

of purchasing power. The significant fact in this connection is that our net national debt by the close of the fiscal year ending March 31st, 1919, will amount to approximately \$1,600,000,000; and that, as prices continue to decline, it will become increasingly difficult with a stationary or falling income to meet principal and interest payments. The need for thrift, then, is imperative.

But thrift involves much more than the saving of money by cutting down expenditures, if it means that in any great degree whatever. It involves far more, namely, increased efficiency in production, in the sales organization of every business, and in management. Scientific management has come in for much criticism, of late, at the hands of labor leaders and others; but Canadian business and agriculture can stand a much more intense application of the principles of scientific management before the danger point is reached.

The Dominion has achieved remarkable results during the war by speeding up industry and more fully employing the available labor force. This continent is destined to become, perhaps, the most powerful productive unit in the world, not mainly or chiefly because of its vast natural resources but because of its trained and educated labor force ably led. Because of Canada's intimate economic relationship with the United States what has been achieved there is of surpassing interest to our own people. A recent writer—Mr. Norman Bruce in *Forbes Magazine*—points out that although the Republic has but six per cent. of the world's population and only seven per cent. of the world's land area it produces the following percentages of the total output of essential or primary products: Copper, 70; oil, 66; corn, 75; cotton, 60; silver, 33; gold, 20; coal, 52; iron and steel, 40; and 85 per cent. of the world's output of automobiles and motor trucks. The United States owns and operates 40 per cent. of the railroad mileage of the world; and perhaps no other factor has had so important a bearing upon the position of supremacy to which, in certain lines, it has raised itself.

In the discussion that is now proceeding everywhere, then, concerning the necessity for thrift let it never be forgotten

that efficient production and distribution is the most important aspect of the entire problem. For efficient production means not only the economizing of capital and the more effective employment of labor, but lowered costs of production, a larger output and, hence, the ability on the part of employers to keep wages and the standard of living high. Thrift, in a word, means not merely saving, but also, making money by the effective and loyal co-operation of all.

### FINANCING DEVELOPMENT OF MINES

NO law that does not recognize the hazard capital takes in development of mineral properties can be satisfactory. When a company develops one property successfully, there is too often a demand that the operators should not be allowed to make large profits. The public seems unwilling to admit that those who spend money in developing mineral deposits should be greatly rewarded if successful. Our contention is that the only justification for the large expenditures which are made for exploration and development is that those who are successful are well repaid for their enterprise."

This paragraph, from the "Canadian Mining Journal" of March, gives a concise statement of the relation of capital to the mining industry. It is used therein in connection with the subject of royalties, but the peculiarities of this industry are equally worthy of consideration, when restrictions on the sale of securities are being discussed. It is almost impossible to say whether an issue of mining securities offers a fair return to the investor, because mining development, especially in the case of a new property is essentially a speculative enterprise, and the results cannot be ascertained until a substantial investment has been made. Only a fraction of mining promotions are successful and returns in these cases must repay, not only the expense of developing them, but also of developing unprofitable enterprises, otherwise investors would not touch shares of this class.

### CHARTERED ACCOUNTANTS CONVENTION

The 1919 convention of the Dominion Association of Chartered Accountants will be held in Winnipeg in September. The 1910 convention of the association was also held in Winnipeg.

Mr. John Parton, of Winnipeg, is president this year. At a recent meeting of the Manitoba Institute the plans for the convention were discussed. Mr. S. G. Brown, chairman of the local publicity committee, reported that a beginning had been made. Committees of various kinds have been appointed and a programme prepared.

### ONTARIO MORATORIUM EXTENDED

The moratorium in Ontario will remain in force for another year. A bill was introduced into the house by Mr. Z. Mageau, and given its first reading on March 28th, providing for the repeal of the act on July 1st, 1919. The bill was dropped on April 4th, however, when it came up for a second reading, after unfavorable expressions of opinion had been delivered from both sides of the house. Mr. Mageau contended that borrowers in the province were in just as good, if not a better position to pay than ever before, and that the moratorium had merely resulted in many people avoiding their debts when they were in a position to pay them. Hon. I. B. Lucas, attorney-general, referred to the fact that an extension of the moratorium had been indicated in the lieutenant-governor's speech from the throne and he considered it advisable that it should remain in force at least until the complete demobilization of the Canadian forces. A new bill will probably be introduced this session by the government, however, providing for a graduated repayment of overdue obligations.

### CANADIAN RAILWAY STATISTICS

Statistics of Canadian railways are compiled at Ottawa by the Comptroller of Railway Statistics. This work is separate from that of the Dominion Bureau of Statistics which is under the Department of Trade and Commerce.

When the Consolidated Railways Act was before a special committee of the House of Commons on April 7th, the minister of railways, Hon. J. D. Reid, explained that this separation is necessary because the compilation of statistics is a part of the railway business. Hon. Charles Murphy said that Hon. A. K. Maclean had stated in the House that it was proposed that all statistics should be controlled in future by the Department of Trade and Commerce. He suggested, therefore, that this clause should stand over until the two ministers had an opportunity to discuss the subject and the minister of railways agreed to the proposal.

### WESTERN TRUST COMPANY

The annual meeting of the Western Trust Company of Winnipeg was held on April 2nd. The profit and loss statement shows a reduction compared with last year, the profits being \$71,008, while in 1917 they were \$82,500. A balance brought forward increased the total available to \$127,344. \$50,250 was paid out in dividends at the rate of five per cent. per annum, the same as last year; \$20,000 was transferred to reserve against investment in subsidiary companies, and \$8,617 set aside to pay the business profits war tax for the year 1915, and the income tax for the years 1917 and 1918. This left a balance carried forward of \$48,476.

Assets total \$2,368,338, of which \$1,151,184 are on capital account, about sixty per cent. being invested in real estate mortgages and accrued interest. The amount of estates and agencies under administration at the original of estimated valuation is \$6,430,046.