

SAVINGS BANK ADVANTAGES.

A disadvantage and an advantage is the impossibility of learning from the Government returns exactly what proportion of the deposits in Canadian chartered banks are in their savings bank departments, which are so great a boon to thrifty folk right across the continent. The savings banks run by the Government, in two or three ways, do not provide any adequate criterion of the extent to which popular savings are increasing. It is possible, more accurately to size up the position of the savings banks in the United States, although, even there the peculiarities of banking law and practice, make it impossible to know precisely to what extent the populace which knows little and practises less of the everyday art of investment, is taking old-time precautions against the proverbial rainy day.

Canadians have become so accustomed to the excellences of their banking system that they do not realize how much more favored they are than the dwellers in the States. The inhabitants of a smaller Canadian town, who can choose a custodian for their savings, from the Post-Office and the branches of two or more great chartered banks, are especially advantageously placed as compared with the people living in similar places across the line.

Frequently in the lesser United States towns—particularly in the east—there are no facilities whatever for savings bank customers. The Washington Government does not operate savings banks. The national banks, though always willing to accept deposits if a minimum balance is kept, do not always allow interest on the balances. If the place has more than one bank, and competition is keen, there is a greater probability of the depositors getting interest. The practice of the state banks varies—sometimes interest is paid, sometimes not. The savings banks, of course, freely accept deposits at interest, in some cases paying as high as 4 per cent. But not every small place has a savings bank. Because of the strict savings bank investment law there is little inducement for local financiers to organize savings banks.

The regulations governing the savings banks vary in the different states. In the important eastern states, usually, the savings banks are prohibited from investing their deposits in anything but the most solid securities. For instance, they may buy United States Government bonds, the bonds of specially designated states and municipalities, and of certain railroads. No railroad can have its bonds admitted to the savings bank list unless it has, in addition to meeting its bond interest, paid dividends for a fixed number of years on its common stock. When the savings banks are thus limited in their investments the revenue they can earn on their deposits must be limited to 4½ or 5 per cent., and after interest ranging from 3 to 4 per cent. is paid to depositors, and expenses of operations met, there would be little surplus or profit left.

That is why there are many small places without savings banks. As a consequence of the lack of savings bank facilities such as abound in Canada, there have sprung up many local building societies in small places in the States. These accept the savings of the people in small instalments, and interest is allowed if the money remains for certain fixed periods. The inability to withdraw funds at will would prove decidedly awkward for any one who had become accustomed to operating a savings bank account in Canada.

The state of affairs across the border causes considerable inconvenience to the public; it has an influence also on the general development of the country and on its economic position. It is one of the factors helping to bring about those periodical stringencies in the New York money market.

Apart altogether from the question of convenience to the public, it will be interesting to note the differ-

ence between the work done by the savings of the people here and that accomplished in the States.

Over there, since the savings bank funds are invested largely in state, municipal, and specially selected railroad bonds, a very considerable part of the savings of the people goes into public buildings, the improvement of streets; and for public works of all descriptions, and towards the building of railroads, the development of branch lines, etc. In Canada they do a different work. Of course the deposits of over sixty millions in the Post-office and Government savings banks have gone chiefly into public works and other Government expenditure. But those deposits are not increasing as rapidly as they were, their increase is not comparable with the increase in the deposits of chartered banks. Were it not for the yearly accumulation of interest—about \$1,800,000—the increase in the Government savings deposits would be small indeed. The great bulk of the accumulation of savings bank balances in Canada is in the chartered banks. To learn what is the chief work done by the savings of the Canadian people, it is only necessary to study the assets of the banks. Easily first is "Current loans in Canada." In the bank statement for the 30th June last, the aggregate of these passed the five hundred million mark for the first time. It is hardly possible to exaggerate the importance of the extent to which these loans have made possible the wonderful expansion and development of Canada within the last eight years. It is all very well and helpful, when foreign capital comes to Canada in heavy volume. But foreign capital could hardly have stimulated trade as trade has been stimulated through the expansion of bank loans.

The growth of those "current loans in Canada" has enabled the farmers to prepare and harvest their magnificent crops; it has permitted the manufacturers to vastly enlarge their output; the merchants to increase their imports and their sales; the dairymen, cattle raisers, lumbermen, mining companies, to produce more wealth. And, though the funds of the savings bank depositors have been chiefly employed thus in loans and discounts to Canadian business men, nevertheless, the Dominion Government has been able to provide public works and buildings, and to subsidize railroads and industrial plants; the provinces and municipalities have had no difficulty in getting all the funds they needed, and the railroads have had control of all the funds required for expanding and developing their systems.

The Dominion Government raised practically all it needed through the tariff and excise; the provinces, the municipalities, and the railroads drew their funds, through the issue of bonds and stocks, partly from Canada and partly from abroad. While the Dominion is growing at its present pace, we shall likely have full employment, not only for our own accumulation of capital, but also for all the foreign capital we can attract.

PROBLEM OF FIRE RISKS.

Valparaiso following so closely on San Francisco will make fire-insurance companies operating on the Pacific littoral more anxious than ever to reduce the fire hazards in countries which are believed to be immune from liability to earthquake and its resultant conflagrations. The risk of fire is always with us, and yet there is hardly anything so little regarded. Matches are thrown away as carelessly by men as by boys. We should have learned from statistics made up in Ontario and the State of Ohio, and in a dozen other parts, that carelessly disposed matches cause one-fourth of all destructive fires.

Greasy ham bags or greasy rags from butter if left carelessly round will take fire spontaneously; and sawdust, placed as it sometimes is, to collect oily

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drippings from machine combustion. we do not know so well rubber, when thrown takes fire spontaneously.

A page could easily kind of thing—not alone, but the many seats for fire, from a chimney, by the away cigarette. Public haps, at its worst in the

Take the case of in April, 1904, by a acres with ruins, it has ly learned that constar exemption from fire. Ma ers have replaced their constructed buildings, e new down-town busin in this respect a great i

Still there are in the outskirts buildings, new and unsafe, where a lac and builder and city aut of the conflagration ha to the risks of fire.

An English author tions of Fire Insurance the physical risks in con fire insurance problem of his belief that "it neve surers or by insured, or municipal oversight a hand with them." Whi degree to America, he matters "exists at our ov tion of certain parts of is a standing disgrace to doubts whether any effe out Imperial legislation. gested district in a large that the only, effective abolishing congested dis

Fire underwriters a ers of these conditions, ed upon what experienc reducing the physical haz covered. In Canada it i been laxity in demandi properly have been exac policies.

An article in "Insura tion to the increasing dis ers and others in adequ against fire. Speaking writer says: "Protection tatory. If merchants a ain insurance from the amounts, they must insur physical fire risk to a m

What is this but sa panies will not protect us It is curious that people only take the pains to re their properties by proper appliances they would no

HINDRANCES I

Real estate speculati bad master. Seemingly i legislators to prevent har in new communities. Wi facilitating the growth o sorts of restrictions are p essaying to guarantee to