

Our London Letter

War Relief Funds: The Marvellous Response from the British People, and Hints of Government Control

(Special Correspondence to The Journal of Commerce by W. E. DOWDING).

The question of the control of funds raised in connection with war emergencies has lately attracted some attention in this country, and the Home Secretary has now appointed a Committee "to consider representations which have been made in regard to the promotion and management of charitable funds for objects connected with the war, and to advise whether any measures should be taken to secure the better control or supervision of such funds in the public interest." The matter will doubtless interest the Oversea Dominions which have been from the very first such generous contributors to the larger funds administered in this country, but I may say at once that the inquiry which the Home Secretary has considered necessary is not likely to touch such funds as those in which the Oversea subscribers have placed such generous confidence. The suggestion that the Government should take some steps to control these matters has recurred from time to time ever since the war began. After the South African War important committees were formed to review the circumstances of the collection and administration of the funds subscribed from 1899 to 1902, but the only practical outcome of those deliberations was that there should be more local control, county by county. Even that simple plan has been found impracticable, for there must be a central fund in every instance, and it is not in every county that the officials from the Lord-Lieutenant downwards are willing to undertake responsibility.

Past experience proved useful nevertheless when the relief work in connection with the present war was begun in August, 1914. Organizations that had previously made separate appeals to the country now combined in a joint appeal, and in some slight measure the principle of co-ordination has marked the work of the war relief funds down to the present time. During the war also some questionable organizations have been suppressed, and it will be remembered that it is now impossible to make a street collection in London without special permission and the approval of the police authorities. In the Provinces such matters as these have always been and still remain under more perfect control than the nature of the circumstances makes possible in London.

Belgium Relief Funds.

One group of appeals to the British public has been specially criticized. That is what may be called the Belgian group. I estimate that the money collected or administered in this country on behalf of the Belgian people falls not far short of ten million sterling. The plight of Belgium has from the first made a vivid appeal to the sympathy and generosity of the public throughout the Empire and a very large number of organizations have been set up to collect for the refugees, the soldiers and the destitute in Belgium itself. Recently, the Local Government Board announced that it would issue licenses to approved organizations in the Belgian group only, and this action has led to a misunderstanding of the intention of the Government in respect to the war charities generally.

There was a special reason why the Local Government Board should take this responsibility upon itself. The Board has from the first officially borne a large part of the burden the nation took upon its shoulders on the day the first refugees reached our shores. Some of the complications that have arisen have not proved easy of settlement, and one can understand further that the Belgian Government itself would keep a watchful eye upon benevolence that might mistakenly tend to pauperize its people. No fewer than 70 per cent of the wage-earners among the refugees in this country are said now to be earning their livelihood. All these matters in respect to the Belgian refugees come under the sway of the Local Government Board, and the action of that Department of State in respect to Belgium cannot be taken as an indication of the attitude of the British Government toward war funds in general.

Legal and Psychological Difficulties.

The difficulties in the way of overhead control of the war charities are both legal and psychological. It is almost impossible to say when careless administration of a fund becomes criminal, and it is very difficult to obtain evidence that money has been

obtained from the public by fraudulent misrepresentation. There have been prosecutions and convictions during the war, but it passes the wit of any committee to formulate a set of regulations which should hold in check and bring up to a definite standard all appeals to the public. I have made careful enquiries and find that no such set of regulations is in existence, and when one reflects, why should there be any need to go outside the present criminal law? It is suggested that regulations similar to those which control the proceedings of Limited Liability Companies should be applied to public charities, but is to say that under the Limited Liability Law everything is as it should be? It is in short a practical impossibility to frame rules which shall measure the ingenuity of the human mind.

There remains the proposal that funds making appeals to the public should be licensed in the same way as the Local Government Board issues licenses to the Belgian group. There is, however, a difficulty here. If a register was compiled, on what ground would any organization be excluded from it? If there is anything criminal in its proceedings now it comes within the law. Exclusion would mean accusation,

MONEY WEARS OUT.

In his report for 1914, just published, Dr. James Bonar, deputy master of the Royal Mint, Ottawa, states that worn coin was received from the finance department for recoinage to the value of \$106,424.97 silver, and \$34.82 bronze. From a consignment of 13 bags, five bags were chosen at haphazard as delivered, and taken as a fair sample for estimating the age and wear and tear of the several denominations. The results for the two highest denominations are not very far from those of 1912, showing a mean age of 42 years for the 50-cent piece, and of 39 years for the 25-cent piece, as against 36 and 34 respectively in 1912. The 10-cent pieces show a mean age of 34 years as against 20 years in 1912. The sample of five-cent pieces was too small to be useful.

and it is confessed no part of the suggestion that the licensing authority should accuse any organization. On the other hand there is grave danger that a fund might be licensed and yet be standing very near the dim line between honesty and fraud.

Lastly, the public is not likely to take at all kindly any overhead interference with the charitable disposition of its gifts. In proportion to the vast sums contributed during the war the amount fraudulently obtained or misapplied is very small, and I am one of those who believe that if anything approaching Governmental interference is begun it will check the wondrous outpouring of generosity which has been a most marked feature of our Imperial life since the Huns entered Belgium.

THE STERLING BANK OF CANADA

Statement of the Result of the Business of the Bank for the Year Ending 29th of April, 1916, Given at the Annual General Meeting of the Shareholders, Held at the Head Office, Toronto, on Tuesday, 16th of May, 1916.

PROFIT AND LOSS ACCOUNT

| | |
|--|--------------|
| Balance of Profit and Loss, 30th April, 1915..... | \$ 52,183.90 |
| Profits for the year ending 29th April, 1916, after deducting charges of management, rebate, etc. | 145,290.85 |
| Making a total of..... | \$197,474.75 |

Appropriated as follows:—

| | |
|---|--------------|
| Dividends | \$ 72,279.44 |
| Transferred to Contingent Account for depreciation of Assets, etc. | 50,000.00 |
| War Tax on Circulation | \$13,815.05 |
| Provincial Government Taxes | 8,642.97 |
| Balance of Profits carried forward | \$ 22,460.02 |
| | 52,735.29 |

RESERVE FUND

| | |
|-------------------------------|--------------|
| Balance brought forward | \$300,000.00 |
| | \$197,474.75 |

GENERAL STATEMENT

Liabilities

| | |
|---|-----------------|
| Notes of the Bank in circulation..... | \$ 1,159,980.00 |
| Deposits not bearing interest | \$1,638,329.03 |
| Deposits bearing interest (including interest accrued to date of statement).... | 6,156,492.56 |
| Balances due to other Banks in Canada..... | 7,794,821.59 |
| Acceptances under Letters of Credit | 209,771.95 |
| | 914.40 |

| | |
|---|-----------------|
| Capital Stock paid-up | \$ 1,206,299.61 |
| Reserve Fund | 300,000.00 |
| Dividends unpaid | 1,699.52 |
| Dividend No. 37, payable 15th of May..... | 18,093.59 |
| Balance of Profit and Loss Account carried forward..... | 52,735.29 |
| | \$ 1,578,828.01 |

\$10,744,315.95

Assets

| | |
|--|--------------|
| Current Coin held by the Bank..... | \$ 43,698.89 |
| Dominion Notes held | 1,200,827.25 |
| Deposit with the Minister for the purposes of the Circulation Fund..... | 56,900.00 |
| Notes on other Banks | 154,443.00 |
| Cheques on other Banks | 557,527.34 |
| Balances due by other Banks in Canada..... | 10,312.17 |
| Balances due by Banks and Banking Correspondents elsewhere than in Canada..... | 530,007.31 |

| | |
|--|----------------|
| Canadian Municipal Securities, and British, Foreign, and Colonial Public Securities other than Canadian..... | \$2,553,715.96 |
| Railway and other Bonds, Debentures and Stocks not exceeding market value.. | 923,463.80 |
| Call and Short not (exceeding thirty days) loans in Canada on Bonds, Debentures, and Stocks | 547,406.70 |
| | 445,357.15 |

| | |
|--|-----------------|
| Other Current Loans and Discounts in Canada (less rebate or Interest)..... | \$ 4,469,943.61 |
| Overdue Debts (estimated loss provided for)..... | \$5,912,940.77 |
| Bank Premises, at not more than cost, less amounts written off | 17,024.37 |
| Liabilities of Customers under Letters of Credit, as per contra | 273,433.65 |
| | 914.40 |
| Other Assets not included in the foregoing | 70,059.15 |

\$ 6,274,372.34

\$10,744,315.95

G. T. SOMERS, President,
Toronto, April 29th, 1916.

A. H. WALKER, General Manager.