

Waterloo County

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1913/14

Annual Report Of the Canadian Club



Berlin, Ontario
1913 1914

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OFFICERS AND EXECUTIVE COMMITTEE
1913--1914

President	-	-	-	-	-	-	H. J. Bowman
1st Vice-President	-	-	-	-	-	-	J. C. Haight
2nd Vice-President	-	-	-	-	-	-	Robert Smyth
Secretary	-	-	-	-	-	-	H. Craig
Treasurer	-	-	-	-	-	-	E. W. Clement
Literary Correspondent	E. Pugsley

EXECUTIVE COMMITTEE.

W. J. Motz, E. W. Clement, Dr. J. F. Honsberger, Thos. Pierce,
M. S. Hallman, F. Haight, C. Dolph, G. M. Sherk.

SPEAKERS' COMMITTEE.

J. C. Haight, Dr. Honsberger, Mr. Pierce, Mr. Hanning.

TABLE COMMITTEE.

G. Sherk, E. W. Clement, E. Pugsley, H. J. Bowman.

RECEPTION COMMITTEE.

Messrs. R. Smyth, Hallman, F. Haight, Motz, and Dolph.

PRINTING COMMITTEE.

Messrs. Bowman, Hanning, Craig, J. C. Haight, L. Norman.

TREASURER'S STATEMENT

YEAR 1913-14

Receipts.

Balance carried forward	\$36.10	
Members fees	390.00	
Tickets—Dinners (8)	260.50	

Disbursements.

Grant to Secretary Hodgins.....	\$25.00	
Paid Caterers	314.50	
Paid Rent A. F. & A. M.	44.00	
Paid Association Canadian Clubs Fees, 1912, 1913, and 1914	12.00	
Paid Moyer Press	69.75	
Paid Speaker's expenses	35.28	
Paid exchange on drafts	9.45	
Paid Miscellaneous, expenses of Secretary and Treasurer	24.13	
To cash in Bank	152.49	
	\$686.60	\$686.60

OUTSTANDING CHEQUES.

Bricker & Sons	\$2.00	
McCarty, M. O.	3.28	
Zuber	74.50	
Moyer	7.40	
	\$87.18	
Cash in Bank	\$239.67	
Less outstanding	87.18	
	\$152.49	

Secretary & Treasurer's Miscellaneous disbursements.

Postage	\$8.00	
Envelopes and Receipt book	1.10	
Telegraph account31	
H. Craig, postage90	
Paid Livery, cartage, etc. (Bricker, Dr. Campbell, Lock- hart, Pugsley)	13.82	
	\$24.13	

SECRETARY'S ANNUAL REPORT

To the President and Members of the Canadian Club of Waterloo County.

I have pleasure in submitting the following report for the year ending February 19th, 1914.

New members added during year, 33.
Members on mailing list, 277.

The following are the dates on which meetings were held during this year, the names of the speakers, their subjects and the attendance at these meetings.

- 1913.
- Feb. 20. Dr. Scott, "Scotland Past and Present." Attendance 43.
- Mar. 14. Dr. A. Thompson, "The Yukon, its Climate and Resources." Attendance 50.
- Apr. 2. Rev. Principal Gordon, "A Summer Trip to Australia." Attendance 70.
- Apr. 16. Professor A. P. Coleman, "Rocky Mountain Trails." Attendance 50.
- Nov. 13. Hon. W. H. Hearst, "Northern Ontario." Attendance 73.
- Dec. 12. Major A. T. Hunter, "Canadian Defence League." Attendance 41.
1914.
- Jan. 9. Professor D. D. Skelton, "The Canadian Taxpayer's Bill." Attendance 63.
- Jan. 23. Controller J. O. McCarthy, "Social Problems." Attendance 81.
- Feb. 13. Sir Edmund Walker, "The History and Main Features of Canadian Banking." Attendance 130.

No of addresses, 9.

Average attendance 60.

All of which is respectfully submitted.

D. S. BOWLBY,
Secretary Canadian Club.

Berlin, March 20th, 1914.

ADDRESSES

SCOTLAND, PAST AND PRESENT.

Rev. M. Scott, D. D., Bertin, was the speaker at the Annual Meeting, held Feb. 20th, 1913.

In introducing the subject Dr. Scott declared himself a Scotch Canadian, and complimented the members of the Club on their appearance, declaring that he had not seen such a fine looking company of men since he left Scotland.

Scotland is a young country that believes in itself, and the people are always good, some being good for something, and the others good for nothing.

By the coming of the Romans in 55 B. C., who by the way did not conquer the Scots, the people learned how to build roads and bridges.

The mission of England by the Normans, greatly influenced the Scots too, since the Saxon came into the border counties, and ever after there were the Celts or Highlanders, and the Saxons or Lowlanders; and the intermarriage of these produced the typical Scot of to-day.

The beauties of the scenery, the rugged hills, the lovely river valleys, the wild tempestuous ocean about the islands, were described in a manner and a feeling that showed that Dr. Scott is still devotedly attached to his mother land.

Edinburgh is the most interesting and wonderful of Scotland's cities, containing as it does so many reminders of her past history, as well as the halls of learning.

Glasgow is remarkable for at least two things. She is the second largest city in the British Empire, and the absence of graft makes it possible for her to own her own utilities, such as street railway, lighting plant, etc., and not only to own them, but to run them in such a way that her system was the envy of many a western city.

The sterling honesty of the Scotch was also well shown by the custom of selling wool; where the merchant bought thousands of dollars worth of wool without seeing it, but knowing that first class wool would be delivered as well as full weight. A sharp contrast to the practice of some people in Canada.

The Scotch had given us many proverbs, such as: "The idle brain is the devil's workshop." "A man's a man for a' that," etc. That they are a humorous people was well illustrated by the speaker himself, as well as by references to instances of real wit, such as, when the boy was caught fishing in a reserve, he declared without the least hesitation that he was not fishing, but only "drooning a worm."

Two great evils were mentioned. The drinking habit, and the holder of large estates who lived apart from his holdings. The former had done great injury to the land, but much better things are in sight. The latter is still a great drawback to the people, while the fact, that permission to make necessary municipal improvements must be obtained from the parliament in England was a great deterrent in the bettering of conditions. The Scotch desire and are entitled to Home Rule.

Education was also dealt with, and the fact that the people of Scotland are the best educated people in the world was brought to the attention of the members. Even the small country schools do a great work and one was mentioned that had sent out 134 who became M. A.'s.

In concluding Dr. Scott referred to Canada's vast size, and her bound-

less resources, and expressed the conviction that the good qualities of the inhabitants of the little land in the North Sea were needed to make Canada a great and successful nation.

Mr. F. Haight of Waterloo and Mr. C. Dolph of Preston moved and seconded a vote of thanks to the speaker for his most instructive, eloquent and interesting address.

MAR. 14, 1914.—“CLIMATE AND RESOURCES OF THE YUKON COUNTRY.” Dr. A. Thompson, M. P.

Dr. Thompson's address was increased in interest by the aid of a map and a series of excellent stereoptican views of the Yukon, which more realistically brought to the audience a conception of that rich portion of Canada.

The Yukon was an empire in itself, said Dr. Thompson. It was in 1896 when the discovery of gold in the Klondike was made, which made the territory known to the world. A notable migration followed, which the speaker graphically described. The discovery of gold was the particular event which attracted the people to that land. The men were in the prime of life. The life required men of brawn and muscle, in fact the speaker thought that Napoleon could never have marshalled an army of men of such physical fitness.

Dealing with climatic conditions, the speaker sent a chill through his audience when he said it was cold,—that when it gets real cold the mercury dropped 50 to 65 below zero and sometimes 75. There was however a very light snowfall and rainfall. Average fall of snow is two feet. There were but two seasons in the Yukon,—winter and summer. In the last week of April wild flowers begin to appear and in a fortnight the season changes from winter to summer. There is no frost in the ground in June and the first half of July. It comes in the first week in August. Early in September real fall weather sets in and in the middle of the month winter commences; in October fur clothing is worn.

The speaker dealt extensively with the product of the land, wild flowers of a magnificent variety such as grew in the Yukon. It too was a hunter's paradise. Moose, cariboo and mountain sheep abounded in large numbers. The moose provided a useful food with beef costing 50 and 60 cents a pound. This animal's average weight was 1,700 pounds. Ducks, geese and grouse provided choice meat.

Vegetables are grown in large quantities, the rich loam producing the finest celery and cauliflower. Tons of berries, particularly the blueberries, are picked in a year.

The speaker's impression was that the time would come when the agricultural resources would support a vast population. When the western provinces are fully populated, he said, the people will flow into the Yukon.

Horse raising promised to be a great industry, for the reason that horses were able to winter on the plains.

“But the great product of our land is gold,” said the speaker. It was discovered in August of 1896. Since then the territory had yielded \$170,000,000 in gold, or 340 tons, and it had only been scratched. From 150 to 400 tons of copper were mined daily. There are also silver and iron mines and immense coal fields within the confines of the Yukon. The timbers of the Yukon are the pine and black spruce. A spruce 24 inches in diameter is a fairly big tree.

"Law and order are maintained in the Yukon and women are as safe on our streets as they are in Berlin," he assured his audience. He spoke highly of the work of the North West Mounted Police in this connection. During the early days of the Yukon, there had been twelve killings and in each case the murderer paid the penalty for the crime.

The territory is governed by a Commissioner who is advised by a Council of ten. It was a representative Government without being responsible. The Federal Government controlled the large revenues of the Yukon.

He told of Dawson City, his home, which once had a population of 20,000 and which now has 3,000. The homes were chiefly log cabins, but very comfortable. The telephone and telegraph are in operation there, which bring to Dawson City the news from the world. The only feature about the place that the speaker regretted was its isolation. Dawson City was 1,500 miles from either Vancouver or Seattle. The stereoptican views showed Dawson in its primitive days and its development to-day. Pictures of the mountain range, the Yukon river, the inhabitants, their homes, the mines, products, made an interesting study.

APR. 2ND, 1913.—"A TRIP TO AUSTRALIA."

By Principal Gordon of Kingston.

In selecting as his theme the description of a recent trip taken to Australia and as the result of this tour he was firmly of the conviction that the overseas Dominions of the British Empire need to become more intimately acquainted with each other. He stated that the people of Australia were better acquainted with Canada than the Canadians were with the Antipodes.

The speaker, in proceeding with his trip, referred to the trip across the Dominion to British Columbia and advised all his hearers who have not travelled from Berlin to the Pacific Coast to save their money or sell some of their property in order to make the trip. "You cannot realize what it is to be a Canadian," he said, "until you have crossed the Dominion."

Dr. Gordon took one of the famous C. P. R. steamers and travelled in luxuriant comfort to Honolulu, Hawaiian Islands, a distance of 2,300 miles from Vancouver. He described the beauty of the city and island and referred to the wonderful transformation that had taken place during the last hundred years and stated that it was a strong argument in favor of Christian missionary efforts.

After travelling 2,600 miles the Fiji Islands were reached and a brief stay was made at this interesting point. He stated that he travelled about the Islands in an automobile, going from village to village, and that he experienced a peculiar feeling when he remembered that only a few years ago cannibalism reigned among the natives.

Auckland, New Zealand, was the next point visited, and the picturesque features of these islands were described in an interesting manner. He digressed briefly to inform his hearers that if they desired to take a complete rest a trip to Australia would serve the purpose. The ocean voyage, he said, was delightful, the only rough passage being between New Zealand and Australia.

Reaching the Antipodes Dr. Gordon stated that Australia is a continent in itself. He described its growth since the establishment of the convict settlements by Great Britain, and that the growth of the

country had been steady and encouraging. He intimated that he found the Australian people looked upon Canada as a smaller brother looks upon an elder brother, and that the universal desire is that the best of relations should exist. He spoke of the gold and coal mining industry, and stated that the wool industry is doing more for that country than the development of either of the former resources. He spoke of the government of the country, where the Labor party is in power. He found, however, that the range of vision of the leaders of the Labor party is small and very little is done for the development of the country as a whole.

Comparing the cities of Australia and Canada he said he found that almost all the cities had large zoological gardens and magnificent parks. The bookstores were superior to anything he has seen in this country and the newspapers are also better. More holidays are provided and Saturday afternoon is a general holiday. In the matter of morality, he said, the people of Canada cannot throw stones at Australia. Notwithstanding, Australia has not the broad hopes and inheritance of the Canadian people. The conflict between labor and capital in that country he was hopeful would bring about a better understanding between the two classes.

In concluding the most interesting address the speaker stated that the two impressions gained during the trip were the far-reaching sweep of the British Empire, and everywhere he found the flag stands for justice and liberty for all classes, and the other was that the great Pacific Ocean must be the centre of the great international issues of the nations and that it will be the field for the vast competition if not conflict of the nations of the earth, in which Canada was bound to take a prominent part.

APR. 25, 1913.—“TRAILING THE ROCKIES.”

Prof. Coleman, of Toronto.

The members and friends of the Canadian Club of Waterloo County enjoyed a splendid treat on Friday evening, when Prof. A. P. Coleman, Ph. D., of Toronto University, gave an interesting and instructive description of his trip along the various trails through the Rocky Mountains. The Library Hall was filled and the address was listened to with undivided attention, while the excellent series of views added to the interest of Prof. Coleman's discourse.

Prof. Coleman has made several eventful trips through the Rockies, some of which have been made previous to the railways passing through. Some of the trails which he and his party made have been taken by the C.P.R. and recently by the G.T.P. The views gave his listeners a vivid idea of the beautiful sights that are to be seen by the travellers through the mountains on the Canadian Pacific and on the Grand Trunk Pacific in the near future. Prof. Coleman alluded to the fact that after the G.T.R. is completed to the coast travellers should make the trip via the C.P.R. going and returning by the G. T. P.

The speaker described the beauties of the forests at the foot of the mountains and displayed views of the trees, flowers and plants, animals which the traveller comes in contact with while making trails through the mountains. He stated that they frequently saw large grizzly bears but they were harmless when they saw that the travellers were leaving them alone.

He described his experiences while passing through the high mountain

trails from 8,000 to 10,000 feet above the level where the peaks are covered with snow in the middle of summer. The discovery of the Porteous Lake by the party and the beauties surrounding it were referred to and resulted in changing the boundary line between British Columbia and Alberta. Prof. Coleman spoke very highly of the kind treatment received at the hands of the Indians, who assisted the party in making trails through the mountainous regions.

NOV. 28, 1913.—“NORTHERN ONTARIO.”

Hon. W. H. Hearst.

It was an eloquent, illuminating and patriotic address which was delivered by the honored guest of the evening and the large and representative crowd of members gave him a most attentive and appreciative hearing.

Referring to Northern Ontario he stated that it was his desire to show the importance of that portion of the province not only to Ontario but to the entire Dominion. There is an area above the great lakes of 267,867 square miles, not including the section recently added to the Province and known as Patricia which has an area of 150,400 square miles, making a total area of 418,262 square miles. This section of the Province is second to Quebec and British Columbia in area and three times as large as Great Britain. Only ten per cent. of this vast area has thus far been alienated.

In Ontario, he said, there are 140,000,000 acres of land, only 13,000,000 acres of which are under cultivation. But notwithstanding old Ontario provides 37 per cent. of the field crops of the entire Dominion. Ontario grows \$26,000,000 more wheat than the much-boasted prairie provinces. This gives a slight idea of the possibilities of this banner province when all the lands are under cultivation. There are 175,000 square miles of land lying between the Quebec boundary line and Patricia, or 112,320,000 acres. Too often, Mr. Hearst said, people travelling to the West in the Pullman cars judge of the country from what they see from the windows, forgetting that it is possible to go 1,000 miles further north and still be in Ontario.

The Minister spoke of the diversified nature of the resources, and quoted figures to show the development of the mineral wealth of New Ontario. Minerals to the extent of \$11,532,000 were mined in 1904, while last year they amounted to \$48,000,000. This was one of the revenue-producing resources for the province. Ontario produces 50 per cent. of the metallic resources of the Dominion. The development of the silver mines in Cobalt and the gold mines in Porcupine were also vividly described.

Mr. Hearst referred to the work of conservation which is being done by the Department. It is estimated that there are between \$350,000,000 and \$400,000,000 worth of pulp and spruce still left untouched. Every township is carefully inspected before it is let out for inhabitation. Large areas of bush lands are reserved in various districts. There was a great difference, he said, between conservation and waste. The Department endeavors to prevent waste caused by trees being blown to the ground by fierce gales similar to that of two weeks ago. A considerable amount of artificial forestry is also in progress.

The establishing of pulp and paper mills in various portions of New Ontario is also one of the means to prevent waste, and at the same time

is encouraging settlements in what will be future towns and cities. Mr. Hearst referred in an enthusiastic manner to the water power resources of the north country which, it has been estimated, are capable of developing 2,000,000 horse power. He spoke of Mr. D. B. Detweiler's efforts along with his associates in the development of water powers in Manitoulin Island, and characterized Mr. Detweiler as the pioneer water power man of that section of the Province. These water powers, he said, mean that Northern Ontario is bound to be the manufacturing centre of the Dominion. Electricity will form an important factor and prove a boon to new settlers.

The Minister stated that during the year the Department had expended \$1,000,000 in opening new roads and constructing drains. He also referred to the construction of the various transcontinental railways through Northern Ontario which will greatly assist in the settlement of the country. In concluding his admirable address Mr. Hearst eloquently described the prominent part the settlement of the north country will take in bringing the East and the West closer together and in closing the gap which at present exists. He urged the men and women of Old Ontario to take a keen interest in the development of the Province and study the resources of Ontario.

DEC. 12, 1913.—"THE CANADIAN DEFENCE LEAGUE."

Major A. T. Hunter.

After announcing his subject, Major Hunter said that among the hostile factions with which the Canada Defence League had to contend were the extreme pacifist, the extreme labor agitator, the extreme militarist and general indifference. It was only representing the standard of human liberty to say that every man should be taught to defend his own fireside, but it required more study to realize that every nation is entitled to the collective power of citizens to maintain her national integrity. Some nations had learned this lesson. Rome had learned it then forgot it. "England," he said, "is still carrying the school bag with the pathetic book of blundering exercises."

The Young Men.

Twenty and thirty years ago Canada's national game, lacrosse, was played by every young man. To-day the young man's form of exercise was to sit on the bleachers at the ball park, getting his entire physical exertion by waving his arms and shouting "bonehead, bonehead." Was that the idle generation Canada wanted to bring up? The churches and Y.M.C.A.'s in the smaller places reached about 10 per cent. of the young men, and in the large cities about 5 per cent. "What is to be done to reach the 90 and 95 per cent. of the young men who are rolling cigarettes, where their grandfathers rolled trees?" asked the speaker. His answer was to urge upon the Government the want of rifle range accommodation. For a self controlling, strenuous and engrossing pastime, rifle practice had few equals and it embodied the simplest form of defence. Not alone was proficiency in rifle shooting required. Team play was needed when it came to defence. A hundred shots well handled could strike a stinging blow but 100 weak ones would be as fussy and useless as a centipede is on a piece of fly paper, every additional leg adding to its confusion, said the speaker and his vein of humor raised a round of laughter.

Civilians, will say, he continued, 'you have a militia, are you not satisfied? If everything were all right he would not have come to give his talk. If war broke out to-morrow, every town, city and community in Ontario, he said, would have their numbers besieging the militia officers for arms. He went on to describe a woeful lack of discipline and the inadequacy of the uniforms of the Canadian militia. If the militia was to be called out to-morrow there would be only shirt, overalls and straw hats with which to clothe the men. Civilians were to blame for this condition of affairs because they allowed and countenanced the work of the extreme militarist, the most dangerous of all enemies of defence. This enemy attacked from within while the other enemies attacked from without. The pacifist would prevent a grant being made for the militia by the Government, but what was this when compared to the woeful waste in the militia because of the extreme militarist. "The Government spends money, but it is wasted and there is no adequate defence."

The reviews and useless manoeuvres came in for criticism by Major Hunter. If men are devoted to the movement, they should have been so ten years ago, and the country would not have had any such foolishness any longer.

The Minister of Militia contended that every man who gives his service for defence should have decent quarters, and in this the speaker heartily agreed and asked that before civilians undertook to criticize the armory and military defence they study the subject, to learn the small words before reading the big ones. He asked that people devote just a little of their time to the study of military defence. He would not even venture to say from what quarter the next war might come. Canada was a country sitting on a pile of great assets. Canada was an insolent country for even the American was a chaster braggard than the Canadian. "Do you think we will have no trouble after advertising our rich resources throughout the world and stealing the citizens from the European world? And how are we going to meet these troubles? He closed with an appeal to all citizens to give more time to the study of these matters in order to gain a fuller realization of their import.

JAN. 9, 1914.—"THE CANADIAN TAXPAYER'S BILL."

Prof. Skelton, of Kingston.

Coming to his subject, Prof. Skelton stated that the question of taxation in Canada was not yet so live a one as in the United States and in the United Kingdom. He gave statistics of the comparative taxes paid by the average Canadian and the average resident of the United Kingdom. He said: "For every dollar paid into the treasury by the Englishman in 1900 as taxes, he paid \$1.35 in 1902, and \$1.45 in 1912. This is an increase of forty-five per cent. in fifteen years and is no small amount. Neither has it been painlessly extracted; this question has been brought before the people during the last four years by Lloyd George, has caused two general elections, a political revolution.

"Let us compare these taxes with those paid by the average Canadian. For every dollar paid in taxes in 1907, there was paid \$1.41 in 1902 and \$2.55 in 1912. In other words the increase in fifteen years has been three times as great as in Great Britain, and in ten years ten times as great. Yet we have not ten times the complaint here as in the United Kingdom. Little attention has been paid to the question of taxation here.

"It appears to me that the main reason is to be found in the fact that

the Englishman pays his taxes in bulk and knows what the figures show. In Canada we do not know what we are paying. We do not realize what the tax on woollen goods, subsidies to railroads, salaries of the senators, and so forth are. We pay the taxes, for example, to the hardwareman, grocer, saloonkeeper and the like.

"Coming back to the increase in taxation, we find that it did not stop in 1912. The difference is the amounts which each one in Canada paid in 1912 and 1913 is three times as great as the increase in England in the past ten years. The fact is that we started on a lower level. To simplify the question of compulsory taxes let us limit ourselves and consider the following statistics: The average Englishman paid \$16.20 in national taxes, \$8.10 in local, or \$124 for a family of five persons. The average Canadian paid \$14.06 as provincial taxes, \$11.18 local or \$134 for each family. In considering these statistics we must also enquire about the private wealth of the country: In England the income of an average citizen has increased by \$800 or more a year during the fifteen years. The increased taxes weigh less heavily on him to-day. Have our increases gone up 255 per cent? Is the man who received \$1,000 a year in 1897 receiving \$2,500 to-day? I think not. The average increase has been fifty per cent. in fifteen years, no more.

"What are we going to do if we are to be certain of getting value for our money? I believe that a Uniform System and Publicity of Accounts is desirable. For example, if a city pays \$45,000 annually as costs of collecting garbage we must ask: Is value being received for the money?

Continuing the speaker advocated a more rigid inspection of financial expenditures by the Treasury Board of the Dominion as is the case in England. He proposed a Central Treasury Board consisting of one or two members of the Cabinet with one or two assistants whose duties would be to consider all proposed expenditures by all departments of the government. He also referred to the fact that Premier Borden had had Sir George Merney, for many years a member of the Finance Department and Treasury Board in England, investigate the system of finance of the Dominion Government. He had found a laxity of methods in our Dominion estimates.

New sources of supply of taxes in the future would have to be found unless the heavy taxation was to be placed on different shoulders. In the local field a remedy had been suggested in the proposal of a special tax on land. There were many single tax advocates. He said: "Personally I can see nothing in this proposal.

"There is also a special phase of this question in exemption of improvements. There is, it is true, a kernel of truth in the land-tax agitation. On the other hand not many of us will grudge the increment in the land values of the western farmers' lands. The giving of free homesteads has worked well for the country. The increment in the values is the wages of the farmer.

Regarding the increment in urban centres, it must be admitted, there is special ground for special taxes on the gains realized. Is exemption on improvements the best solution? Personally, I doubt whether it is for it throws the taxation on all lands and disregards the owner's ability to pay.

Continuing, Prof. Skelton also advocated a tax on the business of corporations, particularly transportation. A federal income tax was also not far distant. The advantage of such a tax was that it would enable us to know what we were paying. The question, 'Why and Where?' would

be brought home to us. The time would surely come when we would have to put the burden on the broadest shoulders. There was no place in the world where the rich man paid so little as in Canada. The indirect tax hits the poor man heavier relatively than the rich; there should be a graduation at the other end. The inheritance tax levied by the province was only a trifle comparatively speaking. There would be some objection to an inheritance tax but if the interests of the country demanded it these would subside. We must try to avert the conditions caused by the extremes of great wealth and great poverty in the European countries. If the flood of Socialism is going to be stopped there must be a social reform. A further argument against the claim that such a tax would prove impracticable was the fact that other countries had found no insurmountable obstacles, for example, the United States. We also were quick to learn from the United States. He found some objection against Canadian Historians because in their writings they did not take into account the influence of the United States on Canada, which was quite apparent in many spheres of the national life. We paid no attention to systems that had been in vogue in England for fifty or more years, but immediately took notice when introduced in the United States, for example the parcel post. Concluding the speaker reminded his hearers of the desirability of paying more need to the taxation system. If we did this we would not be paying as much as now.

JAN. 23, 1914.—"SOCIAL PROBLEMS."

Controller J. O. McCarthy.

If he was discussing the problem of municipal government he would offer four suggestions: The same Municipal Act should not apply to cities of half a million and to townships, more powers should be given over matters purely domestic, members should not be elected annually, municipal government is a business—a special business. The banker and the barber of December are not qualified in January to pass opinions upon water filtration, sewage disposal, the management of a street railway, etc. The errors and weaknesses of municipal government are not to be cured by commission government. It was an extreme measure in the States to get rid of inefficiency, the result of political control and corruption. The Canadian or British citizen will not give up his power to govern.

No city on this continent has played fair with the boy; give him back his playground—not a park of beds of flowers, but an acre free from restrictions, where he can play; an acre that he can reach every day—and not weekly—with a lunch in his pocket. Schools to educate and juvenile courts to protect and save should be secondary to proper and ample playgrounds. In my own city a juvenile court, with its probation system, cared last year for nearly two thousand delinquent children, ninety-eight per cent. of whom made good under the system. I would that you could hear the story of "nowhere to play." I may tell you that that daily story of "nowhere to play" had some connection with the fact that we invested a million dollars last year in parks and playgrounds. Cut off twenty-five per cent. of your expenditure on public schools and apply it to playgrounds and you will give to the world better manhood and womanhood.

Improving Quality of the People.

How far is the state justified in taking action to improve the quality of its people? Should the mentally, physically and morally unfit be allowed to multiply their kind? These questions are engaging the attention of many governments. Since the state must provide the asylums, the homes, the prisons and the hospitals that these fast multiplying wrecks will fill it does seem that the state has some right of action.

For twenty years the responsibility of caring for the feeble-minded has been foot-balled back and forth by the province and the municipalities. It has been estimated that during these years it has cost the municipalities five times more to take care of the resultant want, vice and crime of this class than it would have cost to have kept them in custodial care.

The feeble-minded problem in Ontario demands:—

1. Custodial training schools where these persons will be happier and society safer.

2. Prohibition of marriage of such persons.

3. That the issuing of marriage licenses should be a subject of municipal supervision and not a matter of political patronage amounting too often, as at present, to a farce.

The mental defective, the chronic criminal and the sexual pervert should not be allowed to propagate their kind, and if the custodial care cannot be given, the next kindest way is that the surgeon should be employed.

Every city has its vice problem and is anxious to improve the situation; but how? and what is wise? Toleration, licensing, inspection and segregation has in turn been suggested by well intended people as well as by men who either have not studied the problem or had leased their moral conscience.

"The more regulation the more prostitution," is an absolute fact, proven over and over again. In dealing with this problem, I with hesitation make three suggestions:

Some Valuable Suggestions.

1. Venerable diseases should be reported to a City's Health Department, the same as smallpox, typhoid, scarlet fever, diphtheria and other communicable diseases

2. Educate—let every man, woman and child know the cause of, and the fearful physical consequences both to the present and future generation of syphilis.

3. Seek to improve the bad social conditions that breed vice; try to see that ignorance, bad housing, lax policing, sweat shop wages, etc., are responsible for more vice than people's vicious tendencies.

"Ninety per cent. of the unfortunates have gone wrong not on account of their inward desires but on account of surrounding conditions. Therefore let us turn to the lack of housing.

"There is no large city without a housing problem. There are a few simple and provable truths that every civic legislator should be seized of, viz:

- (a) There is a direct relation between housing conditions and national character.

- (b) It is not so much that vicious, criminal, unhealthy, poor people move into poor houses, but that slums breed vice, crime, ill-health and pauperism.

(c) Slums are dear houses to live in.

(d) Slum houses are not usually owned by poor people, but by rich men and wealthy corporations.

"It is a fact that the demand for comfortable houses exceeds the supply. Rentals are beyond the workingman, clerk and mechanic. The manufacturer and employer are affected. Congestion results.

"The municipal government that does not concern itself with the housing of the people, the quality of its people, the air they breathe, the food they eat, the amusements that entertain, with the growth of the child army in a clean moral atmosphere, is either retrogressional in its character or criminally indifferent and negligent.

"The future manhood, future womanhood, the human efficiency of your people, depends upon your civic government and are purchasable quantities purchasable by a wise expenditure of money to prevent those conditions that stifle and dwarf these ideals, purchasable by education, by moral courage and common honesty of government. A day of time and a dollar spent now in prevention of bad social conditions will accomplish more than ten days and ten dollars will accomplish in cure ten years hence. Lloyd George spoke truly when he said that it would be a greater national disgrace for the Union Jack to float over slum houses and inferior types of humanity than for it to suffer defeat on the field of battle.

"I am much concerned that the term 'Canadian' shall be the world over a passport of good health and good breeding, a certificate of true manhood and a standard of human efficiency. May the Union Jack ever float over 'Canadians' of this type in your city and in mine."

FEB. 14, 1914.—"THE HISTORY AND MAIN FEATURES OF
CANADIAN BANKING."

Sir Edmund Walker.

During the last ten or more years of active growth in Canada countless fortunes have been made, which would certainly have been impossible but for our banking system, the public generally have been served better than in most countries of the world—much better than in the United States—and yet a similar hostility towards banks seems to be developing in Canada to that existing with our neighbors.

It has seemed to me that consideration of the subject might best be reached by setting out the main features of the banking system, and by tracing the reasons, historical or otherwise, for these features. The main features that occur to me are as follows:

- The Decennial Revision of the Bank Act.
- The Branch System.
- The Double Liability of Shareholders.
- The Limitation as to ownership of Real Estate.
- The Prohibition to lend on Real Estate.
- The Basis of Loans and Credits.
- The Service to Depositors.
- The Movement of money and the Clearing Houses.
- The Note Issue.

Decennial Revision.

The practice under which the charters of all Canadian banks expire together and are not renewed for longer periods than ten years, before

which renewal a revision of the terms of the Act takes place so that changes may be made in order to improve its working, came about through a mere accident, and was for many years regarded as a temporary condition.

Double Liability.

One of the features in Canadian banking, which is always criticized at the moment of a bank failure, is what is known as the Double Liability of shareholders; the liability in the event of failure to pay assessments sufficient, after exhausting the ordinary assets, to meet all liabilities, provided such calls in the aggregate do not exceed the original amount of capital paid in. This was first introduced in banking legislation in Nova Scotia in 1832, following the recommendation of the Committee for Trade of His Majesty's Privy Council. It was immediately thereafter introduced into legislation in Upper Canada, New Brunswick, and in the United States.

Limitation as to Ownership of Real Estate.

In the first charter granted in Lower Canada the bank is empowered to hold real estate to the value of £1,000 (\$4,000) yearly and no more. In the first charter granted in Upper Canada, immediately thereafter, the bank could lawfully hold only such real estate as was necessary for the transaction of its business, but with no limit as to its annual value—a more reasonable provision.

Prohibition to Lend on Real Estate.

In the same first charter granted in Lower Canada we already find the regulation against making loans on the security of real estate, as follows:—

“To take and hold mortgages and hypotheques on real property for debts contracted to it in the ordinary course of its dealings, but on no account to lend on land, mortgage, or hypotheque nor to purchase them on any pretext except as here permitted.”

This early restriction has continued in our banking legislation, the only changes made being in order to more effectually carry out its plain intention. The same feature has been presented in banking legislation in the United States since 1791.

Branch Banking.

In Canada in the draft charter on which the actual charters first granted were based, the section permitting branches is drawn almost exactly from the charter of the first bank of the United States, as indeed are the other main features of these early charters. We have, therefore, always had branch banking.

Note Issues.

The most important feature in our Bank Act is the power to issue notes for circulation as money.

As early as 1685 in French Canada fiat currency—the famous written card money—appeared and met the usual bankruptcy. It was followed by

the notes of the American Colonies, by written card money again in Quebec, by the printed Ordinances of Bigot, and by the currency of the Continental Congress.

1. To avoid discount at the moment of the suspension of a bank, either because of delay in the payment of the note issue by the liquidator, or of doubt as to ultimate payment, each bank is obliged to keep in the hands of the Government a deposit equal to five per cent. on its average circulation, the average being taken from the maximum circulation of each bank in each month of the year. This is called the Bank Circulation Redemption Fund, and should any liquidator fail to redeem the notes of a failed bank, resource may be had to the entire fund if necessary.

2. To avoid discount for geographical reasons, each bank is obliged to arrange for the redemption of its notes in certain named commercial centres throughout the Dominion.

In concluding he spoke eloquently of the future of Canada. We have, he said, been busy developing our means of transportation. The time has now arrived to think less of transportation and more of production. One of the greatest things of modern times was the power of credit. In Canada the banks represented that power. He made a strong plea for co-operation and good feeling between the banks and the people. He laid much emphasis on not only lending our efforts to build up the country commercially, but also the necessity of developing a high type of citizen, and devoting attention to the intellectual and artistic.



