# The Chronicle

## Banking, Insurance & Finance.

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R. WILSON-SMITH, Proprietor

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**French Tariff Revision.**

A RECENT dispatch from Paris is of special interest to Canada as emphasizing the fact that trade negotiations with France were completed none too soon for the securing of the most favourable possible terms. The tariff commissions of the Senate and the Chamber of Deputies have formally requested the Government to agree not to conclude further commercial treaties with foreign Powers until Parliament acts upon the bill which the commissions have drafted. The Cabinet practically has given the promise desired, providing, however, that the recently negotiated Canadian-French treaty be ratified.

The bases of the proposed revision of the tariff are an extension of the double system of rates to all schedules, making the lowest maximum rates 50 p.c. higher than the minimum rates, and specifically restricting the grant of minimum rates to countries offering equal concessions to France. Moreover, as the proposed revision is being engineered by high tariff advocates, the minimum rates in the case of many schedules will probably be raised. The United States will be the principal sufferer under the proposed revision, unless she concludes a reciprocity treaty with France.

**Precedents for High European Bank Rates.**

THE causes and bearing of recent increases in the Bank of England's official rate are referred to elsewhere in these columns. It is of interest in this connection to note what the Banks of England and Germany did in previous periods of special financial stress. In the disturbance of 1873 the Bank of England rate for two weeks was 9 p.c.; in the London panic of 1866 it remained for fourteen weeks at 10 p.c. More recent occasions, however, have brought less excessive rates. Throughout the United States panic of 1884 the Bank rate was but 2 p.c.; in 1893 the maximum was 2½ until gold began to flow very heavily to America; then it was advanced by degrees to 5. But within two months it was back to 3 p.c. again. In 1882, 1890 and 1899, all years of grave London disturbance, the rate never went above 6 p.c.

The present Bank of Germany rate, however, is higher, as the New York Evening Post points out, than in any other British or American panic. In 1893, throughout the New York panic the rate remained at 4; only when Europe began sending gold to New York did the rate go to 5. At the close of 1890, in the Baring crisis at London, the rate remained at 5½ p.c., where it had been before conditions became acute. When the financial skies cleared the rate promptly dropped to 4. In the panic of May, 1884, a rate of 4 p.c. was held by the German bank throughout.

**An Ambitious Banking Project.**

MUCH has been said and written regarding the projected Winnipeg bank whose preliminary general meeting was referred to last week. Its aspiration to the high-sounding title of The National Bank of Canada having met with strong criticism, the request for the revival of the lapsed Colonial Bank charter will now be in the name of The Bank of Canada—a title scarcely less pretentious, however. In commenting upon this project, THE CHRONICLE has sought to give plain statements of fact; and, having no preconceived animus, has felt no temptation to exaggerate or distort any circumstances relating to the matter.

Taking the aim of the proposed bank as defined by its promoter, Mr. F. H. Malcolm, its distinctive feature is the plan of associating itself with an English institution which will receive deposits in Great Britain and Europe. It is purposed that this institution will re-deposit at a slightly higher rate some of its money with the Bank of Canada. Furthermore, it is planned that the English corporation will have offices wherever the bank has branches, officers and local managers probably to be the same for both institutions. The promoters claim for their scheme that without violating the Canadian Bank Act, loans could be made on securities which the chartered banks cannot consider, such as real estate for instance. So that in this way the allied institutions would practically transact the business of a mortgage company. It is declared that the details of this scheme have been worked out in accordance with the most skilled legal advice, but there is room to question whether the plan would not be debarred as an evasion of the spirit if not the letter of the Bank Act.

Aside from this consideration, however, there are reasons for doubting the success of the present project. First of these is the lack of support by strong financial men who have had experience in conducting investment and monetary institutions. The list of ten provisional directors, and the twenty other members of the advisory board appointed at the shareholders' meeting on October 26, includes some well and favourably known names; but as a whole it is far from strong when it is considered that a banking institution is concerned. We are credibly informed, too, that a considerable number of the persons on the board were not consulted prior to their election and that some have signified that they will not act. The need of a strong board, from the bank's viewpoint, seems all the more marked because of the very fact that it proposes to depart from usual customs in Canadian banking. And the trying of its new schemes—even if they be feasible in principle—calls for the ablest financial ability obtainable. This it can at present scarcely claim to possess.

There is no doubt that considerable enterprise has been displayed in the bank's promotion advertising, which has apparently aroused some enthusiasm among a certain class of people—but certainly not among the class that can successfully carry to completion so ambitious a scheme. Even those who are enthusiastic in advocating the development of typically Western banking institutions are more than dubious as to the probable success of the proposed Bank of Canada. There is a disposition, however, to resent the acrimonious attacks made by certain eastern publications; and Western *amour propre* has led some to rally to the bank's cause who would otherwise have ranked themselves with its critics. Ridicule is occasionally an effective weapon in a good fight—but relied on too constantly is apt to defeat its own ends. As one Winnipeg gentleman remarked to a representative of THE CHRONICLE: "There is no sense in holding up one's hands in holy horror when the name of the National Bank is mentioned. I don't think myself the scheme will prove a success, but the proper way is to point out its weaknesses, and not merely to ridicule the thing through and through. Many of us here believe that if a plan such as this were placed before the public in some more business-like form, and at a more appropriate time, the chances of success would be better."

**The Price of Money and of other Commodities.**

It is reported from Chicago that there are already signs of a general decrease in the prices of food products in consequence of the advance in the value of money. The one is, of course, a natural and inevitable sequence of the other. As Bastiat points out, the value of money varies, as much as that of corn, wine, cloth or labour and from the same causes, it undergoes the fluctations of all other human productions. He adds: "But one circumstance is singular and gives rise to many mistakes. When the value of money varies, the variation is attributed by language to the other productions for which it is exchanged. Thus let us suppose that all the circumstances relative to gold remain the same, and that the corn harvest has failed. The price of corn will rise. It will be said, 'The quarter of corn, which was worth twenty francs, is now worth thirty,' and this will be correct. But let us suppose that all the circumstances relative to corn remain the same, and that half of all the gold in existence is swallowed up, this time it is the price of gold which will rise. It would seem that we ought to say—'This Napoleon, which *was worth* twenty francs, is now worth forty.' Now do you know how this is expressed? Just as if it was the other objects of comparison which had fallen in price, it is said—'Corn, which *was worth* twenty francs, *is now only worth* ten.'"

Bastiat, as an exponent of the "quantity theory," considers this law as relating primarily to gold. There are other economists who maintain that it holds just as surely when extended to all the "credit instruments" by means of which supply and demand determine prices.

**Canadian Trade Conditions.**

Canadian trade, according to Bradstreet's last weekly bulletin, is good as a whole, though money is tight and collections are still complained of. Cool weather and the movement of wheat at the Northwest have made for an enlarged trade and for some gain in collections at the West, however. Retail trade is reported as good and little reduction in industrial activity is noted. Failures for the week number 25, as against 39 last week, and 21 in this week a year ago.

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## HIGH PRICES AND PROFITS.

In their discussion of the present situation two or more of the high authorities on economics have used a peculiar phrase. They described how merchants are induced, during a period like that of the past two or three years, to increase largely the volume of their business because of the extraordinary pressure of demand from their purchasing customers, and because *they think they are making large profits.* A statement like this is apt to puzzle the lay reader considerably. Why should there be uncertainty as to the merchants' profits during a season of high prices any more than in a season of low prices? Has not each one his proper margin between cost and selling price, then as well as at other times? And do not the books show clearly what has been made no matter whether prices are high or low? Questions such as these suggest themselves.

It can hardly be doubted that the men who run their books in an absolutely scientific manner—accurately measuring their costs, providing fully for depreciation, actual and prospective, valuing book accounts, bills receivable, goods on hand, with the right dash of pessimism—can tell their profits surely and correctly whatever be the general level of prices, whatever the state of general business. But it is not everybody that can do this. He who could, in the case of some trades would be almost superhuman. A very considerable number, especially of the smaller traders, make no attempt to do so. They are content to run along, when things are booming, without making allowance or provision for a possible let-down.

The first difficulty that confronts a merchant in a time of high and rising prices is that of increasing his selling price to correspond with the rise in his costs. Fearing a loss of custom, he may not make the full advance in the selling price, and his margin of profit thus becomes less when it ought to be greater.

In regard to his profits he is apt to be deceived in several ways. When high prices rule, if a man would know where he stands, there is need to charge costs and expenses of all kinds freely to the various expense accounts rather than to add them to the cost of goods, or capital account. The reason is because everything is more or less inflated at such times and the trader who is truly wise will aim at keeping his book values down to bed-rock—in other words he will combat his natural inclination to expand his notions of value with the price expansion. If this is neglected the stocktaking is not so apt to be accurate. The goods are likely to appear as assets at values which, though apparently warranted by the prevailing level of prices, are too high for conservatism. So long as trade is buoyant and things going swimmingly, all is well, but let a reaction come and prices fall, and the depression is likely to be accentuated, the drop in profits more severe, for the want of a more drastic cutting down of book values in the day of prosperity. As the trader is going along on a plane elevated somewhat above the solid ground, and not altogether secure, it behoves him to lay up funds against the day of his descent, which may be sudden or gradual, in the near or remote future. The firms which do this properly keep their book values systematically down, and make liberal allowances for depreciation. When their shelves are full of goods in boom times, they make ample deductions from each year's profits to accumulate a reserve fund against depreciation. There is need, in short, for special reserves of all kinds when trade is booming. If they are not set aside, the profits which the merchant thinks he has made may be seriously cut into when the tide ebbs.

The book accounts and bills receivable usually contain a greater risk of loss in prosperous times. Credit is given more freely, and at the same time extravagance is more in evidence. There are more of the merchant's debtors living beyond their means. And the increased cost of living makes it difficult for a great many families to pay their way as they go. So the book accounts and bills receivable are to be conservatively valued, the probable losses fully provided for at the end of each year.

Then, after the profits are arrived at, there is the matter of the drawings. Nearly every one finds that his private expenses are a great deal higher than they are in ordinary dull times. If he makes the same profits nominally as in quiet times, he is not really doing as well, because a thousand dollars will not do as much work when prices are high. Quite often the gains in profits are more than swallowed up by the increase in the private expenses.

When all these things are taken into consideration, it is easier to see that business men may sometimes think they are making big profits when they are not really. They may fall into the mistake partly because of careless or of unscientific book keeping, and partly because their judgment is affected by the enchantment of prosperity.

Of course, in a great many cases there can be no mistake about the big profits made. When a man finds his bank account getting fatter and fatter with no increase in his liabilities, and his goods and other property, valued with all conservatism, increasing steadily, there is no gainsaying the fact that he is making headway. The trouble with some of the profits said to have been made in times like 1905-6-7 is that they are paper profits. The makers of them may have increased their liabilities to large proportions, and, at the same time are loaded up with commodities or property, the appreciation in the price of which has given them a big part of the prosperity they enjoyed. Not all of them are able to cash in their profits as satisfactorily as they might wish by turning their property into money at the high prices.

## COMPANY LAW IN CANADA.

The advocacy of national corporation laws for the United States was a prominent feature of the Civic Federation's Trust Conference held recently in Chicago. A uniform federal company law, instead of widely diverse state statutes, was stated by Mr. Isaac N. Seligman and others as a crying need if the country's financial development was to be based on confidence at home and abroad. It will be remembered, too, that at the last Colonial Conference there was a resolution adopted in favour of greater uniformity in company law throughout the British Empire. Within the bounds of the Dominion itself, there is ample scope for reform in this regard—provincial statutes varying widely in details more or less important. Indeed Canada possesses the doubtful distinction of greater diversity in its company laws than any other part of the Empire, having altogether about seventy-five acts and ordinances in its nine distinct systems.

There are manifest practical difficulties in quickly bringing about desired changes in this matter, and for some time to come there is still likely to be considerable reference to the comparative analysis which the Imperial Board of Trade has made of company laws throughout the Empire. So, too, as regards Canada in particular, the day is not yet at hand for dispensing with the use of a reliable compendium of statutes and regulations relating to joint stock companies in the various provinces of the Dominion.

Such a hand-book is to be found in Warde's "Shareholders' and Directors' Manual" the seventh edition of which has recently been published by The Canada Railway News Company, Limited, of Toronto. Mr. J. D. Warde, the author, is known for his long experience in company matters and for the valuable assistance he has rendered in preparing the new Ontario Companies Act. This important statute is contained in the present edition of the manual, and is of especial interest on account of the many changes involved by it. The act is a consolidation of the company law in Ontario, repealing no less then twenty-eight acts or parts of acts, and markedly simplifying the machinery for carrying regulations into effect. The amended Dominion Companies Act, as contained in the Revised Statutes of 1906, is also included in the volume.

But the book is more than a compendium of legal information. Its practical use to those organizing and conducting joint-stock companies is indicated by the table of contents, which contains such captions as: Promotion and Prospectuses; Formation and Incorporation; Officers, their Duties and Powers; Frauds of Directors, Promotors, etc. All in all, the twenty-five chapters of Part I. of the handbook should prove of much practical interest and value to those interested in company affairs. Part II contains, in addition to the text of the acts above referred to, a table of forms so drawn as to represent the actual steps to be taken in the formation and carrying on of a company; also a useful table of by-laws, as well as 198 object clauses for all kinds of companies, which have been approved by the departments at Ottawa and Toronto.

## FIRE PREVENTION HINTS FOR COLD WEATHER.

The Canadian Fire Underwriters' Association is performing an educational service in the cause of fire prevention by issuing a cold weather bulletin containing hints as to the care of sprinkler equipments. It is pointed out that a very small freeze-up, may temporarily but disastrously disable a large part of the whole of a system. Care must be taken to prevent any of the pipes freezing, and particular attention should be given to exposed places, such as hallways, entries, show windows, attics and skylights. If, in order to prevent freezing, portions of the sprinkler system are shut off, arrangements should be made to have the water turned on in case of fire.

There are numerous other helpful instructions in the circular. At the bottom is a special notice printed in red ink, which reads as follows:

See that all sprinkler valves are kept open and in operative condition.

When it becomes necessary to close a sprinkler valve during working hours, a competent man should be stationed at the valve, so that water can be turned on immediately in case a fire occurs.

When necessary to make changes in sprinkler system, extra care should be taken to have the least possible portion of the equipment out of commission at any one time.

Please notify this office at once, whenever necessary to shut water off sprinklers, or in any way modify the fire protection.

## THE BANK OF ENGLAND RATE.

**Purpose and Result of Advancing the Official Discount Rate—Another of a Series of Special Articles on the World-Relations of the London Money Market.**

On Thursday of last week, the Bank of Eng'and raised its official discount rate from 4½ to 5½ p.c. On Monday of this week, another advance was made to 6 p.c., while yesterday brought fulfillment of the rumour that a further increase to 7 p.c. would be made. That the aim has been to check the drain by America on London's gold supply is universally recognized. But just how this simple act on the part of the Bank's directors would effect that purpose may not be so generally understood. Indeed, it is doubtful whether a clear explanation of underlying principles could be given off-hand by the majority even of those conversant, in a practical way, with market conditions.

### GOLD IMPORTS AND FOREIGN EXCHANGE.

A clear understanding of the matter is dependent upon keeping in mind the details of foreign exchange procedure. Between the United States and Great Britain reciprocal payments for exports and imports are being constantly effected by transfers of credit from one country to the other; balances only—under normal conditions—being paid in gold. The process in its essential steps is as follows:

A New York exporter, when sending wheat or cotton to England, draws a bill of exchange upon his consignee or the latter's banker—payable at sight, or thirty, sixty or ninety days after sight. Instead, however, of sending this bill abroad for collection, he sells it—after endorsing it—to a New York banker. The latter, having paid the exporter, sends the bill of exchange to his London correspondent, getting credit with him for the amount—and the London correspondent makes the collection at the bill's maturity. Similarly in the case of the British exporter, the converse process is carried out. The bankers' compensation is involved in the price at which the bills are bought and sold—in other words in the rate of exchange.

The law of supply and demand regulates this rate of exchange as it ultimately does all other prices. Let us see how it works out in this case—bearing in mind that the equivalent of £1 at par is taken as $4.866. Suppose an American exporter to have drawn a sight bill for so many pounds sterling on his British customer. Whether he will get more or less than $4.866 per pound for it from his banker depends upon circumstances. If there has been more exporting than importing, involving more payments due from England than from New York, the supply of sterling bills will be greater than there is a demand for at par—and the exporter will have to take less than $4.866. Exchange is then spoken of in New York as having fallen. From the London viewpoint, of course, it is looked upon as having risen.

Coming back to the New York exporter who is offered less than par for his sterling bill. How much less he will receive will depend upon the cost to him, or in practice to his banker acting for him, of actually bringing over payment in gold. Freight charges, insurance, interest for time in transit, and allowance for abrasion are all elements in this cost. When sight bills go much below $4.85—say $4.845—they will not ordinarily be sold. Instead, arrangements will be made for importing gold by bankers—who will buy the bills at a rate to give themselves a profit and will then draw bills on their own credits in London to pay for the gold—remitting the original bills of exchange to their correspondents. Ordinarily, at a time of large dues from London to New York—making exchange low at the latter place—rates for money are apt to be higher in America than in England, thus also facilitating the transfer of gold. The process of importing gold will normally proceed until the balance of supply and demand is sufficiently restored to raise the rate of exchange to the point where it will be more advantageous to sell bills at the current price than to go to the expense of importing gold.

Supposing conditions to be reversed, and that New York owes more to London than London to New York, sterling exchange will go up—rising until it becomes cheaper to ship gold from America than to pay the price for bills. This point is normally before sterling goes much above $4.88.

### HOW INTEREST RATES AFFECT EXCHANGE.

And now, as to the important question of the relation between foreign exchange, the Bank of England's official discount rate and the movement of gold. Hitherto, reference has been made only to New York and London. It is to be remembered, however, that all money market changes are really international in their scope. While the recent flow of gold has been visibly one to New York from London, that is because the latter centre is the world's one free market for gold. The immediate effect of a rise in the Bank rate is perhaps more readily understood by considering the course of events which it is calculated to bring about between, say, London and Paris.

If the market rate of discount for first-class paper is higher in London than in Paris, the continental banker will earn more interest on his money if he buys London bills than if he buys Paris bills—provided the difference in discount rates is sufficiently great to allow for exchange. If French exchange is low, and the rate of interest ruling in London is higher than that in Paris, there is, of course, an additional incentive for the continental banker to invest in English bills. Not only is there the greater rate of interest in his favour, but also the chance of a rise taking place in the rate of exchange before the purchased time bill mature. Since a bill when it falls due may be sold as a "sight draft," an increased rate of exchange at maturity would be to the banker's gain.

From this it comes about, as Straker points out in his "Money Market," that when *interest* in London is *higher* than that ruling at foreign centres, and exchanges on that market are comparatively *low*, a heavy investment demand from continental bankers sets in, in order to take advantage, not only of the higher interest obtainable in London, but also of the possible profit on the exchange. Such transactions will not only have the effect of stopping a further fall in exchange rates, but will often send them in the opposite direction since increased demand upon the supply of paper tends naturally to enhance its value. If for any reason, however, exchange rates remain low the continental holders of bills keep them until they become due and so earn the higher interest. If the exchange rate rises to any extent, certain holders will at once begin to sell—having earned their interest for the time they have held the bills, and seeing their way to secure a certain profit on the exchange, they perhaps think it well to take this, and employ their money in some other transaction.

With interest rates relatively high in London (as they have been for some months back compared, for instance, with Paris), and with foreign exchanges low (owing to anticipated autumn shipments from abroad), indications have pointed for some time to more or less of a "money squeeze" in Britain, aggravated by threatened exports of gold. In such a case the remedy seems almost the homœopathic one of *similia similibus curantur*, since the measure adopted has been a further raising of the interest rate.

### A CASE IN POINT.

Let us see how the cure works out, going back to August 14, when the Bank raised its rate from 4 to 4½ p.c. The subsequent course of events was given succinctly by The Evening Post of New York in its issue of August 24, as follows: "The rise in the Bank's official rate on Thursday was followed by so urgent a bid from the open London market, as a result of Saturday's mysterious fright in Lombard Street, that private discounts, passing the bank rate, had by Monday advanced to 4⅞ p.c., nearly double the customary rate at this time of year. With this urgent bid from England, and the resultant expectation of an approaching 5 p.c. Bank of England rate, Paris exchange on London rose from 25 francs, 15 centimes, which was distinctly in favour of the French market, to 25.23½, thus crossing the par of exchange. The New York sterling market, standing in the middle of last week at 4.86⅝, the par of exchange, had run up violently by the following Wednesday to 4.87⅞, close to the point at which London itself could take our gold.

"The Bank of England did not again raise its rate last Thursday; all of these foreign exchange rates have accordingly fallen back. But the incident strikingly illustrates the condition of the markets. London's excuse for last week's 4½ p.c. bank rate was that our market might attempt to draw away England's gold. Yet the week's events seemed to indicate that a 5 p.c. bank rate might have drawn gold from here to London. There remains then the problem as to which market, London or New York, has the greater power over the capital of the other."

The problem put by The Evening Post has during the past fortnight or so been in course of solution. Autumn exports (about to be, or actually shipped), had already given America considerable command upon credits in London, when the New York banking crisis occurred on Tuesday to Thursday, October 22-24. Nothing was done by the Bank of England to check the supplying of America's crying need, and at the close of the week New York engagements of gold had begun with frantic eagerness—the exchange rate on Saturday being well below the import point. By the following Thursday, gold engagements had amounted to $25,000,000 or over. The Bank of England rate was then raised from 4½ to 5½ p.c.—the directors evidently deeming that America's drain had gone about as far as was safe from the British and international standpoint. But although demand exchange from Saturday to Saturday had risen to over $4.88, gold engagements still continued—the desire of American banks for increased reserves transending all ordinary considerations of profit-and-loss in gold importing.

### TO CHECK THE OUTFLOW OF GOLD.

The Bank then had recourse to the process of "increasing the dose," and Monday of this week brought a 6 p.c. official rate—with the possibility of an increase to 7 p.c. should so drastic a move seem necessary. Although there was a further withdrawal of gold from the Bank on Tuesday—bringing total gold engagements of the present movements to America up to $36,000,000—the encouraging announcement was made of a purchase in London of £3,000,000 in sterling bills by the Bank of France. This action strengthened the hope, since shattered, that the Bank would not find it necessary to enforce a 7 p.c. rate. It was looked upon as indicating that the 6 p.c. rate—even if not sufficient to stop America's demand—would serve to attract sufficient gold from other sources to offset any further drain. It is to be noted in this connection that not since 1873 has the Bank's rate been over 6 p.c. On November 7, of that year as a result of a panic on the stock exchange, the rate was put up to 9 p.c.

Just what will be the immediate result and final outcome affords interesing conjecture. The immediate purpose of the Bank—merely considered as a bank—is to prevent excessive depletion of its own reserve. But ultimately—as has been shown in earlier articles of this series—the Bank of England's reserve is that of the country's banking system as a whole. The importance, therefore, of caution is manifest. When continued exports of gold threaten to dangerously reduce the reserve, an advance in the rate becomes necessary. If this increase in the official rate is not followed by the market, steps have to be taken to compel it to follow suit. Sometimes—as was the case at the middle of October—the Bank enforces its influence by itself begining to borrow from the open market, thus lessening the supply of money and strengthening the market rate. At other times—as more recently—it is considered necessary to take the more drastic step of advancing the rate. So soon as the market has begun actually to follow suit, London holds out the advantage to foreign bankers of an increased interest over what they can earn at home, supplemented at times by a prospective profit through a possible rise in exchange. The resultant tendency is then for their purchases of London bills gradually to raise the rate of exchange and stop the outflow of gold.

## MORTALITY EXPERIENCE OF ANNUITANTS.

### Practical Considerations Growing out of Discussion at Meeting of Actuarial Society of America.

**Contributed to THE CHRONICLE, by Walter C. Wright, Consulting Actuary, Boston.**

Mr. Arthur Hunter, associate actuary of the New York Life Insurance Company, read a paper at the fifth International Congress of Actuaries at Berlin, on "Mortality Experience among Annuitants resident in the United States of American and Canada." This paper was subsequently copied in the Transactions of the Actuarial Society of America, and discussed at the meeting held by the Society in Toronto on October 10 and 11, when it was the privilege of the writer to listen to the discussion. But there are some practical considerations resting on the facts presented in the paper, which are recognized rather than satisfied by the conclusions reached by Mr. Hunter in the paper, or which were expressed by those participating in the subsequent discussion; and it is the object of this article to call attention to, and invite discussion of this aspect of the question.

Mr. Hunter opens his treatise with the remark that "Annuities have not been popular in the United States and Canada until recent years, and accordingly the companies of these countries have had no actual experience on which to base their rates," and adds "The price of annuities has therefore been based upon the British Government Annuity Tables, the French Companies' Annuities Experience (R. F.), or the British Offices' Annuities Experience (1863-1893)."

But the above resources for fixing the price of annuities do not exhaust the number of reliable existing tables which are available. On the other hand, the opening remark, and Mr. Hunter's figures, with others quoted herein, conclusively show that it is not to tables based on annuitant life experience that we must turn for adequate data, and further that it is especially hopeless to look for adequate data embracing annuitant experience on the lives of residents of the United States and Canada, and in default of a good table of ample basis of average, based on statistics of mortality in healthy districts of the United States and Canada, which statistics might possibly show more favourable rates of mortality than those gathered elsewhere, it must be to the latter that we must look for guidance. I am aware that this assertion may be a surprising, and perhaps shocking one to many readers, in view of the fact that it now seems to be almost universally assumed by actuaries that tables suitable for fixing the purchase prices of insurance and annuities, must be based on experience derived from the data accumulated in performing these functions. *But the law of mortality is not dependent on, nor can it be altered by the institution of such functions;* and it is well to call attention to the fact that it was simply owing to the then existing difficulties attendant on collecting reliable vital statistics in general, that insured life experience was first resorted to, to serve the practical purposes mentioned; and further remind readers that when it is desired to study carefully the effects of medical selection, or personal selection on entrance or withdrawal, and unwholesome occupations and surrounding and special diseases, on rates of mortality, the only safe criterion, or basis of measure, is to use a table of mortality involving as little as possible of these special features, and such tables can be formed only from general experience, under circumstances excluding the disturbing elements to be measured.

With this preface, I may venture to assert as the result of my own investigation, that no better table exists at the present time for determining equitable and adequate charges for annuities, if not for insurances, than Dr. Farr's Healthy Districts Male and Female tables of mortality, for English speaking people; and this may well be taken as the universal standard for this use, until a similar table based on lives resident in the United States and Canada is available, for the use of companies operating in those countries.

#### INADEQUACY OF PRESENT ANNUITY RATES

That there is need of more adequate and equitable charges for annuities, certainly in the United States and Canada, may be gathered from the following figures which I quote from the gain or loss statement appearing in the Fifty-Second Massachusetts Life and Miscellaneous Insurance Report published a few days ago:

| Name of Company | Gain or Loss from Annuities. | Name of Company | Gain or Loss from Annuities |
|---|---|---|---|
| Aetna | - $ 2,251 | National | - $31,671 |
| Berkshire | ...... | New England Mutual | ...... |
| Boston Mutual | ...... | New York | - 142,800 |
| Columbian National | ...... | Northwestern Mutual | - 8,223 |
| Connecticut General | - 155 | Penn. Mutual | - 31,156 |
| Connecticut Mutual | 12,246 | Phoenix Mutual | 7 096 |
| Equitable | 42,324 | Provident L & T | - 19,161 |
| Fidelity Mutual | - 548 | Prudential | - 3,327 |
| Germania | - 4,846 | Security Mutual | - 79 |
| Home | - 7,876 | State Mutual | - 1,476 |
| John Hancock Mutual | ...... | Travelers | - 4,784 |
| Manhattan | - 5,582 | Union Central | - 1,831 |
| Mass. Mutual | ..... | Union Mutual | - 655 |
| Metropolitan | - 51,326 | Washington | - 10,763 |
| Mutual Benefit | - 14,184 | | |
| Mutual | 11,066 | Total | $ - 269,962 |

#### CONSIDERATION OF DR. FARR'S TABLE.

That present tables of annuitant experience are inadequate on the one hand, and that Dr. Farr's table is reliably adequate on the other, is shown by the following figures quoted from Mr. Hunter's paper, and from the Joint Mortality Investigation of Combined Experience of Life Annuitants, and from the article on Dr. Farr's tables, appearing on pages 540 and 541 of Walford's Insurance Cyclopedia.

The annuitant experience of residents of the United States and Canada investigated by Mr. Hunter, he says, included "1,933 men and 2,873 women," and that the average duration of the annuities in the experience under investigation was "5 1-10th years for men and 5 7-10th years for women," and exposure under the age of 20 was almost entirely lacking, and that under the age of 50 and over the age of 75 was not 30 p.c. of an entire exposure of only 16,043 years of life for males, and 21,141 for females.

The Combined Experience of Life Annuitants embraced male lives under observation numbering 6,728, and females numbering 18,951, and the whole number of years of risk of the first sort was 53,599 and of the second 173,519. In this experience there were only 51 male entrances under age 30, and 146 female, and over 75 there were only 990 male, and 2,088 female entrances.

Th data forming the basis of Dr. Farr's tables, embraced 492,525 males, and 503,248 females, and of course full exposure at early ages, and no less than 8,871 male entrances, and 10,608 female, at age 75 and over.

As the latter tables are the neglected factor in the search for suitable tables for the regulation of annuity transactions, I may appropriately quote a couple of Dr. Farr's remarks on these tables, as given in the Cyclopædia:

"We have no means of ascertaining what the rate of mortality would be among men living in the most favourable sanitary conditions; otherwise observations for a term of years on a considerable number of such persons would supply a standard rate with which other rates could be compared. In the absence of such a standard the districts of England in which the mortality rate did not exceed 17 annual deaths in 1,000 living have been selected as the basis of a new Life Table, which will shortly be published, as the nearest approximation we can obtain to a Table representing the human race in a normal state.

"Upon inquiry it was found that in many districts of England the mortality of the population did not exceed the rate of 17 annual deaths to 1,000 living. For the sake of convenience these were called "healthy districts," consisting of 64, or nearly a tenth-part of the total registration districts of England and Wales, and inhabited by nearly a million of people. Sixty-three of these districts have been taken as the basis of the new Life Table, constructed according to the methods previously described."

It may be possible to improve the graduation of Dr. Farr's tables between the ages of 50 and 60, and in extreme old age, particularly, and this has been tentatively done; but it would be absurd to suppose that an intelligently graduated table based on these adequate data, would not be far more likely to accord with the true law of mortality, than any table hypothetically graduated, from data which are deficient at both extremes or rather ends of life, as the deficiency of annuitant life experience practically covers all except the middle years of life.

### SUMMING UP OF MR. HUNTER'S CONCLUSIONS.

Mr. Hunter sums up his conclusions as follows:

"First—That the mortality experience among annuitants resident in the United States and Canada is very low, and appears to be more favourable than any other published annuity experience.

"Second—That there is in this experience no evidence of selection against the companies by those who took large amounts of annuity.

"Third—That the rate of mortality in the early annuity years is a factor of as much importance as the low mortality due to medical selection under life insurance policies, the new experience confirming the British Offices' Experience in this respect.

"Fourth—That experiences which are based on the combination of the mortality for all annuity years are not satisfactory for calculating the purchase price of annuities.

"Fifth—That the mortality experience among annuitants resident in the United States and Canada is lower than among those resident in Britain and the Continent of Europe, which is probably mainly due to the intensified self-selection in the New World."

These conclusions are quoted in full, mainly to show that nothing in them conflicts with or disproves what is maintained in this discussion.

It may be noted in regard to the fourth conclusion, whether any possible table of mortality which would be suitable during the whole period of duration of an annuity, would not embrace the fault for the first years of risk which Mr. Hunter names. The superior vitality of insured life experience, during the first years after insurance, is unquestionably due to medical selection as opposed to individual selection; and the superior vitality in the early years of annuitant experience, on the contrary, is unquestionably due to individual selection as opposed to the helplessness of the company to regulate selection at all, and do practically any business whatever in this line; and this fact suggests a very obvious remedy to meet the difficulty pointed out by Mr. Hunter. *This is to charge premiums according to the standard table for an annuity of fixed amount, and to stipulate in the contract that a lesser amount only shall be payable during the first few years after the issue of the policy.* It is needless to give specific suggestions on this point. The protection from loss which would be given the company by this means is obvious.

### IMPORTANCE OF SECURING ADEQUATE AMERICAN TABLE.

It is not the purpose of this discussion to exclusively recommend Dr. Farr's figures for practical use. It is quite as much its purpose to point out the importance of securing an adequate table of American *healthy* or *select life* experience, of the same, or only really adequate and practicable sort.

It may well be inquired, considering the limited data of the British experience at high ages and as to years of exposure, whether the higher rates of that table for females are not due to this fact, and the hypothetical graduation of the table, rather than to the law of mortality itself; and also to the more considerable individual selection exercised by women owing to the circumstances generally attending their applications for annuities, and which may be most properly provided against by the company in the way above indicated, and perhaps also by moderate and suitable loading.

In conclusion, a table of 3 p.c. annuity premiums is quoted on the page following.

### TABLE OF 3 P.C. LIFE ANNUITY PREMIUMS.

| Age | Healthy Districts 1 | British Offices 2 | Hunter U. S. & Canada 3 | Difference 1 & 3 | Difference 2 & 3 |
|---|---|---|---|---|---|
| MALES. | | | | | |
| 10 | $2420 | —— | | | |
| 20 | 2229 | $2236 | | | |
| 30 | 2043 | 2027 | | | |
| 40 | 1798 | 1760 | | | |
| 50 | 1481 | 1440 | | | |
| 60 | 1100 | 1088 | | | |
| 70 | 727 | 744 | $1194 | 94 | 106 |
| 80 | 427 | 454 | 839 | 112 | 95 |
| 90 | 231 | 244 | 530 | 103 | 76 |
| FEMALES. | | | | | |
| 10 | $2392 | —— | | | |
| 20 | 2219 | $2264 | | | |
| 30 | 2048 | 2067 | | | |
| 40 | 1824 | 1826 | | | |
| 50 | 1524 | 1551 | | | |
| 60 | 1137 | 1223 | $1324 | 187 | 101 |
| 70 | 762 | 841 | 935 | 173 | 94 |
| 80 | 448 | 505 | 584 | 136 | 78 |
| 90 | 237 | 270 | | | |

### REGARDING PUBLIC CONFIDENCE.

The one great subject of discussion in the financial world to-day is the scarcity of money. People talk as though the one thing necessary to make the world rich and prosperous were more gold. Yet there was never more gold above the surface of the earth than there is to-day! The truth is that were every grain of gold wiped out of existence, the world would not in the long run be perceptibly poorer than it is to-day, excepting in the matter of the arts and of commercial convenience. So far as actual wealth is concerned, iron is of infinitely more importance to the human race than gold. For commercial purposes the chief value of gold lies in the very thing we are all complaining about, its relative scarcity. Because of that scarcity, it has become the generally acceptant foot-rule, the measure of all other values. The real wealth of the human race is represented by the corn and wine, the milk and honey, the kindly fruits of the earth, the cattle, the metals, and the products of human labour. For convenience, the values of all these things are measured in gold. The "quantity theorists" tell us that were the visible supply of gold doubled, all other forms of wealth would be worth only half as much gold; while if the visible supply were diminished by one-half, the values of all other forms of wealth would be, measured in terms of gold, exactly twice as much.

Really and truly, actual hard cash plays but an infinitesimal part in the trade and commerce of the world. What the United States is suffering from to-day is not the want of money, so much as the want of confidence. True it is that to restore confidence more money and a great deal of it may be called for, but nevertheless were public confidence restored, the people of the United States would scarcely realize that they were suffering from the want of specie. Almost the whole business of the civilized world is done on credit, in one form or another, and, therefore, is based upon public confidence. Bank notes, bonds, promissory notes, bills of exchange, cheques, current accounts, car tickets postage stamps, transact an amount of business every day that all the gold in the world would not equal in value, measured in terms of gold. All these things have a cash value, everyone assumes that they are redeemable in cash, and as a matter of fact, when due for redemption in the form of cash, they are ordinarily redeemed promptly. But if a worldwide insane panic were to cause the presentation of the whole lot for simultaneous redemption it is obvious that only a very small percentage of them could possibly be honoured in specie.

Credit is the very foundation of all modern business, of banking, trade or commerce, and public confidence is of the very essence of credit. The man who through ignorance, folly, or malice, undermines public confidence in the general stability of business, is simply doing his part towards making trade and commerce practically impossible. An increase of gold may be necessary to restore a financial equilibrium in the United States, but a restoration of public confidence would be much more effective.

Another difficulty arises from the tendency in the public mind to confuse two distinct and separate ideas—value and price. Many people are dominated by axioms, a large proportion of them being misleading. One of the most popular and most misleading is that: "the value of a thing is what it will fetch." In the stock market especially the divergence between value and price is frequently so great that the one is no index to the other. While the values of the standard stocks are fairly constant, the prices are affected by every breeze that blows, and jump up and down with bewildering activity. To the speculator these daily fluctuations are everything, and even the permanent investor in a large class of important stocks, cannot altogether afford to disregard some of the influences which tend to affect values as well as prices, such, for instance, as the lack of public confidence, or a falling off in the general prosperity. Reformers who run amuck in the financial world, because they affect to disdain the interests of the stock market, apparently do not realize the mischief they do to the general business interests of the country, by decreasing the earning powers and even threatening the stability of some of its chief financial and commercial institutions.

BY THE RETIREMENT, at the end of the present year of Mr. George Christopher Morant from the position of manager of the Fire Department of the Commercial Union Assurance Company at the Head Office, London, England, the profession will lose a skilful and much respected underwriter. He has had a long career; beginning the business with the Royal at Liverpool, he subsequently held important positions with the Northern & Guardian. He is a Fellow of the Royal Geographical Society and of the Zoological Society of London, and was first president of the Insurance Institute of London.

We understand that Mr. Morant will receive a suitable retiring allowance. He joined the Commercial Union in 1885.

SIR VINCENT CAILLARD, who recently visited Canada, was greatly impressed with the Metropolitan city. He said it was only necessary to visit Montreal to appreciate with what remarkable strides Canada is making her way in the fullest attributes of nationhood.

## COMPENSATION FOR WORKMEN INJURED IN ACCIDENTS.

The Labour Accidents Commission appointed by the Government of the Province of Quebec is now sitting in Montreal. A deputation from the Montreal branch of the Canadian Manufacturers appeared before them on the 5th inst., and submitted the following suggestions:

1.—Compensation for accidents should be made obligatory upon all employees of labour.

2.—Said compensation should be fixed with reference to earnings of victim at time of accident.

3.—Three years' earnings should constitute the utmost compensation for death or total disability, provided always that the total sum does not exceed $2,500.

4.—Compensation for temporary disability to run for not more than 52 weeks at 50 p.c. of current wages, and in case of non-recovery the employer may by the payment of a lump sum (which with the payments already made shall not exceed the amount stated in clause 3, namely $2,500) cancel all obligation.

We would also respectfully urge further clauses as follows:—

5.—Stated allowance to be given for loss of limbs and permanent disability of a minor character; the compensation awarded for such injuries to be computed in proportion to the indemnity due for loss of life as based on the scale of indemnities in use by Accident Insurance Companies.

6.—That employers shall not be held responsible for any accident to an employee which has been caused by—

(*a*)—Said employee being under the influence of liquor or drugs.

(*b*)—By known bodily infirmity such as epilepsy, etc.

(*c*)—By the employee's own criminal or wilful act.

7.—That provision be made to secure to the victim or to the victim's family the compensation due them from an accident, and thus prevent the amount from being seized for any debt incurred prior to said accident.

8.—That provision be made so that the compensation due an injured employee shall rank for payment as wages due, in case of the employer becoming insolvent.

We would respectfully urge that the law be so prepared that the compensation to be paid under the Act can be determined without the intervention of a legal practitioner, and that the compensation when paid shall constitute a final discharge of all liability on the part of the employer; and that on the passing of the proposed Act all claims for compensation for accidents sustained whilst in the employment of any person shall be settled or adjudicated under it.

A representative of The Chronicle in discussing the above with a prominent Accident Underwriter in this city asked him the following questions:

(1) Should the suggestions offered by the representatives of the C. M. A. be adopted how would it affect employers of labour in this Province as compared with employers of labour in Ontario. Answer: At present the rates charged by accident companies in Ontario are on the same basis as those prevailing in this Province, while in British Columbia, where an act exists similar to that proposed for this Province, but not so severe, the difference in rates is very marked, owing to the very much greater risk assumed under the Act by the Accident Companies. It is, therefore obvious, under the proposed change, the discrimination would be very marked to the disadvantage of employers of labour in the Province of Quebec. For instance, a building contractor in this Province employing masons and carpenters, at present pays a rate of $1.50 per cent. for certain limits of liability whereas in British Columbia the rate is $2.72 per cent. An iron founder doing shop work, in this Province pays a rate of .42 cents per cent. and in British Columbia $1.44 per cent. Steel erection contractors in this Province pay a rate of $4.72 per cent. and in British Columbia $7.00 per cent.

The members of the Labour Commission are Messrs. Globensky, K.C., C. B. Gordon and F. Marois.

## FIRE AT DOMINION PARK, MONTREAL.

On the 6th instant, a disastrous fire occurred at Dominion Park, Montreal, and within three hours the whole eastern stretch of buildings together with the line of side show buildings on the north side were destroyed, with the Scenic railway. All the consumed buildings were of lumber.

There is a water system at the park, which is preserved for use only when the park is open in summer. The river St. Lawrence is close by but as there was no means of getting water from it, tugs from the harbour had to be requisitioned. These arrived about twenty minutes after the call was sent in and it was largely owing to their assistance that all buildings in the Park were not consumed. The following companies are interested:

| | | | |
|---|---|---|---|
| German American | $4,250 | London Mutual | $4,250 |
| Western | 4,500 | Connecticut | 4,250 |
| N. Y. Underwriters | 4,250 | Montmagny | 2,500 |
| Northern | 8,500 | Missisquoi & Rouville | 1,500 |
| Norwich Union | 5 000 | Sterling | 1,500 |
| Mount Royal | 3,000 | Stanstead & Sherbrooke | 1,000 |
| Law Union & Crown | 2,000 | La Fonciere | 1,500 |
| North America | 2,500 | Canada Mutual | 1,500 |
| Montreal Canada | 5,000 | Guardian | 8,500 |
| Richmond & Drummond | 4,250 | Sovereign | 4,000 |
| Aetna | 1,500 | Standard & Mutual | 5,000 |
| Ottawa | 3,000 | Anglo American | 3,500 |
| Phoenix of London | 8,500 | Equity | 2,500 |
| Queen | 8,500 | Lloyds of England | 13,250 |
| Royal | 8,500 | Empire City | 1,500 |
| Liv.& London & Globe | 8 500 | North River | 1,750 |
| Manitoba | 4,250 | Nassau | 1,000 |
| Union | 6,000 | Lloyds | 12,000 |
| | | Total | $170,000 |

Insurance loss about, $80,000.

Only Two Fires that were at all serious occurred in Montreal during October, according to the monthly report of the city fire alarm department. As one of these was the fire that destroyed the Cote St. Paul Roman Catholic church, the only serious fire within the city limits was the one by which damage to the extent of $35,000 was done in the Customs Examining Warehouse. The month's record of alarms was as follows:

| | 1907. | 1906. |
|---|---|---|
| Fires | 76 | 67 |
| Alarms (no fires) | 41 | 23 |
| False alarms | 21 | 15 |

## Prominent Topics

**London and Continental Money Markets.** On the whole the London stock market stood well under the strain of the week ending Saturday last. The mid-week Bank Statement naturally reflected the large withdrawals of gold for America, the reserve decreasing £3,185,000, and the proportion of reserves to liabilities falling from 47.21 p.c. to 39.91 p.c. Still, the reserve of nearly £21,000,000 was £2,500,000 higher than at the corresponding time last year, when a 6 p.c. Bank rate was in force, as compared with the 5½ p.c. announced Thursday week. But, continued engagements of gold for New York favoured rumours of a further advance pending; and consols, followed by other securities, weakened on Saturday—Friday having been a holiday.

New York's unfavourable bank statement and the announcement of the 6 p.c. Bank of England rate on Monday caused a depressed Stock Exchange opening this week, though the afternoon of Monday brought some recovery.

The announcement that a £3,000,000 gold shipment was being definitely arranged from Paris to London was a cheering influence on Tuesday. Led by consols, which rose ⅜, most of the gilt-edged securities benefited by the promised assistance from France, while Americans, taking their cue from the favourable close of the preceding day's market in New York, started quite firm at above parity prices, though subsequently dropping from the best quotations.

A considerable sum in gold was taken from the Imperial Bank of Germany on Tuesday for the United States. President Koch, of the Imperial Bank of Germany, denied the report that the Bank has interposed difficulties in the way of taking gold from that institution for export. He admitted, however, that the Imperial Bank viewed with considerable apprehension the fact that the open market discount rate in London exceeded the Bank of England's rate, giving grounds for fear of a further advance in the latter Bank's rate. This would necessitate again marking up the Berlin rate, and President Kock feared that in that case an additional one-half per cent. would not be sufficient, but that a full one per cent. would be necesary, making the rate 7½ p.c., which would be higher than the Imperial Bank has ever placed it.

Money in the London market was obtainable on Wednesday at slightly easier rates, but discounts were uncertain pending the action of the Bank of England directors. Opening prices for investment securities hardened, but the market eased later. With regard to Americans, the United States Steel Corporation's purchase of the Tennessee Coal & Iron Company, and the announcement that Secretary Cortelyou would continue relief measures to the money market, were influences making for strength. Consols for money closed at 81 13-16, Canadian Pacific rose ⅝ to 153.

Yesterday brought an advance to 7 p.c. in the official Bank of England rate, followed later in the day by an increase from 3½ p.c. to 4 p.c. on the part of the Bank of France. The figures of this week's Bank of England statement show plainly the drain that made this step necessary. The reserve decreased by about £3,140,000—making a percentage to liabilities of 35.2 compared with 39.9 a week ago.

**The New York Bank Statement.** Never, probably, has a New York bank statement been studied with more interest than that of Saturday last. The increase of $60,741,000 in loans was regarded as approximately measuring the issue of Clearing House certificates and the taking over of loans from the trust companies, as well as indicating the strain incident to the arranging of gold imports—since the first step in such negotiations is the raising of heavy loans in New York. The increase of trust companies' deposits in the banks was made without addition to the stock of cash—thus reducing markedly the percentage of reserve. In a sense, therefore, the apparent weakness of the banks' showing was an evidence of the promptness with which difficulties had been grappled with and gold engaged in Europe. The $37,600,000 decrease in an already negative surplus reserve, brought the deficit to nearly $39,000,000—the largest on record. But the arrival of about $30,000,000 gold from Europe during the present week was counted upon as assuring immediate relief, though it is to borne in mind that much of this sum must be passed along to interior points for crop-moving purposes.

A comparison with the bank statement of August 12, 1893, is of interest owing to the marked parallelism between conditions then and now.

| | Nov. 2, 1907 | Aug. 12, 1893 |
|---|---|---|
| Loans | $1,148,452,600 | $411,345,700 |
| Deposits | 1,051,786,900 | 372,203,500 |
| Specie | 175,913,900 | 53,624,800 |
| Legal tenders | 48,194,000 | 22,880,700 |
| Total | 4,107,900 | $ 76,505,500 |
| Deficit | 37,605,525 | 16,545,300 |
| P. C. reserve | 21,30 | 20,55 |

However, the prospects for the near future are not so gloomy as the analogy of 1893 events would suggest. The international trade position of the United States is undoubtedly much stronger—owing in part to industrial development, and in part to European demands for this year's natural products. In this connection M. Paul Leroy Beaulieu and other eminent European financial authorities are unanimous in declaring that the United States is far better able to cope with such a crisis than in 1893. Railroads and industrial enterprises have since then, they say, grown tremendously in strength, and the ability to meet obligations despite the present difficulties, is undoubted. Then, too, while currency conditions in the United States are far from being all that could be desired, there is not the abnormally disorganized system that obtained in 1893—nor are national finances embarrassed as they were in that year. It may be noted, in passing, that the country's money circulation increased by over $70,000,000 during October, bringing the aggregate up to $2,876,000,000. Over a series of years this compares as follows:

| | |
|---|---|
| 1907 | $ 2,876,368,6[illegible]6 |
| 1906 | 2,866,882,776 |
| 1905 | 2,653,131,518 |
| 1900 | 2,139,181,412 |
| 1895 | 1,598,859,368 |

**How the Week Opened in New York.** Important private conferences of financial and industrial leaders, presided over by Mr. J. P. Morgan, were held on Saturday and Sunday. A number of leading bankers joined in the consultations. While Mr. Morgan was but "hopefully non-committal" when asked as to his views, President Nash, of the Corn Exchange Bank, expressed the following conservatively optimistic opinion:

"I believe that from now on there will be an improvement. The hoarded currency will respond, as it always has, to the tempting premium that is being offered. Gold from Europe is following in, and with it will come a falling off in the excitement about cash."

The ultimate decision to support the Trust Company of America and the London Trust Company had a marked effect upon Monday's stock market. During the morning, also, a general agreement was reached, largely through Mr. Morgan's guidance, by which the trust companies collectively will in future co-operate for mutual protection. The directors promise personal assistance in emergencies. It is understood, however, that conservative methods will be demanded of all trust companies entering upon the agreement. Encouraging reports from Washington indicated that the national banking situation throughout the country was sound, and that the efforts of the Comptroller of the Currency to get notes into circulation were meeting with considerable encouragement.

Although the effect of the 6 p.c. Bank of England rate and the rise of foreign exchange in New York was to make gold importing unprofitable, continued engagements evidenced the determination of American bankers to strengthen their position.

Tuesday, as election day, was a legal holiday in New York. So far as the financial situation was concerned it was signalized by the arrival of the first treasure ship bringing over $7,000,000 in gold. There were additional withdrawals of £750,000 from the Bank of England (Canada securing £25,000 on the same day). The news of the action taken by the Bank of France in buying £3,000,000 in sterling bills was considered reassuring.

Those bankers who saw Secretary Cortelyou in New York on Tuesday were convinced that there is no intention on the part of President Roosevelt to call an extra Congressional session to pass remedial financial legislation, as it is understood that the administration feels that the situation should settle down to a basis where a proper judgment can be formed on the various proposed changes in the present monetary laws.

**Mid-Week Developments in Gotham.** Mr. Oakleigh Thorne, president of the Trust Company of America, published an interesting statement on Wednesday explaining that in anticipation of a financial crisis, the management of that company some months ago commenced to reduce its loans and increase its cash reserves—which at the time of the crisis were largely in excess of the legal requirements. He attributes the run on the Trust Company to the wildest of rumours and public attention directed to the company by newspaper publications. The run was unprecedented in the history of banking. In a few days the company's receipts were in excess of its payments, but it has paid out since the run commenced no less than $34,000,000. To all the rumours reflecting upon the management, or upon the good faith of any of its directors or officers Mr. Thorne gives a most emphatic and explicit denial. There is nothing new unfortunately in a perfectly solvent institution being injured by irresponsible rumour-mongers, but it is not often that the damage done by them is on a scale of such magnitude.

Though stock market operations were, of course, still hampered by financial conditions, Wednesday brought an upward price tendency, which seemed to indicate increasing confidence. The bond market also responded to the influence. The money market showed some signs of relief on the arrival of gold, the premium on currency being reduced. The drop in sterling exchange was looked upon as making likely a continuation of gold imports—but the following day's advance in the Bank of England rate naturally modified this expectation. Reports of further relief from Secretary Cortelyou and the passing of the Tennessee Coal & Iron Company to the United States Steel Corporation were considered favourable news. Under a combination of liquidating sales and bear attack, prices of stocks declined somewhat before the close of the market in the afternoon.

**The Situation Yesterday.** The general feeling in New York is certainly somewhat better and the worst is over so far as the banks and trust companies are concerned. The rise in the Bank of England rate yesterday to seven per cent., the highest figure it has reached for thirty-four years, naturally tended to a decline on the New York Stock Exchange. In spite of it, however, prices showed remarkable steadiness. Brokers have begun accepting orders on 25-point margins, but are not encouraging such transactions. They wisely recognize the fact that while, with caution, further serious breaks may be avoided, any attempt at an active speculative movement must involve such banking action as would bring a serious slump.

The worst feature of the New York situation is the scarcity of circulation which the American financiers have been fighting against since 1893. It is believed that cash and currency to the extent of many millions of dollars is in the pockets of the people or in safety deposit vaults. Confidence is the great need of the hour. The United States Treasury has $167,000,000 of National Bank notes, which it can let out under certain conditions, and the banks have the power to issue loans to the extent of four times the amount of their net accessions of gold over their deficit in legal reserves.

It is of interest to notice that not all of the $40,000,000 gold to arrive from Europe is destined for United States banks. Of the $7,000,000 or so distributed on Wednesday, the Bank of Montreal received $1,000,000 and the Bank of Nova Scotia $250,000. On the same day the Bank of Montreal engaged an additional $500,000 for import. Locally, there is practically no change in the general Canadian monetary situation.

**Wheat and Money in the West.** From the West, both in Canada and the United States, come reports of difficulty in moving the crops, owing to the monetary stringency. Over the border, it is stated that Secretary Cortelyou has taken steps to extend help by increased public deposits in the banks of the Northwest, but notwithstanding this, Wednesday's wheat prices had a further break in Chicago, owing largely to rumours of financial embarrassment in different parts of the country and the reported closing down of several flour mills in Minneapolis. In spite of a more elastic currency system than that of our neighbours, and the preparation made by Canadian banks during recent months, the Dominion too is bound to experience more than the ordinary seasonal strain in connection with this year's crop-moving. That the full blame should be saddled on the banks is as natural—as it is unreasonable. That the real difficulty is apt to be exaggerated by some interested is also not surprising. The Globe of Toronto did good service, a day or so ago, by publishing a series of interviews with leading bankers and grain dealers. The former deny that crop shipment is being arbitrarily delayed by the banks refusing to advance the usual and necessary funds to the grain dealers. Mr. D. R. Wilkie, president of the Imperial Bank, said there was not a farmer in the West who wanted to market his crop who was unable to get cash for it. Mr. C. A. Bogert, general manager of the Dominion Bank, said: "The Canadian banks are doing everything possible to expedite the marketing of the Western grain crop. There has been, however, a tendency in the past on the part of certain grain dealers to hold their grain, anticipating more advantageous prices. This the banks are endeavouring to discourage."

Mr. W. D. Matthews, who, as a grain dealer, comes in contact with the position daily, said: "I think that the banks are giving assistance in a very liberal spirit, and I think that you will find that the banks have been giving a normal amount of money for the movement of grain in the Northwest."

**High Pressure for the Congested District.** The Montreal Board of Trade and the Chambre de Commerce are sending circulars to the proprietors in West, Centre and East Wards urging support to the by-law authorizing the City Council to spend a million dollars, in providing those wards with a high pressure water system. It is estimated that the installation will cost $587,500 and that the interest and sinking fund on a forty year basis will amount to $29,680. As the taxable property in the district is assessed at $32,980,400 the annual tax will be less than one mill on the dollar, a trifle compared with the cost to be saved in insurance.

THE LONDON MARINE INSURANCE MARKET is reported as being just now in an unusually tight condition. The market is so full that on the Lusitania the brokers found it to be impossible to complete their slip, rates double the ordinary being asked. Similar difficulty is being experienced in the case of the sister ship.

## Stock Exchange Notes

Montreal, Wednesday, P.M., November 6, 1907.

Price changes this week have been towards a lower level in the majority of cases, the only important exceptions being Soo Common and Nova Scotia Steel Common. The Dominion Iron and Steel securities were active, and the Preferred declined over two points. C. P. R. was again heavy, but the trading was quite limited, the total transactions being under 200 shares. The New York Bank Statement of Saturday last disclosed such a serious drain of cash and impairment of bank reserves, that the unusual course of withholding its publication until after the close of the Stock Market was pursued. The decision was no doubt a wise one, as it prevented any snap judgment being formed and eliminated the probabilities of indiscriminate selling. The interval between Saturday and Monday was one of anxiety to bankers and others in financial circles, but good use of the time was made, and although stocks opened weak, a recovery took place and the market was free from the expected feverishness. The large imports of gold which have arrived or are to arrive during the present week will, to a large extent, repair the losses shown in cash reserves, and the coming bank statement should be decidedly better. In Montreal new money is practically unobtainable, and the bulk of the buying here is still coming through investment channels.

C. P. R. closed with 148 1-2 bid, a loss of 1 1-2 points on sales of 172 shares. The earnings for the last ten days of October show an increase of $41,000. Soo Common was traded in to the extent of 610 shares, and closed with 75 1-4 bid, an advance of 2 1-4 points for the week. Montreal Street Railway shows a loss of 1 1-2 points, closing with 167 1-2 bid, and 602 shares changed hands. Toronto Railway is also lower, closing with 86 1-2 bid as compared with 88 5-8, on transactions of 575 shares. Twin City closed unchanged with 72 3-4 bid, and the trading involved 982 shares. Detroit Railway was again the most active of the tractions and 1425 shares came out. The closing quotation of 32 7-8 shows a decline of 1 point. Toledo Railway sales totalled 160 shares, and the closing bid of 12 1-4 shows an advance of 1-4 point. Illinois Traction Preferred closed with 73 bid, a loss of 1 point, and 191 shares changed hands. Halifax Tram was dealt in to the extent of 95 shares, and closed at a loss of 1 1-2 points with 87 1-2 bid.

R. & O. is 1 1-2 points down with 53 bid, and the trading totalled 49 shares. Mackay Common shows an advance of 1-2 point on transactions of 275 shares. The Preferred is unchanged with 53 1-4 bid, and 391 shares were dealt in. Montreal Power closed with 83 7-8 bid, a decline of 7-8 of a point on sales of 1073 shares.

Dominion Iron Common was the most active stock and 3841 shares were involved in the trading. The closing bid of 13 5-8 shows a decline of 3-4 of a point. The Preferred stock on sales of 580 shares sold down to 38, and closed with 37 bid, a loss on quotation of 3 1-2 points. The bonds closed with 68 bid, and $25,000 were traded in. Dominion Coal Common is unchanged with 39 bid on transactions for the week of 640 shares. The Preferred stock was dealt in to the extent of 60 shares, 10 shares at 87 and 50 shares at 86. There were no sales in the bonds. Nova Scotia Steel Common shows an advance of 2 points, and closed with 54 bid on sales of 185 shares. In the Preferred stock 9 shares changed hands at 108, but there were no sales in the bonds.

Lake of the Woods Common was traded in in broken lots to the extent of 86 shares, and closed unchanged with 70 1-2 bid. The Preferred transactions totalled 72 shares, and the last sales were made at 102, while $2,000 of the bonds changed hands at 103. There were no transactions in Dominion Textile Preferred, and it closed offered at 81 with 80 bid. The closing quotations for the bonds were as follows: Series A & B 83 bid, Series C 70 3-4 bid, Series D 84 bid.

The local money market is unchanged, and the ruling rate continues at 6 per cent. In New York, the ruling rate for call loans to-day was 15 per cent., while the quotation in London was 4 3-4 per cent.

| | Per Cent. |
|---|---|
| Call money in Montreal | 6 |
| Call money in New York | 15 |
| Call money in London | 4 3-4 |
| Bank of England rate | 7 |
| Consols | 81 13-16 |
| Demand Sterling | 9 1-2 |
| Sixty days' sight Sterling | 8 1-8 |

The quotations for money at Continental points were as follows:—

| | Market | Bank. |
|---|---|---|
| Paris | 3 13-16 | 3 1-2 |
| Berlin | 6 | 6 1-2 |
| Amsterdam | 4 7-8 | 5 |
| Brussels | 5 1-4 | 5 1-2 |
| Vienna | 5 | 5 |

Montreal, Thursday, November 7, 1907.

Prices were lower to-day, influenced by New York, where a heavier tendency was caused by the action of the Bank of England in again advancing its rate. The trading was orderly, however, and although prices declined, there was no severe pressure. C. P. R. sold down to 140, Montreal Street to 165, Toronto Railway to 86 and N. S. Steel Common to 53, while Montreal Power touched 83 and closed with 83 bid. Detroit Railway closed with 31 1-4 bid after selling at 31 1-2, and Twin City sold at 72 1-4. Dominion Iron Preferred closed with 37 bid, and the Common with 13 1-2 bid, while the bonds changed hands at 68.

MONTREAL BANK CLEARINGS for the week ending Nov. 7, were $37,004,984. For the corresponding weeks of 1906 and 1905, they were $34,750,661 and $32,161,907 respectively. For the ten months ending October 31, they have been $1,288,745,000, a gain of $41,931,000 over the corresponding period last year.

THE FELLOWSHIP OF SOLIDARITY, a New York fraternal organized in 1902 by Actuary M. M. Dawson is seeking reinsurance in the Postal Life of New York a newly organized over-the-counter insurance concern.



**TRAFFIC EARNINGS.**

The gross traffic earnings of the Grand Trunk Canadian Pacific, Canadian Northern, Duluth South Shore & Atlantic railways, and the Montreal, Toronto, Halifax, Twin City, Detroit United and Havana street railways, up to the most recent date obtainable, compared with the corresponding period for 1905 and 1906, were as follows:

GRAND TRUNK RAILWAY.

| Year to date, | 1905. | 1906. | 1907. | Incre |
|---|---|---|---|---|
| Sept. 30..... | $26,153,235 | $30,232,084 | $33,233,116 | $3,001,032 |
| Week ending. | 1905. | 1906. | 1907. | Increase. |
| Oct. 7 .... | 791,030 | 831,691 | 920,606 | 88,915 |
| " 14 .... | 793,853 | 851,093 | 935 632 | 84,539 |
| " 21 .... | 604,551 | 899,141 | 944,379 | 45,238 |
| " 31 .... | 1,183,222 | 1,310,432 | 1,367,883 | 57,451 |

CANADIAN PACIFIC RAILWAY.

| Year to date.. | 1905. | 1906. | 1907. | Increase |
|---|---|---|---|---|
| Sept. 30 ..... | $37,211,000 | $48,150,000 | $54,578,000 | $6,428,000 |
| Week ending. | 1905. | 1906. | 1907. | Increase. |
| Oct. 7 ..... | 1,189,000 | 1,482 000 | 1,497,000 | 15,000 |
| " 14...... | 1,305,000 | 1,455,000 | 1,501,000 | 46,000 |
| " 21...... | 1,284,000 | 1,528,000 | 1,544,000 | 16,000 |
| " 31...... | 1,925,000 | 2,453,000 | 2,494 000 | 41,000 |

CANADIAN NORTHERN RAILWAY.

| Year to date. | 1906. | | 1907. | Increase |
|---|---|---|---|---|
| July 31....... | $6,166,900 | | $8,032,600 | $2,265,700 |
| Week ending. | 1905. | 1906. | 1907. | Increase |
| Oct. 7...... | 100,200 | 164,100 | 182,600 | 18,500 |
| " 14...... | 122,300 | 186,600 | 208,100 | 21,500 |
| " 21...... | 118,700 | 221,500 | 230,700 | 9 200 |
| " 31...... | 215,900 | 242,900 | 309,800 | 66,900 |

DULUTH, SOUTH SHORE & ATLANTIC

| Week ending. | 1905. | 1906. | 1907. | Increase |
|---|---|---|---|---|
| Oct. 7...... | 59,293 | 62,051 | 65,048 | 2,997 |
| " 14...... | 59,240 | 60,639 | 63.108 | 2,469 |
| " 21...... | 57,468 | 60,389 | 64,011 | 3,622 |

MONTREAL STREET RAILWAY.

| Year to date. | 1905. | 1906. | 1907. | Increase |
|---|---|---|---|---|
| Sept. 30...... | $1,772,347 | $2,024,093 | $2,284,611 | $260,518 |
| Week ending. | 1905. | 1906. | 1907. | Increase |
| Oct. 7......... | 58,074 | 62,218 | 70,966 | 8,748 |
| " 14......... | 56,945 | 62,288 | 69,647 | 7,359 |
| " 21......... | 55,198 | 64,583 | 70,871 | 6,288 |
| " 31......... | 76,389 | 86,814 | 96,925 | 10,111 |

TORONTO STREET RAILWAY.

| Year to date. | 1905. | 1906. | 1907. | Increase |
|---|---|---|---|---|
| Sept. 30 ....... | $2,020,458 | $2,274,761 | $2,528,162 | $253,401 |
| Week ending. | 1905. | 1906. | 1907. | Increase |
| Oct. 7......... | 53,504 | 58,838 | 67,108 | 8,270 |
| " 14......... | 52,785 | 61,032 | 65,839 | 4,807 |
| " 21......... | 51,723 | 61,985 | 65,151 | 3,166 |
| " 31......... | 72,284 | 83,006 | 92,346 | 9.340 |

TWIN CITY RAPID TRANSIT COMPANY.

| Year to date. | 1905. | 1906. | 1907. | Increase |
|---|---|---|---|---|
| Sept. 30 ....... | $3,463,419 | $4,190,709 | $4,512,292 | $321,583 |
| Week ending. | 1905. | 1906. | 1907. | Increase |
| Oct. 7....... | 95.590 | 104,423 | 119,338 | 14,915 |
| " 14....... | 96,258 | 105,417 | 114,249 | 8,832 |
| " 21....... | 93,982 | 102,395 | 115,994 | 13,599 |

HALIFAX ELECTRIC TRAMWAY CO., LTD.

Railway Receipts.

| Week ending. | 1906. | 1906. | 1907. | Increase |
|---|---|---|---|---|
| Oct. 7........ | 3,192 | 6 172 | 4,807 | Dec. 2,365 |
| " 14........ | 2,774 | 3,017 | 2,858 | " 159 |
| " 21........ | 2,986 | 2,894 | 2,878 | " 16 |
| " 31....... | 3,881 | 4,014 | 3,861 | " 153 |

DETROIT UNITED RAILWAY

| Week ending. | 1905. | 1906. | 1907. | Increase |
|---|---|---|---|---|
| Oct. 7......... | 101,995 | 112,483 | 125,940 | 13,457 |
| " 14......... | 97,724 | 111,330 | 125,968 | 14,638 |
| " 21......... | 92,331 | 112,601 | 118,427 | 5,826 |

HAVANA ELECTRIC RAILWAY CO.

| Week ending. | 1906. | 1907. | Increase |
|---|---|---|---|
| Oct. 6 ........ | 31,690 | 36,300 | 4,610 |
| " 13......... | 30,875 | 34,166 | 3,291 |
| " 20......... | 26,600 | 32,795 | 6,195 |

# STOCK LIST

**REPORTED FOR THE CHRONICLE BY R. WILSON-SMITH & CO., 160 ST. JAMES STREET, MONTREAL.**
**CORRECTED TO NOV. 6th. 1907, P. M.**

| BANKS. | Closing prices or Last sale. Asked. | Bid. | Par value of one share. | Revenue per cent. on investment at present prices. | Capital subscribed | Capital paid up. | Reserve Fund | Per centage of Rest to paid up Capital. | Rate of Dividend | When Dividend payable. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | $ | Per Cent. | $ | $ | $ | $ | Per Cent. | |
| British North America | .... | .... | 243 | .... | 4,866,666 | 4,866,666 | 2,238,666 | 46 00 | 7 | April, October. |
| Canadian Bank of Commerce | 164 | 161½ | 100 | 4 87 | 10,000,000 | 10,000,000 | 5,000,000 | 50.00 | 8 | March, June, Sept., Dec. |
| Crown Bank of Canada | .... | .... | 100 | .... | 957,500 | 955,830 | .... | .... | 4 | Jan., April, July, October |
| Dominion | 235 | 232 | 50 | 5 15 | 3,8[illegible] | 3,677,414 | 4 645,155 | 110.00 | 12 | Jan., April, July, October |
| Eastern Townships | 156 | ... | 100 | 5 00 | 2,953 800 | 2,95[illegible],750 | 1,860,000 | 63.14 | 8 | Jan., April, July, October |
| Farmers | .... | ... | 100 | .... | 621,6.0 | 414,109 | .......... | .......... | .......... | .......... |
| Hamilton | .... | ... | 100 | .... | 2,500,000 | 2,500,000 | 2,500 000 | 100.00 | 10 | March, June, Sept., Dec. |
| Hochelaga | 139 | ... | 100 | 5 44 | 2 500 000 | 2 482 250 | 1,600,000 | 89.00 | 8 | June, December. |
| Home Bank of Canada | .... | .... | 100 | .... | 913,700 | 852,020 | 235,000 | 19.85 | 6 | June, December. |
| Imperial | .... | ... | 100 | .... | 4,974,700 | 4,834,410 | 4,834,410 | 100.00 | 11 | Feb., May, August, Nov. |
| La Banque Nationale | .... | ... | 30 | .... | 1,800 000 | 1,794 948 | 750,000 | 26 28 | 7 | May, November. |
| Merchants Bank of Canada | 158 | 155 | 100 | 5 00 | 6,000,000 | 6,000,000 | 4,000 000 | 66.66 | 8 | March, June, Sept., Dec. |
| Metropolitan Bank | .... | ... | 100 | .... | 1,000,000 | 1,000,000 | 1,000,000 | 100.00 | 8 | Jan., April, July, October |
| Molsons | 194 | .. | 100 | 5 02 | 3 377 5[illegible] | 3,322 995 | 3,322 995 | 100.00 | 10 | Jan., April, July, October |
| Montreal | 237 | 235 | 100 | 4 04 | 14,400,000 | 14,400,000 | 11,000,000 | 76.40 | 10 | March, June, Sept., Dec. |
| New Brunswick | .... | .. | 100 | .... | 709,800 | 709,300 | 1,195,295 | 168 55 | 12 | Jan., April, July, October |
| Northern Bank | .... | .... | 100 | .... | 1,250,000 | 1,223,[illegible]29 | 50,050 | 4.20 | 5 | .......... |
| Nova Scotia | 279½ | 274 | 100 | 4 28 | 3,000,000 | 3,000,000 | 5,250,000 | 175.00 | 12 | Jan., April, July, October |
| Ottawa | .... | .... | 100 | .... | 3,000,000 | 3,000,000 | 3,000,000 | 100.00 | 10 | June, December |
| Provincial Bank of Canada | .... | .... | 100 | .... | 1,000,075 | 1,000,000 | 150,000 | 5.00 | 5 | March, June, Sept., Dec. |
| Quebec | . . | .... | 100 | .... | 2,500,000 | 2,500,000 | 1,250,000 | 46.00 | 7 | March, June, Sept., Dec. |
| Royal | .... | ... | 100 | .... | 3 900,000 | 3,900,000 | 4,390,000 | 112.56 | 10 | Jan., April, July, October |
| Sovereign Bank | .... | .... | 100 | .... | 4,000,000 | 4,000,000 | .......... | ..... | 6 | Feb., May, Aug., Nov. |
| Standard | .... | .... | 50 | .... | 1,550,350 | 1,546,715 | 1,646,715 | 106.66 | 12 | March, June, Sept., Dec. |
| St. Stephens | .... | ... | 100 | .... | 200,000 | 200,000 | 50,000 | 25.00 | 5 | April, October. |
| St. Hyacinthe | .... | .. | 100 | .... | 504,600 | 329,515 | 75,000 | 22.76 | .......... | .......... |
| St. Johns | .... | ... | 100 | .... | 500 200 | 316,336 | 10,000 | 3.33 | 4 | January, July. |
| Sterling Bank | .... | .... | 100 | .... | 874,800 | 79[illegible],801 | 171,151 | 22.09 | 5 | Feb, May, Aug., Nov ..... |
| Toronto | .... | .... | 100 | .... | 4,000,000 | 3,998,940 | 4,498,940 | 112.05 | 10 | March, June, Sept., Dec, |
| Traders | .... | ... | 100 | .... | 4,441,600 | 4,351,639 | 1,900,000 | 43.30 | 7 | June, December. |
| Union Bank of Halifax | .... | ... | 50 | ... | 1,500 000 | 1,500 000 | 1,143,752 | 76.00 | 8 | Feb., May, August, Nov |
| Union Bank of Canada | 135 | .... | 100 | 4 89 | 3 2 3 2[illegible] | 3,098,550 | 1,600,000 | 50.00 | 7 | June, December. |
| United Empire Bank | .... | .. | 100 | .... | 619,500 | 468,802 | .......... | .......... | .......... | .......... |
| Western | .... | ... | 100 | .... | 555,000 | 555,000 | 300,000 | 54.54 | 7 | April, October |
| **MISCELLANEOUS STOCKS.** | | | | | | | | | | |
| Bell Telephone | 118 | .... | 100 | 6 40 | 10,000,000 | 9,000,000 | 3,132,876 | ..... | 2* | Jan. April July Oct |
| B. C. Packers Assn "A" | .... | .... | 100 | .... | .......... | .......... | .......... | .......... | .. | .......... |
| do "B" | .... | .... | 100 | .... | 1,270,000 | 1,270,000 | .......... | .......... | .. | .......... |
| do Com. | .... | .... | 100 | .... | 1,511,400 | 1,511,400 | .......... | .......... | .. | .......... |
| Can. Colored Cotton Mills Co. | 50 | 49 | 100 | 8 00 | 2,70[illegible]000 | 2,700,000 | .......... | ... | 2 | .......... |
| Canada General Electric | .... | .... | 100 | . | 1,475,000 | 1,475,000 | 265,000 | ... | 6 | January July. |
| Canadian Pacific | 149 | 148¼ | 100 | 4 69 | 121,680 000 | 121,680,000 | .......... | ... | 3½ | April, October |
| Canadian Converters XD | 55 | .... | 100 | 6 66 | 1,733,500 | 1,733,500 | .......... | ... | 1* | March, June, Sept, Dec |
| Detroit Electric St | 33 | 32½ | 100 | .... | 12,500,000 | 12,500,000 | 1,431,155 | .... | | .......... |
| Dominion Coal Preferred | 86½ | 85 | 100 | 7 95 | 3,000,000 | 3,000,000 | .......... | ... | 3½ | January, July |
| do Common | 41 | 39 | 100 | 9 09 | 15,000,000 | 15,000,000 | .......... | ... | 1* | Jany Apl July Oct. |
| Dominion Textile Co. Com. | 45 | ... | 100 | .... | 7,500,000 | 5,000,000 | .......... | ... | .. | .......... |
| do Pfd. | 81 | 80 | 100 | 8 64 | 2,500,000 | 1,940,000 | .......... | .... | 1¾* | Jan, April July October |
| Dom. Iron & Steel Com. | 13½ | 13¼ | 100 | .... | 20,000,000 | 20,000,000 | .......... | .... | .. | .......... |
| do Pfd. | 37½ | 37 | 100 | .... | 5,000,000 | 5,000,000 | .......... | .... | .. | .......... |
| Duluth S. S. & Atlantic | .... | ... | 100 | .... | 12,000,000 | 12 000 000 | .......... | .... | ... | .......... |
| do Pfd. | .... | ... | 100 | | 10,000,000 | 10,000,000 | .......... | .... | .. | .......... |
| Halifax Tramway Co. | 88 | 87½ | 100 | 6 38 | 1,350,000 | 1,350,000 | .......... | .... | 1½* | Jan. April July October |
| Havana Electric Ry. Com | 25 | 21 | 100 | ... | 7,500,000 | 7,500,000 | .......... | .... | .. | .......... |
| do Preferred | .... | 77 | 100 | .... | 5,000,000 | 5,000,000 | .......... | .... | .. | .......... |
| Illinois Trac. Pfd. | 74 | 73 | 100 | 7 59 | 3,214,300 | 3,214,300 | .......... | .... | 1½ | Jan. April July October |
| Laurentide Paper Com. | 86 | .... | 100 | 6 89 | 1,600,000 | 1,600,000 | .......... | .... | 3 | February August |
| Laurentide Paper, Pfd. | 102 | 99½ | 100 | 6 93 | 1,200,000 | 1,200,000 | .......... | .... | 3½* | January July |
| Lake of the Woods Mill Co. Com | 71½ | 70½ | 100 | 8 33 | 2,500,000 | 2,000,000 | .......... | .... | 3 | April October |
| do. do. Pfd | 102 | 99½ | 100 | 6 83 | 1,500,000 | 1,500,000 | .......... | .... | 1¾* | March, June, Sept. Dec. |
| Mackay Companies Com | 49 | 48½ | 100 | 5 89 | 50,000,000 | 43,437,200 | .......... | .... | 1* | Jan. April July October |
| do Pfd | 58½ | 53½ | 100 | 6 78 | 50,000,000 | 50,000,000 | .......... | .... | 1* | Jan. April July October |
| Mexican Light & Power Co. | 39 | 38½ | 100 | .... | 13,600,000 | 13,600,000 | .......... | .... | .. | .......... |
| Minn. St. Paul & S.S.M. | 75½ | 75½ | 100 | 5 79 | 14,000,000 | 14,000,000 | .......... | ... | 2 | January July |
| do Pfd | .... | ... | 100 | .. | 7,000,000 | 7,000,000 | .......... | ... | 3½ | .......... |
| Montreal Cotton Co. | 115 | .... | 100 | 5 83 | 3,000,000 | 3,000,000 | .......... | .... | 1¾ | March June Sept. Dec |
| Montreal Light, Ht. & Pwr. Co. XD | 84 | 83½ | 100 | 7 05 | 17,000,000 | 17,000,000 | .......... | .... | 1½ | Feb. May August Nov |
| Montreal Steel Work, Com. | 80 | ... | 100 | 8 75 | 700,000 | 400,000 | .......... | .... | 1¾* | .......... |
| do do Pfd. | .... | 92 | 100 | 6 00 | 800,000 | 800,000 | .......... | .... | 1¾ | March June Sept. Dec. |
| Montreal Street Railway XD | 168 | 167½ | 100 | 4 87 | 7,000,000 | 7,000,000 | 907,623 | 12.31 | 2½* | Feb. May August Nov. |
| Montreal Telegraph | 151 | ... | 40 | 5 03 | 2,000,000 | 2,000,000 | .......... | .... | 2* | Jan. April July October |
| Nipissing Mining Co | .... | ... | 5.00 | .... | 6,000,000 | 6,000,000 | .......... | .... | .. | .......... |
| Northern Ohio Track Co. | 22 | .. | 100 | 8 75 | 6,900,000 | 6,900,000 | .......... | .... | ½* | Mar Jun Sep. Dec. |
| North-West Land, Com | .... | .... | 25 | ... | 1,467,681 | 1,467,681 | .......... | .... | .. | .......... |
| do Pfd | .... | .... | 100 | .. | 3,090,625 | 3,090,625 | .......... | ... | 6½ | March. .... |
| N. Scotia Steel & Coal Co. Com | 54½ | 54 | 100 | 8 33 | 4,120,000 | 5,000,000 | 750,000 | 15.00 | 1½* | .......... |
| do Pfd | 113 | .... | 100 | 7 27 | 1,030,000 | 1,030,000 | .......... | .... | 2* | Jan. April June October |
| Ogilvie Flour Mills Com. | .... | 250 | 100 | .... | 1,250,000 | 1,250,000 | .......... | .... | 7½ | .......... |
| do Pfd. | 116 | 110 | 100 | 5 83 | 2,000,000 | 2,000,000 | .......... | .... | 1¾* | Jan. April July October |
| Richelieu & Ont. Nav. Co. | 55 | 53 | 100 | 9 25 | 3,132,000 | 3,132,000 | .......... | .... | 1¼* | Mch. June Sept. Dec. |
| Rio de Janeiro | 32½ | 32½ | 100 | .... | 21,993,000 | 21,993,000 | .......... | | .......... | .......... |
| Sao Paulo | .... | 162 | 100 | 7 61 | 7,500,000 | 7,500,000 | 1,482,250 | ... | 2* | Jan April July October |
| St John Street Railway | .... | .... | 100 | .... | 800,000 | 800,000 | | | 3 | June, December .......... |
| Toledo Ry & Light Co. | 13 | 12½ | 100 | .... | 12,000,000 | 12,000,000 | .......... | .... | .......... | .......... |
| Toronto Street Railway | 87½ | 86½ | 100 | 6 31 | 7,000 000 | 7,000 000 | 1,918,322 | 22.50 | 1¼ | Jan. April July October |
| Trinidad Electric Ry | .... | .... | 4.80 | .... | 1,200 000 | 1,032,000 | | .... | 1¼* | Jan. April July October |
| Tri. City Ry. Co. Com. | .... | .... | 100 | 6 25 | 9,000,000 | 9,000,000 | .......... | .... | .......... | .......... |
| do Pfd | 75 | ... | 100 | .... | 3,000,000 | 2,600,000 | .......... | .... | 1¼* | Jan. April, July, Oct. .... |
| Twin City Rapid Transit Co XD | 73 | 72½ | 100 | 5 81 | 20,000 000 | 18 000 000 | 1,010,205 | 4.58 | 1¼* | Feb. May August Nov. |
| do Preferred | .... | .... | 100 | .. | 3,000,000 | 3,000,000 | | | 1¾* | Dec. March June Sept. |
| West India Elec. | .... | .. | 100 | .... | 8,000,000 | 8,000,000 | .......... | .......... | .......... | .......... |
| Windsor Hotel | .... | .... | 100 | .... | 600,000 | 600,000 | | .......... | 3½ | May, November |
| Winnipeg Electric Railway Co. | .... | .... | 100 | .... | 6,000,000 | 6,000,000 | 698,994 | .......... | 2 | Jan. April July, Oct. |

* Quarterly. † Annual.

## STOCK LIST Continued.

| BONDS. | Closing Quotations Asked | Closing Quotations Bid. | Rate p. c. of Interest per annum. | Amount outstanding. | When Interest due. | Where Interest payable | Date of Maturity. | REMARKS |
|---|---|---|---|---|---|---|---|---|
| Bell Telephone Co. | .. | .. | 5 | $2,000,000 | 1st Oct. 1st Apl. | Bk. of Montreal, Mtl. | April 1st, 1925 | |
| Can. Colored Cotton Co. | .. | .. | 6 | 2,000,000 | 2nd Apl. 2nd Oct | " " | April 2nd, 1912 | |
| Dominion Coal Co. | 97 | .. | 5 | 5,000,000 | 1st May 1st Nov. | " " | April 1st, 1940 | Redeemable at 105 and Int. after May 1st, 1910 |
| Dominion Cotton Co. | 93 | 91 | 6 | 1,354,000 | 1st Jan. 1st July. | .................. | Jany. 1st, 1916 | |
| Dominion Iron & Steel Co | 69 | 67½ | 5 | 7,811,000 | .st Jan. 1st July. | Bk. of Montreal, Mtl.. | July 1st, 1929 | |
| 2nd & Steel 2nd Mortg. Bds.. | | .. | 6 | 1,968,000 | Apl. Oct. | Bk. of Montreal, Mtl. | .............. | 250,000 Redeemable Annually. |
| Havana Electric Railway. | 90 | .. | 5 | 8,061,046 | 1st Feb. 1st Aug. | 52 Broadway, N. Y.. | Feby. 1st, 1952 | |
| Halifax Tram | | .. | 5 | 600,000 | 1st Jan. 1st July | Bk. of Montreal, Mtl. | Jany. 1st, 1916 | Redeemable at 105 at any time. |
| Keewatin Mill Co | .. | .. | .. | 1,000,000 | .................. | .................. | .............. | |
| Lake of the Woods Mill Co. | .. | 101 | 6 | | 1st June 1st Dec, | Merchants Bank of Canada, Montreal.. | June 1st, 1953 | |
| Laurentide Paper Co. | 72 | 100 | 6 | 1,200,000 | 2 Jan. 2 July. | Bk. of Montreal, Mtl.. | Jany. 2nd, 1920 | Redeemable at 105 and Int. after 1912. |
| Mexican Electric Light Co. | .. | 71½ | 5 | 6,000,000 | 1 Jan. 1 July. | " " | July 1st, 1935 | |
| Mexican Light & Power Co. | .. | .. | 5 | 12,000,000 | 1 Feb. 1 Aug. | " " | Feby. 1st, 1933 | |
| Montreal L. & Power Co.. | .. | 92 | 4½ | 7,500,000 | 1 Jan. 1 July | " " | Jany. 1st, 1932 | |
| Montreal Street Ry. Co. | 102 | .. | 4½ | 1,500,000 | 1 May 1 Nov. | " " | May 1st, 1922 | |
| N. S. Steel & Coal Co. | 108½ | .. | 6 | 2,282,000 | 1 Jan. 1 July. | Bk. of N. Scotia, Mtl or Toronto | July 1st, 1931 | |
| N. S. Steel Consol | .. | 101 | 6 | 1,470,000 | 1 Jan. 1 July. | U.B of Hlfx. or B. of N.S.Mtl.or Toronto. | July 1st, 1931 | Redeemable at 110 and Interest. |
| Ogilvie Milling Co. | 115 | .. | 6 | 1,000,000 | 1 June 1 Dec. | Bk. of Montreal, Mtl.. | July 1st, 1932 | Redeemable 115 and Int. after 1912. |
| Price Bros | .. | 104½ | 6 | 1,000,000 | 1 June 1 Dec. | .............. ... | June 1st, 1925 | Redeemable at 105 and Interest. |
| Rich. & Ontario | .. | .. | 5 | 323,146 | .................. | .................. | .............. | .................. |
| Rio Janeiro | 69¾ | .. | 5 | 23,284,000 | 1 Jan. 1 July. | .................. | Jany. 1st, 1935. | .................. |
| Sao Paulo | .. | 92 | 5 | 6,000,000 | 1 June 1 Dec. | C. B. of C., London Nat. Trust Co., Tor. | June 1st, 1929 | Redeemable at 110 and Interest. |
| Textile Series "A" | 83 | 84 | 6 | 758,500 | 1 March 1 Sept. | Royal Trust Co., Mtl | March 1st, 1925 | Redeemable at par after 5 years. |
| " "B" | 83 | 85 | 6 | 1,162,000 | " | " " | " | Redeemable at 105 and Interest. |
| " "C" | 80 | 82 | 6 | 1,000,000 | " | " " | " | " " |
| " "D" | 95 | 84 | 6 | 450,000 | " | " " | " | |
| Winnipeg Electric | .. | 100 | 5 | 3,500,000 | 1 Jan. 1 July | Bk. of Montreal, Mtl.. | Jany. 1st, 1935 | |

# Reference Directory

# The Dominion Bank

**HEAD OFFICE: TORONTO, CANADA**

| | |
|---|---|
| Capital Paid up, | $3,800,000 |
| Reserve Fund and Undivided Profits, | 4,900,000 |
| Deposits by the Public, | 35,600,000 |
| Assets, | 47,900,000 |

**DIRECTORS:**

E. B. OSLER, M. P., PRESIDENT
WILMOT D. MATTHEWS, VICE-PRESIDENT
A. W. AUSTIN — R. J. CHRISTIE
W. R. BROCK — JAMES CARRUTHERS
A. M. NANTON — JAMES J. FOY, K.C., M.L.A.
J. C. EATON

**CLARENCE A. BOGERT, - General Manager**

Branches and Agents throughout Canada and the United States.
**Collections** made and Remitted for promptly. **Drafts** Bought and Sold
**Commercial and Travellers' Letters of Credit**
issued, available in all parts of the world.

***A General Banking Business Transacted.***

**Montreal Branch: 162 ST. JAMES ST. J. H. HORSEY, Manager**

---

**CAPITAL PAID-UP** *$3,900,000* — **RESERVE FUND** *$4,390,000*

# The Royal Bank of Canada

**HEAD OFFICE - MONTREAL**

**80 BRANCHES THROUGHOUT CANADA**
**8 Agencies in Cuba. Agency in Newfoundland**
**Agency in San Juan, Porto Rico**
**New York Agency - 68 William Street**

SAVINGS DEPARTMENT — In connection with all Branches, Account opened with deposits of ONE DOLLAR and upwards. Interest paid, or credited quarterly instead of half-yearly, at highest current rates.

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# THE BANK OF OTTAWA

**CAPITAL (Authorized) $3,000,000.00**
**CAPITAL (Fully Paid Up) 3,000,000.00**
**REST and undivided profits 3,236,512.95**

**BOARD OF DIRECTORS.**

GEORGE HAY, President, DAVID MACLAREN, Vice-Pres.
H. N. Bate — J. B. Fraser
Hon. George Bryson — John Mather
H. K. Egan — Denis Murphy
George H. Perley, M.P.
**GEO. BURN, Gen. Manager**
**D. M. FINNIE, Ass't. Gen. Mgr.**
Inspectors:
C. G. PENNOCK — W. DUTHIE

FIFTY-SEVEN OFFICES IN THE DOMINION OF CANADA

Correspondents in every Banking Town in Canada, and throughout the world. This Bank gives prompt attention to all Banking business entrusted to it.

CORRESPONDENCE INVITED.

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**DIVIDEND No. 4**

# The Home Bank of Canada

Notice is hereby given that a **Dividend at the rate of SIX PER CENT** per annum upon the paid-up Capital Stock of The Home Bank of Canada has been declared for the Half-year, ending November 30th, 1907 and that the same will be payable at the Head Office and Branches of the Bank on and after Monday the second day of December next.

The Transfer Books will be closed from the 16th to the 30th of November prox., both days inclusive. By order of the Board.

Toronto, October 23rd, 1907.

**JAMES MASON,**
**General Manager.**

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# THE SOVEREIGN BANK OF CANADA

***Head Office - - - TORONTO.***
***Paid-up Capital - - $3,000,000***

BOARD OF DIRECTORS

*Aemilius Jarvis, Esq. President.*
*Randolph Macdonald, Esq. First Vice-President*
*A. A. Allan Esq. Second Vice-President*

Hon. D. McMillan, — Hon. Peter McLaren
Arch. Campbell, E M P., — W. K. McNaught, Esq M.P.P.
A. E. Dymeut, Esq., M P. — Alex. Bruce, Esq., K.C.

**F. G. Jemmett, General Manager.** — **R. Cassels, Assistant General Manager.**

**BRANCHES.**

**MONTREAL, A. H. B. MacKenzie, Manager.**

| | | | |
|---|---|---|---|
| Amherstburg | Exeter | Montreal West End | StanbridgeEastP.Q |
| Arkona | Fletcher | Mount Albert | Stanstead,P.Q. |
| Aylmer | FrelighsburgQue | Mount Forest | Stirling |
| Baden | Galt | New Dundee | Stouffville |
| Beaverton | Goderich | New Liskeard | Sutton,P.Q. |
| Beebe Plain(Que) | Haileybury | Newmarket | Teeswater |
| Belmont | Hamilton | Niagara-on-the-Lake | Thedford |
| Berlin | Harrietsville | North Bay | Thessalon |
| Brampton | Harrow | Ottawa | Thorndale |
| Brechin | Havelock | " Market Branch | Tilbury |
| Brome (Que) | Hensall | Owen Sound | Toronto |
| Brucefield | Huntsville | Pefferlaw | " Market |
| Burk's Falls | Ilderton | Penetanguishene | Tweed |
| Chatham | Lambeth | Perth | Unionville |
| Claremont | Linwood | Rockland | Walton |
| Clinton | London | Sandwich | Waterloo,P.Q. |
| Crediton | London Eas | South River | Windsor |
| Dashwood | Markham | South Woodslee | Wyoming |
| Dunham (Que) | Marmora | Sprucedale | Zurich |
| Durham | Millbank | St. Catharines | |
| Englehart | Milverton | St. Davids | |
| Essex | Monkton | St. Jacobs | |

**A GENERAL BANKING BUSINESS TRANSACTED.**
Sterling and Foreign Exchange bought and sold.

**SAVINGS DEPARTMENT.**

Deposits received, and interest at current rates credited quarterly.

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# THE MOLSONS BANK

**Incorporated by Act of Parliament, 1855.**

| | |
|---|---|
| **Capital Paid Up** | **$3,370,000** |
| **Reserve Fund** | **3,370,000** |

BOARD OF DIRECTORS.

WM. MOLSON MACPHERSON, President. S. H. EWING, Vice-President
W. M. RAMSAY, — J. P. CLEGHORN
H. MARKLAND MOLSON, — WM. C. MCINTYRE.
GEO. E. DRUMMOND.

JAMES ELLIOT, General Manager.

A. D. DURNFORD, Chief Inspector and Superintendent of Branches.

W. H. DRAPER, Inspector. — W. W. L. CHIPMAN, J. H. CAMPBELL, Asst. Inspectors

BRANCHES:

| | | | |
|---|---|---|---|
| **ALBERTA** | **ONTARIO—Cont.** | **ONTARIO—Cont.** | **QUEBEC** |
| Calgary. | Dutton | Ottawa | Arthabaska |
| Edmonton | Exeter. | Owen Sound. | Chicoutimi |
| **BRITISH COLUMBIA** | Frankford. | Port Arthur. | Drummondville. |
| Revelstoke. | Hamilton. | Ridgetown. | Fraserville and Riviere du Loup Station |
| Vancouver. | James Street | Simcoe. | Knowlton. |
| **MANITOBA** | Market Branch. | Smiths Falls. | Lachine Locks |
| Winnipeg. | Hensall. | St. Marys. | Montreal— |
| **ONTARIO** | Highgate | St. Thomas | St. James Street |
| Alvinston. | Iroquois. | East End Bch | St. Catherine St. Branch |
| Amherstburg. | Kingsville. | Toronto. | Market & Harbor Branch |
| Aylmer. | London. | Bay Street | St. Henri Branch |
| Brockville | Lucknow | Queen St W. Bch | Maisonneuve Branch |
| Chesterville. | Meaford. | Toronto Jct., | Quebec. |
| Clinton | Merlin | Trenton. | Richmond |
| Drumbo | Morrisburg. | Wales. | Sorel. |
| | North Williamsburg | Waterloo | Ste. Flavie Station |
| | Williamsburg. | Woodstock. | Ste. Thérèse de Blainville |
| | Norwich. | | Victoriaville. |

AGENTS IN ALL THE PRINCIPAL CITIES OF THE WORLD.

London, England Agents, Parrs Bank, Limited. New York Agents Mechanics National Bank.

Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange. Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the World.

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