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Wood, Gundy & Company, Toronto

stretch of country several hundred miles in extent—consisting mainly of rock and water—which effectually cut off the farming districts of Eastern Canada from those of the Western States. As agricultural development proceeded west this geographical obstacle forced the pioneer farmers of Canada into the United States.

"Another factor of no small moment making for rapid development is the fact that the world's unappropriated lands are fast becoming exhausted, and that Canada is one of the few countries which can still make gratis grants of fertile land to anyone who will carry out the very simple and easy conditions attached to the grant.

What More Can We Desire?

"In brief," says Mr. Paish in conclusion, "every essential to progress is apparently at the service of Canada—natural wealth, a practically unlimited amount of capital at low rates of interest, free markets and good prices for produce, a good supply of skilled farmers and of skilled labor, together with statesmen exerting all their influence and power to attract capital and labor and to develop the natural resources of the country."

GOVERNMENT BANK INSPECTION.

Correspondent Has Some Keen Criticism to Record—Views of Monthly Statement.

Editor, Monetary Times:—

Sir,—I have read the letter from "An old Bank Inspector," published in your edition of last week and also your editorial comments.

In the latter you state, "It is unlikely, said a well-known banker this week, that any material change will be made during the decennial revision of that Act." If this is true and I have no doubt it is, does it not reduce the whole matter to a farce and leave off just where it commenced? Is it not a declaration that there will be no Government inspection until the banks are fully satisfied the plan adopted will not interfere with any of their supposed prerogatives? To carry out an inspection of the various head offices would not require "a small army" of officials as you suggest.

There are only at present 29 banks in existence in Canada; seven of these are small institutions which could easily be examined several times during the year if necessary, by one man, and the remaining 22 could without great difficulty, be looked after by a staff of five; allowing a secretary for each official and an office staff of ten clerks, would mean a total staff of 20 persons, six of whom would require to be expert bank ex-officials.

Powers and Privileges of Banks.

In your editorial you draw attention to the fact that "every bank is a business enterprise," and you go on to say that "Government regulation of banking institutions should, therefore, be as reasonable as with all business concerns." Have you not overlooked the character of the privileges extended to the banks, and the exceptional advantages they enjoy through the one item of circulation alone? If, as you suggest "some value must be attached to the personnel of a bank," a most fallacious argument by the way, why should not such institutions as the Canada Permanent Mortgage Corporation, the National Trust Company, and all other equally constituted financial organizations also have like privileges?

A bank is a public trust supposedly acting under certain restrictive legislative enactments, and is not in my opinion in any way analogous to a commercial enterprise; if your argument is good why should the Government interfere in any particular?

Headings of Bank Statement.

With respect to the headings of the monthly statement, you are correct in drawing attention to the column, "Aggregate loans to Directors and their Firms." This is entirely misleading under existing conditions as to the limited liability of incorporated firms; but I would go further than you do and make the heading read;—

"Aggregate amount of loans to directors and firms of which they are partners, to incorporated companies in which any director is directly interested, and investments in, and advances made on stocks and bonds issued by companies of which directors of the bank are directors;"

but you have missed perhaps the most vital columns, as follows:—

"Current loans in Canada."

"Other assets not otherwise included."

"Company bonds, debentures and stocks."

"Call and short loans on bonds and stocks in Canada."

"Call and short loans outside Canada."

With respect to the first-mentioned, "Current loans in Canada."—What constitutes a current loan? The supposition is, I take it, that the several items shown under this heading are live assets with reasonable expectation of payment in the near future; but do you really believe that the facts would bear out this contention?

And To Sum Up.

"Other assets not otherwise included." In any active commercial business this would be looked upon by creditors as a most dangerous item to find in a customer's statement.

"Company bonds, debentures and stocks." This heading looks as if it might cover a multitude of sins, and investigation of the items forming the total of over \$20,000,000, according to the monthly statement, might prove instructive to the gentlemen who think the personnel of a bank counts for so much.

"Call and short loans on bonds and stocks in Canada." "Call and short loans outside Canada." Under these headings the banks show the aggregate sum of nearly \$200,000,000, representing a very good field for a Government Inspector to dig in. The contention of your correspondent that the banks may fear the possibility of their methods (bookkeeping), or policy being questioned, carries food for thought, notwithstanding any assurance to the contrary.

What have you to say about the immense flotations carried through during the past few years, any one of which might have crippled the institution interested in the event of miscarriage?

To sum up in my opinion Government supervision would prove beneficial; it would not take an army of officials to carry out an effective system; the monthly statement does not constitute a proper check upon the situation.

Pro Bond Publico.

Toronto, December 15th, 1909.

ANNUAL MEETINGS.

Company.	Date.	Time.	Place.
North Lanark Ry.	Dec. 20th	1 p.m.	Amherst, Ont.
Can. Stover Gasoline Engine Co.	Dec. 22nd	Brandon, Man.

Toronto Railway earnings last week increased nearly a thousand dollars each day.

A contemporary speaks of the secret of big earnings, something which most people imagine a bad secret cannot keep.

The Sun and Hastings Savings and Loan Company, have declared a half-yearly dividend at the rate of 6 per cent.

In connection with the alterations which will take place in the management of the Dominion Coal Company, as a result of the approaching merger, it is now stated that Mr. G. Herrick Duggan will return to Montreal to take a head position with the Dominion Bridge Company, with which company he was connected previous to his removal to the Coal Company. Mr. Wanklyn will remain vice-president, as at present, and Mr. Duggan will continue in touch with the Coal Company, in an advisory capacity.