

year ago. Unless rains come in considerable quantities to relieve the situation there is every likelihood of the river getting lower still, in which case large vessels will find it hard to navigate the river, and will certainly not be able to load to their customary water lines. The lowest point reached by the water in recent years was 25 ft. 4 in.

More rain is also needed to fill the watercourses in the woods, failing which, lumbering operations will receive a setback, which will mean much financial loss. Although forest fires have been very extensive, as a result of the drought, the only wonder is that they were not worse. They now seem to be subdued very largely, the recent showers having produced this result. Rain is still badly needed throughout the Province. The price of milk is being advanced two cents per quart.

FOR INDEPENDENT TELEPHONES.

Conference at Toronto Indicates Progress Towards Improved Services.

The Canadian Independent Telephone Association, which held its first annual meeting in Toronto on Wednesday, is of a rapidly growing importance as is indicated by the following summary:—Number of absolutely independent or non-Bell companies, or private systems, 73; number of shareholders, 3,248; number of subscribers, August 15th, 1905, 6,427; number of subscribers, August 15th, 1906, 12,073; increase in one year, 5,646; capital invested, \$850,000.

Delegates from many points in Ontario, Quebec and Manitoba, as well as in the United States were present and were welcomed by Mayor Coatsworth and Alderman Graham. The president of the Association, Mr. A. Hoover, of Grand River, was in the chair.

Hon. Colin Campbell, Attorney-General, of Manitoba, explained the sympathetic attitude of his Government towards the independent movement. It has decided to endorse the bonds of Manitoba municipalities which, by vote next December, show their desire to establish lines of their own. By endorsing bonds the Government would help them to get money at a low rate. Local lines should be owned or controlled by municipalities and long-distance lines by the Government. In his opinion the cost of telephone service to the general public could be cut in two through Government assistance to the independent movement.

An important address was that of F. Dagger, the telephone expert, on the "Canadian Telephone Situation from an Independent Standpoint." Alluding to the offers made by outside companies to instal cheap telephone systems in Toronto, he said these had made the Bell people uncomfortable for a while, but that, unless something more definite was done, the latter would soon disregard all threats and have everything their own way. He advised owners of local systems to have nothing to do with the Bell system, as to do so would prove a step toward the forfeiture of their independence.

Mr. I. B. Hoge, of Cleveland, president of the International Independent Telephone Association of America, spoke of the surprisingly rapid progress of the movement in the United States, and invited Canadian associations to affiliate themselves with his Association.

The resolution on franchises set forth that the granting of exclusive franchises was detrimental to the progress of cheaper and better telephony, and the Government should be asked to rescind legislation making it possible.

The gist of the resolution the Railway Act affecting telephones was that the transportation companies should be asked, or forced, to give access to independent phones; and that the privilege should be secured of crossing telephone lines over railways.

The resolution on long-distance connection states that inter-communication between local systems and long distance business should be secured exclusively by means of trunk lines operated by independent companies or owned by the Province.

The following officers were re-elected for the ensuing year:—President, Mr. Alph. Hoover, Green River, Ont.; first vice-president, Mr. F. D. McKay, Toronto; secretary-treasurer, Mr. A. F. Wilson, Markham.

There is a great boom in Canadian cotton business. It is said that the Montreal Cotton Company could employ four hundred more operators. There is not much competition from outside mills, as these have all they can do to supply home requirements.

The recent investigation by the Department of Inland Revenue on canned meats, has shown that only 1.4 per cent. of the samples taken were decomposed. Of 322 samples collected, 15.8 per cent. contained borax not exceeding the limit fixed by Imperial Parliament, a decrease of 6 per cent. on those last year.

MONARCH LIFE INSURANCE COMPANY.

The Commission Brings to Light Startling Promotion Methods.

The Insurance Commission, at its resumed sessions on Tuesday, extracted much pertinent information about the promotion of new companies. The particular new company under the searchlight was the Monarch Life, of which Mr. D. A. Gordon, M.P., of Wallaceburg, is president, and Mr. T. M. Ostrom, the promoter, organizer and manager.

The latter was on the witness stand the greater part of the day. He stated that he had started the work of promotion in April, 1904, and that the company had received a license to do business in Ontario last July. A feature of this company's plan of campaign was its taking over from witness of certain insurance plans known as the T. Marshall Ostrom copyright policies. The price of these was to be \$40,000 at 10 per cent. call, 25 per cent. premium on \$140,000 of stock, and \$1,000 cash. Afterwards paid-up stock to the amount of \$25,000 was allotted equally between the provisional directors, Messrs. D. A. Gordon, William Scott, T. W. Livingstone, T. H. Graham, and Hon. James Cochrane.

But it is to be noted that the prospectus on which subscriptions for stock were solicited said nothing about any contract for taking over such "copyright policies" from Mr. Ostrom.

A Pertinent Question.

On this point Mr. Tilley wanted fuller information. He asked whether the omission of mention of this contract in the prospectus was not the real reason that the company was not selling stock in Ontario now.

Witness said no; they were selling stock in Manitoba and the Maritime Provinces simply because "Cobalt had killed everything else" in Ontario. Agents, he added, had been paid \$5 and \$6 per share sold as commission.

It was shown that Mr. Ostrom had succeeded in getting a very favorable contract for himself as manager. It was dated March, 1906, and was for five years. Under it he is to receive a salary of \$5,000 a year for giving his whole time to the business of the company, and to be paid \$1 per \$1,000 of insurance written under his management upon payment of the second annual premium thereon. A limit of \$25,000 per year is placed upon the total salary. A clause of the contract also provides that should Mr. Ostrom leave the service of the company he will be entitled to receive annually \$1 per thousand of insurance written during his management so long as the policies remain in force. Another clause was that Mr. Ostrom could not be dismissed except for some impropriety proved in open court.

The stringency of the contract impelled Commissioner Kent to ask what crime short of murder would be sufficient to give Mr. Ostrom his congé. Witness thought that drunkenness would be sufficient cause.

The sum of \$162,000 was collected in cash, but of this \$60,000 was used up in expenses. When Mr. Tilley pointed out that expenses ate up 40 per cent. of the cash subscriptions, Mr. Ostrom retorted that they were only 8½ per cent. of the stock subscribed, which was a million.

Of the \$60,000 of expenses, \$31,000 went to Mr. Ostrom for commission, salary and expenses, including \$7,000 for commission on the \$50,000 paid to him in stock for his copyrights. This entry, it was explained, was afterwards reversed, leaving a net payment to him of \$23,000. Of this amount Mr. Ostrom said he had applied \$6,000 on 600 other shares which he had taken to help the company. He still owed \$11,000 on premium.

The Ostrom Copyrights.

Extended enquiry elicited the fact that while the Monarch Life is using the Ostrom copyrights at the present time these still remain in Mr. Ostrom's name, owing to some misunderstanding between himself and Mr. Gordon. As illustration of the alleged great value of these copyrights he mentioned that the company had written \$180,000 of insurance in its first month of business, which was greatly in excess of any other company's record. Moreover, it was done at the low cost of 50 per cent.

Hon. Mr. Rogers, Minister of Public Works for Manitoba and a vice-president of the Monarch Life, stated that he did not see how the company could now be doing business at Toronto, as an adjourned meeting of the shareholders, to be held in Winnipeg, had never been held. Investigation of the minute book brought to light further suspicious points in this connection.

A strange tangle was also disclosed concerning date of directors' meetings—"intentionally" was interpolated by Mr. Tilley. On August 9th the head office was transferred to Toronto, but this was not mentioned on August 10th.

Mr. Rogers declared that names of directors elected March 21st were omitted and other names substituted.

Consideration of the transfer of 1,400 shares to Mr. Ostrom was to be undertaken by the Executive in consultation with Mr. Rogers; but the meeting never came off, and Mr. Rogers declared he had never sanctioned the transfer.

In April they confirmed the fact that the shareholders upon it, which was not the case. Vicarious Stock-Signing.

Vice-President Graham stock certificates transferred, he was "in the habit" of signing the certificates under the authority of the shareholders. He did not sign the certificates until before the Commission sat, and he received a phone order from whom. Mr. Ostrom of the court-room and sound would be, suggesting that "since coming from Winnipeg."

Mr. Graham told of having phone to confirm minutes and indeed, he was down in them. Mr. Graham and Mr. Rogers is first and who second vice-president.

Mr. Ostrom's explanation certificates was that President certificates had stopped in the office, but had stopped in the office and took the remainder with him.

One item noted in the book the sum of \$1,500, payable to Forbes Godfrey at Mimico, Mrs. Minnie Fife. The audit which should have been in the money has since been paid. The matter of transfers may not be quite cleared up yet.

Mr. D. A. Gordon, M.P., the company, stated yesterday Ostrom was to receive for his twice entered in the books at shareholders' meeting on March 21st.

The Commission then took

SAID BY PERSON

Daily Telegraph, St. John, will be instructed to explain the which is likely to follow carefully.

Mr. J. W. Leonard (in charge of the Toronto-Sudbury branch of the gang at work, the gang leaving

London Free Press—Lake whitish, the result of the past dozen years. Soon all with this valuable food fish, will

Telegram (Winnipeg)—The has refused to consider the a for a grant of land for a Jewish is the first evidence that the declined to accept the general view

Hon. Frank Oliver (Minister view with "Canada").—There a Canada a fit dumping ground for try is better for his absence. played, but we do object to the

Toronto Globe.—It will pay heads together and join forces selves from injurious fiscal legislation to effect further reductions in not, they are certainly in a increases. But concerted action is short.

Morning Post (Toronto) speculative operations were kept Government Department of Insurance at the end of the year. This was and general fault. The investigation much to restore public confidence system, which, with the American from revelations made during the general and widespread uneasiness the Royal Commission, in making squarely and recommends legislative effectual safeguard to the policy fiscal effects of the investigation reaching, and permanent.

Seven cars were wrecked in train on Tuesday on the Toronto near Grassie's Station, blocking

A Made-in-Vancouver Exhibition a few days ago under the auspices Club, and was a pronounced success were a feature.