

NOTICE

To the Public

As we are retiring from the retail jewelry business, all

WATCHES and JEWELRY

left with us for repairs must be called for before Friday, March 5th, 1910, otherwise they will be sold by public auction at 4.30 Saturday, March 6th, 1910.

AMBROSE KENT & SONS, LIMITED
156 Yonge St., Toronto

ACCOUNTANTS DINE

Advised to Study Financial Conditions in Other Countries.

Good fellowship and witty speeches were the dominant features at the annual banquet of the Chartered Accountants' Students' Association, held at the St. Charles last night.

T. Watson Syme, registrar of the Institute of Chartered Accountants, replying to the toast of "Our Guests," counseled his hearers to make themselves thoroughly acquainted with financial conditions in other countries.

Speeches were also made by G. U. Stiff, president Institute of Chartered Accountants; C. S. Scott, Hamilton; George Edwards, W. B. Findall, A. C. Neft and President C. A. McClatchie.

How to Get Results.

"How to get results" was the subject of the address given by E. V. Halpin, B.D., general secretary of the Ontario Sunday School Association, to the Toronto Baptist Sunday School Association, in Centenary Church, last night.

The speaker detailed several interesting episodes in the life of General Booth, emphasizing the good results which had accrued to mankind from the untiring efforts of the veteran Salvationist.

Infant Was Murdered.

Murder was the verdict returned by the jury investigating the death of a female infant found in front of 227 Jarvis-street Feb. 23. They found that the child had been strangled to death by a person or persons unknown. Calvin P. and Mrs. Bolton, who live at 227 Jarvis-street and who found the body, gave evidence. Dr. G. W. Graham acted as coroner and T. L. Monahan appeared for the crown.

BANK INSPECTION AS A COUNSEL VIEWS IT

Continued From Page 1.

correspondence with the head office, and sometimes personal visits of the branch manager.

Work of Inspection.

It would not be possible for the executive of a bank to properly carry on its business and discharge their duty without some system whereby they could ascertain the accounts and transactions of the various branches may be examined, audited, verified and reported upon and whereby the bank be ascertained whether the instructions of the head office are being carried out and the duties of the branch manager and his staff are being properly performed. There are many things at a branch which require looking into other than the cash accounts and the verification of loans and securities, and for the reasons given below no government or outside examination audit or inspection would dispense with the examination audit and inspection by the banks themselves of their various branches. For this purpose each bank has a trained staff of inspectors continually visiting the branches and reporting thereon to head office.

A short reference to some of the duties of the inspectors will give an idea of the magnitude of the work, and when it is borne in mind that this work has to be done at each branch at least once a year, and when it is remembered that the branches of our Canadian banks are 2214 in number and that they extend over half a continent in addition to Newfoundland, Cuba, Jamaica, Mexico and Great Britain, the difficulty and expense of the task will be appreciated. What may be considered as the routine duties of the inspector and his assistants embrace the examination and verification of—

- (1) The accounts in the current accounts and savings bank ledgers and collection registers. These accounts are many thousands in number.
- (2) The cash accounts and counting of cash and bank notes on hand.
- (3) The bills and notes discounted or held for collection.

Examines Each Bill and Note.

This involves the examination of each bill and note to see that it is regularly made and endorsed. It also involves the examination of powers of attorney or authority of those who sign for companies or others. Also an examination of the diary in which the due dates of the bills and notes are entered and the checking of the entries thereon.

- (4) The deposit receipts issued and the accounts respecting them.
- (5) The securities held at the branch.

This involves an examination of the securities themselves and of the transfers or assignments, or hypothecations to the bank and of the authority of those signing for others. It also involves considering the regularity under the Bank Act of the taking of securities.

The above are the main items embraced in the inspector's routine work, but there are in addition numerous details which are of minor importance.

TORONTO SATURDAY NIGHT

to-day exposes another "Promotion"

"The Limit"

IN HIGH FINANCE

Read the Full Story in This Week's Issue.

OUT TO-DAY FOR SALE EVERYWHERE IN CANADA

but which cannot be overlooked. 'Tis the chip which shows how the stream runs, and many an important result has followed the examination of a minor detail. Should any entry or transaction appear to be unusual it is the inspector's duty to get a full explanation of it. In addition to these comparatively speaking, routine duties of the inspector, he has to perform a much more important and responsible task, one calling for high business ability and judgment and for an appreciation of the banking business in Canada which only long training under our system can supply. He is relied upon by head office for an independent opinion upon the general condition of the branch, the capabilities of the branch manager and staff to properly conduct its business, and especially the branch manager's skill and judgment in dealing upon credits and loans.

His Opinion is Valuable.

He is also relied on for independent information and opinion respecting the individual accounts and credits and the wisdom or unwisdom displayed in connection with the opening or continuing of them. I have already said that speaking generally all credits and advances at the branches with certain exceptions are considered and passed upon by the head office. Notwithstanding this, the head office requires the inspector's opinion upon the position, and with this independent help the executive is better able to deal with any questions which may arise and to instruct the branch manager with respect thereto.

It is evident that no government or outside examination audit or inspection could take the place of the system of inspection established by the banks themselves. That system is a vital part of the very essence of the bank's business, viz., the lending of money and the management of their branches. It must go on no matter what outside plan of inspection is devised. The duplication of it or of any part of it would be an additional expense which the banks could not in justice be asked to bear. I am free to admit that the new question should not be allowed to stand in the way of the public interest if no other way to properly protect the public could be found. The question here is whether an outside inspection of the kind established by the banks would be practicable and of any real use and would the enormous expense be justified by the results obtained?

When a Bank Fails.

Before endeavoring to answer these questions a consideration of the reasons why any inspection at all on behalf of the public is required will be helpful. It may be taken for granted that if no bank ever failed and if no depositor ever lost his money there would be no occasion for public interference, the shareholders might be safely left to correct any abuse or mismanagement. The chief reason therefore why information respecting a bank's position should be obtained by some authority acting in the public interest is in order that such authority may interfere when necessary to prevent a failure and loss to the depositor. This leads to a consideration of the causes for a bank's failure, because unless the cause can be prevented or removed the effect is sure to follow.

It is safe to say that except in times of national crisis or disaster which no human foresight can prevent or provide for, the chief cause for a bank's failure is want of skill and competent management in the lending and investment of money. In this I include not only the individual loans and investments, but also the general policy respecting the bank's finances, its resources, and liquid or easily convertible securities.

When a bank fails, it generally transpires that some irregularities or illegalities, and sometimes positive frauds have taken place and as these are the things which are more easily understood by the public and are first known, the impression goes abroad that they were the causes of the failure whereas the fact usually is, as subsequent investigation shows, that the failure had virtually taken place long before and that the frauds and irregularities followed the failure and were committed while the bank was really in extremis and in some cases with the false hope that its difficulties would be tide over and

that the bank would ultimately be restored to a solvent position.

The Cause of Disaster.

It would be out of place to refer to individual instances, but any one who can remember the circumstances connected with the majority of the failures of banks in Canada, will probably agree with this conclusion. Frauds and irregularities and illegalities may cause the failure of a bank with small capital and small resources and result in loss to its depositors, but it would be the exception to find that the failure of any one of our Canadian banks was caused in that way. Want of skill and competent management has been and always will be the cause. How, therefore, can this cause be prevented or removed and how far would outside inspection tend to prevent or remove it? Limitations upon the amount and nature of the loans to be made by a bank would not prevent it, because within any limits which could be devised and under which a bank could do business successfully at all, it could be wrecked by bad management. Auditing and checking the accounts and counting the cash on hand and examining and verifying the bills, notes and securities and performing the other routine duties of inspection above referred to would not prevent it, because every account might be absolutely correct, and every dollar of cash might be on hand and every bill, note and security might be regular and forthcoming, yet the bank might at the time be actually insolvent as the result of bad management.

The only plan by which the true cause of failure, viz., bad management, could be removed or prevented would be to bring about the necessary change in the management. By this I do not mean simply a change of managers. I mean the broader change which would place the management on a safe and proper basis, and, if not already too late, would prevent the inevitable result of continued bad management. It might not be necessary to change the executive to bring about the improvement.

Audit Not Safeguard.

Any government plan based on audit only, even if practicable, on the ground of expense would be useless to prevent failure. Experience everywhere shows this. A few weeks ago in England a large and long established guarantee and trust company whose accounts were regularly audited and verified by public outside auditors, failed with an enormous deficiency. Any government plan based on audit plus consideration of values and management would not only be impracticable because of expense, but also because it would involve responsibilities and dangers which no government would face. Such a plan if attempted would be more harm than good, the difficulties would be insuperable, the mere publicity might of itself bring disaster and the responsibility of deciding upon action or non-action in given cases would be too great.

I have not written so far merely to conclude that nothing can be done to prevent the future repetition of the past, or to say that where bad management exists, it must continue with its inevitable consequences. I think that the government and the banks themselves, acting thru the Canadian Bankers' Association, could devise the necessary plan whereby, with regard to every bank in Canada, large and small, old and new, such information respecting its general position and the nature of its management could be periodically procured as would show what action, if any, should be taken.

The Bankers' Association.

In this connection it must be remembered that our banks are 23 all told. The number of their branches would not add greatly to the difficulty, as the management, speaking broadly, is that of the head office and the board of di-

Dr. Martel's Female Pills

SEVENTEEN YEARS THE STANDARD

Prescribed and recommended for women's ailments, a scientifically prepared remedy of proven worth. The result from their use is quick and permanent. For sale at all drug stores.

ONE of the most amusing, as well as startling, exposures ever printed in a Canadian Journal appears in Toronto Saturday Night this week.

Another plain, unvarnished tale of a most bare-faced attempt to get the dollars of innocent investors.

The story is printed in full detail—with illustrations.

FRONTIER POLICE WARNED.

WELLAND, March 3.—Sir Percy Sherwood, commissioner of Dominion police, has written Chief Jones, asking him to be on the lookout for white slave operators and their victims. There apparently has been quite a lucrative business done in smuggling Canadian women and girls across the river for immoral purposes.

Liquidated the Till.

Because she would not let Tommie Goddard take chances with the festive typhoid germ, Mrs. Maria Haeberlin, 387 Spadina-avenue, was robbed by that 15-year-old gentleman of \$10, the contents of her till. Tommie, who lives at 123 Peter-street, and has not yet completed his education in public school, went to her store on Monday and asked for a drink. While the good lady went to the cellar for boiled water Tommie cleaned out the till and fled. Last night he was gathered in by Detective Armstrong charged with stealing the money, which he admitted, saying that another boy had supplied the brains of the robbery trust.

A Chicago alderman proposes changing the name of State-street to Roosevelt-street.

Couldn't Stand Hamilton.

Harry Colgan, 13 years, 157 South Caroline-street, Hamilton, engaged in a short but desperate adventure yesterday afternoon. He ran away from home and school and came to Toronto, landing here minus money, friends and nerve. He was picked up by the police and sent to the Children's Shelter.

JOHN KAY COMPANY

Cut Prices on Carpets and Made-up Rugs

Brussels Carpet in Room Lengths, Regularly \$1.35 to \$1.75 per Yard, for \$1.00 Yard

A busy month has left us with a goodly number of ends in Brussels Carpet, various in length, but the shortest of them long enough to carpet a room or two.

There are designs and colors suited for all rooms, and the reduced price at which we intend to clear them is an additional attraction not to be overlooked.

Regular prices \$1.35 to \$1.75, for \$1.00 per yard.

BEDSIDE STRIPS

Short ends of Carpet, useful for bedside strips or to place in front of bureaus, etc.; a few only of these. Each, 50c to \$1.50.

MITRE MATS

Charming little squares, made of carpet borders cleverly matched, and useful for a hundred places. Each, \$1.50 to \$3.50.

Wilton, Axminster, and Brussels Rugs, \$7.50 to \$45.00

Another way of clearing carpet ends is to sew them into squares with borders to match, and mark them at about 40 per cent. below regular prices.

That is what we have done with about 175 remnants of fine Axminsters, Wiltons and Brussels. Some of our very richest and fastest-selling carpets are represented in the lot, and they make extremely handsome rugs.

There is variety enough in color and design to make it easy to select suitable rugs for every room in the house. Prices range from \$7.50 to \$45.00

NEW WALL PAPERS

Our Spring Importations of Wall Papers have nearly all arrived. They constitute by far the best assortment we ever placed on sale. We invite inspection.

JOHN KAY COMPANY

LIMITED

36 and 38 King Street West

Mark Twain Said Two Things That apply with sledgehammer force to some advertisers.

Listen! In one instance he says that one man had "an unimaginative devotion to perfect facts" and that another's talk was "a ceaseless wish-wash of prepared platitudes and canned twaddle."

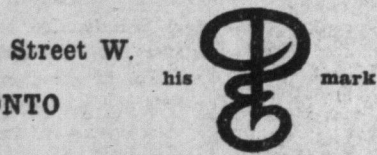
Hooray for Mark!—Right here let me state that petrified facts—prepared platitudes—canned twaddle and wish-wash are barred from my copy.

Good live facts—horse sense—hard hitting facts—and human interest are the rules and regulations for the construction of a is that are pasted in my hat.

"Many are called, but few get up." When your call comes, an advertising expert will be your first aid to the injured if you want to "get up."

Charles Edward Peabody
Advertising Expert

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DELIGHTFUL

imate is ideal.
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Club is at its best.

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OTEL DENNIS

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AKE IT A TREATY.

arch 3.—(C. A. P.)—The
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to begin work imme-
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new commercial agree-
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facturers and exporters
assist in safeguarding
in the Canadian mar-