Monetary Times

Trade Review and Insurance Chronicle of Canada

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One year	Six Months	Three Months	Single Copy
$3.00	$1.75	$1.00	10 Cents

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CANADIAN SHELL COMMISSION

The Canadian Shell Commission, which has been placing orders in Canada for shells and explosives on behalf of the British and Canadian governments, is not being dissolved as a rumor had it last week. On the other hand, the activities and scope of the commission are being extended. At a recent meeting of Canadian manufacturers held in Ottawa, it was decided by them to do all their business with the British government and its representative, Mr. D. A. Thomas, through the Shell Commission. For this purpose, a complete inventory has been made of all the factories in Canada, capable of assisting in the production of fixed ammunition and other war munitions. Since the distribution of the last shell order, on receipt of applications from any factory for work, an inspector has been sent, and complete information gathered regarding the factory, until now the information is complete, and was ready to place before Mr. Thomas upon his arrival in Ottawa. On the receipt of further orders, the Shell Commission is in a position to make an immediate distribution of them.

In regard to the use of trinito-tololume, cordite, and fuses, made in Canada, all are being used by the Canadian government in the production of fixed ammunition, except in the case of trinito-tololume. Any surplus of that is being shipped to England for the use of the British government. Some fuses made in the United States were imported before the industry was developed here, and to meet a pressing emergency.

On receipt of the large shell order from the British government, the Shell Commission immediately got options on the material required to fill this order. They have, therefore, enough brass on hand to complete the order already given, and any anxiety regarding the supply of material, is for future orders. By optioning this material at that time, the government saved a large sum of money, as the advance in price since then has been very great.

PRINCE RUPERT'S FINANCING

Arrangements are well on the way to renew the short-term notes of Prince Rupert, B.C., that matured on June 1st, and the payment of which has been in abeyance. As previously pointed out in *The Monetary Times*, this temporary default was not the fault of the city but would have been avoided had the British treasury board permitted the holders to grant the renewal of three-quarters of the amount to which they, *i.e.*, the holders, had agreed. As the renewal of the Prince Rupert loan will be for twelve months there is no necessity for their selling short-term securities in the United States in redemption thereof at the moment.

INSURANCE COMPANIES' STATEMENTS

The department of insurance at Ottawa has shown, under the superintendence of Mr. G. D. Finlayson, a keen desire to remedy many abuses which have crept into insurance underwriting during recent years. Not as yet, however, has the superintendent taken steps to have forbidden at the earliest possible date, the pernicious practices in connection with the publication of the annual reports of insurance companies. Many companies have a habit of issuing to their shareholders, policyholders, and to the daily and financial press, a statement of their financial position and of the result of operations during the past year. This statement frequently shows a flourishing state of affairs. The same companies then make returns at the year end to the insurance department, according to the forms prescribed. The report which went to shareholders, policyholders and press, compared with the returns to the government, often reveals some startling differences.

This practice is being carried on to such an extent that it has now long bordered on the dangerous and is rapidly approaching the criminal aspect. This juggling is pure misrepresentation. The average shareholder, policyholder and newspaper man never sees the insurance blue book issued at Ottawa. His faith is in the statement which the company issues to him, and which, as pointed out, differs materially in the cases of several companies, from the blue book returns.

The Monetary Times thinks that this practice should be considered by law as a very serious offence. An insurance company should not be allowed to issue a statement to its shareholders and policyholders which differs in any material respect from the figures given in the insurance department's returns. Those who are guilty of this offence should first be fined and if persisting, should have their license suspended for a certain period. If persisting after that, they should be jailed.

The Monetary Times has the best of reasons for believing that the next note of the United States to Germany will be firm but friendly. It will reassert what has been reasserted before and will make it clear to Germany that while the note is friendly, it is also firm. It will carry a tone of finality, as have previous notes, and it will be made quite plain to Germany that while the note must be considered as firm, it is nevertheless friendly. The note will once more reassert the principles on which the United States may one day stand and the language of the note, while it will be exceedingly friendly, will be equally firm.