while they devote no time and attention at all to keeping up policyholders already on the books. Even the general agent remunerated on the lines stated is not likely to take much trouble in this direction for the very good reasons that he is not sufficiently in touch with the business of his sub-agents and that in any case the comparatively small renewal interest would not make it worth his while to devote that time and attention to a case which it may require. The sub-agent, being on the spot and fully acquainted with the circumstances would not, of course, have the same amount of trouble in looking up the business and would find the renewal commission a sufficient compensation for services performed.

In our view, no agency system is on a sound basis which does not make for permanency of relationship, and we put this opinion forward at the present time as a suggestion of means whereby the existing waste in Canadian life insurance can be substantially reduced. The agent will do his best work for the company—work which will be permanent—if he knows that his interests are those of the company. Under the brokerage system, his interests are certainly not those of his company, but in fact are directly opposed. He is naturally concerned merely to turn in the largest possible amount of new business; its quality matters nothing; he draws his commission for it and there is an end of it. The opening which a system like this affords for objectionable hot-house methods of production is obvious. On the other hand, the agent remunerated upon a renewal basis has the strongest of reasons for keeping in touch with existing policyholders, and for doing his best to prevent their lapsation. At the same time, his interests being identical with those of his company, he is likely to be permanently associated with it, and a permanent agency system is a good way to secure permanent policyholders. We put forward this view as a contribution towards a solution of the problem of the reduction of waste in Canadian life insurance and shall be glad to receive the views of life insurance officers and agents thereupon for publication in subsequent issues.

RE-MODELLING OF THE STANDARD LIFE BUILDING.

The work of re-modelling and re-decoration of the Standard Life Building, St. James Street, Montreal, which has been in progress for some months, has now been practically completed, with the result that this well-known office block has been brought thoroughly into line with modern conditions. The Mansard roof has been removed and a more pleasing elevation on St. James Street secured. Additional office accommodation has been provided, and the difficult problem of lighting has been successfully solved, a great improvement over former conditions having been brought about. In addition, the halls and stairways have been handsomely re-decorated in marble, a new electric elevator has been installed, and many minor improvements have been simultaneously carried out. The result is to make the whole building a thoroughly attractive and convenient one, which is a credit to its owners, whose Canadian head office it houses under the management of Mr. D. M. McGoun.

CANADIAN PACIFIC'S NEW FINANCING.

Important Proposals Outlined at Annual Meeting—Company's Bond and Debenture Debt will be $60,000,000 Less—Available Funds will be Increased by same Amount.

The Canadian Pacific's proposals for new financing are in brief as follows:—

$60,000,000 common stock will be issued at a premium of 75 per cent., netting the company cash $105,000,000. From the surplus now the property of shareholders $15,000,000 will be taken for the purpose of capital expenditures, making with the proceeds of the new issue of capital, $120,000,000 available, at a cost of increasing the capital by $60,000,000. The proceeds of this $120,000,000 will be used to pay off outstanding 5 per cent. mortgage bonds, amounting to $33,766,000 on or before the date of their maturity, July 1, 1915; to meet expenditures for which the proceeds of consolidated debenture stock would otherwise have been utilised, and about $60,000,000 will go into additions and improvements to the company's property, which are properly chargeable to capital amount. By this means, the company's bond and debenture debt will be $60,000,000 less, its fixed charges will be $2,400,000 per annum less than they otherwise would have been, and its available funds for the purposes of the undertaking are increased by $60,000,000.

These skilful proposals for new financing formed the chief feature of Sir Thomas Shaughnessy's address at the Canadian Pacific's annual meeting held on Wednesday in Montreal.

Sir Thomas Shaughnessy, in outlining the proposals, said in part:

With the four per cent. consolidated debenture stock that your directors are now authorized to issue and sell, the proceeds to be used in retiring outstanding bonds carrying a higher rate of interest, and in meeting expenditures for additional railway mileage heretofore constructed or acquired, and the consolidated debenture stock that may be issued in respect of the proposed construction or acquisition of the several railway lines described in the annual report that you will be asked to sanction at this meeting, there will be a total of approximately $90,000,000 four per cent. consolidated debenture stock in excess of all heretofore disposed of, that the company will be authorized to issue and sell. Instead of going to the market with any considerable portion of this amount, your directors recommend that you make use of the authority conferred upon you by the Parliament of Canada to issue ordinary shares of capital stock in lieu of Consolidated debenture stock, for the purposes for which you are authorized to issue consolidated debenture stock, and to that end that you increase your ordinary share capital from $200,000,000 to $260,000,000 to be offered to the shareholders at the price of $175 for each share of $100, being at a premium of 75 per cent., at a time and on terms of payment to be fixed by your directors. The proceeds of this issue to the amount of $60,000,000 will be used to meet expenditures for which the proceeds of consolidated debenture stock would otherwise have been utilized, including the satisfaction and cancellation of all of the company's outstanding 5 per cent. first mortgage bonds, amounting to $33,766,000 on or before the date of their maturity, July 1st, 1915, and the balance will be devoted to such additions and improvements to the company's property, properly chargeable to capital account, as are in the opinion of your directors necessary from time to time. By this means the company will be getting money on its ordinary share capital at a low rate of interest, taking the present dividend rate as a basis, its bond and debenture debt will be $60,000,000 less, its fixed charges will be $2,400,000 per annum less than they otherwise would have been, and its available funds for the purposes of the undertaking will be increased by $45,000,000. Your directors will recommend that this amount be supplemented by an appropriation of $15,000,000 from your accumulated sur-