

DEVISING A BANKING SYSTEM.

The National Monetary Commission of the United States is still hard at work. They held a two days' conference last week, and, as recorded in the Monetary Times, a sub-committee has left for Canada to study our banking system. The chairman of the Commission, Senator Aldrich, is on his way to Europe, where he will seek further information. The committee will meet in Washington in October, when a report upon its two years' work will be submitted to the Commission. The committee has gathered much material during its investigation. Last year Senator Aldrich and others of the committee spent more than three months abroad inquiring into the banking systems of England, France, Germany, and other countries.

While the New York Times correspondent could obtain no definite information from any member of the committee as to its sentiment concerning the practicability of a central bank for the United States, it was stated on other authority that the committee as a unit inclines toward such a scheme, and will probably recommend its establishment to the Commission. The general plan for a central bank involves an institution to be owned jointly by the Government and the National banks. There would be a Board of Control made up of Government representatives and officials of the National banks. The Secretary of the Treasury and the Controller of the Currency would be members of the board, and there would be such a representation of other Government officials as to insure control by the Federal authorities.

In this bank would be deposited the funds of the United States Treasury. It would act as the custodian of all of the Government's metallic reserves, as its agent in redeeming all kinds of money, and as its receiving and distributing agent. The central bank would be located in one of the largest cities, probably New York, with branches elsewhere. Those branches would take the place of the various Sub-Treasuries.

EDITORIAL NOTES.

While folks are discussing whether or not the famous Captain Kidd's treasure is located in Chester Basin, Nova Scotia, Premier Murray is predicting a wave of prosperity for his province. Great natural wealth in Nova Scotia is awaiting development, he says. More capital and larger population are required. Unfortunately, development and expansion not only in mining pursuits, but also in industrial enterprise are being retarded owing to the lack of funds. Despite this drawback, the industrial outlook is eminently satisfactory, and business during the current year should be quite up to the average. Nova Scotia may acquire wealth through the discovery of Captain Kidd's treasure, but Premier Murray bases his opinions on substantial grounds, while the Kidd fortune seekers have a lot of water to manipulate before they get to the bottom of Chester Basin.

The Dominion Government has begun the creation of an experimental station for peat. This station is situated near Ottawa, and the first experiments will be with peat blocks manufactured at Alfred, Ont. This experimental station, which is under the care of Dr. Haanel, Dominion Superintendent of Mines, and is fashioned upon the principle of those in Norway and Sweden, will provide tests for the application of peat as a fuel. Peat companies have been incorporated in Canada at intervals during the past fifty years, although we fail to remember any of them being a startling financial success. The Monetary Times of December 31st, 1869, contains a copy prospectus of the Ontario Peat Company, capitalized at \$120,000. The 1,375 acres of

the company's lands were located in Welland county. A note of the Anglo-American Peat Company, with a capital of \$200,000 and headquarters at Montreal, also appears in an 1869 issue of the Monetary Times.

Not long ago, a New York journal chronicled that there are now thirteen United States fire insurance companies doing business in Canada, mostly from the ranks of the giant corporations which form the backbone of the underwriting ability of the United States. Aside from the fact that thirteen is supposed to be an unlucky number, the New York scribe wonders why more United States companies have not sought business in the Canadian field. The restrictions are not onerous, the field is a good one, is rapidly growing, and so far as it can learn has been fairly profitable for the companies which have transacted business there. Moreover, Canada is geographically so situated that the business in that country can be easily supervised, with less expense, perhaps, than the Rocky Mountain or Coast field. It concluded that it expected to see the number of companies reaching out for business in the Dominion greatly increased within the next ten years. This will likely be the case, but the prospective United States companies will have to make strenuous exertions. New Canadian companies during the past twelve months have come into existence with amazing rapidity. The fairly profitable field of which our New York contemporary speaks is being sliced up. And so are the profits.

Canal building has been always a live topic in Canada, and is made more so by the prospects of the building of the Georgian Bay Canal. In view of this it is interesting to know that the Panama Canal has cost, up to the beginning of February last, \$143,915,657 as follows: Paid for French franchise, \$40,000,000; paid Colombia, \$10,000,000; paid for civil administration, \$2,618,732; paid for sanitation, \$8,054,963; paid for construction and engineering, \$40,649,633; paid for plant account, \$36,313,881; paid for municipal improvements, \$6,278,448; total, \$143,915,657. The \$50,000,000 paid France and Colombia was taken out of the treasury cash, and Congress authorized the issue of \$130,000,000 bonds to construct the canal. Of this amount \$85,000,000 bonds have been issued and the money advanced by the treasury in the canal construction reimbursed the treasury from the sale of the bonds, except the \$50,000,000 and \$10,000,000 for sanitation and improvements, which the Comptroller of the Treasury held could not be reimbursed. There are, therefore, \$45,000,000 Panama Canal bonds that can yet be issued under existing law. Cyrus Field once told Goldwin Smith that the Panama Canal would never be built. Mr. Field, perhaps, was forgetting what a strain upon administrative dignity it would be were the project to be rejected at any time now. Like the Grand Trunk Pacific Railroad, it is an enterprise which must go on, at any cost, until completed.

The United States commercial invasion of Canada is very real. Every week an announcement tells that our friends across the line have lassoed a controlling or part interest in something which looks good to them. A Minneapolis grain firm last week purchased a big holding in the Northern Elevator Company. As stated in these columns recently, a reliable estimate gives the number of United States firms with branches in Canada as 250, with an aggregate capitalization of \$175,000,000. The latest report of the Saskatchewan provincial secretary shows that during the year 1908-9 he granted licenses to 88 United States companies, permitting them to transact business in that province. The total number of licenses issued was 368. Of these, only 22 were English concerns, and mostly insurance companies. The United States firms in nearly every case were either commercial or industrial.