

OPPOSED TO GOVERNMENT BANK INSPECTION

Premier Borden Speaks on Bank Act—Question of Shareholders Audit

Premier Borden expressed himself opposed to government inspection of banks this week during the second reading of the bill respecting banks and banking at Ottawa. He did not think the government should be called upon to supervise transactions of the chartered banks for which the shareholders and directors should be held responsible. It should take precautions to protect the public and depositors. It should be possible for the shareholders to appoint competent auditors who would be above suspicion of collusion with the directors.

Mr. E. W. Nesbitt thought it would be unwise for the government to undertake the inspection of all the banks and their branches, and suggested the appointment of an inspector by the Bankers' Association, and of a government inspector to decide any dispute between the former official and a bank.

Minister Should Prepare Table.

Much had been said about the large profits of the banks, said Mr. Borden, and he thought that the Minister of Finance would do well to have prepared a table showing just how much those profits were and to what extent shareholders had contributed to reserves. He believed, from his knowledge of a bank with which he had formerly been connected, that about 80 per cent. of the amount of reserves of banks had been paid in by shareholders. He thought that no shareholder was paid more than 4 or 4½ per cent. on his investment in a bank, while investors in other enterprises received 8, 10 or 12 per cent. on their money.

Reference had been made to the desirability of establishing a great central bank in Canada. He did not know that there was any necessity for such an institution. It had been asserted that there was too great a tendency toward amalgamation. Some member had spoken of the question of inspection of audit of banks, and had asserted that the majority of frauds had occurred in head offices.

To Prevent Frauds.

The Premier agreed that steps should be taken to prevent such frauds and to ensure the stability of banks. It had been suggested that the government through the Department of Finance should undertake the control of the actual operation of banks, dictate the amount of loans, and the interest to be paid. Such matters should be left to the officers of the banks. The affairs of the banks as they referred to the shareholder should be left to the officers and directors, subject to the conditions that there should be some precautions in the interest of the general public and of the depositors, and to ensure the carrying out of the provisions of the Bank Act.

Mr. Martin, of Regina, differed with the Premier as to the profits of banks. He said that the Bank of Nova Scotia last year earned 23 per cent. on its paid-up capital, the Bank of Commerce 11, the Merchants 10, and the Bank of Montreal 12 per cent. Depositors should receive higher interest on their money. The banks should be forbidden to ask or receive on loans a greater rate of interest than that fixed by parliament.

He suggested that banks be required to register warehouse receipts in their possession for the protection of other creditors. He also expressed the view that the clause of the bill permitting banks to make loans on the security of farmers' grain and cattle would not prove of any great value, advocated government audit of the head offices of the 24 chartered banks, and asked for an investigation of the affairs of the Banque Internationale.

BIG LUMBER COMPANY WILL ENTER QUEBEC.

Mr. John Hall Kelly, M.L.A., for Bonaventure, acting on behalf of the St. Lawrence Pulp and Lumber Corporation, a company formed under the laws of the State of New York, filed with the secretary of the province of Quebec the necessary documents in order to authorize the company to do business in that province. The authorized capital is four millions, paid up, two millions of which will be immediately invested in the province in pulp and paper mills and in the lumber business. For the requirements of the Quebec Joint Stock Company Act, the head office of the new company will be at New Carlisle County, Bonaventure, with Mr. Kelly as the Canadian legal representative.

Mr. F. A. Brodie, who has been manager of the Vancouver branch of the Bank of Toronto, has been appointed manager of the banking and trust departments of the Northwest Trust Company, Limited, Vancouver.

BRITAIN'S PRODUCTION STATISTICS

First Returns Are Now Available—Various Groups—Summary of Results

There has just been issued a 1,000-page blue book which is the result of the Census of Production Act, of 1906, in England.

The delay in its issue is pardonable, considering the enormous bulk of the statistics that had to be collated, the fact that the machinery set up for their collection was new and the circumstances that several powerful trade interests were opposed to the innovation.

For the purposes of the enquiry the trades of the country have been classed in the following groups:—

Mines and quarries; iron, steel, engineering and shipbuilding; metal trades, other than iron and steel; textile; clothing; food, drink and tobacco; chemical and allied trades; paper, printing, stationery, and allied trades; leather, canvas and india rubber; timber, clay, stone and building; miscellaneous, and public utility services.

Gross and Net Output.

In summary form the results of the census are shown as follows:—

Gross output (selling value or value of work done)—England and Wales, \$7,450,000,000; Scotland, \$1,040,000,000; Ireland, \$335,000,000—United Kingdom, \$23,725,000,000.

Materials used (cost)—England and Wales, \$4,340,000,000; Scotland, \$585,000,000; Ireland, \$215,000,000—United Kingdom, \$5,140,000,000.

Work given out (amount paid to other firms)—England and Wales, \$95,000,000; Scotland, \$25,000,000; Ireland, \$5,000,000—United Kingdom, \$125,000,000.

Net output (excess of gross output over cost of materials and amount paid to other firms)—England and Wales, \$3,015,000,000; Scotland, \$430,000,000; Ireland, \$115,000,000—United Kingdom, \$3,530,000,000.

Persons employed (except outworkers, average number)—England and Wales, 5,808,269; Scotland, 885,403; Ireland, 291,304—United Kingdom, 6,984,976.

Important and Valuable Returns.

Net output per person employed—England and Wales, £104; Scotland, £98; Ireland, £78—United Kingdom, £102.

Horse-power of engines at factories, mines, etc.—(About one-quarter is used in the production of electricity for power and lighting)—England and Wales, 9,097,860 horse-power; Scotland, 1,397,733 horse-power; Ireland, 259,407 horse-power—United Kingdom, 10,755,009 horse-power.

To the sum of \$3,560,000,000 shown above as the value of the net output may be added \$250,000,000 in respect of about 1,000,000 to 1,250,000 persons whose occupations came within the scope of the census, but about whom returns were not furnished.

This is the first time in British commercial history that such particulars have been available, and their importance and value is unquestionable.

KINGSTON'S FIRE WASTE

Kingston's, Ont., loss from fire during the year was \$41,053.08, the loss on buildings being \$8,247.83, and on contents, \$32,805.25. The total insurance on the buildings and contents was \$1,169,200, divided as follows: Buildings, \$157,600; contents, \$269,200; buildings and contents together, \$900,000.

The causes of the fires were: Chimneys, 19; electric wires, 12; rubbish burning, 11; smoke mistaken for fire, 8; sparks from chimneys, 5; false alarms, 5; oil lamp overturned, 5; thawing frozen water pipes, 4; unknown cause, 4; children playing with matches, 4; lighted matches breaking, 4; grass on fire, 3; defective chimneys, 8; hot ashes, 2; sparks call to previous fires, 2; lightning, 2; gasoline, 2; matches carelessly thrown away, 2; spontaneous combustion, 1; using hot iron to enlarge hole in wood, 1; automobile, 1; Chinese lantern, 1; marsh on fire, 1; stove too close to partition wall, 1; dog scratching matches, 1.

Fire Chief Armstrong draws attention in his report to the need of more hydrants, dangers accruing from buildings used for bazaars, etc., the obstructing of windows by advertising signs, and to danger to firemen through roadways being opened up without notice being given to fire department.

The British Dominions General Insurance Company, Limited, of London, England, has been licensed to transact fire insurance in Saskatchewan.