

legislation would facilitate the making of further advances, affording a greater degree of credit to those engaged in the live stock industry; and also that the banks would be more willing to loan substantial sums, and for longer periods, if they were permitted to take the securities referred to in this act. It is further pointed out with regard to cattle, that it is very desirable that they should be reared to maturity in Canada rather than sold when young and finished on the other side of the line. For all these and other considerations there appears to be a considerable public demand for this legislation. The demand comes from the farmers. I received only recently a resolution from the United Farmers of Alberta in favor of this legislation, and it has been brought to my attention that the farmers of Manitoba were also in favor of it. The demand has not come from the banks.

"I have been aware that this demand existed, and that it was the view of those engaged in stock rearing that this would afford very considerable assistance to the communities engaged in that industry. It was brought to my attention that in the United States a very large business is done by banks loaning upon chattel mortgage security covering live stock, and that the facilities afforded under the system which they have in vogue in the western states has greatly promoted that industry. I communicated with the several banks of Canada and asked their views as to whether the enactment of legislation of this character would result in increased accommodation being afforded the farmers and those engaged in the live stock industry. I asked them, further, whether in their opinion there would be ample credits afforded during the coming year for the needs of the agricultural community and those engaged in the live stock industry. I received answers from all the banks, and I think they were about equally divided in opinion.

"About one-half were of the opinion that while not objecting to this legislation they would lend as freely if the legislation were not enacted as if it were enacted, and that they would necessarily continue to look to the personal credit and standing of the borrower. Some of them added that they were not particularly favorable to the legislation but thought it might be of some assistance. On the other hand, a number of the banks held the view very strongly that this legislation would result in the extension of substantial further credits to the farming community and would be of great advantage to the live stock industry. They said that with legislation of this character they would feel justified in making more substantial advances and for longer terms.

"After canvassing the several ways, the bill has been drafted so as to enable banks to take chattel mortgages

or bill of sale upon live stock according to the laws of the several provinces. That is to say, a bank is put in precisely the same position as an individual or an institution that has the power to loan upon chattel mortgage or bill of sale security. I thought that was a wise conclusion, for this reason: the provinces have deemed it expedient, and in the public interest, to enact legislation protecting the rights of creditors. Unless there is some strong objection, it has seemed to me we ought to respect, so far as we can, the legislation in that regard of the several provinces. We have respected that legislation. In the bill, in the case of the provinces in which no provision for registration exists, we provide a simple method whereby notice may be given in the official gazette."

Mr. Pugsley stated he thought it would be very objectionable to pass such an act because it would enable the banks to strengthen their security as they would naturally do. "While they might lend money to the farmer, they would take very good care to have him sign the printed form which they would always have available," he said, "and by means of which he would pledge to the bank all his horses, swine and cattle. Whether the debt was a large one or a small one, the words used would be of a general character, and it seems to me that the result would be that the credit of the farmer with the storekeeper, from whom he must continually purchase his supplies, would be very much impaired, and in the end this would result to the disadvantage of the farmer, rather than to his benefit. The minister, I see, has to a certain extent met that objection by providing that the notice of these securities shall be published in the Canada Gazette."

Sir Thomas White: "In the Gazette of the provinces. In the provinces in which chattel mortgages and bills of sale are recognized, and in which provision is made for their registration, a chattel mortgage or bill of sale must be registered in accordance with the provincial law. But in the province of Quebec, and in other provinces in which there is no provision under the provincial law for the registration of a chattel mortgage or bill of sale, within a certain number of days after the taking of the chattel mortgage or bill of sale by the bank, notice must be given to the officials of the provincial Gazette."

Sir Wilfrid Laurier said that he thought it was an undoubted fact that bankers, as a rule, did not favor lending to farmers. "Banks," he added, "are rather created for the purpose of active trade, and I believe that at some time or other we shall have banks in Canada intended especially for farmers."

The bill amending the bank act has been referred to the banking and commerce committee for consideration.

PRUDENTIAL TRUST COMPANY

With an organization extending throughout Canada, under the management of Mr. B. Hal Brown, the Prudential Trust Company is making its name well and creditably known. The company's latest report contains the following figures: The net earnings for the year amounted to \$11,198. These were appropriated thus: To writing off balance of organization expenses, \$8,127; to balances transferred to contingent reserve account, \$3,070, making the total of the contingent reserve account at the end of the year, \$44,248. The investments under administration by the company, as represented by estates, trusts and agencies at the end of the year, amounted to \$1,657,809. Cash in bank under the same heading was \$62,811, making a total of \$1,720,621. In the guaranteed account mortgages amounted to \$2,667; loans on security of stocks and bonds, \$896,396; cash in bank, \$4,227, making a total of \$903,290 on guaranteed account; special agency funds, loans on security of stocks

and bonds held on behalf of clients were \$529,064. In the statement of assets investment account, including mortgages, municipal debentures at cost, interest due and accrued and other securities amounted to \$354,772; sundry time and call loans, \$229,812.

The company's directorate is as follows: Messrs. Farquhar Robertson, W. G. Ross, Sir J. Geo. Garneau, R. C. Smith, K.C.B., Hal Brown, Paul Galibert, W. J. Morrice, J. P. Steedman, Clarence F. Smith, C. A. Barnard, K.C., W. J. Green, Lieut.-Col. W. Grant Morden, Claude G. Bryan, F. B. Pemberton, Edmund Bristol, K.C., M.P. Mr. B. Hal Brown is president and managing director. Mr. W. G. Ross and Mr. J. P. Steedman were elected vice-presidents and Mr. Farquhar Robertson, chairman of the board.

Mr. W. C. Macneill, of Macneill and Young, bond brokers, Toronto, has returned from a business trip to the Pacific Coast, during which he visited various Western cities and investigated financial conditions generally.