

RAILWAY DEFICIT LARGER THAN ANTICIPATED

Combined National System Did Not Meet Operating Expenses During First Year of Operation—Minister Submits Figures to Parliament

(Special to *The Monetary Times*.)

Ottawa, March 31, 1920.

RESULTS of the first year's operations of the combined national railway system were presented to parliament on March 30 by Hon. J. D. Reid, minister of railways and canals. While earnings were considerably greater, a total deficit of \$47,000,000 was incurred, this figure including the deficit on the Grand Trunk Pacific, which was operated by the department after it announced its inability to meet bond interest. The deficit is made up as follows: Operating loss on Canadian Northern, \$6,500,000; operating loss on Intercolonial and Transcontinental, \$7,500,000; interest and fixed charges on Canadian Northern, Intercolonial and Transcontinental, \$19,000,000; operating loss on Grand Trunk Pacific, \$5,500,000; and fixed charges on Grand Trunk Pacific, \$8,500,000.

Freight Traffic Decreased

The minister regretted this bad showing, but stated that as the Grand Trunk Pacific and the Transcontinental were really colonization roads, he did not think it would be possible for them to pay expenses for many years. Although the freight revenue was greater, there was a falling off of three million tons in freight traffic. Eleven and one-half million passengers were carried, an increase of one and three-quarter millions. The wage bill for the year exceeded \$73,000,000, an increase of \$39,000,000. Dr. Reid explained that, whereas in 1914 the average wage per year of railway employees in Canada was \$700, in 1919 on the National system it was \$1,447.

Regarding a construction program, the minister said that again this year construction in western Canada would be confined to branch lines on which work was well under way. In all, 349.6 miles are to be built, and 123.4 miles are to be graded. While there were many branches in the west, as also some important connections in the east, which were needed, they would not be proceeded with until the financial situation improved. The Hudson Bay Railway would not be completed this year, for the same reason.

While the management of the road took the position that, if rates were increased in the United States, probably by 26 per cent., they should also be similarly increased here, Dr. Reid said that he was not prepared to say that freight rates should be increased generally for the purpose of assisting the C.N.R. Another proposal to carry on the operation of the system was the continuing of the deficits for a few more years, which he did not think would be for long. It was his intention to leave it to the consideration of the House and the Canadian people to say which course they desired to have adopted. Dr. Reid said he did not think it would be practicable to tax out of the C.P.R. any increase in earnings.

GOVERNMENT BOND QUOTATIONS

The following quotations of active bonds are supplied by the National City Co., Ltd., and are in New York funds:—

	Bid.	Offered.
Anglo-French 5% (Oct. 15, 1920)	97 $\frac{15}{16}$	98 $\frac{1}{2}$
United Kingdom 5 $\frac{1}{2}$ % (Nov. 1, 1921) ..	95 $\frac{1}{2}$	96
United Kingdom 5 $\frac{1}{2}$ % (Nov. 1, 1922) ..	92 $\frac{1}{4}$	92 $\frac{3}{4}$
United Kingdom 5 $\frac{1}{2}$ % (Aug. 1, 1929) ..	89 $\frac{3}{4}$	90 $\frac{1}{4}$
United Kingdom 5 $\frac{1}{2}$ % (Feb. 1, 1937) ..	88 $\frac{1}{4}$	88 $\frac{3}{4}$
City Paris 6% (Oct. 15, 1921)	90	90 $\frac{1}{4}$
French Cities 6% (Nov. 15, 1934)	89	89 $\frac{1}{2}$
Dominion of Canada 5 $\frac{1}{2}$ % (Aug. 1, 1921)	98 $\frac{1}{2}$	98 $\frac{1}{4}$
Dominion of Canada 5 $\frac{1}{2}$ % (Aug. 1, 1929)	95 $\frac{1}{2}$	96
Japanese Govt. 4% (Jan. 1, 1931)	63 $\frac{1}{2}$	63 $\frac{3}{4}$
Japanese Govt. 1st 4 $\frac{1}{2}$ % (Feb. 15, 1925)	77 $\frac{1}{4}$	77 $\frac{3}{4}$
Japanese Govt. 2nd 4 $\frac{1}{2}$ % (July 10, 1925)	77	77 $\frac{3}{4}$

TRADE BOARD OPPOSES HEALTH INSURANCE

Compulsory Live Stock Insurance Again Discussed—Automobile Insurance Difficulties

(Special to *The Monetary Times*.)

Vancouver, B.C., March 27th, 1920.

THE Vancouver Board of Trade has gone on record as opposed to state health insurance by a vote of 41 to 19. By resolution, it was decided to take no further action until the Dominion government had reported on the matter, as they had decided to do some time ago. Mr. Winn, who was chairman of the state health insurance commission, was present, and again advocated the measure, stating, in the course of his remarks, that the Insurance Federation was the only body opposed to the Act. Representatives of several industrial bodies present challenged the accuracy of those statements. Mr. Winn concluded his remarks by saying that there would be no state health insurance legislation passed at this session of the British Columbia legislature.

Farmers' Insurance Company Probable

The proposal for a farmers' insurance company to insure the lives of cattle seems to be taking more definite shape. Hon. E. D. Barrow, provincial minister of agriculture, is said to favor the idea. R. H. Pooley, M.L.A., has advocated in the House some form of government compulsory insurance among dairymen. He was supported by David Whitesides, M.L.A., who said that another twelve months should not be permitted to pass without this step being taken. Mr. Barrow said that dairymen were gathering the necessary data, and that next year the necessary legislation would be passed.

The police of Vancouver have been instructed to make war on automobilists who break traffic regulations, owing to the very numerous accidents of late, some of them fatal. The last fatal accident, caused by a driver of a stolen car running down and killing a young woman, caused a great deal of indignation and many appeals to the police to be more strict in enforcing the law, while joint action is being taken by the Automobile Underwriters' Association and Automobile Club, requesting that a detective be assigned to the single duty of securing evidence in cases of stolen autos and tires.

The proposed amendments to the Motor Act are in print, and do not appear to be at all drastic. The speed limit remains at fifteen miles in the city and thirty in the country, so that the rumor that the provincial government were to remove the speed limit has been set at rest. The persistent rumor that the rule of the road was going to be changed to conform to the United States regulations is also without foundation.

EXCHANGE QUOTATIONS

Messrs. Glazebrooke and Cronyn, exchange and bond brokers, report the following exchange rates to *The Monetary Times*:—

	Buyers.	Sellers.	Counter.
N.Y. funds	8 9-16 pm	8 11-16 pm
Mont. funds	Par.	Par.	$\frac{1}{8}$ to $\frac{1}{4}$
Sterling—			

Demand	\$4.1850	\$4.1950
Cable transfers	4.1950	4.2050

The New York quotations on European countries, as supplied by the National City Co., Ltd., as at March 31, 1920, are as follows: London, cable, 387 $\frac{1}{2}$, cheque, 386 $\frac{3}{4}$; Paris, cable, 14.90, cheque, 14.92; Italy, cable, 20.55, cheque, 20.60; Belgium, cheque, 14.05; Swiss, cheque, 5.73; Spain, cheque, 17.30; Holland, cheque, 37; Denmark, cheque, 18.50; Norway, cheque, 19.40.

P. M. Liddell & Co., Vancouver, have been appointed British Columbia representatives of the Continental Guaranty Corporation, head office Toronto, with branches in New York and London England, to handle automobile financing, both wholesale and retail.