

tions of a government committee, reflecting the enterprise of the government, the government is not likely to pigeon-hole the report without first having taken some action upon it. We in Canada are certainly busy with the war, but our preparations for the period to follow are sadly lacking.

FINANCING WAR ORDERS.

The finance minister is endeavoring to arrange the establishment here of a further credit for the Imperial treasury. It has previously been intimated that if we are to obtain further large orders for munitions and supplies from the British government we must help to finance those orders. There is naturally a limit of safety which the Dominion government must observe in this matter. Already it has a heavy financial burden in the equipment and maintenance of the Canadian troops, a burden which is steadily growing heavier and may ultimately bring a national debt of \$500,000,000. Up to July last, the government had advanced to the British and other governments \$25,000,000 to finance temporarily purchases made by those governments in Canada. Up to December 16th last, advances of \$63,000,000 had been made on account of the Imperial treasury for similar purposes. In November last, \$50,000,000 of the \$100,000,000 war loan was set aside as another credit for the Imperial treasury.

During the current month the finance minister will be able to place to the credit of the British authorities here \$25,000,000. This is part of the \$50,000,000 credit obtained through the war loan. It represents the full amount of the estimated disbursement of the Imperial Munitions Board for that month. As \$15,000,000 has already been advanced, \$40,000,000 of the war loan credit will have been used by the end of March, leaving a balance of \$10,000,000 for April. That is not sufficient and the government, therefore, is seeing what can be done to establish a further credit.

It is stated that if such a credit can be furnished, new orders for shells and supplies valued at from \$50,000,000 to \$100,000,000 can be obtained for Canada. The credit required, therefore, is not likely less than \$40,000,000, and it may be more. Some months ago, Sir Thomas White suggested that Canadian firms should accept British exchequer bonds in part payment for war orders placed with them by Great Britain. This suggestion recognized the fact that the Dominion government is able to

arrange these credits only to a certain extent. To date, no enthusiastic response to the minister's suggestion has been heard.

PILFERING AND PATRONAGE

That expenditures in connection with the war shall be without wastefulness or extravagance and that the government shall see that this country's money is neither pilfered nor squandered is the demand of the Canadian people. That demand is expressed in just those words by Lord Shaughnessy, president of the Canadian Pacific Railway and he rightly states that the people are more emphatic than ever before in such a demand. Lord Shaughnessy has accurately judged public sentiment. The day is passing rapidly when governments in Canada will be allowed, with little check, to steal the public funds, largely in order to finance a patronage system which has done more harm to the national life than probably any other factor. Naturally the majority of our politicians are still wedded to patronage. Many do not yet recognize that public opinion in regard to pilfering and patronage, in the conduct of our national affairs, is an opinion which is here to stay and to increase in strength. The man in the street is willing to practise thrift for the good of his country. He is not willing to economize so that the patronage system may have its fling with the usual extravagances.

Sir George Foster in the House at Ottawa the other day stated that he had been in public life for thirty-four years and during that time did not know of one case where political patronage ever helped the status of the bench, the civil service, a member of parliament or the government. On the other hand, it is always the cause of the dry rot which breaks out and destroys. "I hope," he said, "that in the white light of the present great struggle the two parties will agree to do away with the evil. In 99 cases out of 100 any laxity in public virtue or any corruption is due to the baleful effects of party patronage."

In a striking appeal in the House on the same day Mr. A. K. McLean, of Halifax, stated that with the grim tragedy of war hanging over the Canadian people "we have realized as never before, the grip that patronage and like evils have upon our conduct of public business." These utterances must be read as signs of the times by men in high places.

WESTERN ASSURANCE COMPANY

A good report was presented at the sixty-fifth annual meeting of the shareholders of the Western Assurance Company at Toronto last week. The Western has an excellent reputation wherever underwriting is transacted. Its financial statement shows assets at the end of the year of \$4,431,305. Deducting outstanding liabilities of \$922,336 and the liability for unearned premiums on unexpired risks, there is a surplus to policyholders of \$2,243,239. The liability for unearned premiums is calculated in accordance with the long-established practice of the company. In the case of the fire department it is put at \$1,113,351, and for the marine department at \$152,377. Calculating the liability for unearned premiums according to the Canadian government's standard under the last Dominion insurance act, there is a surplus to policyholders on that basis of \$1,821,330.

The company's operations during the past year were very satisfactory. The profits amounted to \$462,222, which is the largest shown by the company in any one year. From this the following amounts were written off: \$8,037 to cover bad debts; and the usual writing down of insurance maps; \$28,299 for decrease in market value of securities and \$20,000 for a special reserve which the directors thought necessary to set

aside to cover a probable war super-tax in Great Britain and also for doubtful debts due to the war. During the year three dividends of 3½ per cent. each were declared upon the preference stock on account of the fixed cumulative dividends thereon.

The marine department contributed a large share of the company's profits last year, that department having greatly increased its premium income, due to the demand for insurance against the risks of destruction by the enemy's submarines and mines. The policies of the Western have become exceptionally popular in all shipping channels, and the management state they could easily have doubled their present net premiums, but have preferred to write small lines by each vessel and thus to spread their liabilities.

The Northern Riding and Driving Association, Limited, with Ontario charter, has increased its capital stock from \$25,000 to \$200,000, Shemogue Oyster Company, Limited, with Dominion charter, from \$99,000 to \$250,000, Standard Lime Company, Limited, with Dominion charter, from \$75,000 to \$350,000, and the Lounsbury Company, Limited, with New Brunswick charter, from \$100,000 to \$250,000.