufactured goods. Foreign bills originating from the export of one will command gold in return as readily as those originating from any other. The same applies to the payment of our debts abroad.

Only when a crisis is sufficiently severe to result in a partial or complete suspension of specie payments would any material modification of normal conditions be involved.

Would Affect International Exchange.

Should there occur a serious restriction of payments, as in the case of the proclamation by the government of a general moratorium, or should the suspension of specie payment by the banks or the government itself be authorized, the situation as regards international exchange would be altered, and it would not be possible to acquire new stocks of gold from without through the usual channels and at the usual rates.

Inasmuch as Canada obtains its chief supply of gold through the United States, should any suspension of specie payment or other serious interference with exchange facilities take place there, the question as to the destination of Canadian gold ores might become a matter of considerable importance. Even under these conditions, however, the prohibition of the export of Canadian gold ores would not be of such benefit to the country as might at first sight appear. There would be practically no advantage in prohibiting the export of gold ore while not prohibiting the export of gold coinage. But the prohibition of the export of gold coin and bullion could not be made effective without the suspension of specie payments by both banks and the government.

But the suspension of specie payment does not entail the disappearance of gold from all the exchange transactions of the country, leaving everything to inconvertible paper currency. It simply means that, as regards its indispensable functions, especially the balancing of foreign exchange, gold immediately passes to a premium, the rate of which depends upon the volume of adverse exchange to be satisfied and the amount of gold available to meet it. If, however, the export of Canadian products, whether as raw materials or finished

goods, were sufficient to meet the foreign calls upon Canada for imports received and interest due on Canadian loans abroad, then, of course, it would not be necessary to ship any of the gold reserve out of the country. But, if the exports of unrefined Canadian gold materially assisted in balancing our foreign exchanges, there would be no special reason for prohibiting the export of gold as a raw material only to insure its increased export as a finished product in the shape of coin and bullion. Even a financial crisis, therefore, does not materially alter the relationship of unrefined gold to the other articles of Canadian export or the balancing of Canadian exchange.

When Canada is Hemmed In.

Under one quite exceptional condition, however, it might be entirely advisable and necessary to prohibit the export through private channels of all gold, whether in the shape of new gold, coin, or bullion. That condition would be one in which Canada was at war and so hemmed in that its external trade was paralyzed, while it still urgently required certain supplies from abroad. Under such circumstances, nothing but gold could command even a partial supply of the goods required. In this case, however, the embargo upon gold would simply be part of a more general embargo upon any other supplies of the country which were essential to the conduct of the war. To a large extent this is the condition of Germany and Austria at the present time; but, as regards gold, it is not the situation of Britain, because her trade and exchange communications are still open to the neutral world and her allies. It is obvious, then, that the conditions requiring interference with the free disposal of Canadian gold as produced from our mines are of very exceptional character. Under all other conditions the Dominion government is already fully meeting the situation by furnishing an opportunity for the owners of Canadian raw gold to have it refined and converted into standard bullion or coin in Canada at reasonable rates. It should be left to the Banking and Currency Acts to make suitable provision for maintaining an adequate gold reserve in the country to meet possible commercial and other crises. Beyond that, the government, the banks, and the public alike must consult their own interests and follow their own discretion and judgment in acquiring or disposing of what gold may come to the country or be produced in it.

CANADA'S PLACE IN THE WAR

Commenting on what Australia has done in the present crisis, Mr. Rowley declared, at the Canadian Club, Winnipeg, "We in Canada have been playing football with the important matter of the defence of the British Empire for a lamentably long time. We have brought politics into the question, and events have proved that our politicians were wrong. No matter what the policy, if one had been decided upon, it would have been mighty useful to-day. If our cabinet ministers do not tell us where we as a nation stand, then we ought to tell them where they stand. Although we are delighted to have Canon Murray with us, it seems to me that this would have been a good time for some of the ministers of the crown to tell us about Canada's place in the war. To me it appears that Canada's place is just as great as that of the British Isles, and if Premier Borden means what he says and the leader of the opposition—and there should be no opposition in a matter so vital—there should be no difficulty in arriving at a conclusion as to what Canada ought to do, and no limit to the sacrifices entailed by doing it, even if defence of the Empire meant spending the last dollar."

It's a case of Kitchener, the Sphinx; and Sam Hughes.

The Pioneer Grain Company, Limited, capital \$500,000, has been registered to do business in Manitoba.

A fine exhibit of the Prudential Insurance Company of America will be found in the social economy section of the mines building at the Panama-Pacific Exposition, San Francisco. The dimensions of the exhibit are 150 x 30 feet. The space occupied is 4,500 square feet. The fundamental principle which underlies the exhibit is the conception of the relation of life insurance to public welfare. The object of the exhibit is to visualize the facts of insurance experience and their relation to social and economic progress. The character of the exhibit is primarily scientific, but the display is in a popular and easily comprehended form.

METROPOLITAN MUTUALIZATION PLANS

The Metropolitan Life Insurance Company, of New York, with its \$500,000,000 of assets, \$40,000,000 of cash surplus and 14,250,000 policyholders, is to be mutualized if all parties interested can agree, according to a letter addressed to certain policyholders by President J. R. Hedeman.

Two of the four steps necessary have already been taken, the majority of the holders of the \$2,000,000 capital stock have signified their consent and the board of directors have approved. Under the law there remains only for the policyholders holding \$1,000 or more of insurance for a year or longer and the state superintendent of insurance to approve, when the transfer may be made from an old line stock company to a mutual association.

The Metropolitan Life Insurance Company is now a stock corporation with a capital of \$2,000,000. Its surplus is estimated at \$40,000,000. It is proposed to return the \$2,000,000 capital and to pay \$4,000,000 of the surplus to the stockholders, under the mutualization plan.

Holders of policies amounting to \$1,000 or more, which have been in force for a year or over, will be entitled to vote on the project.

Nobody loves a pessimist.

The Cullon Patent Manufacturing Company, Limited, has changed its name to Prairie Builders, Limited.

Mixed farming is the proper thing, and it takes years for its proper development. There is need of someone to advise the farmer to hold steady under the present excitement and stick unswervingly to his original programme, said Hon. W. R. Motherwell, Saskatchewan's minister of agriculture, at Winnipeg. "There has been a lot of talk lately about sowing every available acre for a big crop next year, but those who cry the loudest do not take into consideration that the land refuses to be rushed. Besides, the farmers do not need any urging. You do not have to urge a man to help himself at an open gold mine."