of banks. If the percentages of failures in the two countries approximated each other, time might be profitably employed in definitely adjusting the estimates, but whether there are more than four times or a little less than four times as many failures in Canada as under the National system is not material, for, even with a difference of two to one, the disparity would condemn the weaker system. In referring to the calling of fresh capital through the influence of the Controller you have shown another advantage and preserving influence of external examination.

In commenting on the fact that there has been no increase in the number of Scotch banks since 1879 you say: "The Canadian tendency is also in the direction of a diminution in the number of banks." That tendency is quite marked, the chief cause being fraudulent failure. Unfortunately, the history of the last five or six years does not encourage the suggestion that Canada is progressing towards the point where bank failures will cease. Naturally, even without preventives, there will come a time when bank failures will be rare, just as deaths become progressively fewer as a colony is decimated by pestilence. Although, in each case, some acquire immunity, good government requires the prompt application of appropriate remedies.

While Scotch banks have not increased in number of last years, it is open to question whether this is due to Sir Robert Peel's Act of 1844, as you suggest, for in Ireland that Act has not prevented the establishment of new banks. It does not seem to have had any beneficial influence on the Scotch banks, for the two most disastrous failures in the whole history of the country occurred long after it was passed. I refer to the failures of the Western Bank and the City of Glasgow Bank. Owing to the bad and fraudulent management of these two banks the period from 1844 to 1879 was disastrous to Scotch banking. Following the failure of the City of Glasgow Bank, experts decided that external audit was essential; it was applied; failures ceased. This chain of circumstances, which is impressive, becomes overwhelming when considered in conjunction with much other collateral evidence. Banking conditions in Canada are infinitely worse than they were in Scotland in 1879; why not apply the remedy there indicated, favoured by the world's best bankers, and since used for thirty years with perfect antidotal effect?

Toronto, December 20, 1909 H. C. McLeod.

WORKMEN'S COMPENSATION DECISION.

In view of the circumstance that the Quebec Workmen's Compensation Act goes into force with the New Year, especial interest attaches to the decision recently given in the first case under the somewhat similar Alberta Act.

The case arose from the injury of Allan Murray, of Edmonton, while in the employ of the G.T.P. construction contractors, Foley, Welch and Stewart. The employers denied liability under the act on the plea that as their construction work was on a Dominion chartered railway, they were not under provincial jurisdiction in the matter. However, Judge Taylor did not sustain this view, but held that the Compensation Act applied.

Month by Month.

BANKING, FINANCIAL AND GENERAL.

Some Important Happenings in Canada During the Year 1909.

Stock and bond market developments of 1909 will be more fully dealt with in the next issue of THE CHRONICLE, as also will mining matters. Meanwhile the following presents a bird's-eye view of important banking and financial events in Canada, month by month during the year.

January.

C.P.R. absorbed the Wisconsin Central through medium of "Soo" line.

Absorption of Western Bank of Canada by Standard Bank.

British capitalists obtained control of Lake Superior Corporation.

Mr. E. J. Chamberlain appointed vice-president and general manager of the Grand Trunk Pacific.

Mexican Power Company circular (signed by Sir George Drummond, Mr. James Ross and Hon. Robert Mackay) was addressed to shareholders expressing strong disapproval of the plan proposed by Tram interests for absorption on the basis of 140 for Tramways shares and 80 for Power.

The Saskatchewan Government brought down its bill whereby about seven hundred miles of railroad will be built by the C.N.R. and G.T.P. under a provincial guarantee of bonds to the extent of thirteen thousand dollars per mile.

New Year Canadian issues in London included the following: £400,000 City of Montreal registered 4 p.c. stock at 103; Alberta, £411,000 p.c. sterling debentures at 99½; Montreal Water & Power Co., £100,000 4½ p.c. prior lien bonds at 94; Montreal Cotton £200,000 first mortgage 5 p.c. debentures at 97½; £1,250,000 Mexico Trams 6 p.c. bonds at 96½; Dominion Government £6,000,000 3¾ p.c. bonds at 99¼.

February.

The Privy Council rendered judgment in favour of the Dominion Iron & Steel Company against Coal Company.

Nova Scotia Steel & Coal Company applied to provincial legislature for power to issue new bonds and debenture stock so as to redeem existing and cancel preferred stock.

Winnipeg Stock Exchange opened.

Shareholders of the Royal Bank of Canada decided to increase the paid-up capital by $1,100,000.

C.P.R. was authorized to issue $50,000,000 additional stock.

London flotations included, Rio de Janeiro Tram £2,000,000 5 p.c. bonds at 92; G.T.P. £1,000,000 4 p.c. debentures at 90; Winnipeg Electric £300,000 4½ p.c. debentures at 97; British Canadian Asbestos $1,500,000 25-year 5 p.c. gold bonds.

March.

The sum of $2,750,000 was placed to the credit of the Dominion Iron & Steel Company, in the Bank of Montreal, this being the amount of the Dominion Coal Company's payment on account.