

MONEY WAS FOR FOUNDATION PURPOSES

Such Borrowings Will Now be Relatively Small—Lesser Municipalities Were Not Wise in Accumulating Debts

In view of recent criticisms it is significant that in the *Statist*, a leading English financial review, appears an article covering several columns dealing with Canada's financial standing. It is understood that the writer is Sir James Knowles, the able editor of the *Statist*. He points out that Canada's heavy borrowings have been mostly for what may be termed foundation purposes, such as laying main lines. Such additional capital will soon be relatively small.

"It has recently been pointed out," the writer continues, "that the weakest spot in the financial situation in Canada lies in the borrowings by small municipalities. Doubtless these borrowings will ultimately prove of great advantage, but it would certainly have been wiser for the small municipalities to have waited and, as it were, muddled along without any heavy burden of interest until they were in a position to borrow without embarrassment."

Government is Alive to Need.

"But even municipalities which may have borrowed larger sums than their rateable value in a period of depression may warrant, may succeed in getting through without serious difficulty. In gauging the strength of these smaller municipalities it should not be forgotten that the Canadian government is alive to the necessity of assisting and protecting the credit of the country wherever it may seem to need assistance"—in support of which the writer quotes the guaranteeing of the Grand Trunk Pacific and Canadian Northern mortgages.

The article concludes: "It is evident that Canada has now almost accomplished the large amount of foundation work necessary and a comparatively small expenditure of capital in the next decade in proportion to the growth of population will immensely increase the producing power and income of the country."

Canada Not Alone.

"Provided British investors have no real cause to question the safety of their capital in consequence of inability of municipalities or others to meet their interest obligations, there are good grounds for expecting that British capital will continue to flow into Canada to continue the development which has made such wonderful progress in the last few years. Doubtless the relatively high rates of interest which capital now commands throughout the world will continue the demands for capital—for a time at any rate—to really strong borrowers able to satisfy their needs at reasonable rates. However, this applies not only to Canada, but to all countries."

HAIL INSURANCE IN SASKATCHEWAN.

The superintendent of insurance of Saskatchewan has issued the following bulletin with reference to hail insurance:—

"During the months of June and July a large amount of hail insurance will be written by the agents of the different companies underwriting this class of business within the province of Saskatchewan."

The attention of the insuring public is drawn to the fact that under the provisions of the act respecting hail insurance and under an order-in-council regulating the writing of hail insurance, only companies which have been duly approved by the provincial treasurer and which have made the necessary deposits for the protection of the Saskatchewan policy holders are empowered to write hail insurance in Saskatchewan.

The following is a list of companies duly licensed by the superintendent of insurance: The Hudson Bay Insurance Company, the British Crown Assurance Corporation, Limited, the St. Paul Fire and Marine Insurance Company, the Canada Weather Insurance Company, the Canadian Indemnity Company, the Northwestern National Insurance Company, the Alberta-Canadian Insurance Company, the Canada National Insurance Company, the Central Canada Insurance Company, the Saskatchewan Insurance Company, the Canada Hail Insurance Company, the Mount Royal Assurance Company, the Excess Insurance Company.

The commencement of the Toronto-Hamilton line of the C.P.R. now rests on a settlement by the C.N.R. and the G.T.R., with the T.H. and B. on the Hamilton entrance question. This will probably be made at a special meeting in Hamilton of the Dominion Railway Board in about two weeks time.

LEAVING LIFE INSURANCE FOR INDUSTRIAL SPHERES

Mr. A. E. Dawson has severed his connection with the Imperial Life Assurance Company to accept an executive position in a large firm of lumber manufacturers in Ontario.

Mr. Dawson has been identified with the life insurance business for eight years, commencing in Peterborough, Ont., as local agent for the Manufacturers' Life. In 1910 he joined the Imperial Life and proceeded to Sault Ste. Marie to organize the Algoma District for that company. The follow-



A. E. DAWSON.

ing year he was sent to take charge of the company's business in Saskatchewan, and in 1912, accepted a position in the head office of the company at Toronto, from which he has just resigned.

Mr. Dawson was born in London, England, 25 years ago, and came to Canada when barely 17. Marked success has attended him in his various appointments, and he should prove valuable to the corporation which has secured his services, for he has had a wide experience and a thorough business training. He has a natural bent for organization work, is a tireless thinker and worker, and possesses a shrewd knowledge of human nature.

SAYS CHECK IS HEALTHY.

At the meeting in London this week of the Investment Corporation of Canada, Mr. Eric Hamber, chairman, said that their managers on the other side pointed out that there was a marked tightness of money, and that bankers were restricting credits. Old customers had had their lines reduced, and new applicants were being refused accommodation.

Undoubtedly, he said, the stringency was severe, and this position had forced commercial houses to restrict their credits. Orders from the country were not being filled notwithstanding that a brake had been placed upon business operations.

The report went on to say that bank clearings were as big as usual, and other indications of progress were in evidence.

The reason the country was not feeling the monetary stringency more severely was due probably to the fact that the grain crop of last year was not yet fully marketed and was an excellent one. Emigration was increasing and interest in Western Canada had been aroused in quarters from which hitherto money has not been drawn. Considerable money had come in from New York, Paris, Amsterdam, and as to the future all depended upon the current year's grain crop, which at present was in excellent condition and gave promise of an abundant harvest.

If the supply of English money were cut off, naturally much development must cease, more particularly on railroad construction and important municipal work.

Undoubtedly some "wild-catters" were in difficulty, but they received no sympathy from the business community, and the check on speculation was healthy and even necessary.

The Bank of Ottawa has opened a branch at Ashdale avenue and Gerrard street, Toronto.