

sum, but the points at issue are important. The controversy illustrates the difference of opinion which, undoubtedly, exists between the banks and the farmers of the west. Hon. Edward Brown, provincial treasurer, made a trip to Toronto this week for the especial purpose of trying to reach an agreement with the banks. "Compared with the amount of money involved," he said in an interview with *The Monetary Times*, "it is of far greater importance to the banks that the arrangement be continued." He pointed out how the societies had acted as a connecting link between the banks and the farmers, and if a satisfactory arrangement could be maintained it would stimulate friendliness, not only in Manitoba, but throughout Canada, for all eyes were turned on Manitoba's experiment. If the banks had stated their position clearly at the time of the convention, he thought the societies would have readily agreed to paying an additional half per cent., in view of present high money rates, but the government could scarcely break faith with them by raising the rate so soon after the convention.

Agriculture should have funds at the lowest rate, said G. W. Prout in an interview on February 25. He maintained that industries in the east obtained better terms from the banks than did the farmers. The same point was emphasized by Mr. Brown, in speaking to *The Monetary Times*; as the prosperity of other branches of industry depended upon agriculture, he said, it had the first claim on funds available for loaning purposes. But both Mr. Prout and Mr. Brown overlook the fact that loans which do not fall due until the end of the year, which is the case with the loans to the societies, are not as suitable to the banks as the shorter loans which are required by most lines of industry. It is essential that bank assets be kept liquid, and with this in view large sums should not be tied up for a fixed period, and where such loans are made the rate must be slightly higher.

In an interview on February 26, Vere C. Brown, western superintendent of the Bank of Commerce, pointed out that there is no discrimination as among industries, but the banks on the other hand look solely to the character of the security in fixing the rate.

FUTURE OF THE COMMERCE BOARD

FOLLOWING upon the resignation of its chairman, H. A. Robson, and general dissatisfaction with its work, the Board of Commerce is threatened with extinction. It has succeeded in disturbing the normal course of business, and thereby brought upon itself criticism from firms engaged in the industries in which it interfered, without conferring any corresponding advantage on the consumer. Nevertheless the board may well be made the beginning of a useful organization, and its early attempts must be more or less experimental. The control of industry has become more and more concentrated into a few hands, and a public body for the regulation of industries so controlled has become a necessity. The board, however, in a futile attempt to stem the tide of rising prices, started to fix prices and profits in the retail trade, and other lines of industry which are distinctly competitive.

A board composed of two lawyers and one labor man could not be expected to regulate industry wisely, when not one of its members was experienced in the direction of business. Nevertheless Judge Robson in retiring throws out one or two suggestions which are well worth consideration. He calls attention to the inconsistency of a government which on the one hand encourages export trade, thereby sustaining and raising prices, and on the other hand tries to reduce prices by fixing them and by limiting profits. He also points out that the Combines and Fair Prices Act, under authority of which the board operated, has been administered to deal only with the necessities of life, and profiteers in other commodities were left to do as they please. The effect appeared to be to deter business men from dealing in such necessities of life on which dealers had a right to get the highest possible price in the export market.

GROWTH OF AUTOMOBILE INSURANCE

AUTOMOBILE insurance has in the space of a few years become one of the leading casualty lines, following upon the rapid increase in the use of motor cars. The development of this branch of insurance was described on February 12 by John Jenkins, fire manager of the Employers' Liability, to the Fire Insurance Association of Montreal. There were in 1903, he said, just 220 cars in Canada, whereas there were, last year, 370,000 registered in Canada. This latter number meant one car for every twenty-one people, and, the speaker said, it would not be long before there would be one for every fifteen persons. In 1910 seven companies had licenses to do automobile insurance business, and at the present time the number was from fifty to seventy. In 1918 the premiums on this class of business were \$2,152,000, and last year the figure was no doubt fifty per cent. more than that.

Mr. Jenkins dealt with each section of loss covered by automobile policies—fire, theft, damage, liability, property damage and transportation. As regards fire loss, he pointed out the likelihood of a car that is kept in a well-protected garage when at home being frequently placed in a public garage that is less secure when the owner is touring. As regards theft, while Canada is not so bad as the United States, it is bad enough, said the speaker.

The most troublesome feature is the stealing of spare tires. A man goes into a building and while there someone comes along in another car, cuts away and takes a spare tire and is off in a moment without creating any immediate suspicion. The insurance company is thus at a loss of \$50 or \$100 or more. There must be, said Mr. Jenkins, a channel for disposing of these tires, as there evidently is for disposing of cars that are stolen and done over.

Insurance of the owner against claims made on him for damage or injury caused by the operation and maintenance of his car by self or chauffeur is almost a necessity in cities, said Mr. Jenkins. In the case of property damage, the limit of a policy is generally \$1,000, but the speaker referred to a case where a car ran into a grocery store, putting it out of business for some days, resulting in loss of profits having to be paid for as well as the actual damage done.

PLANS FOR "BANK OF ALBERTA"

EDMONTON is to be the headquarters of a new bank, for the incorporation of which application will be made at the present session of parliament. The name proposed is the "Bank of Alberta," and branches would immediately be opened at Edmonton and Calgary, and possibly other points in the province. A capital of \$2,000,000 is proposed, and farmers are to be relied upon to supply a good part of this sum.

A previous charter for the Bank of Alberta was authorized, but never actually issued, by parliament in 1914. At that time the proposition took shape along somewhat similar lines as those now proposed, and its organizer was E. S. McQuaid. The provisional list of directors included a number of well-known capitalists in both Edmonton and Calgary, and the late D. R. Fraser was spoken of as the first president. The stock was partly subscribed, but never paid up sufficiently to secure an issue of the charter, and, though two years' extension was given, the bank did not get to the point of commencing business. The present scheme has no connection with the original Alberta bank, except in so far as advantage may be taken of the action already authorized by parliament in respect to approval of the subject. Whether the banking committee will agree to a renewal of the first charter to the present applicants or will advise that a fresh beginning be made remains to be seen, but it is expected that the next few weeks will settle this point.