

# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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## A NEW NAME AND AN OLD PLATFORM

WHEN the Unionist members of parliament held their caucus on July 1, they decided to adopt the name "National Liberal and Conservative" for their party. But the platform announced is not new; it is rather a summary of measures which have already been placed upon the statute books. It is an outgrowth of the platform of the old Conservative party, and this may account for the lack of enthusiasm among Liberal Unionists over the reorganization.

First of all, the new platform is distinctly imperialistic in tone, although "the maintenance of the autonomy of Canada and its existing rights and powers of self-government" is one of the clauses. Another clause aims at the Canadianizing of alien immigrants and the fostering of a national rather than a sectional spirit. The tariff is dealt with at length, and although a thorough revision is mentioned it is obvious that any drastic reductions are not anticipated. The rapid growth of the national debt and fixed charges is emphasized to show the necessity for tariff revenue, as well as for excise duties and direct taxation. Mention is made of "the fixing of a proper capitalization for the national railway system," which may mean that the government does not expect to be able to so adjust railway rates as to yield a return on all the present liabilities.

Good relations between employer and employee are to be encouraged, and the labour provisions of the peace treaty carried out, "regard being had, as contemplated by the treaty, to the time and character of similar legislation enacted by other nations." Attention is to be given to a national militia system and air force, and the present policy of soldiers' civil re-establishment is to be continued. Immigration and foreign trade are to be encouraged, and railroad and inland water transportation improved. Another subject for consideration is "the transfer under fair terms and conditions of the remainder of the public domain held by the Dominion to any province of Canada in which such domain is situated, subject to such reserves as may be deemed advisable in the public interest."

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## THE MAMMOTH IN THE STEEL INDUSTRY

JUDGING by the criticisms being directed against the British Empire Steel Corporation, it is feared that the public will suffer from the inclusion of water in the new corporation's liabilities. The element of water, however, is not being introduced in the new financing, but was included when the Dominion Steel, the Nova Scotia Steel and other constituent companies were being organized many years ago. The promoters of the merger have given evidence which shows that the assets exceed the liabilities. This is the result of the appreciation in the value of the assets during the past few years. The dollar has depreciated in a balance sheet as well as elsewhere, and a \$100 share which may at one time have represented only \$50 of assets may now represent assets worth \$100. The dividends on an investment of \$100 have not now as great a purchasing power as had the dividends on the investment of \$50 in 1914.

But assuming that the price of steel can be affected by the capitalization of the new corporation, and supposing that a certain amount of water is being introduced, the public can scarcely be expected to be able to calculate what would be a fair price for steel, based upon production costs and a return on the actual investment. To a controlling body with a staff competent to figure such a price, on the other hand, watered stock should add very little to the difficulty of the calculation. Capitalization is the concern of the investor. What is to be considered, when it comes to price control, is the value of the actual assets invested.

## BOND v. STOCK INVESTMENTS

THE outlook for investments in bonds is considerably different from that for investments in stocks, because of the turning point which has been reached in industrial conditions. The interest on bonds will, generally speaking, be