

Policy-Holder's Company

North American Life Assurance Company has a Guarantee Fund of \$1,000,000, of which \$60,000 is paid up in interest is allowed on this paid portion only. Policyholders thus have an additional security of \$940,000, and what is of greater importance, insured of careful and conservative management as the Guarantee is liable for this amount. By the company's Act of Incorporation, every policyholder of a participating policy in the company, upon which all premiums have been paid, shall have one vote on for each \$1,000 of insurance by him. Policyholders are thus a voice in the management of the company's affairs. In short, it is said that the North American is neither a Mutual nor a Stock company yet possesses the advantages of both.

Office - Toronto, Ont.

Statement of Assets and Debentures owned by

Royal-Victoria Insurance Co.

deposited with the Receiver General of the Province of Ontario, in trust for the security of policyholders.

Nova Scotia Debentures, payable July 1st, 1915	\$6,000.00
Quebec 3% Inscribed Stock in the name of the Receiver General, payable April 1st, 1917	9,723.33
Manitoba Debentures, payable July 1st, 1910	60,000.00
Ontario Debentures, payable July 1st, 1910	20,000.00
Ontario Debentures, payable May 1st, 1910	25,000.00
Northern Railway Debentures, payable July 1st, 1910	27,500.00
Montreal Debentures, payable May 1st, 1910	20,000.00
Ontario Debentures, payable Sep. 1st, 1908	14,000.00
Total	\$190,523.33

These securities have a cash market value of \$275,172.60

DAVID BURKE, A.I.A., F.S. General Manager.

CONSERVATIVE PROGRESSIVE FAITHFUL

the cardinal aims of the Union Management are—to be conservative in the selection of investments—to be progressive in the execution of the business—to be faithful to the interests of policyholders.

of like inclination cordially welcomed.

MUTUAL Life Insurance Co.

Portland, Maine.

RICHARDS, Arthur L. Bates, Vice-President.

E. MORIN, Chief Agent for Canada, St. James St., Montreal, Canada.

Agents in the Western Division, Province of Ontario, apply to

WALTER I. JOSEPH, Manager, St. James Street, Montreal.

Agents in Western Ontario, apply to

J. PECK, Manager, Toronto Street, TORONTO.

EMENIX

Insurance Company

Of Brooklyn, N. Y.

& KIRKPATRICK, Agents, TORONTO

The Monetary Times

Trade Review and Insurance Chronicle

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DIRECTION: DETECTION.

There is a certain grim humour in the appearance, in the "Bankers' Magazine," published a few days after the Ontario Bank collapse, of Mr. Eckhardt's article on "Canadian Banking Practice—the Detection of Fraud." The article is distinguished by all the dispassionate clearness which is characteristic of everything Mr. Eckhardt writes. It is an admirable presentation of the reasons for regarding the Canadian system of inspection as equal to, if not better than, anything of its kind elsewhere. But the accident of time will make the writer wish that it could have appeared in some other month than that of October 1906.

The article is inspired by the collapse of the Milwaukee Avenue State Bank of Chicago, and of the Real Estate Trust Co., of Philadelphia. Though he does not thank God that we are not as other men are, Mr. Eckhardt sets out to prove that neither the method of Stensland, who seems to have been a born crook, nor the procedure of Hipple, who was a dignified church official, could be successful in Canada without the working of some miracle in fraud. Mr. Eckhardt praises the method of inspection; though he gives, apparently as a supreme justification of it the fact of the customary appointment of inspectors by the general manager—a weakness in the organization upon which "Trustee," who is a well-known financier of Toronto, puts his finger in a letter to the Monetary Times.

Mr. Eckhardt describes rather minutely the inspection of branches far removed from headquarters. He tells of talks about their loans with the bank's borrowers, and of minute enquiries by the inspectors into the manner of life led by the branch managers and their assistants. Having proved that no serious falsification can long continue in a branch office, Mr. Eckhardt discusses the opportunities a general manager would have if he wished to despoil his bank. He points out that, if a general manager would deal crookedly with the funds of his bank, he cannot do it secretly. He has no actual possession of securities, and can only make large loans on security to an adven-

turer, through deceiving some branch manager, who, at least in the case of the manager of the most important branch—that associated with the head office—would be a man not likely to permit the bank's funds to be jeopardized, even if the general manager authorized or commanded it to be done.

But the main check on the general manager is the active interest taken in the bank's affairs by the directors. Of Canadian directors as a whole, Mr. Eckhardt writes in liberal praise, and specially commends their "full attendance at the semi-weekly board meetings." The thoroughness with which they, as a whole, discharge their duties, only makes you wish more anxiously for an exposition of the steps taken by the Ontario Bank directors since 1901, to satisfy themselves that what were represented to the Government as loans were not speculative withdrawals by the general manager, or vain repetitions of accounts that had been hopelessly closed. As the best and final check upon administrative failure due to sheer incompetence, or something worse is the watchfulness of the directors, so the question of bringing home to them, in the straightest form possible, the burden of their responsibility is the dominant public question arising out of the Cockburn-McGill fiasco.

The United States Comptroller of the Currency has declared his belief that bank failures are invariably traceable, in the last analysis, to the failure of directors to direct. That aspect of financial practice has lately been thrown into prominence, in half a dozen ways. It will not do weakly to say "We must trust to somebody." The "Bankers' Magazine" puts the case this way: "While it is generally true that the managing officer possesses greater banking capacity than his board of directors, his superiority is not such as to place his acts beyond criticism. The directors of a bank constitute the body to whom the shareholders have delegated the management, and the directors, when they have chosen officers to carry on the executive work have not absolved themselves of responsibility. It is the business of the directors to see that the shareholders' property is taken care of and this duty is just as incumbent upon them when the actual executive duties are in the