

tion. The interim public until a month following with the de- s seldom to be had port covers the opera- previous year ending uch value when it nearly three-fourths

the government by the government at ion for the people made from time to r access to the files themselves as to the ed to see published many cases they are ent has an absolute is open to debate, there is too much Ottawa.

VINDICATED.

ished by the recent was illustrated the where than in Can- banking and credit ; but critics and y who urged that Canada in their in-

t if the banks were would be obliged to that, consequently, uld have been even ulation that would ustries. It is easy stimulated when the oney into mercantile ers, merchants, and credits at their dis- le to enlarge their ns.

ment, by the banks, the same stimula- re barred from lend- don. As their den- be obliged to in- Toronto and Mont- sked to borrow the e very large the rate the brokers would e supplies of cheap pted to induce a big money to profitable

the stock markets boat the stock issues other. Capitalists take advantage of of large, new con- ations always serve own vicinity and in

banks go abroad to wish to hold as se- can be realized in- rule. Such stocks ty only in the great e banks could not is quite certain that to Montreal and ld be given money is would be so be- vidual to their safety

to have a certain amount of their call loans based on that class of realizable security.

It is also possible to stimulate dangerously home industry and trade. If it is too easy for business men to get bank loans, if borrowers are not held within some sort of reasonable limits, there would certainly be a great increase of competition in many lines of trade and industry. Where, under present circumstances one or two traders or merchants were in possession of a field none too large for them there would likely be two or three under the other conditions; and where a manufacturer was turning out a quantity of goods about equal to the demand or consumption he would be apt to over-produce. In other words the excessive injection of capital into the commercial system would be almost certain to bring about over-production and over-trading. In being able to place their funds where they please the banks can better regulate their credits, so that the amounts placed at the disposal of the several industries will suffice to enable the industries to be prosecuted healthily and profitably. Liberty of investment tends to keep conditions stable and satisfactory during normal periods. What it does in periods of financial crisis has just been demonstrated. Everybody knows that our banks have large amounts out at call in foreign countries. At the end of September "call loans elsewhere than in Canada" were \$63,771,628, having increased from \$60,707,093 at the end of August.

When the bankers learned, on October 12th, that the Ontario Bank was on the rocks, they were anxious as to how bank depositors in general would take the news. How grave they considered the crisis to be is shown by their agreeing to become liable to the Bank of Montreal in sums of \$200,000 and upwards should there be a final deficit in the Ontario Bank liquidation. When they entered into this guarantee none of them knew very much about the real situation in the Ontario's head office. The risk was assumed in order to have the liquidation proceed with "open doors" as that method would be least likely to alarm the public.

That was the first step—to deaden or minimize the shock. The next was to strengthen their cash. It was essential that this step also should be taken in a manner not likely to create alarm. Had they been obliged to stop discounting for mercantile customers one can imagine something of the outcome. Commercial houses would go down. Supposing they went on discounting, but called Canadian stock market loans? Prices would have slumped and the crisis been advertised severalfold.

Thanks to the "call loans abroad," neither of these steps were necessary. There was no thought of stopping mercantile discounts; those banks that had foreign call loans did not have to think of calling Canadian stock loans. All that was necessary was to call a few millions in from Wall Street. The operation did not materially affect that market, and the funds were in Canada at a day's notice. The strengthening of the situation amounted to more than the mere addition of the cash to the bank's resources; the fact of the import of a couple of millions in gold, being advertised in the news of the day, helped materially to maintain the public confidence. And everybody who had anything like a complete understanding of the position found an inestimable comfort in the knowledge that something like fifty or sixty millions could be brought from New York if the occasion arose for it.

EDITORIAL NOTES.

It is a gratification, though not a surprise to learn that none of the Ontario Bank directors unloaded any of his own stock on the eve of disaster. No one has suggested that they were knowingly recreant to their trust. An explanation of Mr. McGill's frequent trips

to New York, naturally accepted by President Cockburn might be that as agent for the large Walter Nichols estate of Peterboro Mr. McGill often had to travel to that city. The extent to which the directors were innocently fooled is not yet known.

The election of Hon. W. S. Fielding, Minister of Finance, in the by-election for Shelbourne—Queen's, will set at rest the doubt which has prevailed as to the date for the calling of Parliament. November 22nd is the generally accepted date for the opening. The new tariff will no doubt be announced before Christmas. It has been the intention of the Government, all along, to have the tariff debate well under way before the adjournment for Christmas. If this is brought about, the merchants of Canada will know by that time what new conditions they will have to face, and the doubt which has existed for so long will be dispelled. For the sake of Canadian industries of all kinds, it is to be hoped that no unnecessary delay will be allowed to take place before the new tariff is announced.

It seems impossible for Mr. Hearst to be elected Governor of New York next Tuesday. The running of Mr. Hughes by the Republican party was a stroke against which the arch-demagogue of the continent cannot effectually stand. Though there has been a little anxiety in financial circles about the outcome of the Hearst candidature, it has not amounted to much more than a feeling that the views of President Roosevelt in some respects agree with those of the yellowest yellow journalist. Mr. Hearst has produced from the voluminous store of presidential oratory some sentences which are similar to those which he or his henchmen have uttered. The President has declared strongly for Hughes, and the Hearst attempt to discredit the counsel who made a reality of the Armstrong investigation of New York insurance, as a "corporation lawyer," has had only a boomerang effect; for the Hearst papers are under exactly the kind of corporation control in which he affects to discern the worst enemies to the liberty of a people who would be free and independent but for malignant trusts. The fact is that Mr. Hearst carries to the average mind no conviction of personal fitness. His papers have gone a long way to destroy what little faith in daily journalism was left to the American people. His zeal for socialistic reform is not begotten of that hard reading and harder enterprise which has produced in the socialists of Europe some splendid types of intellectual manhood, whose private record has always been beyond reproach, and whose public career has been entirely honourable, even when it has been violent in sound. The election of Mr. Hughes will be something of an innovation, but it will be perfectly safe, because he is proving himself a hard-headed, long-headed man of affairs. The profession of law does not always disqualify a man for high administrative statesmanship.

The restriction of Canadian insurance companies, to certain classes of business has long been felt to be an injustice to Canadian enterprise. Of late years the injustice has been emphasized by the fostering of American and other foreign companies which have been able to obtain a foothold in the Canadian market and to establish profitable businesses here. If Canadians are able to do the business, no artificial obstructions should be placed in their way, so long as they give propositions to their customers, which are as attractive as those of the foreigners. Companies doing business in Canada at present are restricted to certain groups of activities. The accident companies, for instance, can insure against accident and sickness, and also do a guarantee business. Beyond these limits they are forbidden to go. Other classes of Insurance companies have similar restrictions, and as a result, certain fields