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OF CANADA

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Regulation of Agents, Brokers and Adjustors*

Agency System is More Suitable for Canada Than the Branch Office System of the United Kingdom Would Be—Several Defects, However, in the System Itself—Some Abuses in Its Practice—Proposed Legislation and Regulations for Control by License

By V. EVAN GRAY

Superintendent of Insurance for Ontario

IF any part of insurance business could be simply and easily explained in operation, one would naturally expect the relation of the agent to the company and to the public to be that part; and if supervision and regulation of any part of the insurance business were easy, surely the regulation of the agent should rest on principles easily explicable.

I must, therefore, express in advance my opinion that the interrelation of agent, company and public is one of the most intricate problems to which I have ever given consideration, and the principles and application of governmental supervision are most difficult to explain. To others than insurance men I find it almost impossible to make clear the final incidence of any factor of influence applied at any point of this triangle. Therefore I offer the conclusions indicated in this paper with a good deal of hesitation and reserve. I submit them rather as an argument for analysis than as the final dictum of authority.

In the preparation of this paper I have not found it possible to deal with the relation of the agent to the company in the various classes of insurance, including life, fire, and the various forms of casualty and guarantee insurance. It was apparent that to attempt to do so will lead to confusion and prevent the logical development of conclusions. I have undertaken, therefore, to consider only the fire agent in detail, and there will be much of what I say that is not applicable in any degree or only in a modified form to the case of the life insurance agent or of the agent for a casualty or guarantee company. I will ask you, therefore, in the application of the principles to which I refer to consider only the fire insurance agent.

The Branch Office System

The agency system of representation of insurance companies occupies a very different status in Canada and the United States than it does in Great Britain. In each case this is due to the natural development of the business. In England it was formerly the rule that every contract of insurance required to be erected under the seal and signed by the hand of the chief executive officers of the company. The company was not bound and the risk was not covered until the application for insurance had been received and passed on by the head office of the company and the contract duly executed and delivered. The agent of the company, therefore, was a mere solicitor of business and held no authority to bind his company. A later development was that contracts were signed and executed in advance and placed in the hands of the clerks at the counters of the insurance company's offices, and it became a particular matter for ad-

vertisement and recommendation of an insurance company that it was able to issue a policy of insurance "while you wait."

The next step was the institution of branch offices of the companies in large centres of population, and the delegation of similar authority to these branch offices to issue policies which bound the company without the necessity of reference to head office. The position of the agent of the company, however, remained the same—that of a mere solicitor of business. The general system in vogue in Great Britain may, therefore, be characterized as the branch office system, as distinct from the agency system, as we find it in Canada. These branch offices provide in every part of the United Kingdom reasonably accessible service stations for insurance.

There are, of course, large firms of insurance brokers in England which do not represent any individual company. The business of these brokers is confined almost exclusively to large lines of insurance, and they do not endeavor to secure the ordinary risk.

Rebating is Not Prevented

The amount of the commission which is paid to an agent in Great Britain is effectively regulated by the rules of the associated tariff companies. 15% is the standard rate of commission on ordinary risks, and the rate is less on large lines.

Any person, whatever, may be appointed an agent and receive the commission on insurance brought to the company's office. The rule of the tariff companies is that all agents must be appointed by minute of the board of directors of the companies, but this has become a mere formality, and I am informed that the practice is to submit at each meeting of the board a long list of agents for authorization, which in the ordinary case are not even read, but are inserted formally in the minutes of the board. By this practice any person who can bring a risk to the office of the company is permitted to collect the commission on that risk, whether he is an ordinary agent, a clerk or officer in the employ of the assured, or the assured himself.

There is no anti-rebate law which effectively prevents the payment of commission to the assured, or to someone on his behalf. The result is, that the rate of premium in respect of a risk, may be said to be the rate net to the company, and that rate is, in fact, available either to the assured or his agent on application. The assured whose insurance is placed through the agent or broker pays the insurance company's net rate plus the broker's commission. The broker's commission, therefore, represents in effect a bargain between himself and the assured, and not between the company and the broker.

*An address before the conference of provincial insurance superintendents, Winnipeg, October, 4-7, 1920.

I am not prepared to express an opinion as to the value or relative cost of the system thus established. My information is, however, that the rate of commission to agents is so effectively controlled by the regulations of the tariff companies that this element in the expense of insurance business has not proved to be a burden upon the insuring public.

I have stated the practice in England with such particularity because the English example is so often quoted in this country as an argument for giving further rein to competition and as a precedent for absence of governmental supervision or regulation in any manner of the insurance agent's business.

Agency System on This Continent

In Canada and the United States there has been a very different course of development. Here the agent acts as intermediary between the company and the assured in nearly every contract. The general agent, and in some cases the ordinary agent, is given large powers to bind the company. He is supplied with blank policy forms or interim receipts which he is authorized to issue to the assured, thereby binding the company upon the risk, and the company protects its own interest by reserving the right of cancellation of the policy provided for in statutory conditions.

The amount of business received by a company, either at its head office or branch offices, directly from the assured, in respect of which no commission is paid, is very small. There is no flat rate available to the assured, either directly or indirectly, by the allowance of the commission to some other person on his behalf. The gross rate of premium is protected by strict anti-rebating laws of the Dominion.

The rate of commission to be paid becomes a matter of bargaining between the company and the agent, to which the assured is not a party. Even when a broker purports to act for the assured as distinguished from the company, the company determines his rate of commission and pays his fee.

Services of the Agent

It is of great importance to distinguish the duties of the agent and the services which he renders to the company and to the public under the agency system in vogue in Canada and the United States, from the services which I have mentioned as his responsibility in Great Britain.

In Canada the extent and quality of this service varies according to the limits of his authority and his equipment to perform the work. He may be merely a solicitor of insurance comparable to the English agent who establishes contact between an agency firm and the prospective insurer. If so, the remainder of the services of the agent is rendered by a second, or even a second and third agent. But if you collate the efforts of all agents who intervene in a single transaction, whether it be one, two or more, the total service rendered might be described as follows:—(a) Soliciting the risk; (b) inspecting the risk; (c) determining and supervising the covering required; (d) examining the rating fixed by the company or the board of underwriters, and negotiating for a better rate; (e) signing and delivering the interim receipt; (f) collecting the premium and remitting the same, less his commission; (g) recording the issue and the expiry; (h) inspecting the risk during its currency; (i) securing renewal.

Misconception Regarding Agents

Of course there are some classes of risk in which some of these functions need not be performed. The insurance of a dwelling house, for example, does not particularly require either the inspection of the risk or any special negotiations in regard to the rate of premium. In most other lines, however, the above is a fair presentation of the agent's duties and responsibilities. My experience is that the general public has no conception of the nature of these services, the average business man believes that the sum of an insurance agent's business is the soliciting of the risk.

It is this conception which is responsible for the widely-held opinion that the agent's services might with advantage

be dispensed with and the assured allowed to deal direct with the company. They do not realize, and sometimes cannot be persuaded that the other duties may be the more important part of the agent's services, and the part which requires the greater skill and the greater expenditure of time and money to render.

It is most difficult to convince the public that if this work is not done by the agent, the company must establish a service to perform it or prejudice the interests of the public or the assured by its omission. For this conception the agents themselves are largely responsible. The opinion itself is greatly fortified by the existence of certain unfortunate conditions in the insurance agency business, to which I shall refer a little later.

Comparison of Systems

The comparison of the British and the American systems reveals, then, two alternative methods of conducting the insurance business; in each case the system represents the natural and free development of the business in its long history. I am not able to pass upon the relative virtues of the systems for Great Britain; and I am not an advocate, therefore, for a reformation of their system, but I do not hesitate to state that for Canada there can be no doubt that the agency principle of company representation is the more efficient and economical. My reasons for this statement are as follows:—

I regard the agency system in principle as a method of piece-work payment for a necessary and valuable service, and therefore fair in principle.

We have an immense country to serve. Its population is widely scattered and in many districts is very sparse when compared with the distribution of population in Great Britain. The number of branch offices which would require to be established to give reasonable service to the public on the English system is far too great to furnish any possible economy.

The establishment of branch offices and an efficient service organization is a most expensive proceeding, and for a new company entering a field without a ready-made connection it is almost impracticable. The adoption of that system, therefore, would most unduly restrict competition in the insurance business.

Service could not be extended to these small centres of population which the casual agent now serves so efficiently and economically. There would necessarily be a wasteful duplication in the establishment of more than one branch office on behalf of the several companies which require representation where a single agent who might serve all companies will meet the present requirements.

Finally, the very fact that the system is as it is suggests to me that the agency system best serves the requirements of the business. It should be the policy of all supervision and regulation to avoid all forcing of business of any kind into unnatural channels. The free and unimpeded progress and development of a business best serves the interests of all.

Branch Offices Might be Increased

I cannot, however, leave that conclusion without one qualifying suggestion. I believe that in large centres of population, such as the cities of Toronto, Montreal and Winnipeg, branch offices might well be developed by these companies whose business warrants it as a useful regulator, if you will, of the agency business. I confidently believe that if a program of regulation, such as I shall suggest a little later, were adopted, it would make the establishment of such offices much easier.

It must not, however, be expected, or indeed permitted to such branch offices to accept business free of any charge for the service rendered. It would be manifestly unfair to permit the service rendered by the branch office, in lieu of the service of the agent, to become a charge upon the whole premium income of the company, instead of upon the particular part of that income collected by the branch office.

I am, therefore, an ardent defender of the agency system—not, please note, in the form in which it is administered in Canada to-day—but in the form in which it may be and will be administered when the requirements of efficiency and economy bring it to its best development.

Some Weaknesses of Agency System

Let me now point out some of the inherent anomalies and weaknesses of the present agency system:—

1. There is at present a great confusion in the relative responsibilities and duties of an insurance agent and an insurance broker. Every agent wishes to be the sole and exclusive agent of his company. Every agent also wishes to hold himself out as a broker representing the interests of the assured and interested in securing for him the best possible treatment. This is particularly so in the case of the non-resident company, represented by a general agent. The general agent is authorized to represent and bind his company, but considers it his duty at all times to secure for the assured the lowest possible rate of premium, and in any dispute which arises between the company and the assured, he expects the privilege of presenting the case for the assured in its strongest possible light.

Method of Remuneration

2. The very form of remuneration paid has added to this confusion. To quote from a paper written by the Honorable John S. Patterson, Texas State Commissioner of Insurance and Banking, speaking of agents' commissions, he says:—"Most vital of all is the method adopted by the company in compensating the agent. If you are faithful you are penalized; if you are unfaithful you are rewarded; I assert there is not one act you can do for the protection of your company which does not diminish your compensation. If you refuse to accept a hazardous risk, you get nothing; if you seek to eliminate the moral hazard by reducing the insurance, you reduce your commission. If you aid your company in resisting a fraudulent claim, you lose your customer. If you over-insure, you get your share of the profit. If you refuse or cancel a hazardous risk, you lose the business and the commission to your less scrupulous competitor. Under these conditions, what chance has the faithful agent when in competition with an unfaithful one?"

I think it is agreed that the very form of remuneration paid has put a premium on inefficiency and been a temptation to prostitute the business.

3. The fact that the assured is not a party to the commission bargain enables the competition of companies for the services of an agent to force up the rate of commission at the expense of the assured and without permitting the assured an opportunity to protect himself.

4. The fact that business is largely controlled by the agent through his personal connection rather than by the company has, under the stress of competition, required the surrender of the control of the policy of the company to the agents themselves.

Abuses in Agency Practice

These peculiar features of the insurance agency system have rendered it particularly open to abuse by unfaithful agents and by the natural operation of unlimited competition. Let me proceed now with a statement of some of the abuses of the agency system which are not necessarily inherent in the system but have become concomitants of it.

I must say in the beginning that the conditions I am going to describe exist only in certain localities. I must, of course, limit my statements to Ontario, whose conditions I know at first-hand, and I will hear from you whether or not you find similar situations in your provinces.

In Ontario, outside the city of Toronto, conditions are not unsatisfactory. The service rendered by the agents is good, and the expense is not unreasonable. Being comparatively isolated, the company delegates to the agent consider-

able authority so that the service he renders is very real. There is a fixed rate of commission payable by the tariff companies by agreement on the various classes of risk. The chief danger is revealed by the complaint of the local agent that all the big business of his district is handled through some Toronto or Montreal office. I am informed on reliable authority that 40% or more of the business written in Toronto is written on property situated outside of Toronto. The public is vitally concerned in this circumstance, because, the rates of agency commission being unlimited in Toronto, the business which, if written by local agents, would have cost only 15 or 20%, according to the tariff, may cost 20, 25 or 30% by passing through the hands of Toronto or Montreal brokers. When you calculate the amount of that expense in the aggregate you will find it a very considerable sum.

It is the free or open cities that bedevil the agency system. Halifax, St. John, Toronto, Winnipeg, Vancouver and Victoria are still free cities. Montreal, and I believe a number of your western cities, are free cities for general or special agents. I assume that the same reason is responsible for the other cities being open, as in the case of Toronto, namely, the absolute impossibility of securing any agreement among the companies. Even in cases where agreements have been made, a way out has been found by some ingenious companies through the creation of underwriters' agencies which are mere fictions for the evasion of troublesome obligations.

I know of a very recent example in which this insurgency among the companies displayed itself. A very old English company that had been in Toronto for about ten years employed an aggressive agent. He circularized every barrister and solicitor in Toronto, asking them to send him all the business they could control, and offering to pay them 30% commission. When he was remonstrated with his excuse was that all the usual and legitimate channels for securing business had been taken by older established agencies, and he had to get business somehow.

How Costs Pile Up

You know of other methods by which commission costs are pyramided. New companies are constantly seeking an entrance to the Canadian business. They prospect the city for a suitable man to act as general agent. If difficulty is encountered in securing a connection with one of the large firms at a reasonable rate they seek out the branch manager of a well-established company. The transaction is too familiar to you all to need description. The man who was receiving 20 per cent. on an insurance connection of \$40,000 premium income now receives 25 or 27½ per cent. on the same from the new company or his old company advances his rates to hold the agent. In either case the cost of insurance to the insuring public is increased and the service rendered remains the same.

Consider another peculiar development of this situation. Let us suppose that John Smith is a general agent for three companies A., B. and C., from whom he is entitled to a rate of commission of 25 per cent. He is also an ordinary agent for three companies D., E., F., from whom he is entitled to receive 15 per cent. But George Brown next door is general agent for D., E., F. and receives 25 per cent. on their business and ordinary agent for A., B., C. John Smith receives a line of insurance of \$100,000 to place. Naturally he places as much as possible of his line with the companies A., B. and C., from whom he gets the high rate of commission. But they can only take \$60,000. One would ordinarily expect him to place the balance with D., E., F. at 15 per cent. But no; he calls up Brown and says, Have you \$40,000 of insurance for exchange? If it isn't immediately available Brown promises to return it at as early a date as possible, so the free exchange is made and the \$40,000 is placed with D., E. and F. by Brown instead of Smith and Brown collected 25 per cent. In return Smith gets \$10,000 of another line from Brown which he places with A., B. and C., and also gets his 25 per cent. By this ingenious arrangement both Brown and Smith have profited to the extent of

10 per cent. of the premium and the companies have paid the commission at the maximum rate.

This is not an imaginary case. It is the regular practice. By this means all business reaches the companies at the maximum rate of commission, and any special increase in rate of commission to one agent means an increase on the whole business of the company, because all their business immediately comes in through that door.

As in the former instance in the final result the public pays.

Too Many Agents in Business

Then there is a somewhat different circumstance which is particularly acute in our local situation. In addition to producing excessive rates of commission the system has attracted too many agents. These two go hand in hand and I am of opinion that the remedy of the excessive commissions would speedily correct the other fault.

At present, however, the business is loaded with a great weight of illegal and unearned commissions. In addition to the general or special agent and the soliciting agent there are many others who render no useful service for the commission they receive. Some are merely feeders whose service consists not in urging or soliciting insurance, not in keeping records or inspecting and supervising risks and covering, but merely in directing business to a particular company that would otherwise have gone to another company just as good. Some are merely beneficiaries of favor to whom the payment of a commission is made a condition of obtaining the business. Some are merely straw men set up for the purpose of collecting an illegal and forbidden commission.

Let me give you a few examples to show exactly the kind of transaction I have in mind. A certain manufacturing concern in Toronto employs a clerk whom they call their insurance manager. He has charge of the placing of the whole line of insurance on a very large plant. His employer pays him a salary of \$3,000 per annum. He applied for and obtained a certificate of authority as an insurance agent. He notified his broker that as an insurance agent he would expect to receive the regular rate of commission. His broker said, "Have you a license?" "Oh, yes, indeed—an Ontario government license." "Well, then," said the broker, "I suppose we shall have to allow you the usual rate." The broker knew very well that if he refused he would lose the account and some less scrupulous competitor would accept the proffered terms. So the pseudo-agent collected his commissions and returned them to his employer who made a handsome saving on his insurance premium account.

Now, Who paid that rebate? Not the company. They would have had to pay the same rate of commission anyway, not the agent, for to him half a loaf was better than no bread. It was the insuring public who do not get rebates who paid that rebate in a resulting higher premium rate.

Employees Secure Commissions

The secretary of a wholesale house in Toronto has in his busy life had time to attend to a few small lines of insurance and carried an account with a firm of general agents. Of course he controls the placing of his firm's business and what more naturally than that he should pass it through the same account and collect a very substantial sum by way of commission. He holds a license from my department; whether his employer knows of this source of income of his secretary or not, I cannot say.

There is a trust company in Ontario which has established what purports to be an insurance department in their business. I endeavored to learn whether or not this was a bona fide agency doing a general insurance business, but my conclusion was that the business handled was almost exclusively the placing of insurance for estates for which it was trustee and other clients for whom it acted as financial agent. I am advised that it is a breach of trust to accept a commission from a third party when acting as trustee for party number one and that the Criminal Code provides a penalty for the receipt of secret commissions. Yet this trust

company is prepared to defend its right to fire insurance commissions.

It is a common practice for life insurance companies in our province to take a license as an insurance agent on behalf of an officer or clerk in the mortgage department and collect insurance commissions on insurance placed in connection with its mortgage loans. Like everything else in life insurance it is all for the benefit of the poor policyholders and their widows and orphans. What right a life insurance company has in the fire insurance agency business I never could understand. I never saw any such authority in a charter of incorporation. It scarcely befits the dignity of our life companies to grasp at this trifle.

And then there is the solicitor. Well, I leave it to your individual experience as to the value of his services as an insurance agent. Of course most of the risks he brings in are residences and perhaps, all told, it does not amount to a great deal.

But all of these unnecessary commissions add to the cost of insurance to the public and are a factor in the fixing of the prevailing insurance rates which all agree are excessively high.

Ten Thousand Agents in Ontario

I can indicate the extent of the practice in Ontario by telling you that last year more than ten thousand licenses were issued to insurance agents in the province and I have good reason to believe that more than 15 per cent. of this number were not bona fide insurance men holding themselves out in good faith as insurance agents.

The Hon. Mr. Justice Masten in his report as Insurance Commissioner, printed in 1919, records the following conclusion: "The result is that owing to the competition between the companies, and the control which agents have over the business, the expense of insurance is increased to the public, without any chance of its being lowered by competition or other ordinary means, and the public, who have to pay in the end, are unable to lower the expense in any way unless by legislation. The companies themselves are powerless to completely deal with the difficulty."

Mr. Justice Masten records that during the year 1917, out of \$100 of premium collected by the agent for insurance companies, approximately \$33 was absorbed in expenses. Of this \$33, \$18.60 was paid in agents' commissions, but he adds that he is of opinion that at the present time the expense is higher than 33 per cent. and in the city of Toronto the evidence indicates that it may run as high as 45 per cent.

Provinces Should Regulate

It is on the basis of the foregoing that I formed my thesis that it is the duty of the provincial insurance department in the interests of the public to assume the duty and responsibility of regulation of insurance agents and insurance commissioners; not to turn the conduct of the business into unnatural channels, but to permit the agency system to function normally and efficiently; not for the protection of a privileged and closed class of licensed agents, but for the general advantage of the insuring public by way of lower insurance costs; not for the purpose of imposing a tax upon the insurance business, but for the removal of existing evils already mentioned and the improvement of the service rendered by the insurance agent.

But in most of the provinces we have already a regulation of insurance agents by licensing system. The question is, Does it regulate? I will answer for Ontario: It does not. In Ontario the practice has been, as stated in Judge Masten's report, to issue to every applicant on payment of a \$3 fee a general license constituting the recipient a general agent for all classes of insurance. No examination scrutiny or inquiry of or regarding the applicant's fitness has been had heretofore. All that was required was that the applicant should represent a licensed company, should be a resident of Ontario and should pay the fee of \$3. I have after careful investigation concluded that the existing license system has been a bane rather than a blessing to the

(Continued on page 14)

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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BANK CAPITAL IN RELATION TO DEPOSITS

GREAT expansion in banking business during the past few years has not been accompanied by a corresponding increase in the paid-up capital or in the capital funds, which include reserves and undivided profits as well. These funds are the margin of security provided by the shareholders, and are in Canada supplemented by the double liability provision. Banking business is, therefore, now being conducted on a relatively smaller margin of shareholders' assets, a greater volume of business being swung by each dollar of capital funds. In August, 1914, the paid-up capital and surplus of the Canadian banks totalled about \$226,000,000, and the deposits were \$1,094,000,000, the ratio of the former to the latter being 20.8 per cent. The bank statement for August last shows the combined capital and surplus to be \$256,705,000, and the deposits were \$2,258,000,000, a ratio of only 11.4 per cent. These deposits do not include the balances owing to the Dominion and provincial governments. When these are considered as deposits the ratio is reduced to 10.5 per cent.

The provision of an ample margin of security in the form of capital funds is essential to sound banking. Several of the banks have during the past two years recognized the necessity for catching up to the changed conditions by issuing new stock. As the above figures show, however, there is still a need for more capital in the banking business, and the financial returns are such as to make new issues attractive and easily marketed. It must be kept in mind, however, that the present level of deposits will probably not be maintained, and to attempt to bring the ratio of capital funds to deposits up to the old figure is not necessary.

The decline in this ratio is, of course, not peculiar to Canada, but has been experienced in all countries, the great increase in the volume of money and credits in circulation swelling bank deposits to inflated levels. A study of this question in the United States by E. W. Kemmerer, professor of economics and finance in Princeton University, and published by the Bankers' Statistics Corporation, New York, shows that the ratio of capital funds to bank deposits in-

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creased during the first ten years of the national banking system in that country until it reached its maximum of 106 per cent. in 1874. From 1877 to 1881 it dropped from 101 per cent. to 61 per cent. From 1881 to 1895 the ratio fluctuated, with a slight downward tendency, reaching 56 per cent. in the latter year. Then came another pronounced drop in the ratio, this time from 58 per cent. in 1896 to 36 per cent. in 1899. In 1913 it had reached 34 per cent., and the war practically cut the figure in half, the ratio in November, 1919, being 18 per cent.

Just how far the downward movement of prices and the contraction of business now being experienced, coupled with a deflation of money and credit, will reduce bank deposits cannot now be estimated. It is certainly not expected that they will come down to the level of 1914, however, and should that extraordinary phenomenon take place, the fact still remains that Canada is a rapidly-growing country, and the increase in population is bound to increase the volume of banking business from year to year. The security market is not at the present time in a favorable condition for new issues, but just as soon as interest rates relax there is ample grounds for the issue of new bank stock.

GOVERNMENT ASSISTANCE IN FOREIGN TRADE

CANADIAN government policy in extending foreign trade has been marked by indecision. In establishing too many organizations the government has gone too far, while in the provision of effective help they have fallen short. The War Trade Board at Ottawa, the Canadian Trade Mission in London and the Canadian Trade Commission in Washington are three examples of the creation of bodies to do work which could better be carried on by the existing organization of the Department of Trade and Commerce. Some real assistance to prospective exporters can be given by the state. On the other hand, there must be no building up of a bureaucratic organization for the direction and control of commerce. Germany's organization of this kind produced results. Similar results may be obtained by other countries if they pursue the same methods, and there is a danger that

Great Britain, after defeating Germany in the field, may replace the German system by a British one.

In a report on "Great Britain's Plans to Extend Foreign Trade," P. Harvey Middleton, assistant manager of the Foreign Trade Bureau of the Guaranty Trust Co., describes the network of associations, combinations, monopolies, banks and governmental departments so ingeniously constructed for the capture of trade in every part of the world, civilized and savage. The British business man is to-day determined to recapture the trade won from him in pre-war days by the Germans. Great Britain to-day has enormous resources to draw upon. Mesopotamia is certain to become one of the great granaries of the world as a result of the irrigation system planned by British interests. The absorption of German East Africa will enable the British railroad builder to realize his dream of a line from the Cape to Cairo. German Southwest Africa and other German colonies will yield rich returns to the British miner and agriculturist. The new treaty with Persia—frequently described as the greatest diplomatic stroke since the acquisition of the Suez Canal shares by Disraeli—will give the British government a controlling interest in the Persian oilfields which may well be one of the big factors in paying off the British war debt.

A typical example of the method by which the British plan to recapture their overseas trade is the organization known as the British Trade Corporation, incorporated in 1917, with an authorized capital of £10,000,000, of which £2,000,000 is fully paid up. One of its subsidiaries is the Trade Indemnity Co., which insures foreign credits. Since its incorporation this company has facilitated the export of goods of many millions of pounds value. Although it was anticipated that it would be beneficial chiefly to the small merchant, its policies have been freely availed of by some of the largest British manufacturers. In conjunction with the London and Westminster, Lloyd's and the National Provincial Banks, the British Trade Corporation formed the South Russia Banking Agency. The British Trade Corporation also has an investment in the Portuguese Trade Corporation, which was specially started to compete with German interests. Another subsidiary is the Anglo-Brazilian Commercial and Agency Co., which has opened branch houses in Brazil, particularly at places where German influence in the past was strongest. Although they had experienced difficulty in getting delivery of goods ordered by manufacturers, satisfactory progress is now being made.

SELECTING A PAPER SECURITY

ORDERS for newsprint have been placed in Germany by United States paper men. While, as the *Wall Street Journal* points out, it is scarcely possible for Germany to become a large exporter of this product, yet it is well to remember that the immense exports of newsprint made by Canada to the United States have been built up under war conditions. Other countries, especially Norway, are in a position to export wood products, and, with ocean transport made safe and shipping rates coming down, these countries must again be met in competition on this continent. In the possession of unexcelled forest resources, and in proximity to the largest markets, Canada has an undoubted advantage, which will always give the securities of a company with ample resources, suitably placed, a high value. There is a danger, however, lest future earning power be measured by the exceptional conditions of the past few years. The brilliant records of earnings shown by many of the old-established and well-managed pulp and paper companies are, as might well have been expected, inducing an increasing number of new promotions. The promoters of some of these companies, lacking both a proper appreciation of the essential of a sound pulp and paper enterprise and a proper sense of their responsibility to investors, are offering for public participation the bonds and stocks of corporations possessing few, if any, of the elements requisite to sustained success. As an inducement to part with their money, investors are

reminded of the large profits realized by early buyers of the securities of some of the now highly successful Canadian pulp and paper companies; but little or nothing is said about the factors which were necessary to produce success, and which, in not a few cases, are conspicuously lacking.

In *Investment Items* for October the Royal Securities Corporation, which has financed several pulp and paper enterprises in Canada, specifies four main factors essential to success in this industry. The first is an adequate and accessible pulpwood supply. The second is the combination in close proximity with it of an easily developed water power of a sufficient capacity to operate the mill construction necessary for the conversion of the wood. It is well for the investor to remember that timber areas which are possessed of this combination, and which at the same time have easy access to the markets for their products, are becoming extremely scarce and of corresponding high value. In the third place, there must be constructed efficient mills with up-to-date equipment, involving in most cases the eventual investment of many millions of dollars. The fourth, and not the least, essential is the technical staff of experts necessary for the efficient prosecution of the numerous and high scientific processes involved in pulp and paper production. To be successful, the manufacturing organization in its entirety must be operated by a competent staff of experts, which can develop efficiency only through years of experience. The organization of such a staff for an entirely new company is about as difficult as the securing of a wood supply sufficient both in quality and quantity.

SOME SUGGESTIONS ON DEMURRAGE

OVER 71,000 days of demurrage were charged on freight cars in Canada during the month of June this year. This means 71,000 car-days wasted over and above the usual three days free time allowance for loading, unloading and clearing the customs. The sum paid by shippers for this demurrage was \$186,791—or say \$2,000,000 a year! There are in Canada about 200,000 freight cars available for 30 days per month, or, in railway parlance, 6,000,000 car-days. Approximately 71,000 of these are accounted for by the above-mentioned delays, or say 1.1% of the month's freight carrying capacity of the Canadian railways. While these delays do not occur simultaneously, the effect in the end is as expensive as would be the total cessation of freight loading in Canada for a period of, say, four days each year. Conversely, if such delays did not occur (and most of them need not occur), the railways would be in a position to move theoretically about 1,300,000 additional tons during the year.

In a bulletin issued a few days ago the Railway Association recommends shippers to watch their demurrage bills, see that they are trimmed to the lowest point, and, if possible, release cars even a whole day before the margin of free time has expired. It is suggested that the chief executive's shrewdest assistant, not the head shipper, should scrutinize the demurrage bills regularly.

Saskatchewan is to sell its farm loan debentures on the Victory loan plan. It might be just as well if the Victory loan parallel were not carried too far, however.

* * * * *

The Universal Securities Corporation, Ltd., is a new company now doing business in Canada. No, this is not one of the American international corporations organized to promote foreign business; its head office is in Outlook, Sask., and it has a branch at Glenside in the same province.

* * * * *

A conference of members of the Chamber of Commerce and of the Independent Labor party in Hamilton, Ont., urged that houses costing from \$2,500 to \$3,000 be erected. Neither of these bodies volunteered to undertake the work—that is left to the ingenuity of the city council.

DEPARTMENT OF CUSTOMS AND INLAND REVENUE

EXCISE TAX LICENSES

Retailers, Jewellers, Manufacturers and Sales Tax Licenses as required under the Amendment to the Special War Revenue Act, 1915, are ready for issue, and application forms may be had from the undersigned.

Firms not in possession of Licenses on the 15th November, 1920, will be subject to penalty as provided in the Act.

PENALTY

For neglect or refusal to take out a license shall be a sum not exceeding

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Agents in France:—Credit Lyonnais, Lloyds and National Provincial Foreign Bank, Limited.

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Union Bank of Canada

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THE Bank of Nova Scotia

Established 1832

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| Reserve | - | \$18,000,000 |
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PERSONAL NOTES

R. M. PEARSON has been appointed deputy provincial treasurer of Manitoba, to succeed the late W. J. Ptolemy.

W. P. MORSE, who has been with the Globe Printing Company, Toronto, since June, 1881, and for some time past in the capacity of treasurer, has resigned.

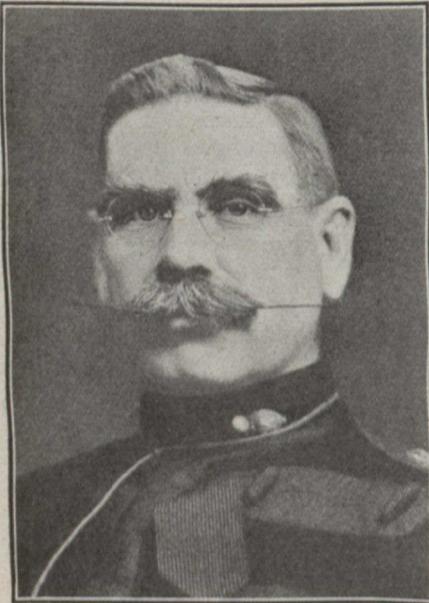
T. H. PURDOM, K.C., a prominent barrister, of London, Ont., and president of the Northern Life Assurance Company, has returned from Winnipeg, where he was recently in conference with officers of the company.

E. V. BARTHE has been appointed manager of the Toronto branch of the Prudential Trust Company, of Montreal. Mr. Barthe has been with the Bank of Toronto for the past fourteen years, latterly as inspector.

H. F. GURNEY, recently appointed assistant British trade commissioner for Ontario, has arrived from Britain and has taken charge of the office in Toronto in the absence of F. W. Field, who has left on an official visit to the United Kingdom.

COL. A. E. GOODERHAM, who for several years has been a member of the directorate of the Confederation Life Association, Toronto,

has been appointed vice-president of the company. Col. Gooderham is vice-president and managing director of Gooderham and Worts, distillers, Toronto. He is also associated with the following institutions: Director, Bank of Toronto; director, Canada Permanent Mortgage Corporation; president, Dominion of Canada Guarantee and Accident Company; director, Clifton Hotel Co., Ltd.; director, General Distilling Company, Limited. B. B. Cronyn, vice-president and man-



aging director of W. R. Brock Company, Limited, wholesale dry goods, Toronto, has been elected to the directorate of the Confederation Life. Mr. Cronyn is also a director of the Union Bank of Canada.

D. E. CRUTCHLOW, of the Montreal stock brokerage house of C. Meredith and Company, has been elected a member of the Montreal Stock Exchange. Mr. Crutchlow succeeds Douglas S. McMaster who is now floor representative of O'Brien and Williams.

H. S. MURRAY, who for the past eight years has been inspector of Northern Saskatchewan branches of the Royal Bank of Canada, with office in the western supervisor's department at Winnipeg, has been transferred to the New York branch of that institution, where he will assume an important position in the supervisor's department.

CHARLES RUBY, general manager of the Mutual Life Assurance Company of Canada, who has just returned from a tour of the western provinces and a careful survey of business conditions on behalf of his company, reports general evidences of both thrift and prosperity. Extravagance has been checked, and splendid crops are seen in nearly every section of the prairie provinces.

W. P. KIRKPATRICK, who was recently appointed manager of the Edmonton, Alta., branch of the Canadian Bank of Commerce, has resigned his position to go into business on his own account as general financial agent at Saskatoon, Sask. Mr. Kirkpatrick was manager of the Canadian Bank of Commerce for fourteen years previous to last fall, when he went to Havana to open a branch of the bank there.

ALEXANDER G. MACKENZIE who has been elected to represent W. A. MacKenzie and Company on the Toronto Stock Exchange, has been connected

with that firm for the past ten years. Mr. MacKenzie was born at Petrolia, Ontario, about 35 years ago and has spent most of his business career with the present firm. Mr. MacKenzie became a partner some six years ago and is considered one of the most capable of the younger men in financial circles. The firm have developed an extensive business in high class investment securities, both in Canada and the United States, their business having grown to such proportion that it was considered necessary to have a seat on the Toronto Stock Exchange in order to further provide efficient service for their many clients.



W. J. CLUFF, of Toronto, has been appointed a director of the King Edward Construction Company. Mr. Cluff is closely associated with the United Hotels Company of America and of the new Mount Royal Hotel Company. He is also president of the Galt Brass Company, a director of the Port Hope Sanitary Company, and a member of the firm of Cluff Bros., Toronto, large handlers of plumbers' supplies.

R. A. DARKER, who for eighteen years has been branch manager of the Canada Life Assurance Company for Southern Alberta, with office at Calgary, has decided to retire from that position. H. D. Ferguson, who has been for fifteen years a resident of Calgary, and who for the past three years has been inspector of the company for Southern Alberta, will succeed Mr. Darker. Mr. Darker will remain in the city as consulting manager.

M. J. A. M. DE LA GIGLAIS, a director of the Trustee Company of Winnipeg, Limited, has just returned from a trip to Europe, where he has been touring for the past few months. Mr. De la Gignais, in an interview with *The Monetary Times*, stated that things were far better than he expected. He does not think that the crop in western Europe, especially England, is as big as it is represented to be. There is bound to be a large loss on account of the wet weather during the harvest. "There is absolutely no doubt," he continued, "as far as Belgium and France are concerned, the feeling is better than it has been for the last eighteen months. The stopping of the Russian armies in Poland had an immediate effect on the stock exchange business."

OBITUARY.

C. E. WARWICK, secretary-treasurer of the firm of Warwick Bros. and Rutter, wholesale stationers, Toronto, died at his home at 428 Walmer Road, this week, after an illness of about two years.

REGULATION OF AGENTS, BROKERS AND ADJUSTORS

(Continued from page 8)

insurance business because it has provided a warrant under which an unqualified and improper person might demand and collect, from the company and the public an unearned toll on the insurance business.

Suggested Methods

The means of regulation of the insurance agency system for the purposes we have in mind are two: First, the control of the rates of agents' commissions; second, limiting the class of persons who may act as insurance agents.

These two are, as I have already suggested, closely related. I believe that the two go hand in hand. I cannot devise a program for either which does not require the other as its complement.

The first is, however, the more difficult. I must say that the definite suggestions I have to make are not the product of my own imagination. They embody the conclusions reached after earnest study and the discussion of the matter with a number of well-informed insurance men. Neither should you attempt to fix responsibility for the suggestions on any person in particular, for the ideas are a synthesis of the suggestions of several.

The regulation of insurance agents' commissions is not new. Some 15 years ago New York state undertook to limit by statute the amount of life insurance commissions, and that regulation is effective to this date. It was the result of the recommendations of the State Committee of Investigation of the life insurance companies. If I properly understand the history of that time, the statutory limitation of expense was the remedy—or one of the remedies—adopted to curb a condition of wild competition for business, a condition which had many points of similarity with conditions in the fire insurance business of to-day. You will find the provision to which I refer in the famous section 97 of the New York law under a general heading of "Limitation of Expenses." The provision has exercised a very salutary influence on the life insurance agency business. We need not, therefore, hold up our hands in holy horror at the very idea of governmental regulation of commissions.

Commission of Inquiry

Now let me put my suggestions very briefly:—

Provincial legislation should be enacted to provide—

(1) For the appointment of a commission to enquire into and determine the proper and reasonable maximum rates of commission to be allowed to agents on fire insurance written. The rates fixed would be graded according to the class of business written. If the commission thought it wise and found it practicable they might also be differentiated on a scale proportional to the total premium paid by the assured on his whole covering, the assured to warrant the amount of his covering.

(2) The rates so fixed should be effective for a certain minimum period to be fixed by the commission, such minimum not to exceed five years.

(3) The rates fixed should apply to all companies doing business in the province and evenly over all sections of the province.

(4) The rate fixed should be the same for general special or local agent.

(5) Agents should be paid either by salary or commission. The payment of salary to a commission agent to be prohibited. All salaries should be required to be definitely fixed by a binding agreement, the amount to be determined in advance.

A variation of this last provision has been suggested. I do not favor it, but I add it for consideration. If a non-resident company requires the services of a supervisor of agents in the province they might be permitted to pay to one man only who might be a commission agent a salary for actual bona fide services rendered and which should be fair and reasonable in the circumstances. I do not favor this

suggestion because it is unnecessary and might open the door to evasion. Any company would of course be at liberty to employ as many purely salaried supervisors as it required, and a salary seems the proper form of remuneration for a supervisor.

On the second subject I propose a control and limiting of the persons who may act as insurance agents by an improved licensing system to eliminate the illegal and unearned commissions that are at present a charge upon the business.

It is repeatedly urged that if the right to collect a commission is refused to many persons who now receive it the result will be merely to concentrate in the hands of a smaller and privileged class the earnings that are now distributed over a larger field. I do not think this is sound.

There are two alternative channels into which these prohibited commissions would turn under such regulations as I propose—either to the companies directly or to the earnings of established agencies. If the first of these is the result I have no doubt that there will be a quick readjustment of the premium rate which will translate the benefit to the insuring public under the pressure of competition among the companies' tariff and non-tariff. If the second is the result and the earnings of the licensed agents are substantially increased, I am sure that is a factor which the proposed commission would take cognizance of, and the advantage would be secured to the public in reduced rates of commission. In either case, therefore, the advantage will be reflected in cheaper insurance rates to the public.

More Power for Superintendents

Some further legislation would be necessary to strengthen the hands of the administering officers of the present licensing system. But in general I believe that the chief requirement is a stricter administration of the authority of the department in the matter of the issue of licenses to insurance agents, and the judicious exercise of a wide discretion in that connection.

Superintendents must, for the present at least, undertake the responsibility of saying who should and who should not be in the insurance agents' business. The decision should be made on this test: Is the applicant a bona fide insurance agent, holding himself out as such, who will render in an efficient and economical manner a real and valuable service to the insuring public? I do not suggest that it should be made difficult for any person to enter the insurance business who has an honest intention of rendering service in exchange for his earnings. Quite the contrary should be the case. Competition should be invited and welcomed but the hangers-on, the grafters and the rebaters must in the public interest be eliminated from the business.

To make this program effective I suggest the following means:—

First—the adoption of a form of application and investigation of the circumstances of every applicant for a license which will enable an intelligent judgment to be formed.

Second—careful scrutiny of this information and refusal of licenses to improper persons.

Third—the securing of lists of agents from all companies and agencies and the occasional checking of commission records of the companies and agencies to ensure compliance with the law.

Fourth—the careful investigation of complaints of illegal practice.

Fifth—the enforcement of penalties prescribed by law.

Reforms in Ontario

The Ontario department has already made an important move along these lines. First, we obtained from the companies a complete list of their agents in the province. We discovered about 2,500 agents nominally authorized who had no license. These are being rapidly brought into the fold.

Then we revised our form of application for certificate in co-operation with the companies and the agents, and I have considerable pleasure in submitting to you samples

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| CAPITAL PAID UP | 70,679,380 |
| RESERVE FUND | 49,886,410 |
| DEPOSITS, &c. | 1,621,541,195 |
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Capital Paid-up, \$8,400,000

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Total Assets (31st July, 1920) - Over \$200,000,000

Reserve Fund and Undivided Profits, \$8,660,774

Over \$163,000,000

Over \$200,000,000

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New York Agency: 63 and 65 Wall Street: W. M. Ramsay and C. J. Crookall, Agents
London, England, Office, 53 Cornhill: J. B. Donnelly, D.S.O., Manager.
Bankers in Great Britain: The London Joint City & Midland Bank, Limited, The Royal Bank of Scotland

of the form now in use. We are finding them very satisfactory and effective in disclosing the real bona fides of the applicant. I will also show you some of the other forms we use in the same connection.

Suggested Powers for Control

Some legislation would, as I have said, be necessary in every province to reinforce and support the program I have in mind. I have undertaken to draft some proposals which I think might serve the purpose and I hope to have the opportunity of discussing them with the superintendents. I do not, however, think it prudent to make them the subject in detail of this discussion, but I will mention their general content:—

(1) The vesting in the superintendent of wide discretionary powers, subject always to an appeal of a judge in court.

(2) The prohibition of payment of commission to unlicensed persons.

(3) The division of the licenses into classes which will distinguish life insurance from other classes; a fire and casualty class to include all classes but life and a casualty class to include all classes but life and fire.

(4) The imposition of a higher fee for a fire and casualty license.

(5) The extension of the grounds upon which an agent's license may be revoked or cancelled.

(6) The limiting of a corporation or partnership license to duly qualified persons named in the license.

I have left myself very little time for comment on the subjects of brokers and adjusters. I shall try to indicate the line of treatment of these subjects very briefly.

I have already referred to the confusion in responsibility and duty between the agent and the broker. This is due to the fact that our licensing system has failed to distinguish them and our statutes have required the broker to use an agent of some insurance company. I think the situation could be greatly clarified by distinguishing the two classes and holding the agent strictly accountable to his company and the company responsible for the acts of its agent within the limits of his authority. The company could then deal with the broker as a broker on behalf of the assured, and some embarrassing anomalies could be removed. Although a different form of certificate or license would issue, the general legislation, regulations and fees for the two classes would be very similar. This is provided for in the provisions I have drafted.

Insurance adjusters should be licensed in a manner similar to agents and brokers. There is a good deal of abuse of insurance adjusting in Ontario. Some points which need to be provided for are these:—

1. An insurance agent should be prohibited from accepting a fee from the assured for settlement of a loss in which his own company is an interested party.

2. The payment of insurance adjusters by commission on the amount of the settlement obtained should be prohibited.

3. The occasional adjuster who assists the assured in rural districts or the smaller towns and who acts in perhaps only an occasional small loss should be exempted from the licensing requirement.

I ask your careful consideration of these suggestions. They are not put forward like dummies for a class in bayonet instruction. They are soberly advanced as a possible remedy for present evils of the insurance agency system, having chiefly in mind the securing of cheaper fire insurance rates to the whole insuring public. I am anxious that they should be closely examined and keenly criticized, but I also hope that the criticisms will be constructive, looking toward a real solution of the problems with which we are confronted and not a mere negation of any possible remedy.

T. S. G. Pepler and Co., bond dealers, Toronto, have moved from the Royal Bank Building to new offices at 106 Bay St.

BANK BRANCH NOTES

Harry S. Ritchie, manager of the Bank of Nova Scotia in Charlottetown, P.E.I., has been transferred to the Barrington St. branch in Halifax, N.S.

The following is a list of branches of Canadian banks which have been opened recently:—

Barrie, Ont. Sterling Bank of Canada
Toronto (Spadina & Harbord) Royal Bank of Canada
Vancouver, B.C. (Victoria Rd.) Canadian Bank of Commerce

The Merchants Bank of Canada are planning to erect a new building on St. James St., Montreal.

The Standard Bank are building a new branch at Coalhurst, Alta.

A new building is being erected by the Canadian Bank of Commerce on Charlotte St., Sydney, N.S.

An extension is being made to the Canadian Bank of Commerce at Fort and Government Streets, Victoria, B.C.

CANADIAN BUSINESS FAILURES

The number of failures in the Dominion, as reported by R. G. Dun and Co. during the week ended October 15, 1920, in provinces, as compared with those of previous weeks and corresponding weeks of last year, are as follows:—

| Date. | Ont. | Que. | Man. | Alta. | Sask. | B. C. | S. N. | N. B. | P. E. I. | Total | 1919. |
|---------------|------|------|------|-------|-------|-------|-------|-------|----------|-------|-------|
| Oct. 15 | 2 | 10 | 2 | 0 | 2 | 0 | 0 | 3 | 0 | 19 | 7 |
| Oct. 8 | 5 | 10 | 2 | 0 | 2 | 2 | 0 | 0 | 0 | 21 | 10 |
| Oct. 1 | 3 | 4 | 0 | 1 | 3 | 4 | 0 | 2 | 0 | 17 | 11 |
| Sept. 24 | 2 | 3 | 1 | 0 | 2 | 4 | 0 | 1 | 0 | 13 | 22 |

WEEKLY BANK CLEARINGS

The following are the Bank Clearings for the week ended October 21, 1920, compared with the corresponding week last year:—

| | Week ended Oct. 21, '20. | Week ended Oct. 23, '19. | Changes. |
|-----------------------|--------------------------|--------------------------|----------------|
| Montreal | \$133,310,418 | \$162,521,726 | — \$29,211,308 |
| Toronto | 98,230,003 | 97,938,486 | + 291,517 |
| Winnipeg | 86,412,879 | 74,144,717 | + 12,268,162 |
| Vancouver | 12,271,199 | 16,549,589 | — 4,278,390 |
| Ottawa | 8,765,384 | 8,874,971 | — 109,587 |
| Calgary | 9,886,728 | 10,928,191 | — 1,041,463 |
| Hamilton | 7,079,430 | 7,447,070 | — 367,640 |
| Quebec | 5,534,497 | 6,527,855 | — 993,358 |
| Edmonton | 4,924,643 | 6,018,912 | — 1,094,269 |
| Halifax | 4,074,285 | 5,232,390 | — 1,158,105 |
| London | 3,567,711 | 3,360,973 | + 206,738 |
| Regina | 4,985,578 | 6,512,135 | — 1,526,557 |
| St. John | 2,960,265 | 3,544,503 | — 584,238 |
| Saskatoon | 2,502,194 | 2,837,428 | — 335,234 |
| Moose Jaw | 2,339,104 | 2,442,971 | — 103,867 |
| Brantford | 1,349,986 | 1,385,429 | — 35,443 |
| Brandon | 974,749 | 1,066,347 | — 91,598 |
| Fort William | 987,760 | 1,153,681 | — 165,921 |
| Lethbridge | 1,092,757 | 1,023,318 | + 69,439 |
| Medicine Hat | 762,263 | 780,084 | — 17,821 |
| New Westminster | 454,409 | 676,073 | — 221,664 |
| Peterboro | 909,639 | 932,353 | — 22,714 |
| Sherbrooke | 1,258,183 | 936,761 | + 321,422 |
| Kitchener | 1,028,900 | 1,091,659 | — 62,759 |
| Windsor | 3,987,019 | 3,232,192 | + 754,827 |
| Prince Albert | 401,959 | 482,869 | — 80,910 |
| Totals | \$400,051,942 | \$427,642,683 | — \$27,590,741 |
| Moncton | 681,698 | | |

AUSTRALIA and NEW ZEALAND

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)

| | | | | |
|-----------------------------------|---|---|---|------------------|
| PAID UP CAPITAL - | - | - | - | \$ 23,828,500.00 |
| RESERVE FUND - | - | - | - | 16,375,000.00 |
| RESERVE LIABILITY OF PROPRIETORS | - | - | - | 23,828,500.00 |
| | | | | \$ 64,032,000.00 |
| AGGREGATE ASSETS 31st MARCH, 1920 | | | | \$377,721,211.00 |



Sir JOHN RUSSELL FRENCH, K.B.E., General Manager

351 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London. The Bank transacts every description of Australian Banking Business. Wool and other Produce Credits arranged.

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WINNIPEG, MAN.

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The Dominion Bank

ESTABLISHED 1871

| | | |
|-----------------|---|-------------|
| Capital Paid-up | - | \$6,000,000 |
| Reserve Fund | - | 7,000,000 |

Efficient service in all departments of Banking.
Sterling Drafts bought and sold.
Travellers' Cheques and Letters of Credit issued.

362

A Weekly Meeting

THE Directors of this Corporation are men well-known in the commercial, financial and professional life of Canada. They meet weekly to transact business, when estates in the course of administration receive the benefit of their counsel and experience on all matters of importance. All investments of trust funds are made by the authority of the Directors, thus protecting estates, small as well as large, against the uncertainties of individual judgment.

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UNION OF BRITISH COLUMBIA MUNICIPALITIES

Urge Province to Establish Hydro Commission and Operate Technical Schools and Hospitals—Oppose Tax Exemption of Government Property

THE 17th annual convention of the Union of British Columbia Municipalities was held in Nelson, B.C., October 6-8, 1920. The president, J. Loutet, of North Vancouver, in his opening address enumerated as among the problems pressing for solution the matter of the provincial government's proposed local government board. Quoting the attorney-general's intimation that "the government could not forego its right to select the board, which it would be responsible for creating," President Loutet suggested that the government permit the union to select two out of the three members, and that a deputation present the matter to the government. Abolition of the immunity of the crown from taxation in incorporated areas was urged as an ideal to be striven for, and in this connection the case was cited of the Soldier Settlement Board declining to pay taxes for lands that had come into its hands by soldier settlers allowing them to lapse.

President Loutet stated that the problem of increased revenue for municipalities was so far from a satisfactory solution as ever, and he endorsed the proposal for a conference with the federal and provincial governments on the question. The present duplication of taxes and the encroachment of governments on municipal revenues ought to be done away with, he said. In connection with the Hospitals Act, the president represented it as a danger to the small municipalities, particularly those maintaining hospitals of their own, which found they also had to pay for patients going to the larger hospitals. He also said new legislation would be required to prevent unnecessary difficulties over assessments.

The union voted down various proposals for further governmental investigations into the high cost of living. Among others of its acts, expressed through resolutions, it urged the provincial government to take over all high schools and technical schools, and also to take over and operate the hospitals; dissented from both Dominion and provincial governments holding their lands within municipalities free from taxation; asked for a conference of federal and provincial, civic and municipal officials, to co-ordinate the income taxes and to correct overlapping; recommended that the municipalities be given control over clubs, the same as over hotels; authorized the appointment of a committee to study the whole question of municipal taxation; asked the provincial government to inquire into fire insurance rates; asked the Dominion government to let land once held by soldiers and abandoned remain under taxation; and approved the extension of consolidated arrears privileges to returned men who arrived too late to take advantage of the act.

Want Provincial Hydro Commission

The provincial government was asked to constitute a hydro-electric commission. In supporting the proposal Mayor Acres, of Grand Forks, stated that when the Granby property was operating, Grand Forks purchased its power at 1½ cents per kilowatt hour, but now it was charged 3 cents, on the ground that the power company had to keep up extensive maintenance on a large system. The company could go as far as it liked, and make new rates any time it liked, he said, without being required to justify them.

The executive was instructed to appoint a committee to watch the proceedings of the Vancouver tax inquiry, to be conducted by Dr. Brittain, of Toronto, under the bureau of municipal research.

It was also decided that the connection of F. A. McDiarmid with the union should be defined in the constitution as that of a "parliamentary agent" rather than "solicitor." Efforts are to be made to bring Victoria and South Vancouver into the membership. A resolution was adopted, abolishing the union's advisory board, which in the past has assisted the executive in the capacity of a reference body.

Provincial Board not Favored

By a vote of 53 to 14, the Union of British Columbia municipalities refused to express approval of the proposed local government board. With the change of one vote, the same division went on a proposal to enlarge the powers of the inspector of municipalities, this being defeated by 54 to 13.

The convention opposed the exemption of church property from taxation; endorsed the government's superannuation scheme for firemen and policemen, and asked its extension to other municipal servants; asked the exemption of motor fire apparatus from provincial license, the elimination of the speed limit when answering fire calls, and the relief of drivers in such cases from personal responsibility for accidents; and asked power to construct roads through soldier settlements now enjoying the immunity of Crown lands.

Election of Officers

Port Alberni was selected as the meeting place next year. The annual election resulted in the choice of the following officers for the ensuing year: President, J. Loutet, North Vancouver, re-elected; vice-president, Ald. C. F. McHardy, Nelson; secretary-treasurer, A. W. Gray, New Westminster, re-elected; executive committee, A. Lockley, Esquimalt; T. W. Vance, North Vancouver; L. E. Marmont, Coquitlam; J. J. Johnston, New Westminster; E. J. Chambers, Penticton; J. R. Colley, Kamloops; W. Bews, Revelstoke. Instructions were given to the executive to re-engage Mr. McDiarmid as "parliamentary agent" if he were available.

The Municipal Officers' Association of British Columbia, with 26 municipalities represented at its first annual meeting, elected the following officers: President, J. G. Farmer, North Vancouver district, re-elected; vice-president, B. C. Bracewell, Penticton; secretary-treasurer, R. F. Archibald, North Vancouver city. Executive, O. W. Ross, Oak Bay; R. F. Blandy, Port Alberni; C. W. Webb, Chilliwack district; Wm. T. Riley, South Vancouver; H. S. Cowper, Saanich.

GUARANTY TRUST BOND DEPARTMENT

The business heretofore conducted by the bond department of the Guaranty Trust Co. of New York has been taken over by the Guaranty Co. of New York. This change has been effected because the growth of the trust company's business in securities has made necessary a type of organization that will be free to give the fullest possible service through the medium of its own branch offices throughout the country. This change is one of corporate organization only, and in management and policy the new company will be the same as its predecessor, the bond department of the Guaranty Trust Co.

ASSOCIATION OF LIFE INSURANCE PRESIDENTS

"Seventy-five Years of American Life Insurance: A History and Prophecy of the Nation's Growth," will be the theme of the fourteenth annual convention of the Association of Life Insurance Presidents, to be held in New York on December 9th and 10th. Original statistics are now being contributed by the companies as a basis for showing definitely the present ramifications and extent of life insurance's relationship to policyholders and to the nation as a whole. It is expected the two days' discussions will develop enlarged and additional fields of service through the projection of this data upon the rapidly-growing background of the business.

The National Convention of Insurance Commissioners will meet in New York the same week as the life presidents, the dates of the commissioners' sessions being December 6th, 7th and 8th. The Association of Life Insurance Counsel will also meet that week in New York, its dates being December 7th and 8th.

EXCHANGE WITHIN THE EMPIRE

Suggestion to Centralize Finance Not Likely to Produce Any Result—Trade Cannot be Forced in This Way

BY A. B. BARKER

ONE of the interesting suggestions at the recent conference of the Chambers of Commerce of the Empire was that of a London, England, banker, N. W. Darling, in connection with his plan to stabilize exchange by a concerted movement within the Empire. His suggestions included an increase of the capital stock of the Bank of England from £15,000,000 to £20,000,000, the new capital to be provided by the colonies in varying proportions. The weak point in his exchange proposals, however, was promptly pointed out by Sir Edmund Walker, who stated, that so far as Canada was concerned the geographical position of the country made us financially dependent on New York in the matter of foreign exchange.

The inherent defect of Mr. Darling's scheme, however, was not mentioned, and that is that such action on the part of the colonies would be in direct opposition to their declared policy of managing their own financial affairs. As minority shareholders, their task would simply be to provide the money, and have it managed for them by those over whom they would have no adequate control. What real influence has the minority in any business, except of course the right to criticize, usually without effect? This feature would remain, even if the act of 1844, under which the Bank of England is now working, were adequate, and we have Bagehot's word that the act referred to is so badly conceived that in time of stress it is workable only because it is suspended.

Centralization Not a Success

The main point of Mr. Darling's plan is to centralize the financial authority in London. This plan in politics proved a lamentable failure, and when applied to business has never been a marked success—in Canada, at any rate—as the controlling authorities were too far away to realize local conditions, and would not delegate sufficient powers to any local body to act freely.

Such a plan might be worked in the case of a country not so highly developed industrially—China, for example—as in this case London supplies all the capital; but for countries like Canada, and the other self-governing colonies, the less the outside authority is in evidence the less the chance of friction. London's pre-eminent financial position was gained by service, and in proportion as she is able to continue to render service her position is secure. It must, however, rest on that foundation, and not on defined authority.

Finance Must Result From Trade

Canada will gladly co-operate in any movement to stabilize exchange. She must, if her foreign trade with Great Britain is to continue as in the past, but it must be because the trade connection is mutually profitable, not because she is forced to do so by reason of a long-term contract, interpreted by a body the interests of the majority of which might conflict with hers.

These discussions, however, serve the useful purpose of defining the objective arrived at. In the movement towards that objective, however, Canada's right to decide on the plan of action must be uncontrolled by any organization outside her boundaries.

In commenting on the share of their contingent in the late war, a prominent Australian is reported to have said that in the next war in which the Empire is engaged Australia would come in as an ally of Great Britain, not as a colony, and this is a fair illustration of the terms on which any co-operation of Canada in this movement can be enlisted.

It is possible to restrict trade in commodities by import and export duties, but experience has shown the utter futility of trying to restrict the international movement of money when there is a profit in prospect.

TORONTO LIFE UNDERWRITERS' ASSOCIATION

A meeting of the Toronto Life Underwriters' Association was held on October 7th, the feature being an address on "Income Insurance" by E. J. L'Esperance, manager of the Imperial Life Assurance Company in Montreal. A suggestion made by O. B. Shortly, president, that an educational conference be held in November was unanimously approved, and plans are being made accordingly.

"Unless you are prepared to see that the widow receives an income from her life insurance, or unless there are good reasons why other forms of insurance should be sold, you should sell the prospect income insurance," said Mr. L'Esperance. Only by so doing, he pointed out, can the agent render the utmost service to the policyholder. The speaker also dealt with other sales points, urging that life insurance was such a desirable commodity that it had only to be shown in order to be sold, provided that the prospect needed insurance and was in a position to buy it.

COMMUNITY LOAN AND INVESTMENT CO.

"Intensive colonization of a practical nature" will be the principal activity of the Community Loan and Investment Co. which was recently incorporated in Winnipeg, with a capital of \$3,000,000 7 per cent. preferred stock and \$1,500,000 non-par stock. The president is Geo. W. Prout, who played an important part in the inauguration of the Manitoba Rural Credits scheme. In a statement to *The Monetary Times* Mr. Prout expressed the opinion that "intelligent and well-directed financial assistance is necessary to successful colonization. He continues:—

"The company is empowered to establish local boards of directors which will look over new business, advise with borrowers and give them, as well as our central board, practical advice. Our local board members will all be shareholders of the company. The company intends to get away from the well-beaten path of the mortgage company, in that it intends to do business with the beginner as well as the man now on the land who is under-functioning, so to speak. Its customers will be got through three channels: (1) The local boards; (2) British agencies; (3) United States channels.

"Its loans to farmers will be on the amortization system at twenty years. It will in most cases purchase the land outright and sell outright to the settler at a reasonable profit, taking a small cash payment down. It will, through its local board maintain a very close relation to the borrower, help him whenever help is needed, advise him when such is required. It will market his produce, if he so desires, and take care of his purchases, if he so wills it, at a minimum of cost. It will in each case make a survey through its local board of a settler's needs and in conjunction with it assist the settler to function at full capacity. Presently we expect 100 such local boards consisting of ten directors each to be established in Manitoba.

"After making some progress here it is our intention to reach out to Ontario and the maritime provinces and duplicate our work there. We wish to be able to settle an incomer in any province in the Dominion.

"The powers of the company are wide. It includes the issuing of bonds. We hope to be able to impress capital that we have got the real solution of the colonization problem and to interest it in the purchase of the company's securities. Already we have advice of over two hundred reliable farmers, now on the land, who need our assistance. We are now investigating these farmers through our local organizations.

"While the company's work will savor of the helping hand, yet no loans will be taken on where the borrower's character and capacity is not proved. The preferred stock is placed at par and pays 7 per cent. The non-par stock is given with the preferred stock by way of bonus, and each shareholder comes in on the same basis."

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is worth but 50c. The dollar saved now will be worth 100c. To-day is the time to save.

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 4% on Savings—Withdrawable by Cheque 46

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It means the happiness and welfare of those most dear.
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 Your Will?**

A will ensures that at your death your property will be distributed as you wish; and that this distribution will be made by some one of your own choice.

If you appoint this Company as executor, your family's interests will be guarded by a responsible organisation not subject to inexperience, absence, illness, death and the other disadvantages which beset a private individual's executorship.

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 18-22 KING STREET EAST - - TORONTO

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Head Offices: MONTREAL

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| C. L. Cains | W. B. Leitch | Farquhar Robertson |
| A. J. Dawes | Sir F. Orr Lewis, Bart. | Hon. Lorne C. Webster |
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Offices now open in Montreal, Winnipeg, Calgary, St. John, N.B., Halifax, Regina, Vancouver, Victoria and Toronto.

Premises in Merchants Bank Building in each city

BUILDING PERMITS AGAIN DECLINE IN AUGUST

Decrease More Pronounced Than Previously—Only Provinces to Show Increases Were Prince Edward Island and Quebec

BUILDING permits issues in fifty-six cities showed a decline during August, 1920, falling from \$13,025,560 in July to \$9,439,807, or a decrease of not quite 28 per cent. Prince Edward Island and Quebec were the only provinces to register increases in this comparison, while of the reductions reported in the remaining provinces that of \$1,226,768 in Alberta was the most pronounced.

As compared with the figures for the corresponding month in 1919, there was a decrease of \$2,476,238, or nearly 21 per cent. in the building permits issued, the value for August, 1919, having been \$11,916,045. In this comparison, British Columbia alone reported an increase, declines being registered in the remaining provinces.

| DEPARTMENT OF LABOUR FIGURES | July, 1920 | August, 1920 | August, 1919 |
|------------------------------|------------|--------------|-----------------|
| CITY | \$ | \$ | \$ 6,000 |
| PRINCE EDWARD ISLAND | Nil. | 3,500 | 6,000 |
| Charlottetown | Nil. | 3,500 | 6,000 |
| NOVA SCOTIA | 736,833 | 425,995 | 601,425 |
| *Halifax | 530,173 | 380,370 | 480,675 |
| New Glasgow | 4,800 | Nil. | 3,000 |
| *Sydney | 201,860 | 45,625 | 117,750 |
| NEW BRUNSWICK | 282,705 | 293,800 | 490,750 |
| Fredericton | 170,000 | 15,000 | 13,000 |
| *Moncton | 112,605 | 256,600 | 420,750 |
| *St. John | 100,100 | 22,200 | 57,000 |
| QUEBEC | 1,414,480 | 1,768,536 | 2,056,985 |
| *Montreal | 1,105,785 | 1,336,350 | 1,541,245 |
| *Maisonneuve | 78,270 | 150,631 | 162,245 |
| Shawinigan Falls | 4,500 | 1,000 | 34,500 |
| *Sherbrooke | 21,600 | 123,500 | 51,700 |
| *Three Rivers | 54,700 | 47,800 | 84,870 |
| *Westmount | 149,625 | 109,255 | 182,425 |
| ONTARIO | 5,280,167 | 4,535,239 | 6,009,835 |
| Belleville | 4,000 | 10,300 | Nil. |
| *Brantford | 41,705 | 78,350 | 61,890 |
| Chatham | 28,300 | 49,650 | 14,550 |
| *Port William | 15,900 | 69,300 | 29,875 |
| Galt | 38,400 | 24,080 | 89,900 |
| *Guelph | 42,470 | 161,388 | 11,950 |
| *Hamilton | 498,025 | 414,995 | 506,065 |
| *Kingston | 51,205 | 22,351 | 45,508 |
| *Kitchener | 151,915 | 47,025 | 39,930 |
| *London | 188,195 | 236,040 | 867,420 |
| Niagara Falls | 23,914 | 24,750 | 867,420 |
| Oshawa | 44,625 | 30,000 | 49,870 |
| *Ottawa | 488,936 | 284,157 | 336,885 |
| Owen Sound | 15,000 | 41,000 | 168,490 |
| *Peterborough | 2,640 | 9,875 | 2,300 |
| *Port Arthur | 84,455 | 38,659 | 9,875 |
| *Stratford | 57,795 | 31,040 | 411,572 |
| *St. Catharines | 127,450 | 156,896 | 12,150 |
| *St. Thomas | 6,656 | 101,095 | 57,905 |
| Sarnia | 72,150 | 104,454 | 8,290 |
| Sault Ste. Marie | 81,400 | 45,900 | 79,450 |
| *Toronto | 2,640,004 | 2,216,116 | 1,844,303 |
| Welland | 22,115 | 32,705 | 39,806 |
| *Windsor | 514,210 | 272,125 | 241,815 |
| Woodstock | 38,702 | 33,053 | 9,290 |
| MANITOBA | 1,207,220 | 640,025 | 862,320 |
| *Brandon | 470 | 58,700 | 7,400 |
| St. Boniface | 46,300 | 85,275 | 144,020 |
| *Winnipeg | 1,160,450 | 496,050 | 710,900 |
| SASKATCHEWAN | 1,542,705 | 841,395 | 1,010,570 |
| *Moose Jaw | 809,105 | 36,875 | 110,685 |
| *Regina | 159,850 | 647,220 | 338,635 |
| *Saskatoon | 573,750 | 157,300 | 561,250 |
| ALBERTA | 1,406,914 | 180,146 | 232,440 |
| *Calgary | 277,000 | 100,200 | 121,500 |
| *Edmonton | 1,042,789 | 68,711 | 94,755 |
| Lethbridge | 80,750 | 5,885 | 9,835 |
| Medicine Hat | 6,375 | 5,350 | 6,350 |
| BRITISH COLUMBIA | 1,054,536 | 751,171 | 645,720 |
| Nanaimo | 7,465 | 29,594 | 2,150 |
| *New Westminster | 23,094 | 13,550 | 20,957 |
| Point Grey | 176,290 | 238,270 | 347,570 |
| Prince Rupert | 12,100 | 34,535 | 43,250 |
| South Vancouver | 31,575 | 100,169 | 35,965 |
| *Vancouver | 639,292 | 308,227 | 173,345 |
| *Victoria | 134,720 | 26,826 | 22,483 |
| Total—56 cities | 13,025,560 | 9,439,807 | 11,916,045 |
| *Total—35 cities | 12,116,799 | 8,525,337 | 9,577,608 |

GOVERNMENT CURRENCY

Circulation of Dominion notes increased in September, 1920, according to the statement of circulation and specie issued by the Department of Finance, the total amount of government currency in circulation being \$303,065,376, as compared with \$292,086,025 in the previous month. The increase in the issue of notes was accompanied by a similar advance in gold reserve. The following statement gives the details:—

| | |
|--|------------------|
| Provincial | \$ 27,743 25 |
| Fractional | 1,272,835 67 |
| \$1 | 18,301,753 00 |
| \$2 | 14,667,558 50 |
| \$4 | 37,971 00 |
| \$5 | 5,522,215 00 |
| \$50 | 3,800 00 |
| \$100 | 2,714,500 00 |
| \$500 | 4,790,000 00 |
| \$1,000 | 79,000 00 |
| \$500 Legal Tender Notes for Banks | 1,013,000 00 |
| \$1,000 | 207,035,000 00 |
| \$5,000 | 47,600,000 00 |
| \$50,000 | |
| | \$303,065,376 42 |
| PROVINCIAL NOTES. | |
| \$1 | \$ 11,293 50 |
| \$2 | 6,060 00 |
| \$5 | 4,219 75 |
| \$10 | 2,180 00 |
| \$20 | 840 00 |
| \$50 | 650 00 |
| \$500 | 2,500 00 |
| | \$27,743 25 |
| RESERVES. | |
| Gold held Sept. 30th, 1920, by the Minister of Finance | \$ 99,228,744 20 |
| Gold reserve to be held on Savings Banks Deposits— 10 p.c. on \$40,228,428.30 under The Savings Banks Act | 4,022,842 83 |
| Gold held for redemption of Dominion Notes | \$ 95,205,901 37 |
| Dominion Notes outstanding against deposits of approved securities, under Finance Act, 1914 | \$149,620,125 00 |

DOMINION GOVERNMENT SAVINGS BANKS

Deposits in the Dominion Government Savings Banks during September, 1920, were again lower, being \$137,521, as compared with \$145,393 for August, and \$182,622 for July. Withdrawals, however, were only \$183,253, as compared with \$198,885 for the previous month. The following are the figures, as submitted by the finance department:—

| BANK | Deposits for Sept. 1920 | Total Deposits | Withdrawals for Sept. 1920 | Balance on Sept. 30, 1920. |
|-------------------------------|-------------------------|-------------------|----------------------------|----------------------------|
| Manitoba:— | | | | |
| Winnipeg | \$ 2,369.00 | \$ cts 436,549.04 | \$ cts 9,745.35 | \$ cts. 426,803.69 |
| British Columbia:— | | | | |
| Victoria | 20,005.00 | 1,113,494.87 | 27,057.05 | 1,086,437.82 |
| Prince Edward Island:— | | | | |
| Charlottetown | 22,666.00 | 1,776,930.99 | 27,199.94 | 1,749,731.05 |
| New Brunswick:— | | | | |
| Newcastle | | | | |
| St. John | 59,900.88 | 4,240,566.87 | 63,816.33 | 4,176,750.54 |
| Nova Scotia:— | | | | |
| Barrington | 120.00 | 70,358.15 | 482.15 | 69,876.00 |
| Guysboro' | 120.00 | 78,688.29 | 604.06 | 78,084.23 |
| Halifax | 27,419.62 | 2,311,311.58 | 38,848.20 | 2,272,463.38 |
| Kentville | 3,005.00 | 246,658.22 | 5,814.16 | 240,844.06 |
| Lunenburg | 1,316.00 | 403,732.89 | 9,213.81 | 394,519.08 |
| Port Hood | | | | |
| Sherbrooke | 600.00 | 66,898.30 | 472.22 | 66,426.08 |
| Totals | 137,521.50 | 10,745,229 20 | 183,253.27 | 10,561,975.93 |

The catch of sea fish of all kinds for the month of August on both the Atlantic and Pacific coasts amounted to 1,005,884 cwts., as compared with 1,145,290 cwts. for the same month last year. The total value of the August catch was \$3,647,137, against \$4,506,143 last year.

INVEST YOUR SAVINGS
in a 5½% DEBENTURE of
**The Great West Permanent
Loan Company**
SECURITY

| | |
|------------------------------------|---|
| 5½% INTEREST RETURN | Paid-up Capital\$2,412,578.81 Reserves 964,459.39 Assets 7,086,695.54 |
|------------------------------------|---|

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary,
Edmonton, Vancouver, Victoria; Edinburgh,
Scotland.

Dollar by Dollar

is the way some people save, and many succeed in building up substantial accounts. It is well worth the effort to save, even in a small way, as it is a well-known fact that saving money increases one's productiveness.

Your savings will be safe with this old-established institution, and you will receive interest thereon at

THREE AND ONE-HALF
per cent. per annum, paid twice each year.

Canada Permanent Mortgage Corporation
TORONTO STREET - - - TORONTO
Established 1855

THE DOMINION SAVINGS AND INVESTMENT SOCIETY

Masonic Temple Building, London, Canada

Interest at 4 per cent. payable half-yearly on Debentures

T. H. PURDOM, K.C., President NATHANIEL MILLS, Manager

THE Ontario Loan & Debenture Co.

LONDON INCORPORATED 1870 Canada

CAPITAL AND UNDIVIDED PROFITS .. \$3,900,000

5½% SHORT TERM (3 TO 5 YEARS) **5½%**
DEBENTURES
YIELD INVESTORS

JOHN McCLARY, President A. M. SMART, Manager

London and Canadian Loan and Agency Co., Limited

ESTABLISHED 1873 51 YONGE ST., TORONTO

Paid-up Capital, \$1,250,000 Rest, \$950,000 Total Assets, \$5,085,872

Debentures issued, one hundred dollars and upwards, one to five years. Best current rates. Interest payable half-yearly. These Debentures are an Authorized Trustee Investment. Mortgage Loans made in Ontario, Manitoba and Saskatchewan.

WILLIAM WEDD, Secretary V. B. WADSWORTH, Manager

THE TORONTO MORTGAGE COMPANY

Office, No. 13 Toronto Street

Capital Account, \$724,550.00 Reserve Fund, \$670,000.00
Total Assets, \$3,249,154.26

President, WELLINGTON FRANCIS, Esq., K.C.
Vice-President, HERBERT LANGLOIS, Esq.

Debentures issued to pay 5%, a Legal Investment for Trust Funds.
Deposits received at 4% interest, withdrawable by cheque.
Loans made on improved Real Estate on favorable terms.

WALTER GILLESPIE, Manager

5½%

Absolute
Security

OVER 200 Corporations, Societies, Trustees and Individuals have found our Debentures an attractive investment. Terms one to five years.

The Empire Loan Company

WINNIPEG, Man.

Six per cent. Debentures

Interest payable half yearly at par at any bank in Canada.
Particulars on application.

The Canada Standard Loan Company

520 McIntyre Block, Winnipeg

ACCOUNT BOOKS LOOSE LEAF LEDGERS BINDERS, SHEETS and SPECIALTIES

Full Stock, or Special Patterns made to order

PAPER STATIONERY, OFFICE SUPPLIES
All Kinds, Size and Quality, Real Value

THE BROWN BROTHERS LIMITED

Simcoe and Pearl Streets TORONTO

T. K. McCallum & Company

GOVERNMENT AND MUNICIPAL SECURITIES

Western Municipal, School and Saskatchewan Rural Telephone Co. debentures specialized in.

Correspondence invited

GRAINGER BUILDING SASKATOON

F. S. RATLIFF & CO.

FARM LANDS—FARM LOANS
STOCKS AND BONDS

Medicine Hat - - - - Alberta

Imports Show Further Falling Away in September

Value of Exports is Also Considerably Lower—Principal Decline was in Agricultural and Vegetable Product—Wood and Paper Sent out of the Country Also Reduced

A FURTHER falling away in imports is shown in the September trade statement of the Department of Customs, the figures being \$115,121,588, as compared with \$124,318,014 in August. The trade showing, however, was less favorable than in August, inasmuch as the decline in imports was accompanied by a great decline in exports from \$112,278,064 to \$94,389,685.

For the six months of the fiscal year, merchandise entered for consumption totalled \$713,012,191, while domestic merchandise exported amounted to \$548,780,172, making an unfavorable balance for the first half of the year of \$164,232,019, as compared with a favorable balance last year of \$127,682,685.

The value of agricultural and vegetable products imported during September was lower than in August, while fibres and textiles also showed a decline. There were slight increases in wood and paper, etc., chemicals and chemical products and miscellaneous products, but all other classes of imports showed decreases.

Under exports the principal decline was in agricultural and vegetable products, the figure being \$20,606,790, compared with \$28,065,382 in August. There was a slight increase in chemical products, and miscellaneous products were considerably higher, but all other classes showed reductions, including wood, paper, and wood products, etc.

The following table gives the details:—

IMPORTS ENTERED FOR HOME CONSUMPTION

| | Month of September | | | | Six months ending September | | | |
|---|--------------------|-------------------|-------------------|-------------------|-----------------------------|--------------------|--------------------|--------------------|
| | 1919 | | 1920 | | 1919 | | 1920 | |
| | Free | Dutiable | Free | Dutiable | Free | Dutiable | Free | Dutiable |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Agricultural and vegetable products, mainly foods..... | 2,867,853 | 10,260,753 | 3,268,819 | 10,059,877 | 17,289,815 | 54,289,637 | 25,020,968 | 78,694,754 |
| Agricultural and vegetable products, other than foods..... | 2,700,511 | 1,807,684 | 4,009,546 | 2,723,442 | 16,819,393 | 8,729,816 | 23,235,702 | 20,672,646 |
| Animals and animal products..... | 3,866,724 | 3,196,918 | 2,160,950 | 2,798,711 | 14,217,214 | 28,009,865 | 17,901,400 | 19,108,542 |
| Fibres, textiles and textile products..... | 4,798,224 | 11,696,837 | 5,652,950 | 16,352,961 | 25,791,598 | 55,096,324 | 51,137,513 | 114,576,502 |
| Chemicals and chemical products..... | 921,864 | 1,533,316 | 1,965,514 | 1,982,246 | 4,521,441 | 7,431,086 | 10,108,077 | 11,518,914 |
| Iron and steel, and manufactures thereof..... | 2,814,371 | 12,940,707 | 4,821,422 | 19,966,251 | 17,825,200 | 71,204,269 | 26,108,664 | 114,142,777 |
| Ores, metals and metal manufactures, other than iron and steel..... | 1,646,677 | 2,571,594 | 1,748,847 | 3,632,325 | 8,403,108 | 13,781,372 | 9,640,559 | 21,928,454 |
| Non-metallic minerals and products..... | 1,714,494 | 2,214,896 | 7,486,090 | 13,629,063 | 29,107,805 | 29,795,231 | 40,990,605 | 56,895,714 |
| Wood, wood products, paper and manufactures..... | 2,452,913 | 3,234,902 | 2,517,731 | 3,203,631 | 9,035,815 | 10,618,132 | 13,115,370 | 16,941,817 |
| Miscellaneous..... | | | 3,609,955 | 3,533,523 | 13,719,177 | 16,074,112 | 20,663,178 | 20,610,035 |
| Total..... | 30,583,663 | 54,922,349 | 37,239,558 | 77,882,030 | 156,730,566 | 295,029,844 | 237,922,036 | 475,090,155 |
| Duty collected..... | | 14,907,582 | | 15,507,865 | | 81,954,167 | | 105,859,820 |

EXPORTS

| | Month of September | | | | Six months ending September | | | |
|---|--------------------|------------------|-------------------|------------------|-----------------------------|-------------------|--------------------|-------------------|
| | 1919 | | 1920 | | 1919 | | 1920 | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Agricultural and vegetable products, mainly foods..... | 19,240,942 | 542,093 | 20,606,790 | 358,434 | 189,233,242 | 3,164,252 | 148,962,556 | 962,495 |
| Agricultural and vegetable products, other than foods..... | 3,617,166 | 44,532 | 2,248,537 | 31,458 | 14,128,973 | 1,245,539 | 12,772,655 | 162,461 |
| Animals and animal products..... | 27,575,921 | 174,178 | 20,387,261 | 189,781 | 148,145,116 | 3,737,999 | 97,655,279 | 720,390 |
| Fibres, textiles and textile products..... | 2,331,756 | 206,084 | 863,072 | 226,319 | 12,717,433 | 2,366,669 | 10,845,913 | 1,369,876 |
| Chemicals and chemical products..... | 2,706,298 | 72,374 | 1,956,207 | 224,304 | 11,049,077 | 2,286,579 | 11,099,524 | 659,663 |
| Iron and steel and manufactures thereof..... | 6,468,805 | 1,183,596 | 8,811,264 | 151,314 | 39,924,488 | 4,919,494 | 40,881,043 | 6,235,464 |
| Ores, metals and metal manufactures, other than iron and steel..... | 4,111,239 | 222,661 | 4,493,340 | 96,850 | 22,809,693 | 1,811,651 | 24,519,136 | 431,415 |
| Non-metallic minerals and products..... | 2,650,528 | 23,318 | 3,776,935 | 88,270 | 11,827,847 | 248,679 | 22,635,923 | 410,350 |
| Wood, wood products, paper and manufactures..... | 22,033,621 | 20,429 | 30,694,355 | 45,542 | 94,570,352 | 170,016 | 157,447,401 | 202,569 |
| Miscellaneous..... | 14,258,130 | 635,444 | 2,551,924 | 301,787 | 35,036,874 | 3,494,079 | 21,961,242 | 1,931,456 |
| Total..... | 104,994,406 | 3,124,709 | 94,389,685 | 2,014,059 | 579,443,095 | 23,444,957 | 548,780,172 | 13,086,139 |

RECAPITULATION

| | Month of September | | Six months ending September | |
|--|--------------------|--------------------|-----------------------------|----------------------|
| | 1919 | 1920 | 1919 | 1920 |
| | \$ | \$ | \$ | \$ |
| Merchandise entered for consumption..... | 85,506,012 | 115,121,588 | 451,760,410 | 713,012,191 |
| Merchandise, domestic, exported..... | 104,994,406 | 94,389,685 | 579,443,095 | 548,780,172 |
| Total..... | 190,500,418 | 209,511,273 | 1,031,202,505 | 1,261,792,363 |
| Merchandise, foreign, exported..... | 3,124,709 | 2,014,059 | 23,444,957 | 13,086,139 |
| Grand total, Canadian trade..... | 193,625,127 | 211,525,332 | 1,054,647,462 | 1,274,878,502 |

DIVIDEND NOTICES

**THE CONSUMERS' GAS COMPANY
OF TORONTO**

Notice of Annual Meeting

The Annual General Meeting of the Shareholders of the Consumers' Gas Company of Toronto, to receive the report of the Directors, and for the election of the Directors for the ensuing year, will be held in the Company's Boardroom, 17 Toronto Street, Monday, the 25th day of October, 1920, at 12 o'clock, noon.

ARTHUR HEWITT,
General Manager. 249

THE MERCHANTS BANK OF CANADA

QUARTERLY DIVIDEND

A Dividend of **Three Per Cent.** for the Current Quarter, being at the rate of **Twelve Per Cent.** per annum upon the Paid-up Capital Stock of the Bank, was declared payable on 1st November next to Shareholders of record on the evening of 15th October, stock not fully paid up on 31st July to participate in the dividend on the amounts paid up on that date and upon later payments from the date thereof.

By Order of the Board.

D. C. MACAROW,
General Manager.

Montreal, 30th September, 1920. 247

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 135

Notice is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 30th November next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st December, 1920. The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board,

JOHN AIRD,
General Manager.

Toronto, 15th October, 1920. 260

DIVIDEND NOTICE

MURRAY-KAY COMPANY, LIMITED.

Notice is hereby given that a Dividend of one and three-quarters per cent. for the three months ending October 31st, 1920 (being at the rate of seven per cent. per annum), has been declared on the Preference Shares of this Company, and will be payable on November 1st, 1920, to Shareholders of record at the close of business on October 20th, 1920.

The Transfer Books of the Company will be closed from October 21st to 30th, 1920 (both days inclusive).

By order of the Board.

FRANK MUNDY,
Secretary.

Toronto, October 19th, 1920. 258

DEBENTURES FOR SALE

DEBENTURES, TOWN OF KENTVILLE

Sealed tenders addressed to the undersigned and marked "Tenders for Debentures" will be received up to noon on October 25, 1920, for the purchase of the following debentures:—

\$25,000.00 to pay Water Works Debentures maturing January 1, 1921, in denominations of \$500.00 each, and dated November 1, 1920.

\$2,500.00 to pay School Debentures maturing January 1, 1921, in denominations of \$500.00 each, and dated November 1, 1920.

\$1,300.00 to pay Exhibition Ground Debentures which matured on November 1, 1919, in denominations of \$100.00 each, and dated November 1, 1920:

\$2,300.00 for the purchase of a Chemical Engine for the Fire Department, in denominations of \$100.00 each, and dated November 1, 1920.

All of the above debentures will bear interest at six per cent. per annum, payable half-yearly, and said debentures are to be issued under the Authority of an Act of the Legislature of the Province of Nova Scotia passed at the last session.

These debentures redeemable in 25 years.

The highest or any tender not necessarily accepted.

Dated at Kentville, Kings County, N.S., this 8th day of October, A.D., 1920. 254

J. CARROLL,
Town Clerk.

Condensed Advertisements

"Positions Wanted," 3c per word; all other condensed advertisements 5c. per word. Minimum charge for any condensed advertisement, 65c per insertion. All condensed advertisements must conform to usual style. Condensed advertisements, on account of the very low rates charged for them, are payable in advance; 50 per cent. extra if charged.

ACCOUNTANT.—Man thirty-five years of age. Thoroughly familiar with Costs, Credits, and Financial Work. For past five years in charge of Accounting Department large Western Corporation. Open for engagement October 1st. Box 345, *Monetary Times*, Toronto.

WANTED.—A strong British Company for Hail Insurance in Western Canada, either General Agency or management. Several years' experience with one of the most successful companies now operating. My experience in both management and field work together with several years' connection will assure good income. All correspondence confidential. Apply Box 355, *Monetary Times*, Toronto.

**THE DEBENTURE COMPANY
OF CANADA, LIMITED**

AUTHORIZED CAPITAL, \$500,000

Head Office - - Regina, Saskatchewan

Municipal, School and Telephone Debentures Bought and Sold

29

Griffith R. Hughes, a British Columbia chartered accountant, is charged with embezzling a large sum from David Spencer, Ltd., of which he was confidential adviser for several years.

Tariff Commission Now in Protectionist Centres

Remainder of Hearings Will be in East—Summary of Evidence in Regina, Brandon, Winnipeg, Fort William, Port Arthur and Sault St. Marie—Strong Tarriff Reduction Sentiment in Middle West—Iron and Steel Bounty Urged

NOW that the tariff commission has reached the central provinces, the weight of the evidence received will be on the side of protection. During the past ten days the sessions have been as follows: October 11 and 12, Regina; October 13, Brandon; October 14, Winnipeg; October 15, Fort William and Port Arthur; October 18, Sault Ste. Marie; October 21, Windsor. The itinerary for the coming week has not at the time of writing been announced.

The evidence in Regina was colored by local politics, as the federal tariff has played an important part in recent provincial elections. Hon. W. F. A. Turgeon, attorney-general, and Hon. George Langley, Minister of Municipal Affairs, denounced the policy of protection, and advocated the adoption of the farmers' platform. Hon. Mr. Turgeon is the most prominent member of the Martin government. Twice has the Saskatchewan legislature adopted unanimously what is practically a free trade resolution. In 1911, after the reciprocity pact was announced, the two parties joined hands in its endorsement, and also demanding that the freedom of trade be further extended. Again last session the Tory remnant in the legislature supported a government resolution of endorsement of the farmers' free trade policy.

Hon. M. Turgeon quoted these as evidence of the unanimous demand in Saskatchewan for fiscal reform. After the report of the House of Commons cost of living commission on the textile trade was published, and a further investigation ordered by the court of commerce, the Saskatchewan government appointed J. F. Frame, K.C., to review the evidence. Mr. Turgeon quoted from the interim report of the ill-starred court of commerce to substantiate his contention that the duty enhanced the price. This report was made just previous to the resignations of Messrs. O'Connor and Murdock, and it states that the abnormal profits were due in a considerable degree to the high protection given the textile trade. Hon. Mr. Turgeon wished to know when the inquiry would be continued and completed. Sir Henry Drayton said until the authority of the court of commerce was established by the privy council it would not continue that inquiry, but that the tariff commission would do so, and he would arrange for a special session at which the Saskatchewan government could be represented.

In Brandon, representatives of the farmers urged that the tariff was a burden on the farm. Farmers of Manitoba are demanding a reduction of the tariff rates on farm necessities, J. L. Brown, president of the United Farmers of Manitoba, told the commission. Mrs. J. H. Wood, of Oakville, Man., president of the United Farm Women of Manitoba, in a statement read, outlined the privations suffered by the farm women. In a survey made recently she said that the 18 farm homes visited are existing on necessities, without luxuries in any shape or form.

Evidence Reviewed in Winnipeg

In Winnipeg the farmers and manufacturers summarized their arguments already presented. Both Norman Lambert, secretary of the Canadian Council of Agriculture, and Mr. Bristol, manager of the Tariff Department of the Canadian Manufacturers' Association, made strong presentations of the arguments already made respectively by farmers and low-tariff men on the one side and by manufacturers and protectionists on the other. The case of Mr. Norman Lambert before the country was strengthened by the appearance of Premier Norris to tell the commission how the Manitoba Legislature had passed unanimously, on two different occasions, resolutions calling for an immediate all-round reduction of the customs tariff; the establishment of a 50 per cent. preference to Great Britain, as well as the extension to the Mother Country of all tariff concessions given other coun-

tries, and the gradual reduction of the duties against her until they disappeared in five years, or as quickly as possible; unrestricted reciprocal trade in natural products with the United States along the lines of the 1911 reciprocity agreement; the placing on the free list of all foodstuffs and agricultural implements; the obliging of all protected corporations to publish annually a statement of their turnovers and earnings, and a public hearing before a special parliamentary committee of every claim for tariff protection.

To bolster Mr. Bristol's case came also T. R. Deacon, president of the Manitoba Bridge and Iron Works, who said he would "quit while the going was good" if protection were taken off his products, and F. A. Gemmel, mayor of Selkirk, who wanted industries in his municipality, especially one insulation company, which might give a partial market to western wheat straw. Edward Parnell, chairman of the prairie branch of the Canadian Manufacturers' Association, also rendered aid with a long and exhaustive consideration of the income tax collections in various countries to show that in Canada all direct taxes on income in the aggregate were obtaining as much as they reasonably could.

Iron and Steel Bounty

At Fort William, the boards of trade of this city and of Port Arthur urged a bounty on all Canadian iron ores mined and marketed. The Port Arthur Board of Trade said that at least 50 cents a ton would be necessary to secure this desirable result; the representative of the various owners of iron mines wanted seventy-five cents, and the Fort William Board of Trade representatives say that anything less than one dollar a ton would be of little use in inducing proprietors of iron mines to work their properties. All agreed that the bounty should be paid to the producer of the iron ores, and not to the smelters, pointing to the failure of former attempts to get the iron mining industry on its feet by such means. At present the iron industries of Canada import annually two and a half million tons of raw ore from the United States, or 96 per cent. of the iron ore utilized in the Dominion to-day. Production of the iron ore in the United States is cheaper than in Canada because all the ores being utilized there are what is known as "merchantable" ores, while the low-grade iron ores of Canada need "beneficiation." A duty on the imported raw material is inadvisable because it would work a hardship on the smelters, which use several grades for mixing purposes to get the best results and which would, therefore, have occasionally to get American ores in any case.

Sir Henry Drayton was evidently not convinced of the advisability of giving at present the bounties asked for. Canadian industries can get cheap supplies of the American ores, and in view of the fact that former iron bounty schemes had failed to establish the industry, he questioned every witness closely as to the cost of production in Canada, length of freight haul and the values of the ores in the principal fields.

How Steel City Has Grown

In Sault Ste. Marie the iron and steel industry was the principal subject discussed. A memorandum presented by the local Board of Trade by J. Hussey was largely a repetition of that presented by the Port Arthur Board of Trade in that it emphasized the advisability, from a national and local standpoint, of developing the Canadian low-grade ores by means of bounties. It differed mainly, however, in that the Sault Ste. Marie experts feel, as the Fort William representative did, that 50 cents a ton is not enough, and that anything less than \$1 a ton bounty would be of no use.

The Ogilvie Flour Mills Company Limited

Balance Statement, 31st August, 1920

| ASSETS. | |
|--|------------------------|
| Cash | \$ 1,508,505.44 |
| Accounts and Bills Receivable, after making provision for bad and doubtful debts | 1,345,268.95 |
| Stocks on hand of Wheat, Flour, Oatmeal, Coarse Grains, Bags and Barrels | 435,101.23 |
| Dominion of Canada War Loans and other investments | 6,552,978.26 |
| TOTAL ACTIVE ASSETS | \$ 9,841,853.88 |
| Investment for Pension Fund | 430,049.40 |
| Real Estate, Water Powers and Mill Plants in Montreal, Fort William, Winnipeg and Medicine Hat; Elevators in Manitoba, Saskatchewan and Alberta; Property in St. John, N.B., and Ottawa; Stable Plant and Office Equipment | 5,798,891.70 |
| Goodwill, Trade Marks, Patent Rights, etc..... | 1.00 |
| | <u>\$16,070,796.10</u> |
| LIABILITIES. | |
| Accounts Payable (including provision for Dominion Government Taxes to date) | \$ 1,877,990.79 |
| Provision for Bond Interest and Dividends to date | 395,250.00 |
| TOTAL CURRENT LIABILITIES | \$ 2,273,240.79 |
| Officers' Pension Fund | 433,972.77 |
| First Mortgage Bonds | 2,350,000.00 |
| Capital Stock—Preferred | \$2,000,000.00 |
| do. Common | 2,500,000.00 |
| Rest Account | 2,500,000.00 |
| Contingent Account | 2,500,000.00 |
| PROFIT AND LOSS ACCOUNT— | |
| Amount at credit 31st August, 1919 | \$1,244,516.64 |
| Profits for the year from all sources, including Investment Income; and after payment of Bond Interest | \$959,065.90 |
| LESS—Dividends | 690,000.00 |
| | <u>269,065.90</u> |
| | <u>\$1,513,582.54</u> |
| | <u>11,013,582.54</u> |
| | <u>\$16,070,796.10</u> |

Approved on behalf of the Board:

C. R. HOSMER,
H. S. HOLT,
Directors.

To the Shareholders:

We have audited the books of the Ogilvie Flour Mills Company, Limited, at Montreal, Fort William, Winnipeg and Medicine Hat, for the year ending 31st August, 1920, and have obtained all the information and explanations we have required; and we certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

CREAK, CUSHING & HODGSON,
Chartered Accountants.

W. C. Franz, president of the Algoma Steel Corporation, when appealed to, advanced the opinion that considerable development would take place with such a bounty paid to the miners. There is another interesting possibility which has been advanced as an article of faith by steel men in Port Arthur, Fort William and Sault Ste. Marie, to which Mr. Franz also gave his adherence, and that is that further prospecting of the iron ranges in Canada would bring to light other deposits of merchantable free-milling iron ore that can go to the blast furnaces directly without previous treatment. He did not believe that the Helen Mine, now worked out so far as the merchantable ores were concerned, was the only deposit in this region. The great steel plant here had been started on that reasonable expectation.

Mr. Franz gave comparative statistics of population and value of property in Sault Ste. Marie over a period of twenty years, to show how the steel business had developed it from a few thousands in population, with a total valuation of property under \$1,000,000, to a city of 21,000, with a valuation exceeding \$23,000,000. The plant rolled the first rail rolled in Canada in 1902, the plant being built in 1901. It now employed 8,600 men. It was a large contributor to the customs revenue, as much of its machinery and raw product could not be obtained in Canada.

OIL STRIKE AT FORT NORMAN

The following statement regarding the recent discovery of oil at Fort Norman, on the Mackenzie River, was made on October 18th by C. O. Stillman, president of the Imperial Oil Co., Ltd.: "With reference to our well on the Mackenzie River, the drilling machinery was moved in in 1919 and erected in the fall. The drilling crew remained in camp there all winter for the purpose of beginning work early in the spring, and drilling operations have proceeded all this season. On the 25th of August, at a depth of 783 feet, oil was encountered which flowed out of the 6-inch pipe for thirty minutes, when the well was capped and shut in. Any estimate as to the amount of oil this well would produce is only a guess, as there was no tankage available and an accurate test could not be made.

"We consider this an important strike, and, scientifically, of much value. From a commercial point of view, however, it is not of immediate value, as it will probably be years before it can be made available in quantities for the use of the Canadian market on account of its remoteness from any refinery outlet. This well is situated 45 miles below Fort Norman, 900 miles from the nearest calling point of a river boat, 1,200 miles from the nearest railroad and 1,500 miles north of Edmonton, the nearest city, via the present route. The only means of access to the location at the present time is down the northern rivers, which will only float boats of four to five-foot draught, and several rapids necessitate the unloading and transporting of the cargoes overland and re-loading on barges again. This precludes bringing oil up the river in any quantities until more adequate transportation facilities are provided.

"The modern scientific method of transporting oil from remote oilfields to the nearest railroad points is by pipe-line. It would be necessary to demonstrate by actual drilling and production that there was a sufficient quantity of oil to justify the laying of a pipe-line, which, in itself, would probably cost fifty million dollars. There is another important element which mitigates very much against the commercializing of any oil found in this territory; that is, the extreme cold, which makes the rivers navigable for only three or four months of the year. The extreme cold in this Arctic region would also mitigate very largely against the handling of this oil in the winter time. With these facts in mind, it must be realized that to render the oil from this Arctic region commercially accessible would prove very costly, and the problem will require great study before any means can be devised of getting the oil out to compete with crudes from other centres of production."

NEW MONTREAL FINANCIAL HOUSE

Eastern Canada Securities, Ltd., is the name of a new firm organized in Montreal to carry on business as real estate and business brokers, specializing in pulp and paper lands. C. F. Graham is president and J. Churchill secretary-treasurer. A "Financial and Investment Review" is being published, the first number, for September, being a special pulp edition.

INSTITUTE OF COMPANY SECRETARIES

At the first open meeting of the Canadian branch of the Chartered Institute of Secretaries of Joint Stock Companies and other Public Bodies, held in Montreal on October 11, an address on "The Aims and Objects of the Chartered Institute of Secretaries" was delivered by Mr. William Watkins, J.P., F.C.I.S., of London, England, past president of the institute. Mr. Watkins was introduced to the audience by Mr. William MacInnes, A.C.I.I., A.C.I.S., chairman of the newly formed Montreal branch, who stated that Sir Arthur Currie had been pleased to accept the presidency of the branch and that Dr. J. A. Nicholson, B.A., registrar of McGill, and Mr. Watkins, the lecturer, had been elected vice-presidents.

Mr. Watkins, after giving an account of the inception and progress of the institute in England and its branches in the British Isles, said that the great increase in the number of joint stock enterprises in recent years necessitated the training of secretaries to undertake professional secretarial duties in connection with these companies. When the institute was started in Great Britain men were found in secretarial positions who were not qualified in company law, etc., to render efficient service to the directors and shareholders whose interests they were there to guard. In Great Britain one found to-day that no self-respecting company was without a member of the Institute of Secretaries as its secretary and a chartered accountant as its auditor. The public now demanded that the affairs of companies in which its money was invested must be in the hands of trained professional men. Mr. Watkins instanced the work of the institute in England in promoting uniformity in the transfer of shares in joint stock companies. He explained that some years ago each secretary had his own ideas in this regard, and that stockbrokers and others were much perplexed in complying with each individual secretary's requirements, but by the compilation and issue of a standard text-book entitled "Secretarial Practice," published by the institute, uniformity had been attained, and that this text-book had since become the standard authority on the subject. The speaker pointed out that with the co-operation of prominent secretaries in Canada the work of the institute would be beneficial to the public at large, and that within a few years the institute would become established as a useful body of expert opinion as had the parent organization in Britain, many of whose members had been called upon from time to time to give expert evidence before Royal Commissions in matters affecting secretarial practice. Mr. Watkins expressed his satisfaction that Sir Arthur Currie had seen fit to accept the presidency of the Canadian branch, remarking that his great service to his country and the Empire had won the admiration of all members of the institute in Britain.

At the conclusion of Mr. Watkins' address the meeting was thrown open for discussion, and Mr. MacInnes, the chairman, explained in answer to questions that it was the intention of the local council to form a students' society, as the institute had provision for registered students, and also to arrange with existing educational authorities for courses to be held to enable students to study for the professional examinations of the institute, which will be held from time to time at McGill University. Enquiry forms would be issued to all those who desired to ascertain their eligibility for membership.

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EFFECT OF INCORPORATION ON CONTRACT

When Party Knew Partnership was to be Incorporated, Contract Cannot be Enforced Unless Ratified by Company

WHERE an agent enters into a contract with one of the members of a partnership for the sale of goods on a commission basis with full knowledge of the fact that the partnership is shortly to be incorporated as a limited company, and continues under the contract after the formation of the company without the contract being ratified by the company, the members of the partnership are only liable for commissions earned before such company is incorporated. This is the substance of the Alberta Supreme Court's recent judgment in the case of *Power v. Edmonton Lumber Exchange*.

The facts of the case were that the defendants Cavanaugh and Nierengarten carried on business in partnership as lumber merchants under the name of the Edmonton Lumber Exchange, from the 22nd to the 26th of August, 1919, on which latter date one Shore was admitted as a member. The partnership agreement which was entered into when Shore came in recites that the original members, Cavanaugh and Nierengarten were at its date taking out letters of incorporation and intended to carry on the business as a limited company as soon as the same could be incorporated, and it expressly limited the term of the partnership until the incorporation could be effected. On September 6, 1919, while this partnership was still subsisting, and before the company was incorporated, Cavanaugh entered into an agreement with Power in the name of the partnership under which Power undertook the sale of coal, lumber and other products in Manitoba and Saskatchewan on a commission basis. He earned commissions under this agreement in respect of which a balance of \$685.55 remained owing to him. He alleged that it was the partnership that owes him this money, and he, therefore, sued it and its two original members for the same.

Agreement Bound Partners

Justice Walsh in his judgment says:

"The larger question is whether or not any personal liability is imposed upon the defendants under it. The agreement shows upon its face that the plaintiff was to operate on behalf of the company that was then in process of incorporation, and which was to have the same name as that of the partnership with the addition of the word 'Limited.' It is in the form of a letter signed in the partnership name per Cavanaugh, and addressed to the plaintiff, which begins as follows: 'Pursuant to our conversation and verbal agreement . . . you will operate on behalf of the Edmonton Lumber Exchange, Limited, in the City of Winnipeg, etc. The only thing in the document that seems to impart any personal liability on the part of the firm is that in which it says, 'We agree to pay you 50c. per thousand feet on all lumber sold . . .;' but this is counteracted by the concluding sentence, which says, 'in connection with the other commodities such as shingles, posts, etc., that your commission on same will be one half of the net profit received on same by the company.'"

"It is said for the plaintiff that the defendants could not, by their contract, bind a non-existent company, and the company could not, upon coming into existence, adopt the contract thus made for it, and the defendants therefore made themselves personally liable for the plaintiff's commission for which he could not in law hold the company."

Implied Contract at Least

"In such case as this, the plaintiff, if pressing his claim against the company for commissions earned after its incorporation, would not be bound to prove an express contract on the part of the company to pay for the same. The mere fact of the services being performed by him and accepted by it would raise an implied contract on its part

to pay him what those services were worth, so that if the contract now sued upon had never been entered into, I should say that simply by the rendering and acceptance of his services he could have held the company liable on a *quantum meruit*, and in all probability the basis of compensation fixed by the contract would have been accepted in determining what those services were worth."

"If, in this case, the plaintiff's right to recover from the company depended solely upon the contract made with him by the defendants, there would be a great deal of force in the contention that, as that contract never was and could not be made legally binding upon the company, liability for the plaintiff's claim must rest upon these defendants. But when the company's liability in no sense depended upon this contract, I cannot see how this principle can be invoked against these defendants. For the commissions earned before the incorporation, I think the defendants are liable, but they are more than paid for by the \$50 payment made by them. For the commissions earned after the incorporation, I am unable to hold them liable."

PROBATE OF VERBAL WILL

For the first time in the province of Quebec, and possibly for the first time in Canada, the Superior Court on October 14 sanctioned the probate of a verbal will. Mr. Justice Surveyor, however, by written order thereon, stated that it was not to stand as a precedent. The petitioner was George Hamilton, who asked the court to grant proof of the last will and testament of his son, 2nd Lieut. Douglass Reginald Hamilton, as contained in the following words uttered by the young soldier on the eve of his departure for the war in November, 1917: "If I am killed or die on active service, I leave everything to you, father." He was killed on January 23, 1918.

OWNERSHIP OF PROPERTY BURNED

The Alliance Assurance Company is appealing in the Quebec Court of Appeal from a lower court judgment condemning it to pay \$7,500 on a policy of fire insurance to James F. McLean. The policy was issued in respect to a building belonging to McLean at Cowansville, Que. The property was destroyed by fire and appellants ask for reversal of the judgment on the ground that it was in error in holding that respondent was owner of the insured building. It was urged that, as the building was under construction at the time of the fire, it remained the property of the contractor until completion. To find that respondent had an insurable interest in the building would be, it was argued, in violation of article 2571 of the Civil Code and statutory condition 10a of the policy.

BANK NOTES REDEEMED AT DISCOUNT

A. G. Hudson, accountant, of Toronto, is suing the Royal Bank for \$3,121. In November last the plaintiff made two deposits amounting to \$31,400, and made up in part of Royal Bank bills, with the defendants in Toronto, and later was notified by the bank that they were debiting his accounts with \$3,121, exchange on Royal Bank bills he had deposited. The bills, he alleges, were stamped "Trinidad," and as a result of being charged up with the exchange he avers that he had to make a further deposit of \$3,125 to meet obligations he had incurred. He sues for the amount of the exchange debited to his account. The defendants aver that the bills were stamped "Payable at Port of Spain, Trinidad," where they have a branch, and where they would have been accepted at par. At the time the plaintiff made his deposit in Toronto the exchange was against Trinidad, but by an error the bills were taken at par. Later they claim the plaintiff agreed to pay the exchange. Hudson alleges that on other occasions the bank had accepted similar bills from him at par, and by so doing had waived any rights to claim exchange.

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News of Industrial Development in Canada

Port Arthur Shipbuilding Company to Manufacture Pulp and Paper Machinery—Norwegians Investigating British Columbia Timber Resources—Capital may be Forthcoming from that Country for Investment on the Coast—Holland Co-Operative Society Canvassing Canadian Market for Flour and Foodstuffs

BECAUSE of the great growth of the pulp and paper industry at the head of the great lakes, the Port Arthur Shipbuilding Co. will undertake the manufacture of pulp and paper machinery. All classes of grinders, wet-machines, chippers, digestors and heavy paper-making machines will be manufactured. The following statement was made in Port Arthur, Ont., by P. G. Chace, vice-president of the company, in regard to the new policy:—

"In view of the pulp and paper business making such favorable progress at the head of the lakes, and with the resources in the way of wood behind this production, we believe that the time is now opportune to enter into the manufacture of pulp and paper-making machinery. In arriving at this decision, we have been prompted and guided by some of the most successful leaders in the pulp and paper industry, and through their assistance we were able to secure the services of probably the best known and ablest engineers and designers in North America.

"The acreage, floor space in our shops and facilities in the way of equipment, as contained in our plant, are most favorable for the manufacture of the heavy and complicated types of machinery and equipment necessary for the successful manufacture of pulp and paper. In addition to our present foundry facilities, which include the casting of iron and brass, we have now under consideration and hope soon to start the installation of an electric steel furnace of ample capacity to not only supply our own needs, but the requirements of the surrounding country as well. With the opportunity at hand, and the amount of business already assured us, our organization will be increased six hundred to a thousand men within a year's time. The type of labor required for this work is of the highest skilled class.

"A similar instance of just such a condition as ours is recalled by reference to one of the largest shipbuilding companies on the Atlantic coast, located in the United States, who, a number of years ago, decided to enter into the manufacture of pulp and paper machinery as a side issue to their enormous shipbuilding program, and this company to-day is probably the best known and largest manufacturer of high-grade paper machinery in the world. The organization required on that work has doubled that required for the shipbuilding industry in their plant within a few short years.

"Our shipbuilding program, we are very glad to report, has received a new impetus through the just recently securing of another new contract similar to the last type which was started on account as a stock proposition, but which was sold recently to a well-known operator. While the price at which this boat was sold is low, the work will serve to keep our men employed. With the contracts now under way—namely, the 3,900-ton two deck salt water type vessel for the Department of Marine and Fisheries, which will be ready for launching within a few weeks' time, and the 3,000-ton single deck lake and ocean type vessel, the keel of which will be laid shortly, we are assured of steady work for fully another year. In addition, certain negotiations now under way have reached a favorable stage on new contracts, and we hope to be able to announce the signing of same in the near future."

Looking for British Columbia Timber

H. T. Bull, a Norwegian, prominent in the lumber industry of his native land, while in Victoria recently, made the statement that Europe is looking to British Columbia to supply its timber needs, especially for big timber, and that owing to the prevailing scarcity of the latter class of lumber over there and the high prices now prevailing because of the tremendous demand necessitated by the war,

there will be ample capital available for developing the virgin timber resources of British Columbia.

Europe is hungry for lumber, Mr. Bull stated. The Norwegian supply of big stuff is either exhausted, or what is left is held by certain interests, so that lumbermen there have to look elsewhere for their supply. Russia at present is quite out of the question as a source of supply, and even were the present political conditions there settled, most of the forest areas are not accessible. Chile, Mr. Bull said, is making a strong bid to interest European lumber interests in her lumber resources, the chief of which are in Southern Chile, but the timber there is not equal to that grown in British Columbia.

If the plans of Mr. Bull and his associates prove productive of results there will be extensive development work carried on, and, undoubtedly, he stated, more Norwegian capital will be forthcoming. In view of the prevailing high prices in Europe—prices that will, he believes, be maintained for some years to come—it is possible to manufacture here and ship to Europe on a profitable basis.

Fort William By-Law Ratified

An agreement between the Fort William Pulp and Paper Co. and the city of Fort William, Ont., has been ratified by ratepayers. In addition, two other by-laws, one for extending the street railway to the mill site and the other for building a road, have also been ratified. Particulars of the company's operations were given in these columns some time ago. The company expects to have its plant in operation by January, 1922.

By acquiring further timber limits in the Ottawa Valley, the Riordon Co., Ltd., has rounded out its holdings in that region. The limits purchased cover 1,100 square miles, and are situated tributary to the Quinze River, Northern Quebec, adjacent to the limits already owned by the company. Purchase of the property, which was formerly owned by M. J. O'Brien, includes a valuable undeveloped water power on the Quinze River, capable of development to over 100,000 horse-power.

Holland Interested in Canada

Representing the Netherlands Co-operative Society, G. A. J. Mirrer, director of that organization, is at present visiting the principal centres of this continent, including Montreal, Toronto, Chicago, Minneapolis, Kansas and others. Mr. Mirrer's present visit has been undertaken with a view of canvassing the markets of Canada and the United States as a prospective purchaser of flour and foodstuffs in America, for distribution through their co-operative stores to the members of the co-operative organization, who embrace with the Rotterdam group, with which Mr. Mirrer is more directly associated, about five hundred societies distributed throughout the little kingdom, with sales approximating sixteen million guilders, or approximately seven million dollars a year.

While Mr. Mirrer is not inclined to confine his hopes of being able to do business in Canada, within specific limitations, owing to the discouragements discernible in the prevalent rates of exchange, and the debatable range of prices which the war has given rise to in the essential commodities of life, he intimated, while in Montreal recently, that he was not sanguine of being able to do some business here as a result of his investigations in the country. His main idea is to endeavor to establish direct business relations with the markets on this side of the water, to facilitate the work of their co-operative organization in the purchase of wheat and flour and other foodstuff supplies.

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As indicating the extent to which the co-operative movement has developed in Holland, Mr. Mirrer said that they had over 300 co-operative bakeries located all over the country, and that the society was engaged in the operation of factories for the manufacture of wooden shoes, clothing, soap and other articles. The clothing factory was established this year for the especial purpose of combatting the exorbitant prices engendered by the war, and was operating with every augury of success.

Domestic Canadian Reindeer

The plan to increase Canada's food supplies by the domestication of reindeer and musk ox in the Far North, which was first broached to a gathering of parliamentarians by Vilhyalmur Stefansson, the session before last, promises soon to be given a trial. Hon. Arthur Meighen, who was minister of the interior at the time, brought about the appointment of a commission to inquire into the feasibility of the explorer's proposal, and it made a favorable report. Dr. J. G. Rutherford, of the Railway Board, was the chairman of the commission, and Stefansson and J. B. Harkin, of the Dominion Parks Branch, were its other members.

That the plan has now reached the stage where its commercial feasibility is about to be given a test is indicated by the incorporation of the Hudson's Bay Reindeer Company, Ltd., with headquarters at Winnipeg, and a capitalization of \$200,000. The company proposes to acquire domestic or wild reindeer, musk ox and herbivorous animals of all kinds, and to transplant them to grazing areas in the north, for which a lease has already been secured.

Demand for Farm Implements

A spirited demand for farm implements in Europe has caused the Massey-Harris Co., Ltd., Toronto, to engage about 500 additional men during the past few weeks, and the company is working hard on these orders from overseas. The company has just completed the purchase of five more acres of land adjoining the Weston plant.

Through the efforts of the Chamber of Commerce the Canadian Fulton Motors Company will locate a plant at St. Catharines, Ont. The Marathon Company's factory has been purchased and will be enlarged to suit the requirements of the motor company. About 1,000 persons will be employed, it is stated, and the company will build its own motor bodies there.

The Compton Co., of Providence, R.I., has notified the town of Cowansville, Que., that it is definitely decided that they will locate a branch of their manufacturing firm in this town. An agreement has been reached whereby they agree to locate and establish a plant on a plot of ground of some twelve acres.

Langslow, Ltd., of Cobourg, Ont., recently incorporated, and associated with the Langslow Fowler Co., of Rochester, N.Y., expect to have their plant in operation by December or January next. School and household furniture will be manufactured, and the factory, power plant and drying kilns to be utilized in the carrying on of the new industry are nearly completed and are in the process of equipment. The initial capital investment in the plant and equipment is \$175,000, to be further supplemented next spring. The company anticipates doing a Dominion-wide trade, and will, as soon as it is physically able, undertake to secure export business.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended October 15th:—

Kerr Lake Mine, 61,137; McKinley Darragh, 100,976; Hudson Bay, 63,746; Mining Corporation of Canada, 391,042; Nipissing Mine Co., 307,307; total, 924,208. The total since January 1st is 21,710,658, or 10,855.3 tons.

NEW INCORPORATIONS

Copeland Flour Mills, Ltd., \$2,000,000—Union Mining and Milling Co., Ltd., \$1,000,000—"Nobility Chocolates" Co., Ltd., \$1,000,000—Dyrob Steel (Consolidated), Ltd., \$1,000,000

THE following is a list of companies recently incorporated under Dominion and provincial laws, with the head office and the authorized capital:—

Ottawa, Ont.—Best Boxes, Ltd., \$250,000.
 Thurso, Que.—J. and G. Black, Ltd., \$75,000.
 Hillier, B.C.—Wells Lumber Co., Ltd., \$60,000.
 Guelph, Ont.—Mercantile Brokers, Ltd., \$100,000.
 Brantford, Ont.—Johnson Bros. Co., Ltd., \$500,000.
 Delora, Ont.—Delora Chemical Co., Ltd., \$500,000.
 Prince Rupert, B.C.—R. H. Company, Ltd., \$10,000.
 Victoria, B.C.—J. W. Potter Mill Co., Ltd., \$20,000.
 Niagara Falls, Ont.—Kinzinger-Bruce, Ltd., \$250,000.
 Roberval, Que.—Levesque and Gienard, Ltd., \$20,000.
 Midland, Ont.—Copeland Flour Mills, Ltd., \$2,000,000.
 South Minto, N.B.—Welton & Henderson, Ltd., \$75,000.
 Lundar, Man.—The Consolidated Farmers, Ltd., \$100,000.
 Dorval, Que.—Strathmore Country Club, Inc., \$15,000.
 St. Jerome, Que.—Canadian Whiting Co., Ltd., \$200,000.
 Bothwell, Ont.—Hamilton-Bothwell Oil Co., Ltd., \$300,000.
 Kelowna, B.C.—Chapman's Motor Transfer, Ltd., \$20,000.
 Escott Centre, Ont.—Escott Centre Cheese Co., Ltd., \$5,000.
 New Westminster, B.C.—Westminster Cartage Co., Ltd., \$25,000.
 Grand Forks, B.C.—Union Mining and Milling Co., Ltd., \$1,000,000.
 Quebec, Que.—The Canadian and Foreign Securities Corp., Ltd., \$99,000.
 Windsor, Ont.—Burrowite Explosives, Ltd., \$80,000; Windsor Shoe Polish, Ltd., \$40,000.
 St. Thomas, Ont.—"Nobility Chocolates" Co., Ltd., \$1,000,000; Canadian Edison Phonographs, Ltd., \$500,000.
 Winnipeg, Man.—Upton's, Ltd., \$25,000; Dominion Furniture Co., Ltd., \$20,000; Car Owners' Supply, Ltd., \$20,000; Surgical Supply and X-Ray Co., \$50,000; Great West Investments, Ltd., \$100,000; Metropolitan Land Co., Ltd., \$50,000; P. N. Gray and Co., Ltd., \$100,000; Hudson's Bay Reindeer Co., Ltd., \$200,000.
 Vancouver, B.C.—The Standard Furniture Co., Ltd., \$150,000; Banner Logging Co., Ltd., \$25,000; Vancouver Supply Co., Ltd., \$15,000; Wood Pulp By-Products, Ltd., \$100,000; Clinton Oil and Mining Co., Ltd., \$100,000; Abbott Bowling Club, Ltd., \$10,000; Franklin Garage, Ltd., \$10,000; Veterans' Recreation Club, Ltd., \$10,000.
 Toronto, Ont.—All-British Signal Co., Ltd., \$80,000; Hertel-Harshman Co., Ltd., \$150,000; Smoot Service Corp., Ltd., \$230,000; Dyrob Steel (Consolidated), Ltd., \$1,000,000; R. T. Scott Co., Ltd., \$100,000; A. L. McCredie, Ltd., \$300,000; Stollery-Teasdale, Ltd., \$100,000; Kates, Ltd., \$40,000; Athol Gardens, Ltd., \$200,000; Langley Park, Ltd., \$100,000; Canadian Pigments and Chemicals, Ltd., \$150,000; McDonald Remedies, Ltd., \$40,000.
 Montreal, Que.—Montreal Children's Hospital, \$100,000; Wilbros, Ltd., \$49,000; Farm Exchange, Ltd., \$20,000; Bel-Air Display Stand and Trunk, Ltd., \$20,000; St. Denis Building, Ltd., \$1,000,000; Federal Tobacco Co., Ltd., \$20,000; Gay Stores, Ltd., \$200,000; Ira Sessenwein, Ltd., \$30,000; S. Hird and Co., Ltd., \$250,000; Overseas Export Co., of Canada, Ltd., \$100,000; Dunwin Motors, Ltd., \$100,000; Automotive Engineering Co., Ltd., \$500,000; Canadian Salines, Ltd., \$100,000.

J. C. Macintosh and Co., maritime investment brokers, who formerly occupied temporary offices at 207 Hollis St., Halifax, N.S., have moved to their new building at 171 to 173 Hollis St.

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|--|----------------|
| Assurances, New and Revived - - - - | \$1,211,447.00 |
| Premiums on same - - - - - | 43,890.00 |
| Assurances in Force - - - - - | 3,458,939.00 |
| Total Premium Income - - - - - | 109,586.03 |
| Policy Reserves - - - - - | 211,497.00 |
| Admitted Assets - - - - - | 296,430.62 |
| Average Policy - - - - - | 2,237.50 |
| Collected in cash per \$1,000 insurance in force | 31.75 |

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GOVERNMENT DEPOSIT, \$50,000

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News of Municipal Finance

Humboldt's Financial Position to be Investigated—South Vancouver in Satisfactory Condition, According to Commissioner Gillespie—Kitchener and Kingston Assessment Increased—Victoria Fox Sale not up to Expectations, Although Better than Last Year

A PUBLIC enquiry will be held at Humboldt, Sask., on October 28th by the Local Government Board as to the financial condition of the town. The bondholders, who are scattered through different parts of Canada and the United States, recently held a meeting in Toronto and decided to send representatives to the enquiry. The petition of the bondholders states that the town has failed to retire its debentures, or debenture coupons, which became due and were presented for payment, and failed to make payment of outstanding amounts for capital expenditure. A statement on the town's financial affairs, as at December 31st last, shows debentures outstanding of \$442,585, and debenture interest unpaid \$52,597. In addition, there were bills payable to the bank amounting to \$50,168. As against these immediate liabilities of slightly over \$100,000, the town had available in cash on hand and in the bank \$28,593.

According to Hon. George Langley, minister of municipal affairs for Saskatchewan, the financial condition of the town has been seriously affected by the fact that, although a railway town, the railway itself has not been taxable. Should the Dominion government, as holder of the majority of the stock of the Canadian Northern Railway, waive its right to immunity from taxation, the town would in a very short time be on easy street.

It is said that the town is in a position to meet its obligations in full and still continue satisfactorily. This fact remains to be seen at the enquiry.

Montreal, Que.—A large increase in salaries for the public works department is shown in the 1921 budget. For 1920 the figure was \$1,379,593, while for 1921 the figure is \$1,937,567.

Kitchener, Ont.—Assessment valuation for 1921 is placed at nearly \$18,000,000 by the city assessor, as compared with \$14,807,202 last year. It is also pointed out that the assessment valuation in 1910 was \$6,780,334.

Kingston, Ont.—The value of assessable property in the city, according to City Assessor Moore, is \$15,999,782 for 1921, an increase of \$1,914,527 over last year, or 13 per cent. The property exempted totals \$5,005,030, or \$126,580 more than last year.

Hamilton, Ont.—According to Geo. H. Gooderham, chairman of the Toronto and Hamilton Highway Commission, Toronto, Hamilton and Etobicoke are the only municipalities which have paid their share of the cost of the highway. There is still a substantial amount of unpaid apportionments, and, as the commission is in need of the money, action will be taken immediately to secure payment.

Ontario.—Writs for \$36,103 against the town of Mimico, \$21,189 against the Port Credit Corporation, and \$79,264 against Toronto Township have been issued by the Toronto and Hamilton Highway Commission. The amounts are the shares of the cost of building the highway, alleged to be due from the three municipalities.

Victoria, B.C.—At the conclusion of the city's tax sale last week the total revenue received was stated to be \$81,302. One hundred and seventy-four lots were disposed of by the city out of approximately 700 offered, the majority going at the straight upset price without competitive bidding. The average price paid per lot was more than \$450.

At the tax sale in May and June of last year the total revenue was \$41,258, one hundred and forty-eight parcels being sold. Although this year's sale was more successful than last year's, civic officials were expecting better results than there were.

Brantford, Ont.—According to a statement of the Brantford Municipal Railway Commission, gross receipts of the

street railway amounted to \$120,419 and gross expenditures \$98,307, leaving a gross gain of \$28,112. After deducting therefrom interest on bonds and debentures, and making provision for sinking fund, the net gain for the eight months was \$2,584. From the net gain are deducted \$1,666 for depreciation and \$800 for injuries and damages, leaving a small surplus of \$117. The depreciation is for pavement, and not on rolling stock. The rate of operating expense has gone up from 73.32 per cent. in 1919 to 79 per cent. this year.

Hamilton, Ont.—When the war broke out the city inaugurated a soldier insurance scheme, insuring the lives of all the soldiers of the city who went to the war. For some time risks were held by two large American insurance companies, but the cost of maintaining this scheme was found to be a serious drain on the city as enlistment grew with the progress of the war, and as a final result a civic insurance fund was created, under the management of the soldiers' benefit fund commission. The duties of this commission are nearing conclusion, and the total cost of the scheme to the city has amounted to approximately \$700,000.

Sault Ste. Marie, Ont.—Assessment in the city, according to F. E. Crawford, assessment commissioner, who has just completed the figures for 1921, amounts to \$16,000,000, an increase of \$1,000,000. Mr. Crawford said: "For a number of years the building assessment in this city has been very low, and it was the policy of the assessors to assess the land for full value and the buildings for about 50 per cent. of their value.

"A general increase of 20 per cent., approximately, has been made on the assessment of all buildings in the city. This was necessary, as the total assessment on buildings appeared too low in the government statements as compared with other cities and was affecting to some extent the city's credit in the selling of debentures, etc. The net result of this higher rate will mean an increase of about \$1,000,000, and if the city's expenditures for 1921 are about the same as 1920, there should be a corresponding decrease in the tax rate; that is, the tax rate for the ensuing year should not be over 35 or 36 mills."

Verdun, Que.—An increase in taxation from \$1.45 per \$100 of assessment to \$1.67, which is provided in the 1921 budget, has been rejected by the council. Some of the members think it too high, while others consider it too low. There is a special realty tax, providing for old annual deficits, of 54½ cents, so that the rate would be \$2.21½.

The estimates of receipts for the year are \$555,535, to provide for an estimated expenditure of \$534,620. The receipts are mostly made up of realty taxes, general and special, on a valuation of \$15,000,000 of property, and \$65,000 of water taxes and \$45,000 for electric light charges. The summary of expenses submitted shows that \$231,500 and \$32,432 is required by the finance department, and the various other departments require the balance, works, police and fire, waterworks, \$52,500, practically equal to estimated receipts, and \$62,100 for the electric light plant, or about \$17,000 more than the estimated receipts.

For the year just closing there will be a small deficit, a satisfactory state of things, explained Mayor Leclair, when contrasted with the large deficits of the past few years, and due to the fact that the council last year had had the moral courage to impose the special taxes. Interest on the bonds alone will cost \$168,580, and because most of them are payable in New York there is an additional \$11,420 wanted for exchange charges.

South Vancouver, B.C.—A letter from F. J. Gillespie, commissioner, to *The Monetary Times* reveals very satisfac-

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tory financial conditions in the municipality. Mr. Gillespie says:—

"The total receipts from our tax sale, including redemptions and sale of lots from the time we began to advertise until we closed, amounted to \$170,000. Since the tax sale of 1919, some 790 lots, amounting to \$110,000, have been redeemed. This is an encouraging feature, and goes to show that the people are anxious to retain their property.

"The total amount of current taxes paid up to the end of September amounts to approximately \$666,000, or 75 per cent. The amount received on account of arrears, including the tax sale, was \$274,000, or a total for the year to date, that is, to the end of September, of \$940,000. Collections on all accounts to the end of September amounted to \$1,163,878, as against \$677,151 for the same time in 1918. In 1919 there

was a tremendous amount paid in on account of arrears and not so much current taxes as this year, but the total for that year was \$1,166,007 (for nine months).

"On the whole, things are very encouraging in South Vancouver, and no money for the running of the municipality has been borrowed for eighteen months, and a few days since I paid \$67,370 on our indebtedness to the bank, which indebtedness was created in 1918 and the beginning of 1919 for the purpose of consolidating the floating debts of the municipality. I also bought £10,000 sterling debentures, issued by the municipality in 1911 and payable in fifty years. I secured those on a discount of 7½ per cent., so that the indebtedness of the municipality has been reduced during the past couple of months by approximately \$117,000."

Government and Municipal Bond Market

Ontario Treasury Bills Placed—Halton County Gets Good Price—American Bond Market is Strong—Winnipeg Will Borrow Half Million for Housing—Alberta Savings Certificates Outstanding Over Two and a Quarter Millions

THE sale of \$3,000,000 of province of Ontario six-months treasury notes to Æmilus Jarvis and Co. and the Home Bank, reported below, was the chief feature of the bond market this week. Halton county sold an issue of debentures at a price on a basis of about 6.53 per cent., which is considered good. Earlier in the month Lincoln county paid about 6.75 per cent. for its money. The price received by Niagara Falls, which was on a basis of about 6.77 per cent., indicated no change in previous market tendencies this month for Ontario municipals of that kind.

The American bond market continues to be strong and active. Liberty bonds advanced slightly, while the general list of government and municipal bonds showed a gain.

Coming Offerings

The following is a list of debentures offered for sale, particulars of which have been given in this or previous issues:—

| Borrower. | Amount. | Rate %. | Maturity. | Tenders close. |
|------------------------|-----------|---------|------------|----------------|
| Kane S.D., Man. . . . | 22,000 | 6½ | 20-instal. | Oct. 23 |
| British Columbia .. | 1,000,000 | 6 | 3-years | Oct. 25 |
| Kentville, N.S. | \$ 30,300 | 6 | 25-years | Oct. 25 |
| Brockville, Ont. . . . | 37,500 | 6 | 10-instal. | Oct. 29 |
| Thorold, Ont. | 20,000 | 6 | 10-years | Oct. 30 |
| Powassan, Ont. | 8,000 | 6½ | 20-instal. | Nov. 1 |
| Watford, Ont. | 52,000 | 5½ | 30-instal. | Nov. 1 |

Corona S.D., Man.—Tenders will be received until October 28th, 1920, for the purchase of \$2,500 7 per cent. 20-instalment debentures. J. M. Dybeck, secretary-treasurer, Pine Ridge, Man.

Kane S.D., Man.—Tenders will be received until October 23rd, 1920, for the purchase of \$22,000 6½ per cent. debentures; \$1,000 of principal and interest payable each year until 1939 and \$3,000 and interest payable 1940. L. C. Wilkin, secretary-treasurer, Kane.

Watford, Ont.—Tenders will be received until 2.30 p.m. on November 1st, 1920, for the purchase of \$52,000 5½ per cent. 30-instalment debentures, the proceeds of which issue will be used for installing a water works system. W. S. Fuller, village clerk.

British Columbia.—The province is asking for tenders until noon, October 25th, 1920, for the purchase of \$1,000,000 6 per cent. 3-year bonds, payable in New York and Canada. The proceeds of the loan will be used to provide funds for loans to returned soldiers under the Industrial Act.

Debenture Notes

Westfield S.D., Man.—On November 17th voting will take place on the borrowing of \$4,000 by way of debenture issue.

Kemptville, Ont.—A by-law will shortly be submitted to voters, authorizing the raising of \$25,000 for the building of a new hydro distribution system.

Winnipeg, Man.—The city council will borrow \$500,000 from the provincial government for the housing scheme. Approximately 6¼ per cent. interest will have to be paid by the city for the loan, while prospective builders will have to pay the city 7 per cent. when borrowing from the city.

Windsor, Ont.—Favoring the increase in capital expenditure account to allow extensions of the street railway system in Windsor and adjacent municipalities, the Ontario Power Commission will ask authority to sell another block of debentures. When the necessary action has been taken by the government the municipalities may then submit the plan to the people.

Ottawa, Ont.—The city is now considering the purchase of the Ottawa Electric Railway. According to the company, a valuation of \$5,200,000 has been placed on the system, but the city will investigate the correctness of this report. If it is possible to make a thorough investigation before January 1st, a by-law will in all probability be submitted to the ratepayers for the borrowing of the necessary money to take over the system.

Drumheller, Alta.—The town is protesting against the action of the Provincial Board of Public Utilities Commission in deferring approval of the debentures issue which the town wished to make. The amount of the issue asked for was \$75,000 with which a new pumping plant and an extension to the sewerage system were to be installed. The board declined to approve the proposed loan, and now the town authorities come back with a statement that the fire protection and sewerage are absolutely necessary, and that the town can quite well afford them, since its assessment stands at \$600,000, with only \$20,000 of indebtedness. It is claimed that the serious losses in the recent fire were the result of not having sufficient pressure in the water mains, and that this could have been provided if the desired improvements in the service had not been held up by the board.

London, Ont.—Money for payment on houses already constructed by the London Housing Commission and for further work will in future be raised by the city through usual civic security market instead of borrowing from the provincial or Dominion governments. The commission is now posing up to \$600,000. The commission has already spent asking the city to issue \$200,000 of debentures, which will bring the total appropriation of the city for housing purchase \$400,000 of sums borrowed from the province, but in future the province will merely stand as a guarantor of the bonds and not the actual financier of housing appropriations. It is

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|-----------|-------|-----------------------|--|
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| 1927 | 97 | 6.00% | |
| 1937 | 98 | 5.68% | |
| 1923 | 98 | 6.14% | |
| 1933 | 96½ | 5.88% | |
| 1924 | 97 | 6.27% | |
| 1934 | 93 | 6.24% | |

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also interesting to note, as pointed out by City Clerk Baker, that the debentures to be issued by the city will bear interest at 6 or more per cent., while the money secured under the 1919 regulations drew interest at the rate of 5½ per cent. Another \$400,000 of work is predicted for 1921, bringing the city's investment in housing work to the \$1,000,000 mark.

Saskatchewan.—The following is a list of authorizations granted by the Local Government Board from October 2nd to 9th, 1920:—

Schools.—Perdue, \$1,500 8 per cent. 20-years annuity. 15-years 8 per cent. annuity: Hsuiatyn, \$4,500; Grainland, \$5,800. 10-years 8 per cent. annuity: Rhyl, \$4,000; Bay Island, \$4,500; Churchill, \$1,200. 10-years 8 per cent. instalment: Columbia, \$3,000; Gibson Creek, \$2,000.

Rural Telephones.—15-years 8 per cent. annuity: Viscount, \$11,500; Eddy, \$1,200; Arabella, \$26,400; Winton Park, \$1,200; S.W. Moosomin, \$24,500; Montrose, \$16,000; Adanac, \$3,000; Martin, \$1,300; Aldenbury, \$2,450; North Springside, \$8,500; Willowmoor, \$1,500.

Village.—Borden, \$2,000 8 per cent. 10-years instalment, for electric light.

The following villages will also borrow: Hubbard, \$740 for street grading and \$260 for sidewalks, 8 per cent. 10-instalments; Imperial, \$2,000 for streets, 8 per cent. 10-instalments; Kelfield, \$2,500 for various works, 8 per cent. 10-instalments; Heward, \$800 for rink, 8 per cent. 10-instalments; Canwood, \$2,500 for street grading and sidewalks, 8 per cent. 10-instalments; Meota, \$3,000 for well-drilling, 8 per cent. 10-instalments; Mossbank, \$2,000 for fire protection, 8 per cent. 10-instalments; Quinton, \$2,000 for well-drilling, 8 per cent. 10-instalments.

Fertile Valley R.M., \$5,050 for municipal office and vault in the village of Conquest, 7 per cent. 10-instalments.

Bond Sales

Hamilton Township, Ont.—The township has sold \$7,300 10-year school debentures. It is stated that these are the first securities ever issued by the municipality.

Halton County, Ont.—C. H. Burgess and Co. have purchased \$35,000 6 per cent. 20-instalment debentures at a price of 95.26, which is on a basis of about 6.53 per cent.

Alberta.—The province is asking for tenders for a bond issue of \$1,000,000 ten-year 6 per cent., bids to be received up to November 1st. The money is required for telephone construction. The bonds will be payable in New York and Canada.

Winnipeg, Man.—About \$75,000 of the hydro-electric bonds have been disposed of to date. A canvass of the city and district is being arranged, and then it is expected that there will be better results. A better demand from the rural districts is expected in the future.

Alberta.—The amount of the province's saving certificates sold and outstanding at September 30th, 1920, according to a statement by the deputy provincial treasurer to *The Monetary Times*, was \$2,240,580. Total sales of the 6 per cent. domestic issue of bonds are now about \$400,000.

County of Renfrew, Ont.—Tenders will be received until November 12, 1920, for the purchase of \$150,000 6 per cent. 20-instalment debentures, the proceeds of which will be used for good roads in the county. Securities are dated September 27, 1920, and are payable commencing September 26, 1921.—R. J. Roney, county clerk, Pembroke, Ont.

Penticton, B.C.—The demand for the municipality's \$35,000 6 per cent. water debentures has not been as successful as was expected. B. C. Bracewell, municipal clerk, in a letter to *The Monetary Times*, states that further efforts for disposing of the debentures are being withheld until crop returns are in sight, when it is expected there will be a better demand. The initial offering was made at 90, to yield 6.85 per cent.

Ontario.—Some temporary financing was arranged by the province this week when the Hon. Peter Smith, provincial treasurer, privately disposed of \$3,000,000 6 per cent. treasury bills, maturing in six months, to Emilius Jarvis and Co., Ltd., and the Home Bank of Canada. These treasury

bills are payable in Toronto and Montreal, are in denominations of \$5,000 and \$10,000, and are being offered at par.

This latest loan brings the total borrowings of the province up to \$33,800,000 so far this year, or approximately 63 per cent. of the total provincial borrowings for the whole of 1919, or about 34 per cent. of the total provincial borrowings this year.

Niagara Falls, Ont.—Wood, Gundy and Co. have purchased \$33,000 6 per cent. 20-instalment debentures at a price of 93.91, which is on a basis of about 6.77 per cent. Tenders received were as follows:—

| | |
|-----------------------------|-------|
| Wood, Gundy and Co. | 93.91 |
| A. E. Ames and Co. | 93.39 |
| C. H. Burgess and Co. | 93.36 |
| R. C. Matthews and Co. | 93.30 |
| A. Jarvis and Co. | 93.07 |

Saskatchewan.—The following is a list of debentures reported sold from September 27 to October 2, 1920:—

School Districts.—Sunny Brae, \$1,000 8 per cent. 10-years, W. M. Patterson, Preeceville; Murphy Creek, \$5,300 8 per cent. 10-years, Waterman-Waterbury Mfg.; Salvador, \$2,500 8 per cent. 10-years, H. J. Birkett and Co.; Nicklet, \$3,500 8 per cent. 10-years, Monarch Life Assurance Co.; Younghill, \$500 8 per cent. 5-years, J. R. Parken, Bulyea.

Rural Telephones.—15-years annuity, 8 per cent.: \$4,400, R. O. Berwick and Co., Regina; Earl Grey, \$12,000, W. L. McKinnon and Co.; South Maryfield, \$12,000, various purchasers; Lenora Lake, \$8,150, Monarch Life; Echo, \$6,200, R. O. Berwick and Co.; Kent, \$600, town of Davidson, Sask., sinking fund.

Village.—Summerbury, \$2,500 6 per cent. 10-years, James Crozer, Summerbury.

In addition to the above, H. J. Birkett and Co., report that they have purchased the following debentures:—\$25,000 8 per cent. 20-instalments, of Semans S.D.; \$6,500 7 per cent. 10-instalments, of Elldridge Hill S.D.; \$3,500 8 per cent. 10-instalments, of East Bend S.D.

BOND DEALERS NOW STOCK EXCHANGE MEMBERS

Four Toronto bond houses, which recently purchased seats on the local stock exchange, are now represented on that institution as a result of elections held this week.

W. E. Wilder will be floor member for Wood, Gundy and Co., R. A. Daly for R. A. Daly and Co., A. G. Mackenzie for W. A. Mackenzie and Co., and A. C. Turner for Turner, Spragge and Co.

Charles B. Cronyn, of the stock brokerage house of C. B. Cronyn and Co., Jordan Street, Toronto, who has held a seat for some time on the local exchange, has also been elected a member.

EXCHANGE QUOTATIONS

Glazebrook and Cronyn, exchange and bond brokers, Toronto, report local exchange rates as follows:—

| | Buyers. | Sellers. | Counter. |
|-----------------------------------|------------|----------|----------|
| N.Y. funds | 10 7-16 pm | 10½ pm | |
| Mont. funds | Par. | Par. | ¼ to ¼ |
| Sterling— | | | |
| Demand | \$3.80 | \$3.81 | |
| Cable transfers ... | 3.81 | 3.82 | |
| Bank of England rate, 7 per cent. | | | |

New York quotations of exchange on European countries, as supplied by the National City Co., Ltd., Toronto, as at October 21, 1920, follow: London, cable, 345½; cheque, 344¼; Paris, cable, 6.51; cheque, 6.50; Italy, cable, 3.80; cheque, 3.79; Belgium, cheque, 6.86; Swiss, cheque, 15.85; Spain, cheque, 14.22; Holland, cheque, 30.80; Denmark, cheque, 14.00; Norway, cheque, 13.70; Sweden, cheque, 19.70; Berlin, cheque, 1.44; Greece, cheque, 9.95; Finland, cheque, 2.55; Roumania, cheque, 1.78; Poland, cheque, .40.

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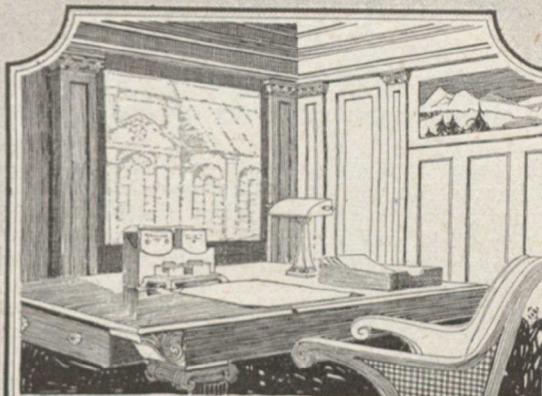
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MONETARY TIMES WEEKLY STOCK EXCHANGE RECORD

MONTREAL—Week Ended Oct. 20th. (Figures supplied by BURNETT & Co.)

| Stocks | Sales | Open | High | Low | Close |
|---------------------------|-------|------|------|-----|-------|
| Abitibi P. & P. | 2985 | 76 | 76 | 72 | 74 |
| Ames Holden pfd. | 50 | 90 | 90 | 90 | 90 |
| Asbestos Corp. | 1355 | 98 | 98 | 93 | 96 |
| Atlantic Sugar | 10370 | 118 | 119 | 84 | 91 |
| Bell Telephone | 28 | 103 | 103 | 102 | 102 |
| Brazilian T.L. & Power | 1230 | 35 | 35 | 35 | 35 |
| B. C. Fish | 25 | 45 | 45 | 45 | 45 |
| Brompton Pulp & P. | 15220 | 79 | 79 | 75 | 75 |
| Canada Cement | 243 | 60 | 60 | 59 | 60 |
| Can. Con. pfd. | 40 | 90 | 90 | 90 | 90 |
| Canadian Cottons pfd. | 50 | 70 | 73 | 70 | 73 |
| Canadian Car pfd. | 30 | 77 | 77 | 77 | 77 |
| C.P.R. | 95 | 89 | 90 | 88 | 88 |
| Canadian Gen. Elec. | 50 | 98 | 99 | 98 | 98 |
| Can. Loco. | 300 | 64 | 64 | 62 | 62 |
| Can. Steamship | 58 | 77 | 77 | 75 | 76 |
| Can. Vot. Trust | 828 | 24 | 24 | 23 | 23 |
| Con. Mining & Smel. | 1730 | 104 | 104 | 96 | 98 |
| Dom. Canners | 91 | 85 | 85 | 84 | 85 |
| Dominion Bridge | 218 | 64 | 65 | 64 | 65 |
| Dominion Glass | 40 | 86 | 86 | 86 | 86 |
| Dom. Iron pfd. | 1120 | 55 | 55 | 50 | 54 |
| Dom. Steel Corp. pfd. | 425 | 65 | 65 | 63 | 63 |
| Dominion Textile | 225 | 130 | 130 | 124 | 124 |
| Goodwins Ltd. pfd. | 16 | 98 | 98 | 96 | 98 |
| Howard Smith | 20 | 75 | 75 | 75 | 75 |
| Hillcrest pfd. | 915 | 161 | 161 | 160 | 160 |
| Lake of the Woods | 55 | 100 | 100 | 100 | 100 |
| Laurentide pfd. | 10 | 58 | 58 | 58 | 58 |
| Macdonald Co. | 5 | 149 | 149 | 149 | 149 |
| Mackay | 30 | 100 | 100 | 99 | 100 |
| Mont. Cottons | 3035 | 110 | 110 | 103 | 107 |
| Montreal Power | 100 | 30 | 31 | 30 | 30 |
| Montreal Tram | 979 | 82 | 84 | 80 | 81 |
| National Breweries | 2000 | 70 | 70 | 69 | 69 |
| Ogilvie Flour Mills pfd. | 4601 | 63 | 66 | 63 | 64 |
| Ottawa L. H. & P. | 1 | 101 | 101 | 101 | 101 |
| Ont. Steel Prod. pfd. | 85 | 66 | 66 | 66 | 66 |
| Penmans | 75 | 126 | 126 | 126 | 126 |
| Price Bros. | 2 | 79 | 79 | 79 | 79 |
| Prov. Paper | 85 | 355 | 355 | 355 | 355 |
| Quebec Ry. L. H. & P. | 1585 | 27 | 27 | 26 | 26 |
| Riordan Pulp & P. pfd. | 1388 | 220 | 220 | 210 | 217 |
| St. Lawrence Pl. Mills | 120 | 90 | 90 | 90 | 90 |
| Shawinigan W. & P. | 102 | 92 | 93 | 92 | 93 |
| Spanish River | 4546 | 102 | 106 | 105 | 105 |
| St. Maurice pfd. | 3939 | 112 | 113 | 109 | 110 |
| Steel Co. of Canada | 616 | 65 | 65 | 64 | 64 |
| Toronto Ry. Co. | 2815 | 136 | 150 | 134 | 147 |
| Tuckett | 5 | 99 | 99 | 99 | 99 |
| Twin City | 20 | 70 | 70 | 70 | 70 |
| Wabasso Cot'n. | 2815 | 136 | 150 | 134 | 147 |
| Wayagamack P. & P. | 5 | 99 | 99 | 99 | 99 |
| Winnipeg Ry. | | | | | |
| Woods Mfg. Co. pfd. | | | | | |
| Banks | | | | | |
| Commerce | 62 | 174 | 174 | 174 | 174 |
| Hochelega | 3 | 156 | 156 | 156 | 156 |
| Merchants | 213 | 170 | 172 | 170 | 172 |
| Molsons | 13 | 175 | 175 | 174 | 174 |
| Montreal | 152 | 185 | 190 | 185 | 190 |
| Nova Scotia | | | | | |
| Nationale | | | | | |
| Royal | 78 | 198 | 198 | 197 | 197 |
| Union | 12 | 144 | 144 | 142 | 142 |
| Bonds | | | | | |
| Asbestos Corp. | 13500 | 77 | 77 | 77 | 77 |
| Bell Telephone Co. | 5000 | 93 | 93 | 93 | 93 |
| Can. Cement | 4800 | 84 | 85 | 84 | 84 |
| Cedars Rapids Mfg. | 5000 | 89 | 89 | 89 | 89 |
| Can. Rubber | 2000 | 70 | 70 | 70 | 70 |
| Can. S.S. deb. | 3000 | 101 | 102 | 101 | 102 |
| City Mont. Dec. 6's, 1922 | 500 | 102 | 102 | 102 | 102 |
| May 6's, 1923 | | | | | |
| Sept. 6's, 1923 | | | | | |
| Dom. Can. W. Loan, 1925 | 21900 | 92 | 93 | 91 | 91 |
| 1931 | 11800 | 90 | 91 | 89 | 89 |
| 1937 | 5100 | 91 | 91 | 91 | 92 |
| Victory Bonds, 1922 | | | | | |
| 1927 | | | | | |
| 1937 | | | | | |
| 1923 | | | | | |
| 1933 | | | | | |

MONTREAL—Continued.

| Bonds | Sales | Open | High | Low | Close |
|-----------------------|-------|------|------|-----|-------|
| Dom. Cottons | 2000 | 96 | 96 | 96 | 96 |
| Dom. Iron | 2000 | 76 | 76 | 76 | 76 |
| Dom. Textile A. | | | | | |
| B. | | | | | |
| Lake of Woods | | | | | |
| Montreal Power | | | | | |
| Montreal Fr. deb. | | | | | |
| National Breweries | | | | | |
| Ogilvie Flour | 15000 | 90 | 90 | 89 | 89 |
| Penmans | | | | | |
| Price Bros. | | | | | |
| Quebec Ry. L. H. & P. | 5500 | 61 | 61 | 60 | 61 |
| Scotia | 3000 | 79 | 79 | 79 | 79 |
| Sherwin-Williams | | | | | |
| Spanish River | | | | | |
| Steel Co. of Canada | | | | | |
| Wabasso Cotton | | | | | |
| Wayagamack P. & P. | 5600 | 81 | 82 | 81 | 81 |
| Windsor Hotel | | | | | |

TORONTO—Week Ended Oct. 20th.

| Stocks | Sales | Open | High | Low | Close |
|-----------------------|-------|------|------|------|-------|
| Atlantic Sugar | 2526 | 120 | 120 | 85 | 91 |
| Abitibi | 310 | 75 | 75 | 73 | 74 |
| Ames Holden pfd. | 15 | 55 | 55 | 52 | 52 |
| Barcelona | 15 | 4 | 4 | 4 | 4 |
| Bell Telephone | 2 | 103 | 103 | 103 | 103 |
| Brazilian Traction | 1000 | 35 | 35 | 35 | 35 |
| B. C. Fish | 35 | 45 | 45 | 45 | 45 |
| Burt. F. N. | 29 | 98 | 98 | 97 | 97 |
| Can. Bread pfd. | 25 | 98 | 98 | 98 | 98 |
| Canada Cement | 100 | 24 | 24 | 22 | 23 |
| Can. Gen. Elec. | 25 | 60 | 60 | 60 | 60 |
| Canada Steamship | 166 | 97 | 98 | 97 | 98 |
| Canners | 1 | 97 | 97 | 97 | 97 |
| Canadian Pacific R. | 110 | 63 | 63 | 62 | 63 |
| Con. Gas | 126 | 76 | 76 | 75 | 75 |
| Crown Reserve | 25 | 46 | 46 | 46 | 46 |
| Dom. Tel. | 40 | 81 | 81 | 81 | 81 |
| Duluth | 213 | 140 | 141 | 139 | 140 |
| Ford Motor | 38 | 130 | 130 | 130 | 130 |
| Loco. | 1 | 80 | 80 | 80 | 80 |
| Mackay Companies | 25 | 18 | 18 | 18 | 18 |
| Maple Leaf | 32 | 337 | 380 | 337 | 370 |
| Monarch | 5 | 85 | 85 | 85 | 85 |
| N.S. Car. | 40 | 69 | 69 | 69 | 69 |
| Nipissing | 373 | 64 | 65 | 64 | 64 |
| Ogilvie | 10 | 142 | 142 | 142 | 142 |
| Pac. Burt. | 20 | 94 | 94 | 94 | 94 |
| Prov. Paper | 25 | 5 | 5 | 5 | 5 |
| Port Rico | 105 | 9.50 | 9.50 | 9.40 | 9.40 |
| Port Hope San. | 25 | 30 | 30 | 30 | 30 |
| Quebec R.L.H. & P. | 43 | 85 | 87 | 85 | 85 |
| Rogers | 100 | 24 | 24 | 24 | 24 |
| Salesbook | 560 | 108 | 109 | 104 | 108 |
| Sawyer-Massey | 75 | 111 | 112 | 111 | 112 |
| Smelters | 355 | 54 | 54 | 54 | 52 |
| Spanish River | 312 | 65 | 65 | 63 | 64 |
| Steel Corp. | 45 | 90 | 90 | 90 | 90 |
| Steel Company | 900 | 25 | 25 | 24 | 24 |
| Toronto Ry. | 10 | 43 | 43 | 41 | 41 |
| Tretheway | 25 | 33 | 33 | 33 | 33 |
| Twin City | | | | | |
| W. C. Flour | | | | | |
| Winnipeg | | | | | |
| Banks | | | | | |
| Commerce | 84 | 175 | 175 | 174 | 175 |
| Dominion | 58 | 194 | 194 | 192 | 192 |
| Hamilton | 12 | 177 | 177 | 176 | 176 |
| Imperial | 27 | 191 | 191 | 188 | 188 |
| Merchants | 14 | 170 | 170 | 170 | 170 |
| Molsons | | | | | |
| Montreal | | | | | |
| Nova Scotia | 84 | 245 | 245 | 245 | 245 |
| Royal | 19 | 198 | 198 | 198 | 198 |
| Standard | 7 | 210 | 210 | 210 | 210 |
| Toronto | 5 | 182 | 182 | 182 | 182 |
| Union | 94 | 145 | 147 | 142 | 142 |
| Loan and Trust | | | | | |
| Can. Perm. | | | | | |
| Huron & Erie | | | | | |
| Ham. Prov. | | | | | |
| Landed Bkgs. | | | | | |
| Ont. Loan | | | | | |
| Tor. Mtg. | | | | | |
| Bonds | | | | | |
| Can. Bread | | | | | |
| Elec. Dev. | 100 | 87 | 87 | 87 | 87 |
| Penmans | | | | | |
| Rio. Jan. T. L. & P. | 6500 | 72 | 72 | 72 | 72 |
| Sao Paulo | | | | | |

TORONTO—Continued.

| War Loans | Sales | Open | High | Low | Close |
|-------------------------|-------|------|------|-----|-------|
| Dom. Can. W. Loan, 1925 | 7600 | 92 | 92 | 92 | 92 |
| " " " " 1931 | 27300 | 90 | 90 | 89 | 90 |
| " " " " 1937 | 14900 | 91 | 92 | 91 | 92 |
| Victory Loan 1922 | | | | | |
| " " " " 1923 | | | | | |
| " " " " 1927 | | | | | |
| " " " " 1933 | | | | | |
| " " " " 1937 | | | | | |

WINNIPEG—Week ended Oct. 16th.

| | Sales | Open | High | Low | Close |
|----------------------|-------|------|------|-----|-------|
| Victory Loan 1922 | 16000 | 98 | 98 | 98 | 98 |
| " " " " 1923 | | | | | |
| " " " " 1924 | 38000 | 97 | 97 | 97 | 97 |
| " " " " 1927 | 300 | 97 | 97 | 97 | 97 |
| " " " " 1937 | 4500 | 98 | 98 | 98 | 98 |
| " " " " 1933 | 24200 | 96 | 96 | 96 | 96 |
| " " " " 1934 | 17800 | 93 | 93 | 93 | 93 |
| War Loan 1925 | | | | | |
| Western Grocers pfd. | | | | | |
| Standard Trusts | 38 | 112 | 112 | 112 | 112 |
| W. C. F. M. Co | 7 | 115 | 115 | 115 | 115 |

NEW YORK—Week ended Oct. 16th.

| Stocks | Sales | Open | High | Low | Close |
|------------------------|-------|------|------|-----|-------|
| Canadian Pacific | 27600 | 126 | 127 | 125 | 126 |
| Nova Scotia S. & Coal. | 100 | 40 | 41 | 40 | 41 |
| Bonds | | | | | |
| Dom. of Can. 5% 1921 | 88000 | | 98 | 98 | 98 |
| " " " " 5% 1926 | 14000 | | 91 | 90 | 91 |
| " " " " 5% 1929 | 31000 | | 93 | 92 | 93 |
| " " " " 5% 1931 | 27000 | | 91 | 90 | 91 |
| New York Curb | | | | | |
| British Empire | 350 | | 20 | 18 | 20 |
| 7% pfd. | 100 | | 39 | 39 | 39 |
| Canada Copper | | | | | |

LONDON, Eng.—Week ended Oct. 1st.

| Gov't. & Mun. | Sales | Open | High | Low | Close |
|-----------------------------|-------|------|------|-----|-------|
| Canada 3% deb. | 74 | 74 | 73 | 73 | 73 |
| " " " " 3% | 64 | 64 | 63 | 63 | 63 |
| " " " " 3% 1930-50 | 62 | 62 | 61 | 62 | 61 |
| " " " " 4% 1940-60 | 71 | 71 | 71 | 71 | 71 |
| " " " " 4% bds. | 91 | 91 | 90 | 90 | 90 |
| Calgary 4% deb. | 78 | 78 | 78 | 78 | 78 |
| 5% deb. | 90 | 90 | 90 | 90 | 90 |
| Edmonton 5% bds. 23-53 | 84 | 84 | 84 | 84 | 84 |
| Hamilton 4 deb. | 75 | 75 | 75 | 75 | 75 |
| Nfld. 3% bds. | 61 | 61 | 60 | 60 | 60 |
| Manitoba 5% deb. 1888. | 92 | 92 | 92 | 92 | 92 |
| Montreal 4% Reg. | 70 | 70 | 69 | 70 | 70 |
| " " " " 3% deb. | 48 | 48 | 48 | 48 | 48 |
| " " " " 4% Reg. | 63 | 63 | 62 | 62 | 62 |
| Ontario 4% | 75 | 75 | 75 | 75 | 75 |
| Ottawa 4% deb. | 79 | 79 | 79 | 79 | 79 |
| Quebec 4% bds. 1888. | 80 | 80 | 80 | 80 | 80 |
| " " " " 4% deb. | 79 | 79 | 79 | 79 | 79 |
| " " " " 4% 1934. | 72 | 72 | 72 | 72 | 72 |
| " " " " 4% Reg. | 76 | 76 | 76 | 76 | 76 |
| Regina 4% deb. | 73 | 73 | 72 | 72 | 72 |
| Saskatchewan 4% 1923 | 119 | 119 | 119 | 119 | 119 |
| Sask. 4% | 72 | 72 | 72 | 72 | 72 |
| Saskatoon 5% cons. | 72 | 72 | 72 | 72 | 72 |
| St. Catharines 4% deb. | 84 | 84 | 84 | 84 | 84 |
| Vancouver 4% cons. | 68 | 68 | 68 | 68 | 68 |
| S. Vancouver 5% | 71 | 71 | 71 | 71 | 71 |
| Toronto 4% deb. | 70 | 71 | 70 | 71 | 71 |
| Victoria 4% | 67 | 67 | 67 | 67 | 67 |
| Winnipeg 4% c.s. 43-63 | 74 | 75 | 74 | 75 | 75 |
| Railways | | | | | |
| C. Nor. Pac. 4% gr. deb. 50 | 67 | 67 | 67 | 67 | 67 |
| Can | | | | | |

EDUCATION'S VALUE TO INSURANCE MEN

J. B. McKechnie Emphasizes Importance at Toronto Insurance Institute Meeting—Employees Have Not Responded to Efforts

IN his inaugural address as president of the Toronto Insurance Institute, at the opening meeting held on October 21, J. B. McKechnie, general manager of the Manufacturers' Life, dwelt on the educational work of the institute, and expressed his regret that their plans in this direction had failed in the past. Mr. McKechnie returned a few weeks ago from a trip across the Pacific to Hawaii, Honolulu, Japan, China, Straits Settlements and other countries, where his company is doing business and where it plans to extend its work. There is a good field in the east, he pointed out, as the British and American companies are not very active, and the standing of the local companies is, generally speaking, not high. The Insurance Institute has arranged its regular program for the year, the addresses covering life, fire and casualty insurance. In addition to Mr. McKechnie's address, C. H. Mitchell, Dean of the Faculty of Applied Science of Toronto University, also spoke at the meeting.

Mr. McKechnie pointed out that the Institute had now completed twenty-one years of work, during all of which regular meetings had been held, and one of the primary objects, the diffusion of insurance knowledge, had thus been attained. Dealing with the training and education of employees, he said:—

"The business of insurance is a peculiar one. The merchant receives from his customer a sum of money for which he gives an article worth approximately what is paid for it. The bond dealer delivers to his client a bond which is supposed to be worth approximately what it is sold for, and the value of which on the average will not vary much from its original price. You deposit money with a bank and in return receive its guarantee to repay this amount, increased possibly with interest. An insurance company, however, will receive say \$100, for which it may undertake to pay \$10,000 on the happening of a certain event.

Technical Knowledge Necessary

"It is this divergence between what the company receives and what it becomes liable to pay to the assured that not only makes the business of insurance so interesting, but which also requires wise judgment and technical knowledge, if the companies are to be soundly administered.

"Then again, more and more do we hear of certain undertakings being referred to as 'public service corporations.' Whether the various branches of insurance come under this heading or not, most of us like to feel that our companies will be administered in such a manner that our policyholders will be given their insurance protection in the most efficient manner possible and at the lowest cost compatible with safety and a widespread diffusion of the benefits of insurance. To do this our companies must have efficient organizations, both in the field and in the head office, and this is impossible unless the individuals in these organizations have a sound theoretical as well as practical knowledge of their business.

"I do not wish to be understood as thinking that technical education is everything in the insurance business. There are outstanding examples, not only in insurance, but in other branches of human activity, where men, thoroughly trained theoretically, have lacked the judgment and practical business capacity for success. Again, there are men in the field organizations of our companies, who, without much theoretical knowledge of the business, have made good because they possessed the quality of salesmanship. These exceptions, to my mind, however, prove very little. The former have failed in spite of their knowledge, and the latter have succeeded in spite of their lack of knowledge. I believe that the companies more and more recognize that a theoretical knowledge of the business is an asset to any man, whether he be employed in the head office, the branch office or the field."

FINANCIAL CENTRES OF SASKATCHEWAN

Regina and Moose Jaw Have Growing Business in the South—Crops Not Up to Early Estimates and Business is Duller

(Staff Correspondence.)

Moose Jaw, Sask., October 20, 1920.

BUSINESS conditions in Regina this fall are fairly good. This capital city of the greatest wheat-growing province in Canada is year by year assuming greater importance as a commercial and financial centre. Many of the important houses of eastern and western Canada have large branch warehouses in Regina, and the mail order business of the R. Simpson and Co. and the T. Eaton Co., located there, have assumed large proportions.

Many of the important life insurance companies, trust companies, also loan and mortgage companies, have their headquarters for Saskatchewan in Regina, such as the Canada Life, who have a very modern, up-to-date office building there, the Huron and Erie Mortgage Corporation, and a number of others who have larger or smaller branch offices. In addition, Regina is the head office of the Saskatchewan Life Insurance Co., the Saskatchewan General Trust Co., and the Saskatchewan Mortgage and Trust Corporation, as well as several other financial institutions. A new bank is in course of organization at Regina, to be known as the Great West Bank of Canada, so that as a financial centre Regina is making headway.

The final result of this year's crop around Regina is only fair, and not as good as was first anticipated. In well-informed circles, instead of a one-hundred-and-forty-million-bushel crop in Saskatchewan, it will not go much over one hundred million bushels. Collections are rather slow at this date with loan and mortgage companies, but should show a big improvement in the next few weeks. There is a good demand for money, and the companies, including the Saskatchewan Farm Loan Board, are putting out considerable amounts in new loans.

In the Moose Jaw district the crops have been rather better than in some other parts of Saskatchewan. A fine open fall is being experienced, and thrashing is generally completed. Moose Jaw is making progress and is an important milling and distributing centre. It has one of the best agricultural areas around it of any point in the west. The C.P.R. are building a modern, up-to-date depot at Moose Jaw which, when completed, will give splendid facilities to this growing and important railway centre. Many of the leading bankers and other prominent financial men of Canada have made trips through the west this fall, and in discussing the outlook with other western business men they express the hope that what these men have seen and heard will be the means of their gaining a larger conception of the financial needs of western Canada, and the need for developing our wonderful natural resources. It is confidently expected that there will be a large influx of immigration into the west during the coming year.

DIVIDEND NOTICE

CANADA CEMENT COMPANY, LIMITED

PREFERENCE SHAREHOLDERS

DIVIDEND No. 43.

Notice is hereby given that a dividend of 1% for the three months ending September 30th, 1920, being at the rate of 7% per annum on the paid-up Preference Stock of this Company, has been declared, and that the same will be paid on the 16th day of November next to Preference Shareholders of record at the close of business October 31st, 1920.

H. L. DOBLE, Secretary.

Montreal, October 19th, 1920.

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Corporation Finance

**Ogilvie Flour Mills' Profits Lower—Position is Stronger, However—
Cockshutt Plow Company Has Favorable Year—Lower Earnings
for Russell Motor Company as a Result of Readjustment**

London Street Railway.—The city council of London has passed a resolution that the Ontario Railway Municipal Board be requested to discontinue payments on the company's bond redemption on the ground that it is not an operating expense.

Suggestions were made that bond redemption should be defaulted in the interests of increased wages for the men or for the purpose of improving the service for the benefit of car riders, but neither of these proposals were attached to the request as it will go to the Railway Board.

Ogilvie Flour Mills Co., Ltd.—Net profits of the company, in line with other milling companies, were lower in the year ended August 31, 1920, being \$959,065, as compared with \$1,632,516 in 1919, and \$1,955,414 in 1918. After allowing for preferred dividends of \$140,000, unchanged, and common dividends of \$550,000, compared with \$675,000 in 1919, there remained a balance of \$269,065, which, added to the balance brought forward from 1919, left a surplus of \$1,513,582. The surplus in the previous year was \$2,148,108, but as \$903,592 was carried to contingent account, the balance carried forward was \$1,244,516.

The balance sheet shows an improvement in the working capital, the figures for the past three years being as follows:—

| | 1920. | 1919. | 1918. |
|-----------------------|-------------|--------------|--------------|
| Assets | \$9,841,853 | \$10,345,042 | \$10,618,364 |
| Liabilities | 2,273,240 | 2,966,036 | 3,953,865 |
| Working capital | \$7,568,613 | \$ 7,379,006 | \$ 6,664,499 |

Other principal changes are:—

| | 1920. | 1919. | 1918. |
|--------------------------|------------|------------|--------------|
| Inventories | \$ 435,101 | \$ 638,269 | \$ 1,462,916 |
| Investments | 6,552,978 | 5,780,568 | 6,575,149 |
| Pension fund | 430,049 | 253,501 | 173,252 |
| Accounts payable | 1,877,990 | 2,445,786 | 3,433,613 |
| Accrued charges | 395,250 | 520,250 | 520,250 |
| Pension fund | 433,972 | 350,687 | 253,644 |
| Contingent account | 2,500,000 | 2,500,000 | 1,596,407 |

Discussing the results of the year's operations in a brief address to the shareholders, W. A. Black, vice-president and managing director of the company, stated that the milling business during the period covered by the statement had been far from satisfactory. The control of wheat and its products had been vested in the Wheat Board and during a considerable portion of the year the prices fixed by that body had resulted in a positive loss to the mills. Fortunately, he stated, the interests of the Ogilvie company were not confined to flour mills alone and satisfactory profits in other branches of the enterprise's activities had been made. Mr. Black stated that while wheat control had ceased in Canada it was still in force in the Old Country, but he expressed the hope that with the advent of spring the restrictions will cease there also and permit of the resumption of normal conditions between the millers and their oversea customers.

Cockshutt Plow Co., Ltd.—A favorable year's operations are shown in the report of the company for the year ended June 30, 1920, net profits increasing to \$660,921 from \$571,586 in 1919. Dividends amounting to 7½ per cent. on preferred shares were paid, as against 4 per cent. in the previous period. Earnings on preferred were at the rate of 10.23 per cent., as compared with 8.84 in 1919. President H. Cockshutt, in his report, announces that there has been a large and well-sustained demand for the company's product during the year, and an even greater volume of business could have been done if the company had been in a position to accept all the orders offered to it.

"This was prevented," says Mr. Cockshutt, "not only by the difficulty in obtaining labor and material, particularly the latter, but by the insufficiency of the company's plant to meet a greater demand upon its capacity. In order to deal with the situation the directors decided that considerable additions should be made to the plant at Brantford, and the buildings are now well advanced. The continued growth of our business, combined with the very high prices now prevailing for the principal raw materials used by the company, will require a greater amount of money than has been needed in the past for the purpose of carrying the necessary raw materials and goods manufactured and in process. The same situation exists in the company's subsidiary and allied companies.

"The subsidiary companies, Adams Waggon Co. and Brantford Carriage Co., have had a very successful year, working to capacity, and showing substantial betterment. The Adams Waggon Co. has not been able to cope with the business offered it, and, consequently, has been forced to consider increased facilities. This company was offered the Petrolea Waggon Company's plant at Petrolea, fully equipped with modern machinery, and it has secured it under lease, with an option to buy. This plant is now operating, and as soon as a full supply of material can be secured will be worked to its capacity.

"While the balance sheet shows a substantial reduction in loans as at June 30, the company has, since that date, increased its indebtedness, and may require to borrow still further in order to meet the increased cost of doing business, both for itself and for its subsidiaries. The banking position in Canada, as elsewhere, tends to restriction rather than to expansion of credits, and the company must, therefore, consider that it may have to provide out of its own resources a part of the increased funds required. It has, in addition, to provide from current revenue for the capital expenditure on extensions of its own plant. The directors believe, therefore, that earnings should be retained to such an extent as is necessary to enable the company's plant to be operated to full capacity, and advantages taken of the present opportunities for increasing business."

Principal changes in the balance sheet are shown as follows:—

| | 1920. | 1919. |
|---------------------------|-------------|-------------|
| Inventory | \$2,388,377 | \$2,844,446 |
| Accounts receivable | 4,888,598 | 4,603,841 |
| Accounts payable | 766,472 | 598,650 |
| Victory bonds | 95,000 | |
| Balance forward | 575,434 | 399,377 |
| Current assets | 7,451,461 | 4,671,324 |
| Current liabilities | 962,558 | 1,271,655 |
| Working capital | 6,488,903 | 3,399,669 |
| Loans | 124,924 | 594,767 |

Russell Motor Car Co., Ltd.—Net profits of the company for the year ended July 31, 1920, amounted to \$339,453, as compared with \$457,878 in the previous year. This indicates earnings of 28.2 per cent. on preferred stock, as compared with 38 per cent. last year and 31.8 per cent. on common stock, as compared with 46.06.

The decline in profits is due to the readjustment which the company has been undergoing. During the year final adjustments were made by the company in respect to their munition contracts. Operations of the company are now represented by its stock holdings in the following companies: Russell Motor Car Co., Inc., Buffalo, N.Y., Willys-Overland, Ltd., Toronto, Canada Cycle and Motor Co., Ltd., Weston,

WE OFFER:

\$600,000

THE BENSON-HINES LONDON HOTEL COMPANY, LIMITED

LONDON, ONTARIO

FIRST MORTGAGE 7% Sinking Fund Gold Bonds, dated 1st October, 1920. Redeemable \$420,000 at the rate of \$30,000 a year, from the 1st October 1926, to the 1st October, 1939, inclusive, and the balance of \$180,000 on the 1st October, 1940

Callable at the Company's option, upon nine weeks' notice, at any time on or after 1st October, 1925, at par and accrued interest.

Interest payable half yearly on the 1st days of April and October.

Principal and interest payable at the Bank of Montreal, London, Ont.

The Bonds will be in denominations of \$250, \$500 and \$1,000 each, and may be registered as to principal.

TRUSTEES, REGISTRARS AND TRANSFER AGENTS.

The London and Western Trusts Company, Limited,
London, Ontario.

CAPITALIZATION.

| | |
|--|------------|
| Common Stock..... | \$ 500,000 |
| First Mortgage 7% Sinking Fund Gold Bonds, due 1940..... | 600,000 |
| Second Mortgage 7% Sinking Fund Gold Bonds, due 1940..... | 400,000 |

SECURITY.

This issue of First Mortgage Bonds is secured by a Deed of Trust and Mortgage, constituting a first closed mortgage on the lands and buildings, which, it is estimated, will cost one million dollars

EARNINGS.

The annual net earnings are estimated at \$140,000, being over three times the interest on the first mortgage issue, twice the interest on the first and second mortgage issues, or sufficient to pay interest on first and second mortgage issues and 14% on the Common Stock.

TERMS

Price:—Par and accrued interest. Payable 20% on application 40% 1st December, 1920, and 40% 2nd of March, 1921.

The statements contained in this circular are not guaranteed, but are based on information we believe to be reliable.

BRENT, NOXON & CO.

Investment Bankers

213 Dominion Savings Bldg., London.

Dominion Bank Building, Toronto.

REDEMPTION.

The First Mortgage provides for the liquidation of the half-yearly interest by means of monthly payments to the Trustees. In addition, provision is made similarly for a sinking fund of \$2,500 per month, beginning, 1st October, 1925, to meet the yearly payments of \$30,000, for redeeming principal during the years 1926-39, and also from 1st January, 1922, to 1st October, 1925, of a further payment of \$1,000 per month, to form a reserve fund for redemption purposes. This reserve fund is to be used by the Trustees, as far as possible, in redeeming bonds by purchase at less than par and accrued interest. This plan enables a constant check being maintained on both the hotel management and earnings.

SUBSCRIPTIONS.

Subscriptions will be subject to our approval, and must be made on the approved form, all cheques to be made payable to the London & Western Trusts Co., Limited. The right is reserved to accept all or any portion of any subscription, and if only a portion is accepted, the deposit will be applied on the succeeding payments. As the bonds carry interest from 1st October, 1920, interest will accrue at the rate of 7% from that date, and interest at the like rate will be charged on deferred payments

LEGALITY.

All legal details have been passed upon by Malone, Malone & Long, Toronto, and Ivey, Elliott & Ivey, London.

and the Machine and Stamping Co., Ltd. (now to be known as the Russell Gear and Machine Co., Ltd., Toronto.

The Russell Motor Car Co., Inc., Buffalo, has completed and adjusted its contracts with the United States, with the exception of one contract for anti-aircraft gunmounts for the Navy Department. "The assets of this company," says the report, "are mainly represented by the ownership of \$1,300,000 of Canadian Victory bonds." The Canada Cycle and Motor Co., Ltd., closed a successful year's business on December 31 last, and on September 1 of this year paid a dividend of 7 per cent. on its capital stock. "The business during this current year promises to be the largest experienced in the bicycle trade in many years." The Russell Gear and Machine Co., formerly known as the Machine and Stamping Co., Ltd., has taken over the machine equipment of the Russell Motor Car Co., Ltd., with a view to carrying on a general machine business. The capital stock was increased to \$1,000,000, all of which, except qualifying shares, is held by the Russell Motor Car Co. This subsidiary makes motor car parts, bicycle chains, spark plugs and gramophone motors.

In regard to the Willys-Overland, Ltd., the report makes the following comment:—

"This company has completed the conversion of its plant from airplane engine work to automobile work, and during the first six months of the calendar year enjoyed an active demand for its product. Since July 1st it, in common with other motor companies, has experienced a contraction of sales, and its operations are being carried on at the present time on a reduced basis. It is expected, however, that there will be a renewed demand after the first of the year, when returns from the crops have had time to get into general circulation. Willys-Overland, Ltd., is manufacturing the Overland light four car, which has made a reputation for economy in gasoline consumption and easy riding qualities."

The balance sheet for the year shows the following principal changes:—

| | 1920. | 1919. |
|---|-----------|------------|
| Accounts receivable | \$ 47,691 | \$ 146,643 |
| Investments in other companies | 5,113,993 | 4,218,819 |
| Canadian war bonds | | 556,079 |
| Australian war bonds | 21,700 | |
| Total assets | 5,239,409 | 5,311,554 |
| Bankers' advances | 500,000 | 184,229 |
| Accounts payable | 416,025 | 1,073,717 |
| Dividends declared and unpaid | 35,000 | 77,000 |
| Plant, investments and insurance reserves | 1,018,814 | 846,491 |

Dividend payments during the year were unchanged, being \$84,000 on preferred and \$56,000 on common.

Carriage Factories, Ltd.—A deficit of \$36,845 is shown in the report for the year ended July 31, 1920, as compared with a loss of \$88,926 for the same period last year. Gross profits for the year were \$302,635, to which is added the sum of \$32,860 under the item "sundry revenue," giving a total of \$335,496. Against this is charged \$157,488 under the heading "administrative and selling expense," which brings the earnings down to \$178,007. Further charges of \$214,852 are set against this sum, which results in the net loss carried to current surplus of \$36,845. The amount of \$214,852 charged against the earnings, after the deduction of operating expenses, is made up of the following items: Bond interest, \$28,692; bank interest and charges, \$51,316; bad debts reserve, \$17,162, and reserve for inventory, \$117,681.

Total assets amount to \$3,898,364, compared with \$4,153,970 last year. Of this \$904,969 comes under the head of inventories, which is somewhat under the same item in last year's report, which stood at \$965,567 (less reserve in each case). Liability to the town of Orillia is \$25,000, which shows a reduction in this regard from last year, when the liability was \$27,500. Bank loans and overdraft are \$609,284, against \$715,435 a year ago, which displays a decline of over \$100,000 in borrowing.

RECENT FIRES

Canadian Cereal Mills, \$500,000—Business Section of Wadena, Sask., \$300,000—Pigeon River Lumber Mills, \$100,000—Flax at Belle River, Ont., \$50,000

Belle River, Ont.—October 19—Fifty thousand dollars' worth of flax was destroyed by fire.

Brockville, Ont.—October 15—Barns of Peter Dowdall, township of Drummond, were destroyed by fire. The loss is \$4,000, with \$850 insurance.

Downsview, Ont.—October 19—Fire, believed to have been caused by an overheated bearing in a thresher, did \$15,000 damage to the barn of T. Russell's pure-bred stock farm.

Fort Coulonge, Que.—October 13—Coulouge House hotel, two Roman Catholic schools, a garage, a general store and eight residences were damaged by fire.

Hamilton, Ont.—October 18—Manufacturing premises of the Equator Manufacturing Co. on York Street were damaged by fire. The loss is estimated at \$10,000.

Hampton, Ont.—October 13—Residence of Mrs. S. Hayward and the dwelling of Manford Roberts were damaged by fire. The fire is supposed to have started by children playing with matches. The total loss is estimated at \$7,000.

Ottawa, Ont.—October 17—Flour and feed shop of J. W. Morgan, Lisgar Street, was damaged by fire. The loss is estimated at \$5,000.

Port Arthur, Ont.—October 17—The planing and finishing mill of the Pigeon River Lumber Company was destroyed by fire. The loss is estimated at \$100,000.

Tillsonburg, Ont.—October 14—Oatmeal plant of the Canadian Cereal Mills was destroyed by fire. The loss, which will amount to \$500,000, was partly covered by insurance.

Vancouver, B.C.—October 12—Plant of the National Biscuit Co. at 1706 First Avenue West was damaged by fire. The loss is estimated at \$4,000.

Victoria, B.C.—October 10—Retail premises of O'Connell and Co. was damaged by fire. The loss is \$20,000.

Wadena, Sask.—October 19—Business section of this town was destroyed by fire. The loss is estimated at \$300,000.

Windsor, Ont.—October 13—Universal Garage was damaged by fire. The cause of the fire is not known.

Woodstock, Ont.—October 16—Barn belonging to Ben Dickson, Holbrook, was damaged to the extent of \$7,000.

ADDITIONAL INFORMATION CONCERNING FIRES

London, Ont.—September 19—Overall plant of Everybody's Overall Co. was damaged, the fire being caused by spontaneous combustion. The loss is \$7,500, with insurance of \$6,000 in the Merchants, Gore District and Provincial Fire Insurance Companies.

Ingersoll, Ont.—September 18—The apple evaporator of O. E. Robinson and Co. was damaged by fire with a loss of \$6,000. There was \$3,000 insurance in the following companies: Norwich Union, Nationale Fire, and London Accident and Guarantee.

Manitoba.—The fire chief states during the month of August there were 170 fires, with a loss of \$163,378. There were 32 farm buildings destroyed and 37 fires occurred in private dwellings. The careless use of matches is responsible for 17 fires, and 14 fires were occasioned by careless smokers.

Sherbrooke, Que.—October 2—Barns, stables and sheds of Ed. Clement and J. H. Bousquin were destroyed by fire. The cause of the fire is unknown. The total loss on buildings and contents was \$29,500, with \$9,500 insurance in the Sherbrooke and Stanstead Mutual Insurance Co.

Vancouver, B.C.—The fire chief's report for the month of September shows that there were 52 fires. The total loss was \$38,507, of which \$37,197 was covered by insurance. The following shows the cause of fires: Bush fires 6, carelessness-cigarettes-matches 1, children playing with matches 1, chimney fires 9, defective stove 1, electrical origin 6, incendiarism 6, sparks 2, spontaneous combustion 1.

MUTUAL PROFIT

There can be no satisfaction in an arrangement between insurance company and agent where the one's gain is the other's loss. Mutual profit is the only fair system. The FIDELITY-PHENIX spends a great deal of time and money in helping build up and increase the business of its representatives. The representatives show their appreciation by turning in a greater premium income.

If you sell fire, automobile, tornado or EXPLOSION insurance, cut out this advertisement as a reminder to write our Service Department for full particulars of the advantages offered by the FIDELITY-PHENIX agency. Do not put it off. You are losing money with each moment of delay.

FIDELITY-PHENIX FIRE INSURANCE COMPANY OF NEW YORK

HENRY EVANS, President

NOW WRITING

EXPLOSION INSURANCE

CANADIAN HEAD OFFICE: 17 ST. JOHN STREET, MONTREAL

W. E. BALDWIN, Manager.



Insurance Company, Limited

Subscribed Capital £500,000

Paid-up - - £250,000

BANKERS:

LLOYD'S BANK, LIMITED

THE LONDON JOINT CITY & MIDLAND BANK, LIMITED

FOR REINSURANCES

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SIR REGINALD H. BRADE, G.C.B. SIR CHARLES DAVIDSON

EDWARD DEXTER, F.C.A. ROBERT HEADRICK

CHARLES H. TRENAM, Managing Director

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Telegrams "EMOCREVO, LED, LONDON"

THE PROVIDENT

ASSURANCE COMPANY

A. M. ALETTER, Provincial Agent

C.P.R. Building, Toronto

A Strong All-Canadian Company, with Head Office at Montreal, has been licensed to transact

Fire Insurance

in addition to Automobile, Accident, Sickness, Liability, Guarantee and Surety.

The Fire Branch will operate non-tariff, writing moderately large lines.

Applications for agencies are invited.

LAW UNION & ROCK INSURANCE COMPANY, LTD.

LONDON, ENGLAND

Fire - Casualty - Automobile

Over \$10,000,000 invested in Canada

Canadian Head Office
MONTREAL
COLIN E. SWORD, Manager

Toronto Branch
ALF. WRIGHT - Fire Mgr.
ALEX. MacLEAN, Acc. Mgr.

ESTABLISHED 1886

Queensland Insurance Co. Limited

of Sydney, N.S.W.

Capital Paid Up \$1,750,000

Assets \$4,015,811

Agents Wanted in Unrepresented Districts

MANAGERS FOR CANADA:

Montreal Agencies Limited - - Montreal



BRITISH TRADERS' INSURANCE COMPANY
 Limited
 Established 1865
 AGENCIES THROUGHOUT THE WORLD
Fire—Marine—Automobile
 General Agents, Toronto
 Automobile Department: WINDEYER BROS. & DONALDSON
 General Agents Fire Department: G. S. PEARCEY
Head Office for Canada, 36 Toronto St., Toronto
 Manager for Canada, C. R. DRAYTON

THE
Wawanesa Mutual Insurance Co.
 Head Office: WAWANESA, MAN.
 OWNED AND OPERATED BY FARMERS
 In Manitoba, Saskatchewan, Alberta and British Columbia.
 Insuring Farm Property only, at the lowest possible cost to the assured

| | | |
|------------|--|-----------------|
| As at | Assets | \$ 1,437,252.37 |
| December | Reserve for Unearned Premiums | 94,542.18 |
| 31st, 1919 | Number of Policies in Force | 40,000 |
| | Amount of Insurance in Force | 83,290,110.00 |
| | Increase in Business during 1919 | 7,658,573.00 |

FARMERS: Why insure in small or weak Mutual Companies, when you can insure with the Wawanesa Mutual, the largest and strongest strictly Farmers' Mutual Fire Insurance Company in Canada.
 AGENTS IN ALL LOCALITIES
 This Company has no connection with The Western Canada Mutual Fire Insurance Association, or any other combination of Mutual Companies.

WESTERN ASSURANCE COMPANY INCORPORATED 1851
 Fire, Marine, Automobile, Explosion, Riots, Civil Com-motions & Strikes.
 Assets..... over \$8,300,000.00
 Losses paid since organization .. 77,700,000.00
Head Offices: TORONTO, Ont.
 W. B. MEIKLE, President and General Manager
 C. S. WAINWRIGHT, Secretary
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First British Insurance Company established in Canada, A.D. 1804
Phoenix Assurance Co., Limited
 FIRE of London, England LIFE
 Founded 1792
 Total resources over \$ 90,000,000
 Fire losses paid 425,000,000
 Deposit with Federal Government and Investment in Canada for security of Canadian policy holders only exceed..... 2,500,000
 Agents wanted in both branches. Apply to
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 All with profit policies affected prior to the 31st December will rank for a full year's reversionary bonus at that date.

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 (Policies guaranteed by the London Guarantee and Accident Company, Limited)

THE **MERCANTILE FIRE INSURANCE COMPANY** Incorporated 1875
 All Policies Guaranteed by the LONDON and LANCASHIRE FIRE INSURANCE COMPANY OF LIVERPOOL.

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 Head Office, Canada Branch, MONTREAL
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 FIRE, MARINE, HAIL and AUTOMOBILE
 INCORPORATED 1833
 HEAD OFFICES: TORONTO
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 Assets Over \$4,300,000.00
 Losses paid since organization over \$47,500,000.00

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 ESTABLISHED IN 1863
 Head Office - Waterloo, Ont.
 Total Assets 31st December, 1918, over.....\$1,000,000.00
 Policies in force in Western Ontario, over 30,000
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Fire
Hail
Automobile



Security
over
\$93,000,000

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A Combination of age, magnitude and experience

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OF LONDON, ENG.

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ALL CLASSES OF LIFE ASSURANCE TRANSACTED

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COMPANY,
LIMITED

FOR FIRE, ACCIDENT and SICKNESS INSURANCE

Guarantee Bonds, Elevator and General Liability, Automobile Liability,
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LONDON & SCOTTISH BLDG., - - MONTREAL
TOTAL ASSETS \$25,500,000

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throughout Canada, ALEXANDER BISSETT,
Manager for Canada



ALFRED WRIGHT,
Manager

A. E. BLOGG,
Branch Secretary

14 Richmond St. E.
TORONTO

Security, \$46,500,000

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INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS - - \$2,617,350.09

A Canadian Company Investing its Funds in Canada
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W. H. GEORGE, Superintendent of Agencies

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Wealth and Conservatism

Indicate the Security of Ontario Municipal Bonds

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Bonds of Ontario cities and towns in denominations of \$1,000 and smaller amounts running for short or long terms may be purchased now to yield high interest rates. For instance, City of Sarnia 6% bonds, of short or long maturity, may be purchased now to yield 6¾.

Ask for a copy of our descriptive circular.

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CORPORATION-LIMITED**

ESTABLISHED 1901

MONTREAL

TORONTO

LONDON, ENG.

Insurance Company of North America

CAPITAL \$ 5,000,000.00
ASSETS JULY 1st, 1920..... \$38,946,013.37

Issues specially desirable forms
of Use and Occupancy, Rental
and Leasehold Insurance

Agents in all the principal cities of
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FINANCIAL AGENTS

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Sey. 9490.

Great American Insurance Company New York

INCORPORATED - 1872
PAID FOR LOSSES

\$112,397,573.17
STATEMENT JANUARY 1, 1920

CAPITAL
AUTHORIZED, SUBSCRIBED AND PAID-UP
\$5,000,000.00
RESERVE FOR ALL OTHER LIABILITIES
17,191,302.37
NET SURPLUS
11,010,376.51
ASSETS
33,201,678.88

THE SECURITIES OF THE COMPANY ARE BASED
UPON ACTUAL VALUES ON DECEMBER 31st, 1919

Since January 1st the authorized, subscribed and paid-up Capital Stock of the Company has been increased to \$10,000,000. The Company now owns \$10,000,000 U. S. Government Liberty Loan Bonds and \$340,000 Canadian Victory Loan Bonds.

Home Office, One Liberty Street
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