

THE CANADIAN CASUALTY & BOILER INSURANCE Co., have issued a rather characteristic circular—a closed hand containing a bundle of banknotes, entitled "Cold Hard Cash"—giving the amounts paid on account of its sickness and accident business, together with the names and addresses of the assured, and among the number we observe the names of a few Montreal's well-known business men.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

LONDON LETTER.

FINANCE.

London, Nov. 10, 1906.

Considerable modifications in Stock Exchange practices will be rendered necessary by the Secret Commissions' Act, which comes into force next year. The framers of that Act had in view the desirability of putting an end to the present pernicious system under which a servant or agent is tempted to betray his master's or employer's trust by the offer of a secret commission; but, in their zeal, they appear to have made the clauses so wide-reaching that it is difficult to see the complete scope of the measure. Inasmuch as the offence which the new Act will establish will be a criminal one, and not civil merely, the necessity for caution is all the more urgent.

The Act lays it down broadly that no servant or agent shall accept reward or recompense for doing anything, or refraining from doing anything, except such reward as may be given to him by his master or principal, or unless at the time he discloses the fact that he is taking such a reward to his master. But what of the stockbroker who takes a double commission without disclosing the fact to his client.

Let us take a typical instance. A large firm of railway contractors, wishing to place construction bonds, approaches an investment broker, offering him the bonds at, say, 98 per cent., with a bonus of 20 per cent. in Common Stock, for all he can place. This sort of thing is done every day. The broker (after satisfying himself that the security is a sound one) recommends it to his clients, who take it up, say, to the extent of 50,000 dollars. The clients get the bonds for 98 per cent. and pays a commission of 1-2 per cent. to the broker for his services; but they know nothing of the 10,000 dollars in Common stock of the railway which the latter is putting in his own pocket. In other words, the broker is receiving a commission without the knowledge of his clients—is doing, in fact, the very thing in which this Act will make a criminal offence. The matter is so serious that the whole system will have to be carefully considered before January next year.

The Committee itself has decided to move in the direction of overhauling the "double commission" question, and of fixing a minimum rate of commission. The preliminary notice, given to the members of the "House" yesterday, read:—

"Committee Room, The Stock Exchange, October 31, 1906.

"The Committee for General Purposes, in response to a memorial recently addressed to them, have instituted an inquiry into the following questions:—(1) The prohibition of "double commission;" (2) the fixing of a minimum rate

of commission; (3) the business relations between dealers and non-members.

"Members desirous of being heard on any of those points are requested to forward their names to the secretary.

"The Committee will commence taking evidence on Thursday, November 8.

"By order,

ED. SATTERTHWAITE,
Secretary C. G. P.

As to the question of the necessity of a fixed minimum scale of commission, there appears to be a practical unanimity of opinion in the "House." That opinion is that it does not square with the dignity of a great institution like the London Stock Exchange that its members should either be tempted or permitted to engage in a process which has been aptly described as "mutual throat-cutting." Capacity, intelligence, and that mysterious influence which we call "luck" may well be allowed free play in the struggles for business; but the line should be drawn at the indiscriminate and sweeping reductions which the modern struggle for existence has introduced even into such a presumably "close corporation" as the Stock Exchange.

INSURANCE.

Despite the holding of imposing meetings and the packing of these meetings with supporters of the scheme the conversion of the Liverpool Victoria Legal Friendly Society is not going ahead. It appears that the pathway to conversion bristles with serious difficulties and the anticipations of the promoters of plain sailing when a further meeting will be held, it is not going to be justified. The attention of the Treasury has been called to the matter and of course very conflicting allegations are being made. The present position of affairs is that the questions at issue are to be the subject of litigation. It is possible that the registration of the society may be cancelled, but it is by no means a foregone conclusion.

STOCK EXCHANGE NOTES.

Wednesday, P. M., November 21, 1906.

The recovery from the low level which set in towards the close of last week has continued, and the result is generally higher prices. The Dominion Steel-Dominion Coal conflict still continues a factor in the market.

There has been no change in local money conditions. Rates are the same and supplies are still limited, with little new money offering. The New York money market became easier temporarily, but rates have again stiffened and the strength and upward tendency of the stock market was checked. The outlook, however, is for a gradually easing tendency and for ample supplies after the turn of the year. The probability of these conditions will no doubt be discounted during the next month or so.

C. P. R. was more active this week and 1,484 shares were traded in. The stock improved in price and closed with 181 1-2 bid, an advance of 5 3-8 points for the week. The earnings for the second week of November show an increase of \$129,000. Montreal Street Railway has had a sharp recovery of over 11 points and sold up to 248 to-day, closing with 246 1-2 bid, a net gain of 19 full points for the week. The Rights to the new shares are now being traded in, and sold up to 15 1-2, the business of the week brought out 2,916 shares. Detroit Railway advanced to 88, but the highest was not held. The closing bid of 87 1-4, shows a net gain of 2 full points for the week on sales of 1,650 shares. Twin City closed with 110 bid, a decline of 1-2 point on quotation for the week, and 479 shares were traded in. Toronto Railway advanced to 116, and closed with 115 3-4 bid, an advance of 2 1-4 points for the week, and 481 shares were involved in the trading. There were no transactions in Halifax Tram this week, and in Northern Ohio Traction the only sale was a broken lot of 5 shares. Toledo Railway