

STOCKS IN MONTREAL.

MONTREAL, Jan. 25th, 1893.

STOCKS.	Highest.	Lowest.	Total.	Sellers.	Buyers.	Average. 1892.
Montreal.....	236½	235	103	235	231	221½
Ontario.....	118	118	4	117½	117	111
People's.....	116	116	20	120	115	98
Molson's.....	175	175	3	175	172	164
Toronto.....	252	252	2	253	253	253
J. Cartier.....				140	130	103
Merchants.....	165½	164	31	170	166	145
Commerce.....	146	145	235	146	145½	132½
Union.....				101	101	69
M. Teleg. x. d.....	153½	153	520	154	153	129½
Rich. & Ont.....	75½	73½	2217	74	73	54½
Street Ry.....	183	176	490	185	183	185½
Gas.....	234½	233	752	233½	232½	203
C. Pacific, cash do. x. d.....	89½	89½	400	87	86½	90
C. P. land b'ds	67½	66½	83½		108	108
N. W. Land.....	90	90	50	91		79
Bell Tele.....	164	164	107	165	163½	160
Montreal 4%.....						

COMPETITION OR CO-OPERATION.

THE RELATIONS BETWEEN STOCK COMPANIES AND FACTORY MUTUAL COMPANIES.

It is not many years since the writer had a friendly controversy with the president of one of the principal fire insurance companies of New York upon the functions of the underwriter. The writer held that the only person or persons who could insure property of any kind against loss or damage by fire must of necessity be either the owner, the occupant, or the person in charge of the property for the time being, the limit of the functions of the insurance company being to pay a sum of money as a partial or total indemnity for any loss which might occur. It therefore followed that the true function of the underwriter or representative of an insurance company should be to instruct owners or occupants how to build and how to protect their property, to the end that it might not be destroyed, or, if ignited, might be but little damaged. My contestant held that it was not the function of the underwriter to attempt to control or direct the doings of the owners or occupants of insured property; that his duty consisted only in having suitable inspections made of the property, whatever it might be, investigating also the conditions of the public fire department, and then fixing a rate which, according to his judgment, would suffice to meet losses and expenses and leave a reasonable profit upon the stock of the insurance company.

The writer held that all contracts of insurance are and must be in their very nature mutual, since the indemnity promised to the insured must of necessity be paid out of the premiums contributed by the insured either to a stock or mutual company, for the reason that if the premium fund does not suffice to meet losses, expenses and profits, the insurance company must either wind up or become bankrupt. Therefore there could be no difference in the essence of the contract between those issued by stock insurance companies and those issued by strictly mutual companies.

Since that controversy a great change has occurred. It became evident that a system of betting on the chances that bad risks would not burn would endanger the whole system of stock insurance and might bring about such conditions that any great conflagrations would bankrupt or wind up so many companies as to make it impossible to conduct the business of the country on a scale of sufficient magnitude.

Suitable measures were then taken by stock underwriters for co-operation in districts, in sections, and even on a national scale. Methods of inspection of a systematic kind were organized on behalf of combined stock insurance companies. Methods of instruction were adopted to secure safer methods of building. The "mill floor system," so-called, and the mill roof were brought into conspicuous notice, and in many ways the rules and practices which had made textile factories excellent risks in which textile fabrics and other goods are distributed. Yet more, the automatic sprinkler, having justified its work in the risks insured by the mutual companies, has been rapidly extended throughout other classes of property.

Consumers' Cordage Company

LIMITED.

HEAD OFFICE - - MONTREAL.

Incorporated by Letters Patent of the Dominion of Canada, under the "Companies Act."

Capital, - \$3,000,000.

(In thirty thousand (30,000) shares of one hundred dollars each.)

DIRECTORS.

JOHN F. STAIRS, M.P., Halifax, President.

A. W. MORRIS, M.P.P., Montreal, Vice-President.

EDWARD M. FULTON, Montreal, Treasurer.

GEORGE STAIRS, Halifax.

JAMES M. WATERBURY, New York.

CHAUNCEY MARSHALL, New York.

WILLARD P. WHITLOCK, Elizabeth.

SECRETARY.

CHARLES B. MORRIS, Montreal.

BANKERS.

THE CANADIAN BANK OF COMMERCE.

THE UNION BANK OF HALIFAX.

SOLICITORS.

MACMASTER & MCGIBBON, Montreal.

The Directors, who are now the owners of the entire Capital stock, have decided, at the request of numerous friends of the company throughout Canada, to enlarge the proprietorship of its stock, and to offer for sale, at par, ten thousand shares, of one hundred dollars each, fully paid and non-assessable.

Payments are to be made as follows:—Five per cent. on application; fifteen per cent. on allotment; twenty per cent. each in one, two, three and four months from the date of allotment. Applicants have the right to pay in full on allotment.

Applications for shares will be received until February 15th, 1893, at any of the offices of the Canadian Bank of Commerce, at the offices of the Union Bank of Halifax, and at the head office of the company, N. Y. Life Building, Montreal.

Forms of application for shares may be obtained at any of the above places, or they will be sent by mail on request.

Should no allotment of stock be made to any applicant for shares, the amount paid will be returned in full, and in the event of the Directors finding it impossible to allot the full number of shares applied for, the surplus of the deposit will be credited toward the amount payable on allotment.

The right is reserved of withdrawing the offer in whole or part at any time before allotment, and of allotting to any applicant any less number of shares than the number applied for.

As the dividends of the company are payable quarterly, beginning with the first day of March next, allottees of stock will be entitled to receive a proportion of the quarterly dividend as declared, corresponding to the amount paid upon their subscription.

It is proposed to apply to the Stock Exchanges of Montreal and Toronto for official quotations of the shares of the company.

The Consumers Cordage Company was organized in June, 1890, with a capital of one million dollars, to operate several of the largest Cordage and Binder Twine Factories in Canada. It, at first, operated these under leases, but its operations having been successful, the capital stock was subsequently increased to Three Million Dollars, and the leased properties were purchased.

The company has no mortgage indebtedness; and, according to the law under which it was incorporated, none can be created without the consent of two-thirds of the shareholders, represented at a meeting called for the purpose.

The Company has placed in the hands of its Bankers:—

(a) Full statements of its affairs, certified to by Messrs. Caldwell, Tait & Wilks, Chartered Accountants.

(b) The following letter from Messrs. Abbotts, Campbell & Meredith, advocates, Montreal, upon the legality of its incorporation, and the issue of its stock:

MONTREAL, January, 5, 1893.

Consumers Cordage Company, Ltd., Montreal:

GENTLEMEN, - We have examined the books and documents connected with the organization of the Consumers Cordage Company, Limited, and are of opinion that it has been properly incorporated, and

that its capital stock of \$3,000,000, as issued, is fully paid up and non-assessable, according to the provisions of the "Companies Act."

We are, yours truly.

(Signed) ABBOTTS, CAMPBELL & MEREDITH.

(c) A report from Messrs. Macmaster & McGibbon, Solicitors of the Company, that the titles to its mills have been duly examined, and that no encumbrances exist.

Applicants for shares may examine these documents, copies of which may be seen at the company's offices, and at the various offices of the banks mentioned above.

The Consumers Cordage Company is probably the second largest manufacturer of Cordage and Binder Twine in the world, and claims the following very material advantages over its competitors:—

1st. Ample capital to conduct its business which enables it:—

(a) To buy its raw material in larger quantities, and at lower prices.

(b) To use only the latest and most improved machinery, thus keeping its mills in the highest state of efficiency.

2nd. Economy in selling and distributing its manufactured product.

3rd. The business covers so wide a territory (its manufactured goods go to almost every civilized country in the world) that it cannot be seriously injured by local troubles; and its manufacturing establishments are so scattered that the danger of severe loss by fire is very slight.

4th. Lower cost of production.

(a) By maintaining the sharpest competition between its several mills, it is enabled to introduce in all the best methods found in each.

(b) By spreading its commercial expenses over a larger output.

(c) By placing in one hand the purchasing of the raw materials and manufacturing supplies for the several mills, thus securing lowest prices.

(d) By manufacturing for themselves many of their supplies.

The company has always found it in its interest to divide the economies effected in production and distribution with the Consumer, and since its existence the Consumer has, upon the average, had a better article at a lower price than previously.

The company does not claim to have any monopoly, or to earn monopoly profits; in fact, it has not done so. Since its organization it has been able, owing to the advantages above referred to, to earn a net return of its present capital of not less than 10 per cent. per annum (as statements in their bankers' hands will show), and the directors believe that these profits will be maintained in the future, as the cost of production and distribution shows each year a marked decrease.

The Dividend for the year ending 31st Oct., 1892, was at the rate of 8½ per cent. per annum. The past record of the Company and its present position justify the Directors in believing that quarterly dividends of one and three-quarters per cent. can be paid, and should the profits for the present year be as large as the outlook promises, the final quarter's dividend might be increased.

Any further information may be had at the head office of the Company at Montreal.