

## CREDIT AND SIGNED STATEMENTS

## Reciprocal Value Indicated—Large Assets Are Not Always Necessary

The following estimate of the value of a statement to both giver and receiver is the embodiment of the thoughts and experiences of the leading credit men of Canada and the United States, who are members of the Canadian Credit Men's Trust Association, Limited, and the National Association of Credit Men, and who thus desire publicity given to their views in order that the largest benefits may accrue both to retailer and wholesaler.

Good credit in the markets of the world enables every merchant to add to his ability to do business. It gives him the use of enlarged capital, thus enabling him to carry a more complete stock, increase his sales, and magnify his profits.

## Large Assets and Credit.

Large assets are not always necessary to the creation of credit; what is most desirable is, that credit be in relative proportion to the actual assets, and in harmony with conditions which create and maintain it. A merchant's capital is the sum of his net available resources, plus his credit. The giver of credit is a contributor of capital, and becomes, in a certain sense, a partner of the debtor, and, as such, has a perfect right to complete information of the debtor's conditions at all times.

Credit is given a merchant because of the confidence reposed in him. Requesting a statement when credit is asked is not a reflection on one's character, honesty, or business ability, but is done to secure information to enable business to be conducted intelligently.

## Must be Correct.

When a statement is made it should be absolutely correct. To make it so necessitates the taking of at least an annual inventory and the keeping of an accurate set of books. Statement-giving, therefore, will tend to make a debtor a better buyer, because more familiar with his stock, more careful in giving credit, more conservative in incurring debt, and will result in a better knowledge of his business generally.

A merchant who desires to serve his own best interests should recognize that his most valuable possession, apart from his actual assets, is a sound, substantial and unquestioned reputation as a credit risk, and that under the prevailing conditions and demands of business, the most effective, and eminently the best way to prove his basis for credit, is to be willing to submit a statement of his financial condition.

The above reasons advanced by the Credit Men's Association as to why statements of affairs should be furnished them, applies to an even greater extent to a borrower from a bank.

## TRADE AFTER THE WAR

German merchants will not be very welcome in the world's markets for many years after the war, said Sir George Foster, addressing the Empire Club, Toronto, last week. "The war has, moreover, weakened Germany's home base," he added. "A large proportion of her most virile workers have been withdrawn from productive employment, many of her industries have been disabled, and many dismantled—cut off from the source of raw materials and equally cut off from the foreign market. What supplies she has been able to produce have to a large extent been unsaleable."

Sir George alluded to the great taxation which would be heaped on the German people to pay the cost of the war, and which would effectively prevent her from rebuilding her destroyed trade for many years. "War is no promoter of commerce," he said, "and, although Germany has contended that the cause of war was British jealousy this statement is proved untrue by the course of Britain towards Germany during the past 25 years. Britain has always given an open market to German products and has never sought to restrain her trade in any part of the world."

## ONTARIO'S COMPENSATION ACT CHANGED

A number of technical amendments are to be made in the Ontario Workmen's Compensation Act, by a bill introduced by Hon. Mr. Lucas. The clauses deal chiefly with a slight rearrangement of assessment grouping and points upon which it is necessary to make clearer the intention of the act.

The most important change in principle in the amendments to the act, is in connection with the compensation of workmen, residents of the province, who are injured while in employment outside the province for more than six months at a stretch. These workmen will come under Schedule II. of the act, which means that their employers will be made individually liable for compensation. Hon. Mr. Lucas pointed out that it was difficult to keep track of such employment for the purpose of bringing it under the assessment plan.

## NEW ACCIDENT COMPANY NOT COMING

The proprietors of the Mutual Life and Citizens Assurance Company, Limited, the strong and reputable insurance corporation of Melbourne, Australia, recently proposed to incorporate the Austral Insurance Company in Canada, to write accident insurance. The Mutual Life and Citizens already has a branch in Canada with headquarters at Montreal, in charge of Mr. J. P. Moore, A.L.A., an able insurance man. The company has invested considerable funds in Canada.

All that was intended was that the Austral Company should be incorporated to transact accident business, as the Dominion law prevents a life company from writing accident business. On account of some technical difficulties which arose, however, it was decided to drop the proposed Austral bill.

Hon. J. Ashton, who is returning to Australia in a week or two, and Mr. A. M. Eedy, who will remain a little longer in Canada, are both directors of the Mutual Life and Citizens Assurance Company, and have been visiting various cities in the United States and Canada.

## EXTENSION OF GOVERNMENT RAILWAYS

Three resolutions in regard to the Canadian government railways have been introduced in the House at Ottawa by Hon. Frank Cochrane, minister of railways. The first provides that the minister, subject to the authority of the governor-in-council, may construct, purchase, or otherwise acquire in whole, or in part, any railway, railway bridge, railway station, terminal, ferry, or other railway work in the provinces of Quebec, New Brunswick, Nova Scotia and Prince Edward Island. It is provided that a copy of every such lease, or contract, must be laid before Parliament, and no railway of more than 200 miles in length is to be acquired, and no railway may connect directly with the government railways system. No railway of more than 25 miles is to be constructed until after a sum of money for the purchase is appropriated by parliament. All lines so constructed, or acquired, are to become part of the government railways system.

Another resolution is destined for the ratification of an agreement dated March 18th last, for the sale to the government of the New Brunswick and Prince Edward Island Railway, including the main line of 36 miles from Sackville to Cape Tormentine. The purchase price is \$270,000, and until it is paid the government is to pay interest at 4 per cent. from August 1st last.

The third resolution confirms an agreement of August 1st, 1914, between the International Railway, of New Brunswick, and Thomas Malcolm, contractor, and the King, for the sale to the government of the whole of the company's undertaking, the line extending from Campbellton to St. Leonards, 112 miles, for \$2,700,000. It is provided that the money may be paid any time within five years, and that the line may be leased to the government in the meantime at \$90,000 per annum, payable half-yearly.

The firm name of Messrs. Kerr & Bell, bond dealers, Dominion Bank Building, Toronto, has been changed to Kerr, Bell and Fleming, their address remaining the same.