TOO MUCH BUSINESS GOES ABROAD

Contention of Deputy Minister of Trade and Commerce in Annual Report—Income Tax Penalties—Unlicensed Insurance

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CANADIAN firms who have passed business inquiries on to firms in the United States are critically handled in the annual report of F. C. T. O'Hara, Deputy Minister of Trade and Commerce, made public on Tuesday. Mr. O'Hara makes a strong plea for building up Canada's foreign trade through Canadian channels. "The only skeleton in Canada's foreign trade closet," he says, "is the dependence of Canadian firms upon foreign intermediate commission houses and foreign channels. Every possible effort should be made to ship Canadian goods through Canadian channels from Canadian seaports to foreign markets to which the goods are destined. The great increase of Canada's merchant marine will go a long way in assisting this object. Canadian export trade should be independent. It would assist in building up Canadian seaports and direct overseas connections.

Imports are Heavy

"Canada imports every day goods made under foreign flags from Canadian raw material. The Canadian purchaser pays the wages and the profits of the foreign manufacture, also the transportation costs of both raw material and finished goods. In resources and variety of raw materials, in sites and power for factories, in transportation and situation with regard to the world's markets, Canada is unrivalled."

Mr. O'Hara then takes up the point of Canadian firms passing on business to firms outside Canada. "Not infrequently," Mr. O'Hara says, "cases are brought to the attention of the department of Canadian firms, before whom the department has placed information as to purchases desired abroad, who have referred such inquiries to firms in the United States. In such cases the department has removed the names of such firms from its lists of Canadian export firms so that no further information will be furnished them." Complaints have also reached the department from foreign buyers that upon their placing an order with certain Canadian manufacturers to purchase goods manufactured by them they have been referred to agencies in the United States informed that such United States agencies handle all their foreign business. In some cases foreign purchasers have thereupon refused to place an order.

Heavier Income Tax Penalties

A hundred and fifty thousand Canadians, perhaps more, will pay the Federal income tax this year, and it is expected to bring in at least thirty-five million dollars. A closer system of checking up and the imposition of penalties are producing results, but a point emphasized is that next year the penalties will be almost staggering. It will be a very expensive thing to make a return that proves to be false. Next year, when returns are made in respect of 1920 income, the new provision of the act will be operative. For example, a person who makes a return showing an income to three thousand where really it was ten thousand will be liable to pay the government the whole seven thousand deficiency plus the tax on the ten thousand, besides, he or she will be prosecuted for the act of making a false return. Experience has demonstrated the need of heavy penalties, and they are being made stiffer each year.

Overseas Trade Office to be Closed

It is expected that during the visit of Sir George Foster, Minister of Trade and Commerce, to London, there will be a decision as to the closing of the overseas office of the Canadian Trade Commission. There is stated to be at present some overlapping in the work conducted by W. C. Noxon, who is conducting that office, and that carried on by Harrison Watson, Canadian Trade Commissioner. A change in the method of handling overseas trade matters in London has been predicted for some time, and the minister is expected to work out an arrangement to this effect while he is overseas.

Unlicensed Life Insurance

A warning to physicians against making examinations for unlicensed life insurance companies is contained in a circular issued on November 16 by the Insurance Department. It reads:—

"It has been brought to the attention of the department that life insurance business is being solicited in Canada through the mails by life insurance companies with head offices in the United States, but unlicensed in Canada.

"In the case of at least one of these companies it is stated that the practice of the company is to advise prospects in Canada of the names of physicians whose examinations will be accepted by the company, and to send the prospect a cheque to cover the medical fee for examination by one of these physicians. When the examination has been made the medical report is forwarded by the physician to the company.

"The Insurance Act and the provisions of the Criminal Code respecting insurance provide that no foreign company shall inspect any risk or otherwise carry on any business of insurance in Canada without a license under the act. It is also provided that every person who, in Canada, inspects any risk or otherwise transacts any business of insurance except on behalf of a company licensed in Canada is liable for a first offence to a penalty of not more than $50 nor less than $20, and for a second or subsequent offence to a penalty of not more than $100 nor less than $50. In default of payment imprisonment for terms varying from one month to six months is provided for.

"The department is of the opinion that physicians in Canada making examinations under the conditions above mentioned are violating the statutes referred to and rendering themselves liable to the prescribed penalties.

"The public is also warned that insurance placed in unlicensed companies is not protected by assets of these companies in Canada. There is, therefore, no security in Canada which can be attached in the event of such a company failing to meet its obligations under its policies."

BANKERS' ASSOCIATION ANNUAL MEETING

The annual meeting of the Canadian Bankers' Association was held in Toronto on November 11th. A wide range of subjects was discussed, covering the important developments of the past year. C. A. Bogert, who was last year elected president, is now the senior general manager among Canadian bankers, having occupied his present position since 1906. The officers for the coming year, who were all re-elected, are as follows: Honorary presidents, Sir Edmund Walker, Sir George Burn, Sir H. V. Meredith, E. L. Pease; president, C. A. Bogert; vice-presidents, Sir Frederick Williams-Taylor, Sir John Aird, H. A. Richardson, C. E. Neill. Executive council—Thomas F. How, E. C. Pratt, N. Lavoie, D. C. Macarow, Tancrede Bienvenu, H. B. Shaw, J. P. Bell, C. H. Easson, Beaudry Leman, W. Moffat, J. Cooper Mason, A. H. Walker, H. O. Powell. Secretary-treasurer, Henry T. Ross.

Harris, Read and Co., bond dealers, Regina, Sask., have opened a branch office at 432 Pender St., Vancouver, B.C. S. W. Harris, who has been in the bond business in western Canada for a number of years, will manage the new office.

The Canadian Pacific Lumber Company's properties at Port Moody, Alberni and the Kootenay, B.C., and other places, comprising mill sites, freehold properties, leasehold and water records, timber limits and timber licenses were sold on October 11 for the sum of $780,000. The buyer was Eric Hamber of the London and Canadian Investment Co.