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Special Articles

The Organization of Retail Trade.

By W. W. Swanson.

Trade Openings and Industrial Development.

By W. E. Dowding.

Conditions in the West.

By E. Cora Hind.

The High Cost of Living.

(Staff Correspondence.)

High Prices for Men's Hats.

Staff Correspondence.

Toys! Toys! Canada's New Found Industry.

(Special Correspondence.)

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Savings Bank Deposits

THE Ottawa Journal, with the very commendable intention of supporting the new Dominion war loan, offers some advice to its readers which, if generally acted upon, would not give the Finance Minister assistance but, on the contrary, greatly embarrass him. Our contemporary says:

"Depositors in our Canadian savings banks should note the opportunity which by the new government war loan comes to them to nearly double the interest they get on their money. Any one with as much as \$97.50 in a savings bank can buy a government bond for \$100. Upon this bond, he or she will receive interest at the rate of 5 per cent upon the par value—in other words, \$5 a year interest upon \$97.50. The best interest which any person gets from a savings bank is \$3 per year upon \$100.

"The only argument which offers against buying a bond with savings-money is the contention that one can not draw the money so easily as from a savings bank if one should need the money in whole or part. The contention is not very forcible, for two reasons.

"One of these reasons is that the owner of any bond is certain to be able to sell it at a day's notice at any time—and as likely to get more than was paid for it as to get less.

"The other reason is that if an investor does not wish to sell a bond outright, or finds himself unable to do so without loss, he can take it to any bank and get a loan upon it at any moment to nearly its face value.

"No one, therefore, who has saved money need hesitate to buy a bond with it, and so nearly double the interest a savings bank will allow, from fear that he can not get money almost the moment he may wish to get some.

"And, in buying a war bond, he helps to strengthen this country and the empire in the war."

In its enthusiasm for the support of the loan the Journal has overlooked an important fact. All our banks receive deposits, large and small, but, with the exception of two old concerns in the Province of Quebec, all the institutions known particularly as "savings banks" are Government institutions, some of them, in the Maritime Provinces (under an old system) administered by the Finance Department and the others throughout the Dominion coming under the Post Office Department. The savings in these banks amount to a very large sum, on which interest at three per cent is allowed by the Government. Our Ottawa contemporary would have the people withdraw these moneys and invest them in the new war loan yielding something more than five per cent. But how

will this "strengthen this country and the Empire in the war"? The money is already loaned by the people to the Government at three per cent. What is proposed by our contemporary is that the people shall call upon the Government to pay them this money, in the form of withdrawals from the Government savings banks, and then offer to lend it back again to the Government at over five per cent. The process will not give the Government a penny of additional money. It will simply add to the Government's burden by demanding more than five per cent interest instead of the three per cent now allowed at the savings banks. Whether three per cent is a sufficient rate to allow the savings bank depositors in these days of dear money is a question worthy of consideration. But that is another matter to be dealt with in its proper place.

Our Ottawa contemporary's advice is all right so far as the advantage of the depositor is concerned, but all wrong so far as benefits to "the country and the Empire" are concerned. If the depositors wish, in this case, to be patriots and philanthropists they will let the money remain in the hands of the Government at three per cent, instead of demanding five and more. If they prefer, as they may, to exercise their patriotism and philanthropy in other ways and in this matter act upon ordinary business principles, they will claim the higher rate of interest, as they properly may, by the method recommended by our Ottawa contemporary. But if any considerable number of them so act they will create a new and unexpected demand on the Canadian treasury, and the hundred million dollars for which the Minister asks will be very largely required, not to support the war services, but to pay the withdrawals from the savings banks.

Work for Returned Soldiers

EVERYONE agrees that "everything possible should be done for the returned soldiers," but very few of our law-makers have any practical suggestions to offer.

A century ago tens of thousands of British soldiers returned from the Napoleonic wars and found the industrial life of the nation in a chaotic condition. Work for them was not to be had, wages were low, the cost of commodities had risen until the struggle to exist had become a most acute one. There was danger of an industrial revolution—some even feared a repetition of the French Revolution.

A far-seeing statesman took cognizance of the situation and provided the returned soldiers with work building roads throughout Great Britain. For years these warriors constructed the great highways which now stretch