

### HIGHER RAILWAY RATES AGAIN URGED

**H**EADS of the Canadian railways are naturally the first to present the case for higher rates. But more is involved than the mere question of the shareholders' return. It is essential to Canadian industry that the rates should be sufficient to maintain service, and an increase should not be refused merely because the Canadian Pacific might make a little more profit. E. W. Beatty, president of the Canadian Pacific, brought up the rate question at the company's annual meeting held in Montreal on May 5. He pointed out that while the gross earnings of the company are the largest in its history, the net earnings showed decreases on previous years because of the rise in the cost of wages and material. He said that the relation between earnings and expenses must receive careful attention. The extent of rate increases fixed by the Dominion Railway Commission had not equalled the increased costs forced on all railway companies.

Mr. Beatty went on to point out that owing to the parity of conditions existing between the United States and Canada, Canadian roads during the war had to accept high wage scales made effective under the government control of the American roads, and had to continue to operate under similar tariff tolls. These tariffs were entirely inadequate, as results in the United States showed. Recent legislation has assured American carriers of rates which will return a fixed percentage on the value of the undertakings used in the public service. No doubt the necessity for rate adjustments would be given earnest consideration by both the Canadian government and the Dominion Railway Board, Mr. Beatty stated.

Mr. Beatty contended further that freight rate adjustments were amply warranted both on the ground of value of service rendered by the carriers and the cost to them of performing such services. The net earnings of the company for 1919, represented a return of only four per cent. on the actual capital invested in the railway itself. Any company conducting so extensive an enterprise must have reasonable surpluses, yet with the C.P.R., the surplus, after deduction of fixed charges and dividends, amounted to less than half of one per cent. of the gross earnings.

The revenues, therefore, were obviously inadequate. The profits earned by a company's efficiency and the extent and character of its equipment and facilities should not be confiscated, nor should revenues accruing to one company from service well performed be taken to supplement the revenue of a competitor less successful. The theory that the rates be not increased, but that deficits be met from the general revenue of the company was economically unsound and discriminating against the public in favor of those railway facilities.

Mr. Beatty closed with a prophecy that immigration to Canada was anticipated on a large scale, and the expression of the company's directors' faith in the future growth and prosperity of Canada.

### AMENDMENT TO ONTARIO INSURANCE ACT

**S**TRICTER regulations to govern the issue of agents' licenses are contained in an amendment to the Ontario Insurance Act, which has just been introduced into the legislature. It provides that "no agent shall act for any company in Ontario unless he has fully complied with the provisions of this section, and has secured an agent's certificate of authority from the superintendent of insurance to do the class of insurance which that company is licensed or registered to do in the province."

It also provides for separate licenses for different classes of insurance, as follows: "An agent's certificate of authority may be issued for any one or more of the following divisions of insurance business, viz.: (a) Life insurance; (b) fire insurance; (c) casualty insurance. The superintendent may make regulations specifying the classes of insurance which

may be included in these divisions and may include any class of insurance in two or more of the said divisions if in his opinion the character of the business so requires."

Another clause provides that "an agent having received a certificate of authority may act as agent for any company licensed or registered in Ontario to do the class of business to which the said certificate of authority applies during the term of such certificate."

Section 78i of the Insurance Act, 1916, is to be repealed, and the following substituted:—

"A friendly society incorporated under the law of the province of Ontario shall not reinsure or amalgamate with or accept the transfer of membership or funds of any other society registered according to the provisions of this act unless such reinsurance amalgamation or transfer is evidenced by a contract in writing setting out in full the terms and conditions of such reinsurance, amalgamation or transfer, and such a sworn statement of the financial condition of each of such societies by its principal officers and a certificate of such officers duly verified under oath that such reinsurance, amalgamation or transfer has been approved by a vote of two thirds of the members of the supreme legislative or governing body of each of said societies present or duly represented at a meeting regularly called.

"The superintendent may require such additional actuarial or other reports as he may deem necessary, which reports shall be prepared at the expense of the societies.

"If, in his opinion such financial statements are correct and reports satisfactory and the contract in conformity with the provisions of this subsection and such reinsurance, amalgamation or transfer is just, and equitable to the members of the societies and that the interests of such members are properly protected by the contract, he may approve such reinsurance, amalgamation or transfer and issue his certificate to that effect and thereupon such contract shall be of full force and effect and binding upon the societies which are parties thereto and all members thereof.

"If one of the contracting societies is a friendly society not incorporated under the law of the province of Ontario the Superintendent shall not issue his certificate until it has been established to his satisfaction that such society has fully complied with the requirements of the law of the legislative authority under which the society was incorporated; provided that a certificate of the supervising insurance official appointed by such legislative authority that such society has fully complied with the requirements of the law of the said authority shall be sufficient evidence to the Superintendent of that fact."

### WHEAT GROWERS DO WELL THIS YEAR

**A**CCORDING to an announcement made on Wednesday by James Stewart, chairman of the Canadian Wheat Board, Canadian farmers will receive about forty cents a bushel for their 1919 wheat crop, in addition to the \$2.15 guaranteed by the government. This means that they get \$2.55 for their crop, compared with the United States average of \$2.14. The official announcement of the board says:—

"The Canadian Wheat Board feels that some idea should be given as to the probable value of the participation certificates issued by the board. The wheat has not all been marketed by the farmers, and it is indeed difficult to estimate closely the quantity remaining in their hands to be marketed before the new crop. Other factors enter into the situation, such as the values prevailing when and as the wheat is marketed, as well as the quantity required for domestic use before the new crop, a late harvest making a difference of several million bushels.

"Notwithstanding this, the board estimates that it should be able to pay at least 40 cents per bushel against the wheat represented by the participation certificates. At the conclusion of the present season complete returns of the year's operations will be made known and a final report as to the full value of the participation certificates will be issued."