

## BOARD OF INSPECTORS

To be Appointed by General Manager of Chartered Banks  
—Bank Bill Will Now be Reported to the House

Mr. F. B. McCurdy's amendment that no paid executive official of a bank shall be elected a director, was discussed on Thursday, when the Bank Act consideration was resumed by the Banking and Commerce Committee. In theory, Mr. McCurdy said the general manager of a bank was supreme, subject only to the directors. Under the old act, a man might be president as well as general manager. How could a board of directors discipline a general manager if he were one of themselves? Mr. McCurdy said he was willing to make an exception of present cases.

Hon. Mr. Kemp held the motion to be radical. The banks more than ever now required men of experience, and this proposal would inflict an indignity upon many of the best bank directors. The result would be their retirement.

Mr. McCraney, in opposing the amendment, thought specific instances should be given of any abuse of present powers by officers who are directors, and Hon. Mr. Barker objected to dictating to shareholders as to whom they should elect. Colonel Clark thought it an advantage for the general manager to be on the directorate.

Mr. McCurdy urged the adoption of the amendment only as a matter of principle. He recalled a case where a manager of a bank became involved with customers, with the result that he was retired.

The committee rejected the amendment.

## Board of Inspectors.

A proposed amendment by Hon. Mr. White that a bank shall open and maintain in each province in which it has resident shareholders a share registry office, was opposed by Sir Edmund Osler and Mr. Wallace Nesbitt, K.C., one arguing that it would be an inconvenience, and possibly lead to fraud, and the other holding that litigation over succession duties based on such holdings would result. However, the amendment was carried.

There was some discussion as to the wording of the amendment recently adopted as to the registration of privileged liens by the banks. It will go to the House for determination.

This brought the committee down to the vital clause of audit and inspection. Major Sharpe withdrew his amendment providing for government inspection. "I am still in favor of external inspection," he said, "but I withdraw it in view of the attitude of the government and the committee."

Hon. Mr. White stated that it had been shown that the American system of government inspection was not a success, but the clearing house inspection was effectual.

"I am of opinion," he said, "that a proper inspection can best be carried on by the Bankers' Association."

"This was approved some years ago by the association, but there was dissent, some of the banks declining to assume the responsibility involved. Moreover, it was urged that the larger banks might injure the smaller ones through the process of these inquiries. I have given a great deal of attention to the question of audit and the qualification of auditors."

"I had come to the conclusion that it is best to leave the selection to the shareholders, but in view of the evidence we have heard, I have a suggestion to make. It was proposed by Mr. McLeod that a board of inspectors should be appointed by the general managers of the banks. I have adopted that idea."

## Qualifications of Auditors.

"If the government undertake any work it must do it thoroughly. We are not in a position to do it as thoroughly as the banks do now. The question comes down largely to the qualifications of auditors. I propose for the consideration of the committee, that the members of the Bankers' Association shall select by ballot persons competent to act as auditors."

These selections would be limited to forty. The list of persons so selected shall be submitted to the minister for his approval within ten days after the 30th of September this year and within sixty days in subsequent years. If one-third of the shareholders are dissatisfied with the selection made of any auditor, they shall have the right to appeal to the minister for the appointment of another. The minister is to have the right to name any outside auditors he pleases for special reports on any bank or banks.

The committee accepted the amendment subject to the right of discussion in the House. The bill was then reported finally and goes to the House as amended during the six weeks hearing in committee.

## FUR-FARMING IN THE DOMINION

Sales of Breeding Stock—Highly Speculative Trading  
at Present

The amount of capital required to finance a ranch containing even three or four pairs of foxes involves the organization of companies or extensive partnerships among people whose experience and location are suitable for fox ranching. In the autumn of 1912, at least \$50,000 was required to build, equip, and stock a ranch in Prince Edward Island with five pairs of first-class stock. Many ranches have been equipped for less money, but either cheaper wild or unselected stock from Newfoundland or elsewhere was purchased; or options had been taken at an earlier date on pups for delivery at that time.

## Time of Delivery.

Because of the keen demand for breeding stock, it has been customary to sell options for future delivery. Usually the options are taken on the unborn pups, and 10 per cent. of the price agreed upon is paid when the options are taken. Time of delivery is made the essence of the contract, and, if the rancher has not as many pups as he has sold options for, the orders are filled consecutively; i.e., the earliest orders are filled first. In case delivery cannot be made, the agreement provides that the deposit must be returned with 6 per cent. interest per annum. In 1912, options were sold on more pups than could be delivered because of the unusually small number of pups. At the present time (December, 1912), many options on 1913 stock at an average price of about \$10,000 per pair have been sold. As large ranchers carefully number the options, the holder of the first option has the best chance of securing the choice of pups when the deliveries are made.

All over North America, wherever the common red fox is found, agreements are being constantly made with lumbermen, miners, missionaries, fur traders, trappers, government officials and others for future delivery of wild animals captured in their respective districts. The supply of fur, however, will not be appreciably diminished by the capture of wild fur-bearers alive.

## Were All Sold to Breeders.

In 1911 and 1912 all available foxes were sold for breeders. The first general sales were made in 1910 at prices not far above the fur-value, viz., about \$3,000 to \$4,000 a pair. In 1911 the price rose to \$5,000 a pair, and, about littering time in 1912, one pair was sold for \$20,000. This, however, was for a pair of excellent proved breeders, which, a few weeks later, produced five whelps which were sold for \$20,000 in August, 1912. By September 1st, when the deliveries of stock began, the price was \$8,000 a pair for pups and a month later, \$11,000. By December, 1912, \$12,000 and \$13,000 was the ruling price, with few sales. Old proved breeders of good quality were valued during the last months of 1912 at from \$18,000 to \$35,000 a pair.

## Highly Speculative Trading.

It can thus be readily understood how highly speculative fox trading is at the present time, states Mr. J. Walter Jones in the report on Fur-farming issued by the Commission of Conservation. The tendency towards inflation is encouraged and fostered by many of the older breeders. Their optimism is accounted for by the fact that they have become wealthy in the last three years, whereas six or eight years ago, some of them possessed only mortgaged farms and a few foxes. All but three or four have made their fortunes by selling breeding stock, and, with the exception of, possibly, \$200,000, obtained for pelts, all of the million or more dollars received by ranchers has been made in this way.

The present system of buying for future delivery is another indication of the optimism of investors. In December, 1912, many of the unborn pups of 1913 were purchased and partly paid for, delivery to be made in the first week of September, 1913. The difference between purchasing futures in foxes and gambling in futures in May wheat or October cotton is more apparent than real.

The present is an opportune time for investment, suggest Messrs. A. E. Ames & Company, Toronto, in a recently issued circular, as, owing to the market conditions, securities generally are available on favorable basis.

Sir William Mackenzie, interviewed in Montreal on his return from England, said that he would not consider selling the Toronto Railway apart from the Electric Light Company. The price for the former would be \$160 and the latter \$135, plus the extra amount expended by the companies on the properties. "It is now up to the city of Toronto," he said. He stated that despite the tightness of the money markets he had secured ample funds for some time to come for all the Canadian projects under way.