

having me make a few observations concerning the influences which affect the direction of the flow of this trust fund capital and which decide the character of investments sought by it, as well as to enlarge upon some of the problems involved therein which are peculiar to the life insurance business and with which you as bankers may be unfamiliar.

In attempting this I appreciate fully I am addressing a representative gathering of men of affairs and finance, whose hard-headed business sense will lead them to detect anything specious in the discussion, but who at the same time are so vitally interested in the welfare of the South that whatever of truth may be here suggested to its good will surely be reflected in that public opinion which minds like theirs so materially help to form.

It would be almost academic to attempt to analyze the conditions which create the universal need for funds to absorb the mass of government, corporate and private securities which are offered for sale in the United States. It is a mark of our civilization. In the development of a country first comes man, then industry, then means of transportation, communication and exchange, and with these the needs of organized government. The history of civilization is the history of commerce. The progress of the American people can be traced, after the first coast settlements were made, in the development of their agriculture, the establishment of their industries, the beginnings and extensions of their transportation systems, their increasing success in simplifying the means of communication, in the growth of their banking and credit system, and in the methods of government which were adopted to keep order among themselves and to preserve the rights of property which this steady advance created.

CAPITAL IS THE NATION'S LIFE BLOOD.

So it is that in the very nature of things the capital of the country must be kept at work in substantially the same channels which have led to the marvelous commercial achievements on this continent in the past century. Whether we consider investments in mortgages on dwellings, farm properties, factories, mercantile establishments, warehouses and office buildings, or in the stock or bonds of corporations which build and operate our steamships and railways, trolley roads, telegraph and telephone lines, gas and electricity plants, water supply and water-power systems, or in the securities of the nation, a State, or municipalities, from the proceeds of which come our schools, court houses, public buildings, sanitary improvements, States institutions of all kinds, and permanent improvements to our highways and waterways, we cannot escape the observation that capital so employed is the very life blood of the nation which feeds its material body, so to speak, and furnishes it with that sound health which is responsible for its enlightened and wholesome national mind. Without capital to answer the call for such investments, progress could not be made. That community will enjoy the greatest development and prosperity which can attract an ever-increasing flow of capital to it for investment in securities of the kind outlined. If we believe, therefore, that this flow of capital does have a commanding influence on the well-being of a State or a particular locality, the question of how best to influence the current favorably becomes a serious question to the people everywhere, who would benefit by its presence.

I appreciate that this question is not new, and that I may not be able to contribute anything strikingly original to the discussion; I do feel, however, that whether new or old, certain considerations which bear upon the question may well be emphasized at this time.

PROBLEMS OF THE CAREFUL INVESTOR.

What are the problems of the careful investor who is charged with the responsibility of purchasing securities? He is confronted with a variety of them from all parts of the country. The diversity in kind and in the place of their genesis shows clearly that industries and governments are competing for his favorable judgment. In choosing between them he must seek an adequate interest return for this money in hand, not so high that it will subject the principal to undue risk, nor so low as to make the investment profitless. The expense of selection and investigation also enter the problem, and he must see that this cost is such as not to reduce the net interest below what must be earned. And, of course, in choosing between the offerings of the public, he will naturally and with reason discriminate in favor of that loan or security which has the most value behind it—whose interest rate is satisfactory.

(To be continued.)



CANADIAN CROPS AND LIVE STOCK.

A bulletin on the crops and live stock of Canada was issued by the Census and Statistics Office on Wednesday. The correspondents of the office report that in the Maritime Provinces and generally throughout eastern Canada the weather of June continued cold and wet, and growth was therefore slow. In the Northwest provinces the weather of June was hot and dry and rain was badly needed at the beginning of July. Rains have since fallen, however, and conditions have improved. Prospects for spring sown crops are generally favourable.

According to the revised figures obtained at the end of June, the total area under wheat this year is 10,047,300 acres compared with 10,377,159 acres as returned by the Census of 1911. The area sown to fall wheat in 1911 was 1,097,900 acres, but winter killing has reduced this area to 781,000 acres. The area sown to oats is estimated at 9,494,600 acres, compared with 9,233,550 acres in 1911, and to barley 1,449,200 acres as against 1,403,960 acres in 1911. In the three Northwest provinces spring wheat covers 9,029,000 acres as against 8,949,965 acres, in 1911 the increases being in Saskatchewan and Alberta. Including fall wheat the total wheat acreage in the three provinces is 9,246,100 compared with 9,301,293 acres in 1911, the decrease being accounted for the large area of fall wheat winter killed in Alberta. Oats in the three provinces occupy 5,037,000 acres and barley 826,100 acres as compared with last year's census figures of 4,563,203 acres for oats and 761,738 acres for barley.

Whilst not equal to the exceptionally high figures recorded this time last year, the condition of spring sown crops is generally good. The highest figures for spring cereals are recorded in Prince Edward Island and British Columbia, the per cent. condition ranging from 97 to in the former and from 90 to 95 in the latter province, the average for the Dominion being from 86 to 89. Fall wheat remains low being only 70 for Canada, 73 for Ontario and 71.6