

INVESTMENT vs. SPECULATION

"A high return should at once excite suspicion in the mind of the prospective investor."—Financial Post.

There are securities which promise a high rate of interest and the chance of an increase in value, but for those dependent upon the income from their investment, or endeavoring to lay up money for their old age, they are too speculative. With such, the Bonds of the Canada Permanent Mortgage Corporation are a favourite investment, because they know that if they invest \$1,000 in these Bonds they will get the \$1,000 when it becomes due, and that the interest upon it will be promptly paid in the meantime.

These bonds may be obtained in any sum from one hundred dollars upward. They are, therefore, available for the investment of small sums.

Canada Permanent Mortgage Corporation

Established 1855

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Capital Authorized\$25,000,000
Capital Paid Up\$11,560,000
Reserve Funds\$13,000,000
Total Assets\$180,000,000

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MONEY AND MAGNATES



The Bank Act and the Crop Movement

THE announcement that the Washington Government will place at the service of the crop-moving banks a sum of twenty-five or fifty million dollars to assist in the movement of the crops prompts an examination of the methods employed by Canada in this matter.

In this country, the influence of the recently-passed Bank Act will be notable, and will make the financing of the crop movement a good deal easier than

it otherwise would have been. In previous years, it is true, a bank might, "from the first of September to the last day in February," issue its notes to an amount not exceeding fifteen per cent. of the combined unimpaired paid-up capital and rest or reserve fund of the bank. That is not a new provision. But the new act provides for a further issue of notes against gold and Dominion notes, which will undoubtedly facilitate matters a good deal at this time. The clause as amended last session now reads as follows:

"3. Except as hereinafter provided, the total amount of the notes of a bank in circulation at any time shall not exceed the aggregate of—

"(a) the amount of the unimpaired paid-up capital of the bank; and,

"(b) the amount of current gold coin and of Dominion notes held for the



The Lounging Room of the New Club-Compartment Cars now Running on the Grand Trunk Fast Limited Trains Between Toronto and Montreal.

bank in the central gold reserves hereinafter mentioned.

"4. The Association may, with the approval of the Minister, appoint three trustees and the Minister may appoint a fourth trustee, and the trustees so appointed shall receive such amounts in current gold coin and Dominion notes, or either, as any bank may desire from time to time to deposit with them. The amounts so deposited are herein referred to as 'central gold reserves' and shall be held and dealt with in accordance with the provisions of this Act."

As the banks hold an average of \$140,000,000 in specie and Dominion notes, they can issue bank notes to as great extent as they see fit providing only that this specie and Dominion notes is deposited at Montreal. It will not be possible to deposit more than half this amount at Montreal, and therefore the limit of circulation would be about \$70,000,000 from this source. Even if it were only \$25,000,000, Canada would be in as good a position as the United States.

It must be remembered, however, that while it is in order to make the broad statement that the new Bank Act will make the financing of the crop movement easier, the fact of the very recent passing of the Act must be taken into account. Farmers cannot feel the benefit of the new clause which authorizes them to borrow on their grain, because, at present, they haven't room to store their grain. Storehouses and granaries are being constructed, both by the Government and privately. In two or three years the banking accommodation in this regard will make its good influence felt, and as a result the economic conditions of the Dominion will greatly improve.

The World's Wheat Crop

THE Department of Agriculture at Ottawa has published a very timely bulletin, dealing with the world's wheat crop, this year and last. The statistics included in the report are at once interesting and instructive. The first place in wheat production is held, for this year, by Russia in Europe, and the second by the United States. Last year, it was the other way about.

According to the figures forecasted in this bulletin, this year's crop will be about one hundred million bushels in advance of last year. Of course, this is a rough estimate. It changes—more or less—each month, but it is reasonably certain that there will be a margin on the right side this year of 100,000,000 bushels. Canada's yield is put at 216,000,000 this year, as against 199,250,000 for 1912. So that there is still, it would appear, corn in Egypt—and all the other wheat producing countries of the world. And what is more to the point, there doesn't appear to be any sign of seven—or any other number—of lean years.

The probable result of this big harvest will be a general lowering of wheat prices all over the world. Already prices are lower in Canada than at this time last year.

The Crop—of New Issues

THE most important news in connection with new issues is that of the sale of the bonds of the Toronto Hydro-Electric System. This wipes out bonds to the value of four and a quarter million dollars which have been on the market for some time. The sale was made at a price of \$3 1-2 on a four per cent. basis. The significance of the announcement is that the bonds were marketed over the line, and not in Great Britain, where they were primarily offered. It is said—with what truth it is hard to say—that the marketing of the bonds in England was prevented by financiers on this side of the water. However—they are now sold.

A large block of Toronto Harbour Commission bonds, four and a half per

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THE HOME BANK OF CANADA

NOTICE OF QUARTERLY DIVIDEND.

Notice is hereby given that a Dividend at the rate of Seven per cent. (7%) per annum upon the paid up Capital Stock of this Bank has been declared for the three months ending the 31st August, 1913, and that the same will be payable, at its Head Office and Branches on and after Tuesday, September 2nd, 1913. The Transfer Books will be closed from the 17th to the 31st August, 1913, both days inclusive.

By order of the Board,

JAMES MASON,
General Manager.

Toronto, July 16th, 1913.

Western Assurance Company

(Fire and Marine)

Incorporated A.D. 1851

Assets over \$3,000,000.00

Losses paid since organization over
\$56,000,000.00

W. B. MEIKLE, General Manager