

### FAITH

Hon. Mr. T. W. Crothers, member of the federal government, announced in the House at Ottawa on March 10th that he was not sure we are going to win the war. Mr. Crothers is minister of labor, but his labor seems to be largely under delusions.

### TORONTO'S FINANCE COMMISSIONER

The Toronto board of control on Thursday unanimously supported the nomination of Mr. Thomas Bradshaw, partner in the A. E. Ames bond house, for the appointment of commissioner of finance and city treasurer. Mayor Church has stated that Mr. Bradshaw is accepting the position from a high sense of public duty. That this is correct is known by every man who knows Mr. Bradshaw. The highest honorable motives and a supreme sense of duty have always been first considerations in his career. No one who has even the slightest acquaintance of him, thinks differently. He is an actuary of international repute and a hard and enthusiastic worker. He has an intimate practical knowledge of finance. He possesses exceptional executive ability and unusual skill in dealing with men and situations. His sympathy and sincerity of character have always won for him the utmost loyalty and support from his staff.

Mayor Church has said: "We have procured the best man in the province as head of the treasury department." If the city council ratifies the board of control's recom-

mendation they will have secured one of the best men in the entire Dominion. The only factors which will be a stranger to Mr. Bradshaw in his new position are political machinations and chicanery in civic spheres. And, it may be noted, Mr. Bradshaw will always be a stranger to them.

### PAYING BACK DIVIDENDS

Several companies recently have paid dividends without having earned them. This has been done by drawing upon surplus and in other ways. It is a poor policy. It violates the principle taught at school that we should not spend more than we earn. The payment of such dividends, especially upon cumulative preferred stocks, seems to be one of the demanded frills of the market for war stocks. For some months the receipt of large orders by industrial companies gave gamblers and manipulators enough popular material for operations. War and war orders having become a part of the common round and daily task, the market seems to require a new factor to keep it inflated.

Profits on war orders are in many cases making it possible to wipe out bank loans and to pay some of the dividend arrears. At the same time, companies in the war business must remember that the building up of a substantial reserve in these days of high earnings, for the days of an uncertain future, is an important matter. Even when the dividends are earned, that consideration is of great importance. When they are not earned, a good reason for paying them is not apparent.

### CANADA NATIONAL FIRE INSURANCE COMPANY

The report of the directors of the Canada National Fire Insurance Company, Winnipeg, states that last year business of \$23,223,662 was written, being an increase of \$1,071,523 over 1914. Premiums on 1915 business, after deducting cancellations and rebates, amounted to \$286,143.98, a gain of \$19,577.43. Re-insurance on 1915 risks was \$90,333.71, so that the net premium income for the year was \$195,810.27, an increase of \$18,545.36 over 1914. The company's gross insurance in force at December 31st, 1915, was \$30,029,358, the premiums on which amounted to \$444,802, both items showing a fair increase over 1914. Reinsurance in force at December 31st, 1915, was \$8,239,787, the premiums thereon being \$110,197. The net insurance in force at the close of the year was \$21,789,571; and the premiums thereon amounted to \$334,605. The loss ratio was 47.59 percent., slightly higher than the ratio for the previous year.

The balance sheet shows an increase in assets of \$323,200. The total assets amount to \$2,250,858. First mortgage loans account for \$1,530,008. There is cash on hand and on deposit of \$216,010, an increase of \$158,096 over the previous year's figures. Of the cash in hand and on deposit approximately \$70,000 is in the Imperial Bank; \$15,000 in the Northern Crown and Royal Banks; \$148,000 with the Imperial Canadian Trust Company; and \$40,000 on hand.

The company has one-quarter interest in the Great West Permanent building. Its interest in this property was entered at the end of the year at about \$163,000 and in the previous year at \$31,000. This increase is due, we understand, to the adjustment of that item at the close of 1915, whereas at the end of 1914, there had been paid on account of the fire company's one-quarter interest in the building, only the amount then shown in the report—namely, \$31,035. Among the assets the interest in this building is placed at \$163,544. An entry of \$126,767 is shown among the liabilities, being the amount still owing by the fire company held on account of its quarter interest in the building.

The company's total income for the year was \$330,308, an increase of \$32,626 over the previous year. The following deductions were made for expenses: Loan and investment departments, \$40,818; fire company department, \$77,423;

net losses, \$93,191; bad debts, \$106; depreciation, written off furniture and maps, \$2,083. In addition, dividends of \$86,466 were paid. A reduction was made in expenses during 1915, those in the underwriting department being reduced by about \$17,000. The comparatively high expenses of the loan and investment department are apparently accounted for by the larger expense in connection with running an extensive investment department, as well as an underwriting department. Such a large amount would not be shown by fire companies which have not the same volume of investments as the Canada National and of the same character—namely, first mortgages. The expense account, however, should be closely watched. We understand that it will be the policy of the directors this year further to reduce the expense ratio.

### NEW YORK AND LONDON SILVER PRICES

Silver in London is quoted at so many pence per ounce. Doubling this price, it is thought by many that the figure arrived at should be approximately the American price. This is not the case, as the American price is invariably higher. This is due to the fact that the British quotations for bar silver are quoted at so many pence per ounce standard .925 fine, whereas the American quotations for bar silver are quoted so many cents per ounce for pure silver, the latter quotation, of course, being the higher. For instance, when London quotations for bar silver are at 25 pence per ounce,

$$\text{this would correspond with } 25 \times \frac{1000}{925} = 27.026\text{d. for one ounce of pure silver, or, reducing to American money on the basis of } 49.316\text{d. per dollar, } \frac{27.026}{49.316} = 54.80 \text{ cents.}$$

Practically the only market in the world for silver is in London, and all operations in connection with Eastern exchanges are done through that market. The New York market is, therefore, more or less local. Under war conditions and in view of present exchange rates, freight and insurance, prices of silver in London and in New York frequently may not be on a parity.