

## BAD NEWS FOR LAND COMPANY

### Errors in Design and Miscalculations Were Made by Engineers—Further Money Must be Spent

A considerable further expenditure of time and money is necessary to remedy errors in design and miscalculations made by engineers, is the statement made in a circular issued to the shareholders of the Southern Alberta Land Company. "On October 12th, 1912," it says, "the board instructed Mr. L. H. Taylor, formerly inspector of irrigation to the United States Government and now consulting engineer to a large irrigation enterprise in Mexico, to examine in detail the existing works and the proposed plans for their completion, and to advise the board as to the best means of rectifying any defects which might be found in the work already done, and of improving the plans for the completion of the project.

#### As to Ultimate Success.

"Mr. Taylor spent three weeks in going over and examining the whole irrigation scheme on the ground, and subsequently discussed the results of his investigation with Mr. R. G. Kennedy, C.I.E., late chief engineer for irrigation, Punjab, India, and now resident in British Columbia. Owing to illness and other causes, Mr. Taylor was unable to complete his report for some considerable time. It was then submitted at the instance of the board to Mr. Kennedy for his opinion. The directors are thus enabled to inform the shareholders of the position of the company's undertaking, and, while they regret that a considerable further expenditure, both of time and money, is apparently unavoidable to remedy the errors in design and miscalculations made by the engineers hitherto employed, they are glad to be able to reassure the shareholders that, subject to the adoption of various suggestions which have been made by Mr. Taylor, there does not seem to be any reason to be apprehensive as to the ultimate success of the enterprise, as both Mr. Taylor and Mr. Kennedy are of opinion that if prompt action is taken water should be available for partial distribution in 1914.

"Mr. Taylor has divided the irrigation works under different heads, showing the defects which he considers to exist in the present construction, his suggestions as to the proper method and his estimates of the probable cost of rectifying such defects.

#### Two Years' Work Ahead.

"To carry out Mr. Taylor's recommendations will," continues the circular, "it is estimated, occupy a year and a half to two years, but, in view of the steady appreciation which has for years past been taking place in lands in this district, it is not unreasonable to suppose that the additional cost of 3.75 dollars per acre will be more than covered by the natural appreciation in the property during that time. Without, therefore, in any way wishing to minimize the serious character of the mistakes that have been made, the board have every confidence in the ultimate success of the undertaking, and they feel that the shareholders should not allow themselves to be unduly alarmed by the delay and expense entailed upon the company. The delay which must supervene in the completion of the irrigation system can be advantageously used by the company in perfecting its arrangements for the sale of the lands and in negotiating with the Dominion Government with a view to the re-subdivision of the lands on the lines suggested by Mr. Taylor, and the variation of the company's existing water rights.

#### Will Establish Local Management.

"On this subject Mr. Taylor has pointed out that it would be desirable in the company's interests to get certain modifications made in the present license with a view to enabling the company to draw water from the river at times other than those at present specified. While the directors regret the circumstances which have arisen, they would remind the shareholders that the enterprise was not undertaken until it had been approved by Mr. G. G. Anderson, who had had an extensive experience of irrigation in the United States. The employment of Mr. Grace, to whom the work was entrusted, was most strongly endorsed by Mr. Anderson, and until the failure of the intake nothing occurred to occasion any misgivings as to the works. They fully appreciate that recent events, coupled with the resignation of Mr. J. D. McGregor, who has for six years past been the managing director of the company, necessitate the establishment of a strong and efficient local management, and they are considering what course to recommend in this respect."

Trolley lines of Canada have placed orders for about 5,000 tons of girder rails with the United States Steel Export Company, for delivery at Calgary and Regina. It is understood the Canadian Northern has placed another order for 30,000 tons of rails with United States mills.

## INSURANCE AGENTS ARE DIRECT REPRESENTATIVES

### State Should Insist on Those Holding Agents' Licenses Being Fit Persons and Qualified for Transaction of Business

A policy of requiring certain qualifications for agents is being generally advocated for all lines of insurance. The agent handles trust funds. He is the direct representative of the company with the insured, and quite generally the insured gets practically all his information, both with regard to the company and with regard to his contract, from the agent, states commissioner H. L. Ekern, of Wisconsin, in his report. He depends upon the agent to aid him in deciding upon the form of policy which he needs. In most cases this decision is shaped almost wholly by the agent. Often the insured does little but pay the premium leaving all the rest to the agent.

Contracts of insurance may affect vitally the entire property of the insured. In life insurance such a contract is more often than not the largest single transaction of the insured and runs through a longer time than any other contract he makes, and is the principal provision for dependants left at his death.

#### Agents Should Show Fitness.

To entrust this work to men who have betrayed their trust with other companies or who are notoriously slow and unsatisfactory in accounting for funds handled by them or who have little or no knowledge of the contracts they write or how these contracts are affected by the conditions in any particular case, is an imposition upon the public, who rightfully look to the state for protection in regard to their insurance.

Companies do attempt to meet this problem: They often find that necessary information is not at hand. In other cases competition for business leaves little opportunity or inclination to make use of information available. In any event, in actual practice, little can be done to improve conditions unless it can be undertaken through some central agency.

The license issued to the agent, while in fact purely a public record of authority to act for the company, is generally construed by the intending policy-holder as a certificate of fitness and competency. This impression it is difficult, if not impossible, to successfully counteract. Fair dealing with the public, therefore, demands that the state should insist that persons who hold agent's licenses shall have some degree of fitness and qualification for the transaction of the business and that persons who are obviously unfit and unqualified should be barred.

#### Examination of Candidates Proposed.

The next legislation should make provision for the examination of all candidates for appointments as agents to solicit any kind of insurance, such examinations to be held in connection with the regular examinations conducted by the state civil service commission, on questions to be prepared and passed upon by an appointive non-salaried board, or two or three such boards, upon which persons experienced in life, casualty and fire insurance should be fairly represented. The department of insurance should be charged with the duty of co-operating with such board and performing the necessary clerical work. The issue of licenses should be confined to persons who are approved by such board after examination, and such licenses should be subject to revocation in proper cases for misconduct or violation of law. Provision should be made for the continuance of the rights of present agents under such regulations as shall be fair to them and to those thereafter licensed.

## TORONTO SAVINGS AND LOAN COMPANY

The gross earnings of the Toronto Savings and Loan Company last year amounted to \$267,501, and after the payment of interest on deposits and debentures, and all expenses of management there remained a net profit of \$146,811. To this amount was added \$46,421, the balance carried forward from last year, which makes a total sum for distribution of \$193,232. This amount was disposed in the following manner:—Payment of four quarterly dividends at the rate of 10 per cent. for the year, amounting to \$100,000; addition to the reserve fund, \$40,000; and amount carried forward to profit and loss account, \$53,232.

The addition to the reserve fund increases that account to \$800,000, making it now 80 per cent of the present paid-up capital of \$1,000,000.

All payments maturing during the year on the company's investments were satisfactorily met, and the rentals from the property owned by the company were also promptly paid.

The following gentlemen were elected directors for the ensuing year:—President, Hon. George A. Cox; vice-presidents, Messrs W. G. Morrow and Richard Hall; directors, Messrs. E. W. Cox, D. W. Dumble and H. C. Cox.