NORTH AMERICAN LIFE OF CANADA

Makes Deposit With Union Trust Co. at Detroit.

The North American Life Insurance Company of Toronto has recently deposited with the Union Trust Company at Detroit, gold bonds to the value of five hundred thousand dollars ($500,000). This large sum is solely for the protection of the Company's United States policyholders. When added to the large sum previously deposited in other States, this amount makes the protection of North American Life policyholders absolute, and once more gives a practical indication of the truth and force of the Company's motto, "Solid as the Continent."

Abnormal Freight Conditions

Rates Now Greatly Reduced Under Artificial Influences

Almost immediately after war was declared, ocean freight became scarce and from that time until the end of last month there has been a steady rise in rates. The figures attained have in all cases become abnormal, and in some lines quite prohibitory. The disturbance to trade in almost every line of business has been very great and while there has been a distinct easing up of late, the situation is so perplexing that many business men find themselves in a quandary.

For twenty years prior to the war, Germany developed her mercantile marine in the persistent, tireless and successful manner characteristic of all her enterprises, until she had lines of communication extending to every quarter of the Globe. In the first few months after the outbreak of hostilities, however, the whole German and Austrian marine was swept from the seas. Many of their ships were driven into their home ports, others were interned in neutral countries, while not a few were sunk or seized by the Allies. Thus a considerable portion of the world's tonnage was put out of commission in a few weeks, and this naturally caused a general rise in freight rates. Not only have German ships been destroyed, but those of the allied and neutral countries have also suffered greatly from mines, torpedoes and submarines, and although the shipyards of the various seafaring nations have increased their output, they have not been able to keep pace with the steady depletion in tonnage.

The shortage of vessels, on the other hand, is but one side of the story, for the work that had to be performed by the commercial marine has increased very greatly, owing to the pressing demands of the warring nations. Munitions, provisions and troops for the Allied Powers had to be transported from the bases of supply to the fields of action, and this in many cases meant extended voyages, as for instance, from Australia to the Dardanelles, or from New York and Montreal to Great Britain and France. In addition to these demands for purely military purposes, the harvests of the world have been abundant, and this has necessitated an enormous amount of transportation from the producing countries to those at war, where farm production has been below normal and therefore insufficient to meet home requirements.

All these changed conditions presented themselves so rapidly that no adequate preparation was possible and the result has been confusion and congestion at shipping centres, so that instead of obtaining the maximum results from an already depleted merchant marine, its efficiency has been very seriously impaired, as much as 50 per cent. Some idea may be had of the upheaval that has been caused from the fact that the Italian Government recently paid $45 a ton for carrying a shipload of pig iron from New York to Italy, the raw material costing but $5 a ton.

Rates Now Lower.

To make matters still more difficult, like a bolt from the blue, freight rates all over the world have during the past week or two dropped sharply to figures that might almost be classed as normal. Rates on grain from Montreal to Liverpool are now wavering from 15c to 18c a bushel as compared with 55c last February and a normal of 5. So far as Atlantic shipping is concerned, this drop in rates has been brought about by three main factors. In the first place in order to reduce the price of bread the British Government released a number of ships that had been commandeered. This made the supply of tonnage ample for immediate requirements. Secondly, there has been a very decided falling off in the British demand for grain and provisions, owing to the immense reserves that have been accumulated by the British Government in various United Kingdom ports. For some time past the British Government have insisted that a minimum of 50 per cent of the cargoes of regular ocean steamers be of grain and flour, and 75 per cent in the case of tramp steamers. This enforced importation of wheat in addition to the Government's own buying has caused a temporary surplus in the Old Country. This means that commercial offerings of wheat are out of the question for the time being, as merchants on either side of the water, fearing that the reserve wheat may be placed on the market at any time, are afraid to deal. The third factor in the situation is the embargo recently placed by the British Government against the importation of many commodities regarded as non-essential. This was done to relieve congestion at Liverpool and other ports, and to keep British money at home by supplying requirements as much as possible with home products.

All this interfering with the natural channels of trade has left some of the steamship lines with considerable space on their hands, and as some of the grain had to be consigned, reduced rates were the natural consequence. Practically the only export of wheat for the moment is on Government account and is being transported to a great extent in boats commandeered by the British Government. Manitoba wheat is the only grade that is selling, and this is on account of its excellent keeping qualities. Should the market drop dealers feel that this wheat can be stored with a minimum of risk.

Even lower rates might be looked for were it not that the ship owners realize that in case of war between the United States and Mexico there would be an immediate demand for all kinds of transportation. Many American boats have contracts for two or three years to carry ore to supply the present heavy demand and these are, of course, out of the market. Those who are best posted in the world of freight are not worrying a great deal. They express confidence in an early improvement, although there are some who doubt whether rates will again reach the maximum of two months ago.

Flour Rates Higher than on Wheat.

As will be seen by the accompanying graph, flour rates have not dropped in proportion to rates on wheat. In order to compete successfully with the foreign miller the difference between the rates of wheat and flour should be from 2½c to 5c per 100 lbs., as flour is more costly to load. At the present time there is a difference of 20c per 100 lbs., which is practically excluding Canadian mills from the market. In fact, Canada has been almost out of the flour market ever since the beginning of the war. Except for Government buying, the average miller has not made one-tenth of his usual sales to his European correspondents.

Under existing circumstances Canadian flour millers find themselves in a peculiar position. As wheat forms the basis of the whole situation, any weakness in rates on grain is at once reflected in other commodities. Consequently all rates have dropped in sympathy, but not to so great an extent. Steamship companies not wishing for flour at reduced rates are discouraging its shipment in order to reserve the space for more profitable lines.