

Prominent Topics.

Cost of Legislators' Living.

Members of the Ontario Legislature, recognizing the increased cost of living, have voted themselves a well deserved increase. The sessional indemnity is fixed at \$1,400 instead of \$1,000 as heretofore.

So "watered stock" is not yet to be forbidden in Ontario. Mr. J. W. Johnston's bill, which prohibited the giving of common stock bonuses and allowed companies only to issue sufficient stock to equal the actual investment, was defeated on its second reading. Mr. Johnston's bill promised a short cut to Utopia—only we are afraid it would not have proved a short cut after all.

The affairs of this unfortunate little bank, whose troubles began when the first efforts were made to establish it, still occupy a considerable amount of the public attention. That this should be the case is due rather to the circumstances surrounding the failure than to the failure itself, which was unimportant enough. The financing of this bank, both in its establishment and during its subsequently very short career, is happily without parallel.

Gold Cups for Canadian Journalists.

A few weeks ago, writes our London correspondent, the Japanese Government presented through their representative in London some handsome gold cups to those banks which took part in raising funds during the famine a few years ago in north-eastern Japan. I understand that the Government has recently presented similar cups to Mr. W. Bricles, of the Christian Guardian of Toronto; Mr. J. E. Atkinson, of the Toronto Daily Star, and Mr. W. Dennis, of the Halifax Herald, as a token of appreciation of their sympathy towards Japan.

The New French Canadian Bank.

That the proposed large new French-Canadian bank, with the suggested title of the Banque du Canada, will be successfully organized, is now practically certain, the announcement having been made that the \$7,000,000 of the capital to be taken by French bankers has been subscribed twice over. In addition, the underwriting of the remaining \$3,000,000 of capital is proceeding satisfactorily in Canada. In view of the powerful backing given this new bank it may be expected to play an important part in attracting French capital to Canada.

Dr. Johnson and the Bank of England.

In a recent New York address, Dr. Joseph French Johnson, whose monograph upon the Canadian banking system will be in recollection, had some interesting things to say with regard to the Bank of England, or rather with regard to his view of it. He criticised the effect of the English Bank Act of 1844 on the present working of the Bank of England. He held that the Act had been responsible for great loss on the part of English trade and commerce, owing to the necessity it imposed on the directors of the Bank of England to change the rate of interest in order to preserve its gold deposits. It had not occurred, he said, to the English bankers who complacently congratulated themselves on their banking system as the best in the world that note credit *per se* is no more dangerous than deposit credit.

There was a limit to paper, but apparently no limit to credit on the use of the cheque book. Though it was the common English opinion that England's great financial importance and strength were due to the two facts that the English bill is always paid in gold, and to the superiority of its banking system, he held that England's position was entirely due to her geographical position as the trade centre and world's workshop, and because all payments were sent to her. England had built up a gigantic structure of deposit currency without its natural protector, the bank note. The people of the United States were in the same predicament as England, and had until recently felicitated themselves on the position they had been in for forty years. It was contrary to sound business that a bank should actually have to go into the market and borrow money as the Bank of England did in order that it might raise the market's rate of interest and protect its own reserves. The borrowers of the country were thus subjected to conditions very hurtful for trade and industry. In the last ten years he computed that the Bank of England had changed its rate of interest 107 times, varying from 2 to 7 per cent., whereas the Bank of France had only changed its rate 13 times. This, he considered, was a great benefit to the people of France. The Bank of England, he maintained, had made comparatively little progress in the last twenty years. If England got alarmed and had to fight with nations of her own standing he questioned if the Bank of England system would not, after such a war, be very much less admired than it is to-day.

INSURANCE IN THE DOMINION has made wonderful strides; and we are of opinion that the next ten years will see advances as will cause astonishment even to the most optimistic insurance men.—The Review, London.