

temporary difficulties, and that comparatively little money has been permanently lost. When I think of the record of finance in London in connection with the United States, South America, South Africa, Australia, and other new countries, I feel proud of Canada's clean record in this respect. Some newspapers attribute the depression in Canadian securities to the Balkan war, to the great demand for money for manufacturing purposes in Great Britain, and to the heavy borrowing by the Canadian railways and industrial companies. These may be contributory and intensifying causes, but I think the extent of their influence is comparatively slight. The railways have raised less money than in some previous years; their earnings are keeping well up with the requirements of the increased capital, and the new regions which they have opened up are one and all justifying the expenditure. The real cause of the loss of confidence of the British investor is the recent forced and badly-regulated borrowing of Canadian cities, followed by the news of the voting of fresh expenditures aggregating many millions of pounds.

### MUNICIPAL ISSUE MANIA

Many Canadian cities have spent, and we hear by every mail are still spending, huge sums before they have raised the money, and consequently have been forced to the risky and costly expedient of securing accommodation for a few months at a time; and while their finances are still in this dangerous position they are embarking on further large outlays. The British investor has had his confidence in Canadian reliability shaken by witnessing a scramble for money by responsible municipal bodies. He has witnessed, month after month, one unsuccessful municipal issue succeeding another unsuccessful municipal issue at lower and lower prices, regardless of Canada's credit and reputation—regardless of the sacrifice of power to raise money for industrial and agricultural development in order to provide municipal improvements, which, in most cases, could be postponed, regardless of the serious loss inflicted on those who had previously bought city bonds. The British investor has never favored municipal securities, and this last experience is not likely to increase his liking for them. No rate of interest, however high, will tempt more than a small section of the community to invest in city bonds. The reasons alleged for this dislike are that cities raise a constantly-increasing and practically unlimited sum on the same assets, and that the city assessment valuation is not an independent or reliable valuation. Our investors prefer a railway security, or even an industrial security, guaranteed or unguaranteed, which gives them a mortgage for a limited amount on something that they can take possession of, and in connection with which there is a statement of earnings to inform them where their interest is coming from. It may seem absurd to the uninitiated to attribute the fall in other Canadian public securities and general investments to the fall in city bonds, but this callous destruction of municipal credit thoroughly unsettled the public mind. Although the Canadian provinces are great countries, larger than Great Britain, with vast wealth and resources, the prices of provincial government securities have fallen away under the influence of the fall in the price of city bonds, and the prices of railway and industrial securities have fallen in sympathy with the prices of provincial government securities. Great harm has been done; but I think the turning point is well in sight. It is being made increasingly evident that British investors will take no more city bonds; and when this is once realized on the other side of the Atlantic there will be no more expensive attempts to force issues on this market, and other Canadian investments will gradually recover their popularity and their prices on their merits. With the exception of these

difficulties in city finance, and the troubles of a few small enterprises, there is nothing to cause the least anxiety in connection with Canada. On the contrary, the prosperity of the Dominion is very great; and my advice to you is to leave municipal securities severely alone, and to take this opportunity of investing all the money you can in those sound Canadian railway and industrial investments which have recently fallen most heavily in price. I repeat that there never will be a more favorable opportunity of investing money at a high rate of interest, with the certainty of a great increase of capital in the course of a few years. (Applause.) Before moving the adoption of the report and accounts perhaps someone would like to ask some questions.

### QUESTION AS TO PROFIT

Mr. John Reid: There is one point, Mr. Chairman, which I should like to raise for the purpose of elucidation. It is quite patent to me, but perhaps it may not be quite so patent to others. Before doing so, allow me to congratulate the board upon the singularly satisfactory statement which has been put before us. In view of the heavy depreciation which has taken place during the last six months in securities generally, I think we may congratulate ourselves that only £20,000 represented the amount of our depreciation at April 30 last. The point I wish to raise is this: You make it quite clear in your report, but you do not in your accounts, that the £20,000 has practically been taken off your profit for the year. I presume it is taken off the last item, profit on arranging issues or underwriting new capital, issues and sales of securities, etc. The point I would raise for elucidation is whether that is the profit after providing for the depreciation in securities. It is quite patent, of course, in your report what you mean, but there is nothing in the accounts to indicate how it has been done. I presume I am quite right in my assumption.

Mr. T. Blundell-Brown: Yes, you are quite right in your assumption.

Mr. Reid: Apart from that, I think we may consider that we have a very satisfactory position of affairs before us; and, as the chairman has stated in his most lucid and able address, now is the time for people to avail themselves of the opportunity given to them of investing, and I am quite sure that the British Empire Trust will not be behind in taking advantage of that opportunity. I have very much pleasure in supporting the motion.

Mr. Blundell-Brown: If there are no further questions, I beg to propose: "That the accounts for the year ended April 30, 1913, and the reports of the directors and auditors thereon be received and adopted."

Mr. N. Scott Russell seconded the motion, which was carried unanimously.

Mr. Blundell-Brown next moved: "That the payments of the dividend on the preferred ordinary shares and the interim dividend on the deferred ordinary shares be approved, and that a final dividend on the deferred ordinary shares for the half-year ended April 30, 1913, at the rate of 8 per cent. per annum, be, and is hereby, declared, making total dividends for the year of 6 per cent. on the preferred ordinary shares and 8 per cent. on the deferred ordinary shares."

This was seconded by Mr. Scott Russell and unanimously agreed to.

The retiring directors (Mr. N. Scott Russell and Mr. D. B. Hanna) were re-elected, on the motion of Mr. D. Northall-Laurie, seconded by Major E. F. O. Gascoigne; and Messrs. Robertson, Hill and Company were reappointed auditors, on the motion of Mr. R. Gracey, seconded by Mr. H. W. Harding.

A vote of thanks to the chairman and directors concluded the proceedings.

### BOND TENDERS INVITED

#### Monetary Times' Weekly Register of Fire Losses and Insurance

**Manitou, Man.**—The school by-law to borrow \$30,000 has been carried.

**Point Grey, B.C.**—Seventeen by-laws, totalling \$783,718, were carried by the electors.

**Lloydminster, Sask.**—Until July 14th for \$5,000 6 per cent. debentures. H. C. Lisle, secretary-treasurer.

**Grandview, Man.**—Until June 12th for \$17,000 6 per cent. 20-year debentures. W. Dickie, secretary-treasurer.

**Halifax, N.S.**—Tenders will be received up to July 28th for debentures totalling \$299,750. W. L. Brown, city treasurer.

**Richot R.M., Man.**—A by-law for road improvements to the extent of \$60,000 will be voted upon by the electors on July 21st.

**Welland County, Ont.**—Until July 15th for \$100,000 4½ per cent. 30-year highway improvement debentures. R. Cooper, county clerk, Welland, Ont.

**Collingwood, Ont.**—Up to July 15th for \$54,000 debentures. A. D. Knight, town treasurer, Collingwood. (Official advertisement appears on another page.)

**Hamilton, Ont.**—Up to July 10th for \$382,269 local improvement debentures. S. H. Kent, city clerk. (Official advertisement appears on another page.)

**Broadview, Sask.**—Until July 12th for \$25,000 6 per cent. 20-year town hall debentures. A. Sinclair, secretary-treasurer. (Official advertisement appears on another page.)

**Calgary S.D.**—Until July 15th for \$750,000 5 per cent. 40 instalments school debentures. A. T. Jewett, secretary-treasurer. (Official advertisement appears on another page.)

**Hanley, Sask.**—Until July 9th for \$15,000 6 per cent. 20-year municipal building debentures. A. Holm, secretary-treasurer. (Official advertisement appears on another page.)

**Snipe Lake Rural Municipality No. 259, Sask.**—Until July 14th for \$5,000 6 per cent. 20-year road construction debentures. Maitland Barkwell, secretary-treasurer, Richlea P.O.

The International Harvester Company of Canada will close its plants for less than a month, reopening on August 18th. The company has on hand a very large stock of manufactured goods and there is little demand from the west just now. The working staff will not be as large next winter, as it was last winter, when the number of employees made a high record. The Oliver Chilled Plough Works has large orders from Eastern Canada and Australia, but will not run on Saturdays during the summer.