

at satisfactory prices—a good thing for the province and for the whole country.

The question of floating our government loans at home or abroad again becomes of peculiar interest. This particular loan was criticized last year partly because it was issued in the Dominion and not in London. The Monetary Times has previously discussed that objection, which is chiefly urged by the professional banking element.

A strong party among the laity is disposed to look with favor on public issues of this kind in Canada because they give Canadian citizens the chance to invest in sound bonds returning fully 1 per cent. more than a bank deposit will yield. Some newspapers urge that the Dominion Finance Minister should arrange his bond issues so as to encourage Canadian subscriptions rather than go to London for all his borrowings.

If it be admitted that Canada needs all the outside capital she can attract, it will not be hard, as our esteemed contributor, Mr. H. M. P. Eckardt, has pointed out in these columns, to show that a general policy of issuing bonds in London is better calculated to advance the interests of the Dominion than a policy of issuing in Canada would be.

Take the Ontario provincial issue of \$3,500,000 under discussion, and suppose the treasurer's efforts to induce bank depositors throughout the country to take the bonds were in the end fully successful—the result would be a considerable fall in bank deposits. It could not fairly be assumed that deposits would fall \$3,500,000; for the transaction would, in fact, work out as a transfer of deposits in the bank ledgers from the accounts of individuals to the Government accounts. And afterwards, when the proceeds were disbursed, there would be a subsequent re-transfer from the Government to private parties. At the conclusion of the whole business it would be found that deposits had suffered a considerable net reduction.

If the course were followed of placing the bonds in London, as soon as the proceeds were paid over, the deposits of the Canadian banks would be increased by the whole sum of \$3,500,000; and even after the disbursement by the provincial officers a considerable part of the increase would remain.

So that briefly the difference in effects, as thus considered, is that a London issue tends to increase the amount of bank deposits in Canada, while a Canadian issue tends to decrease them. No doubt some bankers are opposed to issues in Canada for the selfish reason that they tend to decrease bank profits through lessening the total of the deposit fund on which the banks make an annual brokerage. Others, broader-minded, oppose them for patriotic reasons. It is known that the deposit fund of the banks is the means whereby loans and discounts to the business men are made. In other words, it is the life blood that enables a large part of the people to carry on their trades, businesses, and industries. Barely two years ago we reached a stage in which the deposit fund of the banks was not sufficient to meet the legitimate demands of the Canadian business community. This year the deposits accounts have made new high records.

This explanation should make it plainer why many of the bankers are in favor of the Dominion and the Provincial Governments borrowing abroad. When that course is followed the deposit fund in Canada is built up and the day on which our national progress is checked for want of money is postponed. If all the governments did their level best to sell bonds to depositors in Canada, and succeeded, one effect would be to deplete the deposit fund and to thus bring about an earlier arrest to our forward progress. One particular loan, or even a loan now and again, would not have so great an effect, unless the amounts were very large. But a persistent policy of absorption of domestic deposits while Canada is entering so freshly on the development stage could hardly fail to have evil effects.

NEW INSURANCE COMPANIES.

Of late years there has appeared upon the commercial surface, especially in the United States, a great number of new insurance and financial ventures—more, it would appear, than are called for by the natural growth of population or the development of business. To the sound and legitimate concerns among these there can be small objection, except that they may overfill the field. But many of the new projects are not sound, having but poor foundation in either money or principle.

They promise all sorts of unlikely or impossible things, and yet thousands of people are foolish enough to invest in them. We say foolish enough, for they are sure to be disappointed. Within a few weeks, enquiries have come to The Monetary Times about two lately started insurance companies or associations, one fire and one life, in the United States. Of these, one makes pretensions, as to future profits, which are quite inconsistent with its narrow basis, while the other promises to do fine things for its members—far finer things than older and stronger concerns find themselves able to compass. We hear, too, quite often, but at a greater distance, of loan and building associations in the far west States, of the kind which had such vogue a dozen years ago in Pennsylvania, and which extended their friendly, and even philanthropic, proposals to Canadian members.

Enterprises of the kind are more rife in the nearer North-western States, such as Minnesota and Dakota, which is perhaps the reason Canadians hear so much more of them. It is agreeable to observe that several of the Insurance Commissioners of States are taking measures to protect simple-minded people from being swindled or misled by new associations with slender resources, such as we often hear of through the pages of American insurance journals. Mr. Hartigan, the Minnesota Commissioner, has given the following timely warning to intending investors:—

"Although," he says, "it is not the function of this Department to advise in regard to investments, a few general statements may be of benefit. Insurance as an investment does not differ greatly from any other kind of business enterprise. Success or failure of companies will depend, among other things, upon whether the company is organized with the purpose of doing an insurance business or for the benefit of promoters. There is no royal road to wealth through insurance investments. They require the same careful investigation as do all forms of industrial investments. The company that uses half its receipts from stock sales for purposes of organization, as was recently done, does not give the promise of either large or immediate dividends."

SINS OF PACKERS.

The Dominion Department of Agriculture has shown much spirit in exposing and punishing dishonesty in those exporters who tell lies in the packing of fruit. Violators of the postal laws and post-office employees, when detected in dishonesty towards the Government, are denounced. Why should not equal promptness, and even ruthlessness, be shown in publishing the names and penalizing men who are robbing other Government departments?

The commercial public remembers with very strong feelings instances where the Customs revenue of Canada has been cheated out of large sums by false invoices or other dishonest devices, to the disadvantage of every honest importer. The malefactors in some such cases were compromised with by the Government, who perhaps imposed upon them penalties, but not the highest. Nor were the culprits exposed by publicity to the view of all honest people, who abhor false entries.

The importers of Montreal have suffered for years, and are still suffering, from the competition of dishonest entries by merchants in their very midst. And only last month they memorialized the Government at Ottawa, saying: "It is generally believed by the trade that cer-