

holders may be, and generally is, an income and expenditure statement representing items of profit and loss. In the latter statement, therefore, the premiums written, losses incurred, etc., would appear. Both statements would be equally true but different facts exhibited. It is not a difficult matter to obtain either statement from the other. For example, to obtain the cash premium income, add to the premiums written the outstanding uncollected premiums of the previous year and deduct from the sum premiums outstanding at the end of the statement year. Likewise for losses: Losses incurred during the year, plus outstanding previous year, minus outstanding losses at end of year gives the cash paid for losses; the same for other items.

Differences May Be Real.

It may be, even in the case of a cash statement to shareholders, that "a difference that is not a difference may appear." For example, a company might show its total cash premium income in the statement of receipts and the amount paid for re-insurance and return premiums in the expenditure; whereas in the blue book the cash paid for reinsurance premiums and return premiums is deducted from the cash received for premiums, and the net amount carried out. The agreement of the two statements would be seen by a careful reader but a discrepancy might appear to an unpracticed eye.

The differences above referred to are merely technical, depending upon the method of presenting accounts. It may be, however, that the differences are real. Certain items are excluded from the government statement which might, not without propriety, be included in the statement of a company to its shareholders. For example, organization expenses, or an inventory of stationery and supplies on hand, or unpaid instalments of calls upon capital stock, or uncalled capital where the total subscribed capital appears in the liabilities might appear in the statement of a company to its shareholders.

Again, changes may be made by a government examiner where errors are found, or where such changes are deemed necessary. Sometimes losses are reported or accounts received after the close of the books, which the examiner would include in the government statement, but which might not appear in the shareholders' statement.

Practice is Dangerous.

The fact remains, however, that some companies have a habit of issuing to their shareholders, policyholders, and to the daily and financial press, a statement of their financial position and of the result of operations during the past year, a statement frequently showing a flourishing state of affairs. The same companies then make returns at the year end to the insurance department, according to the forms prescribed. The report which went to shareholders, policyholders and press, compared with the returns to the government, often reveals some startling differences. This practice is being carried on to such an extent that it has now bordered on the dangerous. The average shareholder, policyholder and newspaper man never sees the insurance blue book issued at Ottawa. His faith is in the statement which the company issues to him, and which, as pointed out, differs materially in the cases of several companies, from the blue book returns.

The Monetary Times has previously contended that this practice should be considered by law as a serious offence. An insurance company should not be allowed to issue a statement to its shareholders and policyholders which differs in any material respect from the figures given in the insurance department's returns.

The Ontario insurance act has a clause (106, section 5) which is much to the point. It says: "No statement purporting to show the financial condition of any provincial corporation which differs from the statement filed with the superintendent (of insurance) shall be published or circulated."

FUEL SUPPLY OF PRAIRIES

Briquetting of Lignite Required to Permit of Its Economical Use

One of the most important problems in Canada is the provision of an adequate supply of cheap fuel for the population of our prairie provinces, pointed out Dr. Frank D. Adams, at the recent annual meeting of the Commission of Conservation at Ottawa. Very large areas of these provinces are underlain by beds of sub-bituminous coal and lignite, which are estimated to contain 100,000,000,000 tons of these fuels. As yet, however, practically all the fuel used in that portion of the plains east of Brandon is imported from the United States, while that used in the country west of Brandon is brought chiefly from the coal-fields of the Rocky mountains. This entails a long and expensive haul, which results in a high-priced fuel, and any temporary interruption of the supply gives rise to a coal famine.

Expensive to Mine.

The reason why the mineral fuels of the plains have not been utilized is that they are expensive to mine, owing to the absence of supplies of mine timber on the treeless prairies; they are also of a lower grade than the coal from the Rocky mountains, containing a large percentage of moisture. They thus have a lower heating value than the fuels from the mountains, and furthermore, when they are exposed to the atmosphere after being mined, they dry out to a certain extent, and in so doing crumble to pieces or even fall to powder, so that they cannot be readily handled and will not bear transportation. Such being the case, if these fuels are to be made available for household use, they must be briquetted, or

if they are to be used for manufacturing purposes, they must be either briquetted or used in gas producers.

A series of trials of Canadian fuels, recently carried out by Dr. J. B. Porter and Prof. Durley, of McGill University for the Mines Branch of the Department of Mines at Ottawa, show that these fuels of the plains are excellently adapted for use in the gas producer and are thus well suited for the production of power. The question as to whether they can be briquetted, when necessary, at a sufficiently low cost to make the enterprise commercially profitable, has not yet been established. Fuels of this general type are briquetted in Germany, on an enormous scale, and the United States Bureau of Mines is now investigating the possibility of briquetting the lignites of North Dakota. Any lignite can, of course, be briquetted if a suitable binding material is employed. This, however, entails additional expense, but many of the German lignites and some of those occurring in North Dakota can be briquetted without the addition of any binding material. It is thus very important that an investigation should at once be made into the question as to whether there are not, among the great deposits of fuel underlying the Canadian plains and outcropping on their surface, some at least which can be worked for the production of a cheap briquetted fuel which will stand transportation, and thus supply a need ever more insistent as the population of the prairie provinces increases.

Nearly eight million pounds of binder twine were sold to the Western Canadian farmers by the Grain Growers' Grain Company, according to Mr. J. L. Williamson, the company's Regina representative. This is in excess of the quantity handled by the company previously, and the supply is now exhausted.