

COLLECTIONS VERY SLOW IN THE WEST

New Orders Are in Good Volume, However—Crop Prospects Maintain Healthy Sentiment—Bankers Discuss Deep Waterways Project

(Special to *The Monetary Times*.)

Winnipeg, July 15th, 1920.

ON the whole, the crop outlook in Manitoba and throughout the whole west is very encouraging. Reports from a majority of points are entirely satisfactory, while from other places there is complaint of lack of recent rains. During the past week there have been local rains, but some places have been missed, and evaporation at this time of year is rapid. From no place in Manitoba is there any suggestion of crop failure or even of crops having suffered considerably, and the present promise is that the crop will vary from fair to very good, according to locality.

Collections Not Good

Winnipeg wholesale houses are fairly busy. Wholesale hardware reports trade good and orders coming in freely. Midsummer conditions exist in retail lines, with many sales in clothing and boots, but no real price cutting. Further west, wholesale and retail trade are both quiet. Collections at western and Pacific coast points are reported very slow, and poor.

Bankers Attend Duluth Convention

Representatives of the Bank of Montreal and the Imperial Bank have returned to Winnipeg from Duluth, where they attended the annual meeting of the State Bankers' Association. The total attendance at the assembly was about nine hundred. The subject of greatest local interest was the proposed deepening of the channel of the St. Lawrence River. The estimated cost of this work was \$130,000,000 and it was stated that a saving of this amount would be effected each year. United States people of the northwest are deeply concerned in the question owing to the freight congestion which exists at the present time all through that country. They state that it would nearly cut their freight bills in half.

Local Financing

The Winnipeg firm of Strange and Snowden this week bought the bonds of the rural municipality of Swan River. These are good roads debentures and are guaranteed by the province. The amount is \$58,000. The bonds run for 30 years and bear 6 per cent., interest and principal are payable only in Canada. The funds cost the municipality slightly less than 7 per cent.

The province of Manitoba have this week opened an up-to-date ground floor office in the Lindsay Building to receive savings deposits on which 4 per cent. interest will be paid. Many thousands of dollars have been sent in already from all over Manitoba.

CASUALTY INSURANCE MANAGERS' ASSOCIATION

The annual meeting of the Casualty Insurance Managers' Association was held on June 17, and the following officers elected for the ensuing year: President, J. C. Gagne; vice-presidents, A. E. Kirkpatrick, Toronto, and H. F. Roden, Montreal; treasurer, E. Willans; senior secretary, T. D. Hutchins, Montreal; Toronto secretary, H. S. Humphries.

Announcement is made by the United Financial Corporation, Ltd., of the removal of their Ontario branch office, which is under the management of G. E. Cork, to the premises occupied by the Guaranty Trust Co. of New York, at 14 King St. East, Toronto. The foreign service department of the Guaranty Trust Co. will continue at the above address under the supervision of E. N. Wilkes, correspondent, as formerly.

HIGHER RAILROAD RATES APPLIED FOR

Canadian Railway Association Presents Arguments Based on Cost of Operation—Net Earnings Have Fallen Rapidly

APPLICATION for a 30 per cent. increase in rates was filed on July 10, with the Board of Railway Commissioners for Canada, by the Canadian Railway Association. On July 14 the Board announced that the application will be considered in Ottawa on August 10, and arguments from both sides heard. The association presents its case in the application as follows:—

Text of the Application

"The Railway Association of Canada, on behalf of the railway companies members thereof, and of all other railway companies within the jurisdiction of the board, hereby applies to the board under section 325 of the Railway Act, and such other sections thereof as may be applicable, for authority to make a general advance of 30 per cent. in the tolls at present charged for the carriage of freight by the said companies. In support of such application the applicant respectfully states.

"(1) During the period since the outbreak of the war the scale of expenditure of the said railway companies on capital, maintenance and operating account has increased to an extent unprecedented, which has greatly exceeded the aggregated increase in freight and passenger revenues granted during such period.

"(2) As a concrete example of the great burdens under which the railway companies are laboring, reference may be made to the result of the wage increase granted in 1918. The so-called 25 per cent. advance in freight rates granted under order-in-council No. PC1863, effective August 12, 1918, was intended to reimburse the railway companies for the increased wage expense to which it was then estimated they would be put through the application of the rates of wages and working conditions which had then recently been fixed for the railways of the United States under the so-called McAdoo award and supplements thereto, and which had been made applicable to Canada by order-in-council No. PC1768, effective August 1, 1918. Contrary to all expectations, such increase in revenue proved far from satisfactory to accomplish what it was intended. During the year 1919 the increase in wages granted as above mentioned amounted on Canadian railways to more than \$80,000,000, while the increase in revenue derived from the advance intended in the aforesaid to provide therefor amounted to only approximately \$43,000,000, a shortage of at least \$37,000,000. Apart from the increase in wages, the prices of the principal supplies and materials in use by the railways have increased more than 100 per cent. since the beginning of the war period.

"(3) In order that the railway companies may maintain their systems in such a state of efficiency as to enable them to serve the interests of the public in a proper manner, it is essential that they be accorded an advance in tolls of at least the extent applied for herein.

"(4) The increase in rates sought by this application is based entirely on present costs, and does not take into consideration any increase in wages or costs which may occur hereafter."

Discussed Informally With Government

This application has already been forecasted on several occasions. President Beatty pointed out the necessity for higher rates in his address to the shareholders of the C.P.R. The request of the Edmonton, Dunvegan and B.C. Railway, just heard by the board in Edmonton, is supposed to have been a preliminary move in this direction. On July 5 a delegation headed by President Beatty, of the Canadian Pacific, Chairman Howard G. Kelly, of the Grand Trunk management board, and President Hanna, of the Canadian National Lines, along with a number of other high officials of the various lines, met the government.