

had to be met from the national treasury, and no return was received on the stock which was purchased at a considerable cost. The people of Canada in no uncertain voice demanded the acquisition of these lines. The whole resources of the country are pledged for their maintenance. Will this national road be allowed to go to pieces merely because the Canadian Pacific is still able to outpoint its rival? To meet the deficit from the national treasury is to admit that public ownership of the railways is a failure.

It is a strange camp which stands opposed to the railways in the present hearing. The west, the advocate of "fair play to all and special privilege to none," wants railway service below cost, boards of trade, who fail to see that the transportation service in which they are so vitally interested cannot be adequately given at present rates,—manufacturers who would make the railways, like themselves, the recipients of a bonus from the public,—and the public as a whole, regarding the railways as foreign institutions levying an annual tax upon the country, rather than a vital part of its organization,—all these are represented at Ottawa.

There are three methods of dealing with the situation. The first is to leave the rates as they are, meeting the deficits of the Canadian National to keep it in operation until such time as the Canadian Pacific is dragged down to its level of inefficiency. The second is to grant an increase just sufficient to cover the increase in wages just granted. The third is to raise rates to a level sufficient not to permit of extravagance, but to enable the Canadian National to pay operating expenses and fixed charges at least, and to enable all the roads to give such service as will be necessary to meet reasonable demands. The present situation is unbalanced. The railroads, like any other company which would offer to do business below cost, are swamped with business on which they are continually losing money. Far better to cut off a part of that traffic by raising rates, relieve the taxpayer of his present annual bill of several dollars per head of population, and place shippers in a position to demand good service, without an apology, knowing that it is good service they are paying for.

EARNING CAPACITY OF THE AVERAGE MAN

HOW the earnings of the average man rise and fall through his life, and just when he should be best able to make provision for his declining years, is shown in a chart recently published by the National City Company. Earnings are divided into three grades. First, there is the "line of dependency," which is passed shortly after the age of twenty, and down to which earnings again fall at about sixty-three. Second, there is the "line of comfortable living" extending during the ages twenty-five to forty, and fifty-two to sixty-three. Finally there is the "line of maximum earning power," which is reached from forty to fifty-two.

These calculations are, of course, only approximate. Variations will be found not only in the case of individuals, but also with groups of individuals occupying a similar section in life. The unskilled worker, for instance, attains to his maximum earning power much earlier than the average, because his earnings depend upon his physical ability. More skilled workers do not reach their maximum until somewhat later, when a certain amount of experience has been acquired, but before the physical powers are materially affected. Clerical workers may retain their greatest earning power until comparatively late in life. The highly trained business or professional man does not commence to earn until much later than other workers; for some time thereafter his earnings may scarcely equal those of a manual laborer, but so long as he retains fair health and physical power his earnings, being dependent upon practice and experience, should continue to increase.

It is obvious that those who wish to be independent during the later years of their life, if they are sufficiently fortunate to have later years, must make provision for them

during the period when their earnings are above the line of dependency. This is, on the average, between the ages of twenty-three and sixty-three, a period of forty years during most of which there is a substantial margin between earnings and the cost of the "necessities" of life. Two forms of saving absorb the vast bulk of surplus earnings. The one is direct investment, whether in real estate for use or for revenue, in the bank for convenience and interest return, or in securities. The second is the more indirect form of life insurance, where an estate is created at once which is large in comparison with the initial investment, and where the total of the premiums, with accrued interest and after making deductions for the cost of carrying the risk and the expenses of operating a life insurance company, are returned at the end of the time specified in the contract. A combination of these forms of investment is agreed upon as the most desirable. Most of us have domestic obligations rather larger than our resources would meet, and for this purpose some life insurance is required. The bank, loan company or other depository is the most convenient for ready money, possibly we may wish to own some real estate, and securities in almost endless variety are available for the balance.

For the first time in three years the income of the United States government has exceeded its expenditures. A surplus of \$291,227,547 is estimated for the fiscal year ended June 30, 1920. Canada's record is far from being so favorable.

Capital issues in the United Kingdom in June totalled \$27,560,000, making a total of £241,000,000 for the half year. This exceeds the total for the whole year 1919, and is just one million less than the figure for the year 1913. War time expansion has developed into a mania of speculation, the eye being turned to the successes of the past rather than to the uncertainty of the future.

Hon. C. C. Ballantyne, minister of marine and fisheries, says that the government merchant marine will be a profitable investment again this year, and 63 additional ships are being built. Great Britain and the United States, on the other hand, are greatly reducing their ship-building work, as less traffic, lower rates and smaller profits are anticipated in shipping circles.

Premier Meighen says it is the financial policy of the Dominion government to go into debt no further, to raise revenue to equal or exceed expenditure, and to reduce the debt. Hon. Mackenzie King asks "what would be thought of any government or party that, under existing conditions, would propose anything different?" It may be that all parties will claim such a policy, but to carry it into effect will be a radical and desirable change in national government.

Mayor Church, of Toronto, says that a provincial guarantee of the municipalities' bonds to be issued to purchase the electric railways in the province is not desired by the municipalities. He is assuming, however, that the Dominion government would accept unguaranteed bonds. The provincial guarantee saved the hydro municipalities many thousands of dollars on bonds sold in the open market, and this obligation gives the province the right to make a thorough investigation of any hydro-electric project.

The number of vessels under construction in the United Kingdom at the end of June was 3,578, compared with 3,394 on March 31, and with 2,524 on June 30, 1919. The number of vessels commenced during the quarter ended June 30 decreased, however. The corresponding figures for the United States were 2,106, 2,573, and 3,874; for Japan they were 254, 826 and 282. If shipbuilders in these leading countries fear to risk new capital under present conditions it is safe to conclude that ocean shipping will be duller in the near future.