EFFECT OF FIRE LOSS UPON FOREIGN TRADE.

The widespread effects of Canada's heavy annual fire loss and the consequences involved to trade and commerce can only be appreciated through careful study. Take the question of the effect of the fire loss upon Canada's foreign trade. It is generally conceded that subsequent to the war, a tremendous competition will develop between the nations in regard to foreign trade and that those nations will have the best chance of success—other things being equal—which are able to produce at the lowest cost. In this connection the cost of the fire loss and fire prevention will play a by no means unimportant part, particularly in regard to Canadian competition with the European nations. For the past three years the average rate for fire insurance in Canada has been $1.18 per $100 of insurance. The average rate in Sweden is .40, in Austria .30, in England .23, in Germany .22, in France .21, in Spain .19, and in Italy .19. A Canadian employer of labour with 100 employees, carrying an insurance of $50,000 on plant and buildings, and, assuming that $2,000 insurance is carried or paid for by each employee on furniture and dwelling,—or a total of $250,000—would, on the foregoing basis, have to provide in wages and overhead charges $2,950. His competitor in Sweden would only require $1,000, in Austria $750, in England $575, in Germany $550, in France $525, in Spain and Italy $475. The advantage to the European in consequent lower cost of production is obvious.

FIRE DEPARTMENT UPKEEP.

Again, for upkeep of fire departments, Canada is heavily taxed in comparison with countries which will be sharp competitors with Canadian manufacturers after the war. In 1914, Paris, France, with a population of 2,846,986, had a total fire department expenditure of approximately $656,-479, or 23 cents per head. Toronto, for the same year, with a population of 470,144, spent $675,146 on her fire department, equal to $1.43 per head. The Toronto manufacturer—and this is only an example for all Canada—has to provide for himself and family and for each employee and his family $1.43 to cover fire department costs, as against the 23 cents his Paris competitor must provide; or, with an average of five to a family, for his 100 employees, he would have to pay in salaries and wages $722.15 as against $116.15 by his European competitor.

A HEAVY HANDICAP.

For both insurance and upkeep of fire department the Toronto employer of 100 hands, as representative of Canadian industry, must pay $3,672 against $641 in Paris, a handicap equal to $30 per employee. The Census Report of 1911 gives 515,203 as the number of employees engaged in manufacturing in Canada; consequently at $30 per head, there is a handicap of $15,456,090 against Canadian manufacturers in the cost of fire insurance and municipal fire departments. In 1910 the products of Canadian manufacturers were valued at $1,165,975,639. This charge for insurance and municipal fire protection therefore represents an added tax of 1.3 per cent. upon Canada's entire output of manufactures.

A PRACTICAL MATTER.

It is obvious from these figures that the question of the fire loss in relation to foreign trade is not merely one of academic interest but of practical importance. The high cost of manufacturing, of which complaint is made by employers, and the high cost of living, which is a fruitful source of labour discontent, is in part at least due to the cost of losses by fire and to the cost of fire protection departments. Active steps now to reduce these charges would be an exceedingly useful part of a policy of "preparedness" for after the war trade developments.

STANDARD BANK INCREASING CAPITAL.

The first important increase in Canadian banking capital for some time is announced by the Standard Bank, of Toronto, whose shareholders have received notice that an allotment of stock totalling 5,000 shares will be made to shareholders of record of the 18th November at a premium of 100 per cent.

This announcement constitutes an interesting indication of the progress which is being made by the Standard Bank, under the management of Mr. G. P. Scholfield, to the extent that a substantial amount of new capital can now be profitably employed. The Bank's last annual report, that for the year ended January 31st, 1916, showed an increase in total loans to the public compared with the previous year of over $2,500,000 to $33,942,914. Deposits at the close of the Bank's fiscal year were $43,099,051, an increase for the year of $5,058,944. Total assets at January 31st last were $53,822,121, cash assets being $12,893,147 and quick assets, $18,414,819, the latter showing an increase of nearly $2,600,000 over the previous year.

The new allotment will bring the paid-up capital of the Standard Bank up to $3,500,000 and the Rest to $4,500,000. The Standard Bank's annual rate of dividend is 13 per cent. and the new stock will doubtless be readily taken up by shareholders.

DOMINION OF CANADA DEBENTURE STOCK.

Announcement appears on another page of the new Dominion of Canada 3-year 5 per cent. debenture stock now on sale at Ottawa. This security is repayable 1st October, 1919, or in the interim will be accepted at par and interest as the equivalent of cash in payment of any long-term Dominion War Loan. The price of issue is par, interest being payable 1st April and 1st October. Denominations are $500 and multiples thereof.

This new method of war financing will probably find its main support among insurance companies and other institutional investors, who will thereby be able to utilise funds immediately they accumulate at a remunerative rate of interest and in the direct financing of the War.