CANADA'S FINANCIAL POSITION

Financial Stringency Had Its Effect Upon the Country's Revenue

The revenue of Canada for the fiscal year ended March 31st, 1914, was estimated by Mr. White at $5,000,000 less than the previous year owing to the financial stringency.

The decline has been experienced chiefly in the customs revenue. The receipts from other sources of revenue have held fairly well, and the setback in customs, while substantial, cannot be regarded as serious when the volume of the revenue is taken into consideration.

Revenue for Year.

The revenue for the year will show a surplus of $36,500,000 above amount required for ordinary expenditure as compared with $55,000,000 last year.

"First of all," said Mr. White, "the ordinary consolidated fund expenditure will probably reach $126,500,000, or about $14,500,000 in excess of last year. The main increases will be found in public works and in the expenditure on account of post-office, railways, agriculture and militia. A revenue of $163,000,000 and an expenditure of $126,500,000 leaves a surplus of revenue over and above the amount required for expenditure upon current account of $36,500,000."

Capital and Special Outlays.

Capital and special outlays, including the sum of $19,000,000 for Canadian Northern and other railway subsidies, will total $57,000,000.

"To meet this we have on revenue account a surplus of $36,500,000, leaving a debit balance of $20,500,000 from which we must deduct $1,500,000 representing investments made in sinking funds. The result then will be that in respect of capital and special accounts, the net debt of Canada will be increased by the sum of $19,000,000. Putting the matter another way, our revenues will have been found sufficient to meet all capital and current expenditures, including railways, canals, harbor and public buildings expenditures, and we have been obliged to increase the debt only by reason of the unusual and abnormal expenditures upon railway subsidies."

OCEAN ACCIDENT AND GUARANTEE CORPORATION

Founded in 1871, the Ocean Accident and Guarantee Corporation, through a strong directorate and management, has established an enviable reputation in all the parts of the world in which it operates. The company's head office is in London, but it has branches in Ireland, Scotland, Wales, Australia, New Zealand and Canada. For many years, it has adopted a policy calling for branch boards who co-operate with branch managers in the conduct of the corporation's business in various countries. Mr. E. B. Greenshields, of Montreal, is the Canadian director, and Mr. Charles H. Neely is the manager of the company's Canadian business, with headquarters at Toronto. Mr. Neely is a well-known underwriter, a good manager, and the company's growing Canadian business in no small measure has helped to make a strong showing in the balance sheet for the past year.

The company's capital is $25,000,000. It has a reserve fund of $1,500,000. On the debit side of the balance sheet are noted sundry accounts pending, $225,938; reinsurance and other funds, $211,797; capital redemption fund, $71,471. There is a general insurance fund amounting to $3,913,532, composed of a provision of $31,555,000 and an investment reserve and general contingency fund of $358,532. The balance from revenue account, including $3,857,909, proportions of premiums unearned, is $8,137,216. From this is deducted $200,000, being an amount transferred to the investment reserve and general contingency fund.

The company's assets are composed chiefly of investments in British, foreign and colonial government bonds, in provincial and municipal bonds and in railway and other debentures and stocks. It has about $2,400,000 in mortgages on freehold and leasehold properties, including the company's head office and branches. The balance sheet reflecting the result of operations for the year ended December 31st, 1913, indicates clearly the company's strong position. Mr. T. M. E. Armstrong, a capable executive officer, is the manager and secretary of the company.

WESTERN FREIGHT RATES REDUCED

Commissioners Make Reductions—Shaughnessy Says Canadian Pacific Railway Can Stand It, But—

A new schedule of railway freight rates in Western Canada has been put into effect, as a result of the Dominion railway commission's recent inquiry. Substantial reductions are made from existing rates. The commission's judgment in the matter divides the territory into three sections, the Prairie, the Pacific and British Columbia, and the Lakes, and a standard scale of minimum rates is fixed to each. The lowest existing scale in the West, known as the Manitoba standard, has been amplified and extended throughout the prairies. The Pacific scale is on a somewhat higher basis. Considerable reductions are effected from the existing standard maximum scales in Saskatchewan, Alberta and British Columbia. Special distributing tariffs are authorized from recognized centres, the reduction from the standard tariff of each territory amounting to about 15 per cent.

Some of the Reductions.

Through rates from Eastern to Western Canada are based on those charged from Port Arthur and Fort William. The tariffs specifically show substantial reductions in local grain and flour rates, coal rates from the mines of Alberta; sugar, produce, vegetable and fruit rates. Cement rates from Alberta and Saskatchewan are lowered to the Winnipeg scale. No reduction is made in the rates for live stock and in certain minor items.

Sir Thomas Shaughnessy's Comment.

Commenting at Ottawa on the railway commissioners' decision, Sir Thomas Shaughnessy said that the judgment goes beyond anything warranted by the facts as presented. The evidence proved conclusively, as the board found, that there was no discrimination as charged in the complaint, and the reasonableness of existing rates in existing circumstances was not seriously disturbed by the attacks of the complainants. Apparently the board, actuated no doubt by what they consider to be the ultimate best interests of the country, have put into effect reductions in rates which, while they might have a semblance of justification some years hence, are such as, viewed in the light of present commercial and transportation conditions, cannot but be regarded as unnecessarily and unjustifiably drastic in character.

Position of New Railroads.

"The Canadian Pacific can stand it," said Sir Thomas, "and this seems to be about the only excuse that can be urged in support of the commission's findings. How other companies—still in the process of construction, and which have not been able to build up supporting traffic, and are faced with the necessity of heavy borrowing for the next few years at least—regard the decision is for them to say."

DEATH OF MR. SOMERVILLE.

Mr. George A. Somerville, general manager and director of the Manufacturers' Life Insurance Company, died this week at Toronto. He was born in the county of Perth, in January, 1855, and taught school for a number of years, afterwards becoming school inspector, with headquarters in Guelph. Later he became manager for the Guelph and Ontario Loan and Savings Company. In 1889 he became general manager and director of the Huron and Erie Loan and Savings Company of London, in which capacity he remained for 18 years. In May, 1907, he was offered and accepted the position as general manager of the Manufacturers' Life Insurance Company. Mr. Somerville was a director of the Canadian Trust of London. He had also been a member of the board formed for the protection of the bondholders of the Chicago and Milwaukee Electric Railway.

NEW INSURANCE COMPANY GETS LICENSE.

The Western Empire Fire and Accident Insurance Company obtained its license on March 18th, having complied with all the requirements of the Manitoba Insurance Department. The company is now writing business. It has over $250,000 of capital subscribed and more than $25,000 paid up.