

Chicago Board of Trade and the New York Stock Exchange.

"This, however, isn't the worst of it. When a few men are known to control vast sums of money they are constantly beset with importunities and temptations to use this money to promote enterprises outside the pale of sound banking. It is a matter of regret that some of the great Canadian banks appear to have yielded to this temptation. It is reported that one of them is putting large sums into light, heat, and power company in Sao Paulo, Brazil. Another is promoting a street railway in the City of Mexico. Still others have loaned large sums for construction work on such things as interurban railways of a more or less speculative character in the United States.

"This means that some of the surplus funds of the small Canadian towns are being loaned for development purposes in South America, Mexico and the United States.

"The Canadian banker will tell you, perhaps, that this is money not needed in Canada and that the home demand is cared for first; but it is impossible to believe that the loanable funds of the Canadian banks could not all be used to advantage in developing the splendid resources of that great Dominion.

"I dislike to use the octopus as an illustration. He has been overworked in that line, but I don't see how I can help it. The octopus is nature's experiment in the branch system. Now, when an octopus gets his eye on an adjacent oyster bed, and feels like establishing a branch in that locality, we might imagine him saying to the oysters: "You fellows over there are pretty weak. You haven't much strength or many brains. Now, I have a surplus of both. It'll be a great thing for you to have me establish a branch in your community. I have branches all around, and when I get more than I want to eat, I can pass it along to you. Besides, when the storm comes you will have me to take care of you." That sounds all right, but when the connection is made it is made for the benefit of the octopus and not of the oyster.

"You have probably noticed that bankers who advocate branch banking are, as a rule, men who expect to be at the head if the system is adopted. There is very little call for it from the smaller towns."

Such criticism as this seldom finds its way into Canadian papers. On the contrary, there has been a decided tendency on the part of a certain section of our press to allay public feeling by disseminating erroneous information concerning Canadian banking and insurance matters.

For instance, the following leading editorial is a sample of the manner in which the Toronto Globe attempted to allay public criticism when Mr. Fielding introduced his new Insurance Bill into Parliament last winter:

**The Policy of
the Toronto
Globe**

"It can be said that on the whole our insurance companies came through the investigation in a gratifying way. The management of the great companies was in every case able and successful and, on the whole, conservative. The state of affairs revealed in Canada was in no sense on all fours with that which the Armstrong inquiry showed to be prevalent in American insurance companies."

As is generally known the irregularities and extravagances of American insurance companies were probably the worst that had been