

without disturbing matters of purely local concern. At the same time it would be a further complication of our political organization, and would certainly mean increased expense. The three provinces had, in 1911, a total population of 937,955. This was less than half the population of Ontario or Quebec. As the maritime provinces have remained practically stationary while the western provinces have grown rapidly, the prospects seem to be that, even united, they would soon fall considerably down the list. The maintenance of separate governments has been found to be extensive, particularly in Prince Edward Island, and this has been increasingly felt with the growth of the work of provincial government. The best plan would seem to be, therefore, simply a union into a new Canadian province, with the usual powers of government.

GUARANTEE BONDS AND CONTRACT TENDERS

Insurance companies which write guarantee contracts have been doing work of great value, not only to parties concerned in businesses of this kind, but also to the country as a whole, in releasing funds which would otherwise be tied up unnecessarily. Before they can do business in Canada they are required to make a deposit with the insurance department at Ottawa. In spite of this the Dominion Government has not yet expressed its willingness to accept guarantee companies' bonds as surety from contractors who submit tenders, although the matter has been more than once urged upon them. A few weeks ago it was announced that war loan bonds might be used for this purpose. This, of course, is an improvement over the use of cash, but at the same time the motive is evidently merely to encourage the purchase and holding of war loan bonds, and does not indicate a more liberal policy on the part of the government.

The advantages of guarantee company bonds to contractors are obvious. A contractor might be well equipped for work, but at a particular time might not have the cash necessary to accompany his tender. His only alternative under these circumstances is to borrow the amount required. For this he must pay probably 6 per cent., and, although he receives interest from the government, nevertheless, the difference between the government rate and the rate he pays amounts to a considerable expense. This expense must ultimately be borne by the government, as all contractors will take it into consideration in tendering for government work.

More security could be obtained from a contractor in the form of a bond than in the form of a cash de-

posit, because in the latter case the tendency is always to keep the bond at a minimum in order to occasion the least inconvenience to the contractor. The security could be held for an indefinite period without disturbing the contractor's business in any degree. No funds would be unnecessarily tied up in this way and the public interest would not suffer.

WAR BONDS AS INVESTMENTS

Faced with the necessity of raising \$500,000,000 to finance Canada's part in the war for a further period, Canadians will also be faced with an investment opportunity such as was never offered until the past few years. The bonds of the Dominion of Canada, issued for war or other purposes, are absolutely safe, and there is no question of our ability to pay the interest on a debt even larger than we have so far accumulated, and also to make provision for its gradual repayment. No country in the world is composed of citizens who are more appreciative of the value of good credit, and who are, therefore, seized of the necessity of meeting the debts which they have incurred. So long, therefore, as we are able to pay the interest on the debt, there is no question but that it will be paid.

The conveniences of the war bonds for investment purposes have already been discovered by eight hundred thousand Canadians. Interest may be collected at any bank in Canada without charge for exchange. This practically means that the Canadian Government agrees to pay the interest wherever the holder might happen to be on the interest date. The bonds may be sold at a few days' notice, although the transfer of registered bonds requires a number of days. Holders may have their bonds registered in full as to principal or may keep bonds payable to bearer.

These features alone are such as cannot be found in any other Canadian security. There is another, however, of even greater value, and that is the feature of tax exemption. Our Dominion taxes will continue to grow in proportion to our national debt and expenditure, and unquestionably the income tax will be raised still further. The feature of tax exemption, therefore, should be of increasing value, and the increase in the income tax will be accompanied by a greater divergence between the market values of tax-free and taxable securities. The Minister has announced that the next loan will be tax-free, but it is quite possible that further loans will be taxable, and this may, therefore, be the last opportunity to subscribe to war bonds upon which income tax or corporation tax need not be paid.

English fish production has been seriously handicapped by the diversion of trawlers to war work. Plans are now under consideration to increase the export of dried fish from Canada to Europe.

Mr. Herbert Hoover, of the American Food Administration, who visited England and France to confer with the food controllers of the Allies, says that this continent next year will have to supply the Allies with 4,000,000,000 pounds of fats, 900,000,000 pounds of beef products, 500,000,000 bushels of cereals and 1,500,000 pounds of sugar. In addition to the former responsibilities overseas, next year there will be the feeding of an enormous United States army in Europe. "We have to make good," says Mr. Hoover. "We can do it if we simply have the will to live with every economy and waste nothing."

At a meeting of the shareholders of the Bank of Montreal on September 10th, the decision to acquire the Bank of British North America was unanimously ratified. Permission to sell the bank has already been granted by the shareholders in England of the Bank of British North America.

Heavy cattle and high prices bring large returns, but light cattle and cuts in price destroy profits. It pays to pasture cattle when the season has been fair, with good rains and good pasture during the last half of September and October. A little effort put forth now will make possible putting on an additional 100 pounds per head, and secure a better price for the cattle as well. The Canada Food Board and the British Purchasing Commission state that the beef situation in the allied countries makes it important to discourage sending unfinished cattle to slaughter.