

be, we have reason to believe that the over-stocking that is taking place on the strength of an uncertainty cannot end in anything short of disaster. Over-importation was alleged to be the principal cause of the present depression, but it still continues despite the warning. Bankers will adopt a wise policy if they insist upon an audited statement of the assets and liabilities of their customers who have discount lines. It has long been recognized that there has been over-trading in almost every branch of business, and we are unable at present to suggest a more convenient mode of checking it than this.

The delay in the declaration of the National Policy has caused a heavy drain of banking capital, but as the Government has wisely allowed large amounts drawn for customers to remain in the banks, subject to notice of withdrawal, very little inconvenience will be experienced.

We are not surprised at the unpleasant feeling which the departure for parts unknown of the cashier of the Exchange Bank has caused in banking circles. The question naturally arises, What were the Directors about, that their chief officer was enabled to speculate with the bank's funds to such an extent? Such a case will add to the feeling which already exists in some quarters, that the Banking Act should be so amended as to permit of Government enquiry in such instances.

GOVERNMENT LIFE INSURANCE.

Among the schemes whose discussion on the floor of Parliament at Ottawa is foreshadowed in the Speech from the Throne, is that of a system of Government life insurance. Some two years ago the same subject was mooted in the Ontario House, but was opposed by the Government and received its quietus. At that time the difficulties of several American life companies, fresh as they were, aided in producing in some minds a feeling of anxiety, which has since had time to subside. We presume it may be concluded that the adoption of such a system would be for one or other of two reasons:

1st,—Either because the Government think assurers are not now sufficiently protected against fraud, or insecurity of the existing chartered companies; or,

2nd,—Because Government desires to obtain possession of the funds now paid to the companies.

As regards the first reason: By the Consolidated Insurance Act of 1877 the Government took into its own hands all the deposits from insurance companies which were deemed necessary for the protection of the

public; it obtains such detailed statements of the business and position of companies as enable a thorough supervision to be exercised over them; it has powers to investigate the companies' affairs, and to withdraw their licenses to do business at any moment that appears proper. Now, unless all that legislation of 1877 is held to be an entire failure, the public is now—if the Government powers be exercised, as we believe they are, with care and intelligence—so well protected that it is most unlikely that doubt of the existing companies, which leads to the suggestion of a new system.

If the second reason be that by which the Government is influenced, there may be pointed out the injustice and hardship of entering upon a competition with companies which it specially chartered and licensed to transact the very business it now seeks to alienate from them. Besides, the revenues to be secured would not be of sufficient magnitude to justify an interference with so legitimate a branch of commerce, and the large interests already involved in the companies. Many persons, depending upon the permanency of these, have invested capital in them, to which numbers look as a source of independence, to say nothing of the many agents and officers who have long been engaged in life assuring as an honorable profession and a means of livelihood.

Looking to the experience of other countries in a like direction we find small encouragement for the scheme. The Government of Great Britain undertook the business of life assurance with the view, more particularly, of affording its benefits to the industrial classes, but the system has been, it may be said, a total failure, and the private companies do almost the whole business. As will be seen by the figures, the business done each year has been of the most trivial character, thus in 1874 it was \$108,105; in 1875 \$160,110; and in 1876 it amounted to but \$114,375.

A Government scheme of life assurance has been in operation in New Zealand for the past eight years, and a very considerable amount of business has been done, but it is too soon yet to say that it has been a success. The claims by death thus far indicate that even with all the advantages of what is probably one of the most salubrious climates in the world, the losses by death will ultimately prove less favorable than in the ordinary companies in Canada, conducted with the care and prudence which responsibility and self-interest impose upon their management. When, in addition, it is found that the expenses of conducting the scheme are not materially less than in such a company as the Canada Life, it is evident that the prospects of success of a Government scheme are not of the most promising

kind. Indeed, it rather suggests the likelihood that it would ultimately prove an annual loss to the country. If it be pretended that the Government are about to save money by this operation, it appears to us a false economy. Government has compelled insurance companies, by its Act, to invest their money to earn at least 4½ per cent. during the lives of their policy holders; and to-day they can get all the money they want in Europe for 4 per cent. Should the rate of interest fall below this, as is not unlikely, that decline would be a serious disadvantage to the Government.

We have before referred in these columns to another objectionable feature, which is that Government entering upon a business of this kind would give it opportunity, and throw upon it temptation, such as the importunities of its friends might make it hard to resist political favoritism would be certain to bring "bad lives" into the list of risks, and although the ill effect of these might not be at once apparent, the lapse of twenty years would reveal how deadly a canker had entered with them into the system.

Whatever may be the merits of Government life assurance in a country like England, the rate at which the Government of Canada is running into debt makes very much against the project. From present appearances it is impossible to predict what may be the condition of the public credit twenty, thirty, forty or fifty years hence. From a public point of view this consideration seems to us to embrace the most serious objection to the scheme.

IMMIGRATION TO CANADA.

We have at length the official figures of the immigration to Canada during the calendar year 1878, as laid before Parliament by the Minister of Agriculture. We find from them that the total number of immigrant arrivals in Canada, during the last year, was 40,032, against 35,285 the year before, and 36,549 in 1876. But these figures include the immigrant passengers for the United States. The settlers in Canada for the three years named, are tabulated as follows:

	1876	1877	1878
At Quebec	7,063	4,201	5,804
" Suspension Bridge ..	5,696	6,453	7,022
" Halifax, N. S.	506	930	1,970
" St. John, N. B.	136	141	276
" Portland, Me.	605	1,513	161
" Manitoba, arrivals from United States, distinguished from those entered as immigrants at other ports in Canada and migrants from Canada	493	2,084	3,139
	14,499	15,323	18,372