

FRONT RANK INVESTMENTS

The unique record of Canadian Municipal Debentures properly places them, for safety, in the front rank of all investments.

The following constitute an unusually attractive group to select from:

1. They can be purchased in amounts of approximately \$100 and upwards.
2. They mature at practically all periods from one to fifty years.
3. They are offered to yield from $4\frac{1}{2}$ to $6\frac{3}{4}$ per cent. interest.

	Yield.		Yield.
ONTARIO GOVT.	4.50%	ST. LAURENT, Q.	5.38%
OWEN SOUND, ONT.	4.90%	NELSON, B.C.	5.50%
TP. BARTON, ONT.	4.90%	TP. RICHMOND, B.C.	5.40%
BROCKVILLE, ONT.	5.00%	MEDICINE HAT, ALTA.	5.38%
HESPELER, ONT.	5.00%	STREETSVILLE, ONT.	5.50%
BRANDON, MAN.	5.10%	DIST. N. VANCOUVER, B.C.	5.50%
TP. BRUCE, ONT.	5.12%	SUDBURY (SEP. SCHOOLS), ONT.	5.75%
SYDNEY, N. S.	5.20%	TRANSCONA, MAN.	6.00%
BURLINGTON, ONT.	5.20%	ESTEVAN, SASK.	6.00%
MILTON, ONT.	5.25%	WATROUS, SASK.	6.50%
NORTH BAY, ONT.	5.25%	ALBERTA SCHOOL DISTRICTS	6.75%
ELMIRA, ONT.	5.25%		
GRIMSBY, ONT.	5.25%		
SUDBURY, ONT.	5.38%		

Write for Full Particulars,

Gladly Sent on Request.

Investment
Bankers

A. E. AMES & CO.

Established
1889

Union Bank Building, Toronto.

The Canadian Bank of Commerce

Head Office : TORONTO

Paid-up Capital, \$15,000,000; Reserve Fund, \$13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L. President.
ALEXANDER LAIRD General Manager.
JOHN AIRD Assistant General Manager.

Branches in every Province of Canada and in the United States, England and Mexico.

Travellers' Cheques

The Travellers' Cheques issued by this Bank are a very convenient form in which to provide funds when travelling. They are issued in denominations of

\$10 \$20 \$50 or \$100

and the exact amount payable in the principal countries of the world is shown on the face of each cheque.

These cheques may be used to pay Hotels, Railway and Steamship Companies, Ticket and Tourist Agencies and leading merchants, etc. Each purchaser of these cheques is provided with a list of the Bank's principal paying agents and correspondents throughout the world. They are issued by every branch of the Bank.

5% DEBENTURES

Capital Paid Up, \$2,000,000.00
Assets - - \$5,000,000.00

INTEREST
PAID
EVERY
SIX
MONTHS

Those who have the intention of making an investment, should write us for particulars of our five per cent. debentures. The safety of this security is easily explained and the splendid interest return makes them very attractive. Complete report for 1913 sent on request.

STANDARD RELIANCE MORTGAGE CORPORATION
Head Office, 82-88 King St. E. Toronto

it is paying about four and three-quarters per cent. on the money actually received, while a four and a half per cent. bond sold at par means $4\frac{1}{2}$ per cent. interest. In making comparisons, therefore, one must consider both the nominal rate of interest and the price realized when the bonds are sold.

How the Loss is Figured

Now to figure out Toronto's loss as compared with Montreal's. On the fourteen million dollars which Toronto sold at \$89.00 Toronto paid a discount of \$1,540,000. On the two million dollars' worth of bonds which Toronto sold at \$95.00, it paid a discount of \$100,000.00. This, however, is a gross loss, not a net loss. If all the bonds sold were $4\frac{1}{2}$ per cent. bonds, this would be the net loss, but the larger quantity were only 4 per cent. bonds. The valuation tables show that when money is worth $4\frac{1}{2}$ per cent., the "present value" of a forty-year \$100 bond, paying 4 per cent., is \$94.199. To get Toronto's net loss it is therefore necessary to ascertain the difference between \$89.00 and \$94.199 on fourteen million dollars' worth of bonds, and the difference between \$95 and \$100 on two millions. Working this out it will be found that Toronto's net discount or loss was \$800,000.00. That is, if Toronto had sold its bonds on a $4\frac{1}{2}$ per cent. par basis, it would have received \$800,000.00 more than it did receive.

Figured on the same basis, Montreal's first two flotations realized their full value, while the third flotation, made in November, was sold at a discount of \$105,000.00.

Thus, reduced to the same basis, Montreal lost \$105,000.00 on the sale of twenty-one million dollars' worth of bonds, while Toronto lost \$800,000.00 on a sale of sixteen million dollars' worth of bonds during the same period of time. As Toronto's total bonded debt is less than Montreal's, Toronto's credit should be equally good. Toronto maintains a sinking fund, and Montreal does not, and if this has any effect upon the market it should be favourable to Toronto.

One incident in Toronto's financing for 1913 may be especially mentioned. In 1912 it issued Hydro-Electric bonds for four and a half millions and sold these to its sinking fund at par. In September, 1913, the Toronto treasurer, or whoever was responsible, took these bonds out of the sinking fund and sold them to a firm of bond dealers in Boston at \$83.57 gross. If they had been sold in January of the same year they would have brought about \$92.50. On this single transaction there was a net loss of \$405,000. This is directly chargeable to negligent or inefficient methods. The bonds either should have been sold in January or they should have been held until the January price could have been obtained. These bonds, sold in September last at \$83.57, are now quoted on the bond market at around 90.

It seems difficult, therefore, to avoid the conclusion that Montreal is better served in financial matters than Toronto. If these arguments are correct, it is about time Toronto revised its financial methods.

Farmers Bank Depositors

THE Minister of Finance has introduced a resolution into the House of Commons to provide for paying the depositors in the defunct Farmers Bank the losses which they sustained three years ago. This sum will be somewhere about \$1,200,000. Opinion differs as to whether the precedent is a dangerous one or not, but it certainly indicates a possibility that some day a generous House of Commons will pass a law that all deposits in chartered banks shall be guaranteed by the Government.

Modifying the Trust Bill

WHEN the Model Trust Company bill was introduced into the House of Commons by the Hon. Mr. White, it contained some drastic provisions regarding the responsibility of directors in the case of insolvency, or where dividends had been paid out of capital instead of out of earnings. As in the case of the Bank Act the sting has been taken out of this bill during its progress through committee, and it is now as mild and inoffensive as a thoroughly respectable bill ought to be. Apparently, Mr. White's courage has failed him again.

The March Bank Statement

ONE remarkable feature of the monthly statement of the Chartered Banks for March, is the increase in interest bearing deposits. These were five million dollars greater on the last day of March than they were on the last day of February, and fifteen million dollars greater than they were on the corresponding date in 1913. The demand deposits also grew during the month, making the aggregate gain thirteen million dollars. The total increase in deposits for the year is nearly twenty-eight million dollars. The current loans for the year show a decline of sixty-seven millions. An increase in deposits and a decline in loans is a natural result of restricted business and increased popular thrift.

Assets, too, show an increase.

R. and O. Transfer Under Weigh

HOLDERS of R. and O. who have been wondering how long it would be before the re-arrangements settled some months ago went into effect, will be glad to learn that the transfer of their stock for Canada Steamship certificates is to be made in June, after the regular quarterly two per cent. dividend on R. and O. has been paid. The basis of exchange is 120 shares of Canada Steamship preferred, and 40 shares of Canada Steamship common for each 100 shares of R. and O. stock. Meanwhile negotiations are in progress for the testing of the new stock on the Montreal and Toronto Exchanges.

Mr. Carruthers is enthusiastic about the re-arrangement, and points out that already economies in the Toronto office, amounting to \$90,000 a year, have been effected. What the earnings of the new company will be, however, depends upon two things, the weather, and business conditions, which will have to become more normal if there is to be much freight traffic on the lakes. Cutting down expenses doesn't alone make profits.

Uniformity in Insurance Legislation

AT a luncheon given in Winnipeg to Mr. Arthur Fisher, Saskatchewan's Provincial Superintendent of Insurance, it was announced that about the middle of this month the official heads of the insurance departments of the four Western Provinces will meet together in Calgary. The end in view is the obtaining of all possible uniformity in insurance legislation and administration throughout the entire West. Insurance companies and their agents will be invited to set forth their views to those officially representing the provincial departments at the Calgary conference. This is a good thing. Sauce for the goose is sauce for the gander, and where uniformity in legislation is possible it is desirable.

Mr. Fisher, at Winnipeg, detailed how Saskatchewan, like Quebec, had enacted legislation calling for licensing of all insurance agents doing business within the borders of the Province, and testified to the protection which such a law gave to companies and public alike.