SASKATCHEWAN TO RAISE FURTHER LOAN

The Province of Saskatchewan, which last week sold to the Equitable Trust Company, of New York, an issue of $2,500,000 of 3-year 5 per cent. bonds on a 5¾ per cent. basis, has made arrangements for the same company to purchase a further issue of $3,500,000 of the same bonds next month.

SHOULD BANKS RAISE THEIR RATES?

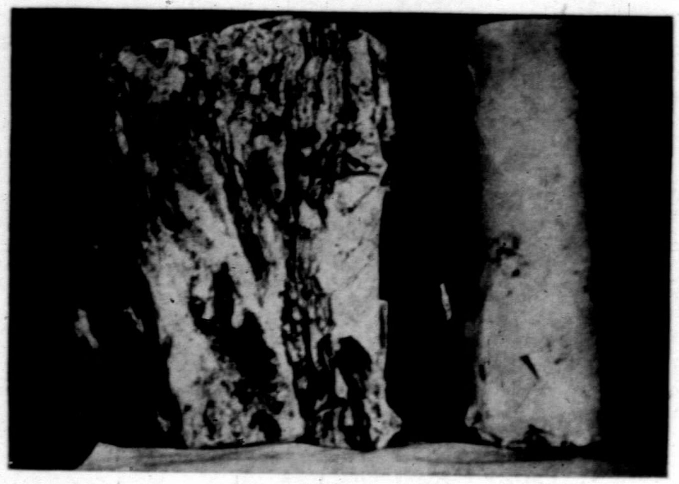
A Western Canada reader of *The Monetary Times* writes:—

"At a time when bankers themselves agree that money is plentiful, and with a lessening demand for loans, it would seem to be decidedly bad policy to be raising the rate of interest. At least one of our banks is raising the rates all round, even on preferred business which they have been carrying for years. The war tax is said to be the reason.

"Now if our banks are going to shift this tax on to the borrowers, they are shirking their duty, and a raise of even 1 per cent. on the borrowing will not only pay the tax, but largely increase their profits, and in view of the privileges they enjoy it would seem a very unjust proceeding to take advantage of the situation."

WATER DAMAGE IN PAPER FIRES

Fire underwriters are generally fairly well aware of the ease with which considerable damage may be done to paper stocks. Generally, this damage occurs through fire travelling



Striking Example of Water Damage in a Recent Fire.

rapidly over the outsides of piles, burning packages and edges to such an extent that the paper is practically destroyed. The water damage which may be done to stocks of this kind, and particularly to heavy roll paper, is not always appreciated.

The accompanying photograph of a couple of rolls of paper taken from the same pile in the Rudd Paper Box building, Toronto, after the recent fire, is interesting and instructive. Roll paper, when soaked with water, will split on the under side. The rolls shown in the photograph were originally of the same size, approximately about eight or nine inches diameter. The one, as will be seen, is only slightly damaged, although it has commenced to split; the other has been split open almost to the heart and the weight above it has pressed it out. When found it was quite solid with frost and measured fully double the original diameter across the face, as shown in the photograph.

Applications for approval of diversion of St. Croix River waters have been filed by the St. Croix Water Power Company and the Sprague's Falls Manufacturing Company, Limited, and transmitted to the International Joint Commission of the United States and of Canada.

DOMINION LIFE INSURANCE COMPANY

The Dominion Life Insurance Company, with head office at Waterloo, Ontario, was incorporated in 1889. The directors last week presented their twenty-sixth annual report to the shareholders and policyholders. As usual, the report shows a continuance of healthy growth of this substantial corporation. An analysis of the company's figures, as shown in the report presented, shows the company to be in an excellent position and to have enjoyed a good year in 1914. The policies issued and revived totalled $2,749,903. The business in force is $16,624,584.

The cash income from premiums (net) was $484,694; from interest, $195,639; total, $680,333, an increase over 1913 of $19,828. Out of this income, $224,654 was paid to policyholders, and $276,938 carried forward after paying all expenses of management. The interest income was the greatest factor in producing profits to policyholders. The Dominion Life's interest rate was 8.22 per cent. on investments of unquestionable security.

Death losses were 45 per cent. lower than expected. Gross assets are $3,738,938, showing a substantial increase. The reserves stand at $2,718,661. This sum represents protection for policyholders. Surplus earnings for the year were $145,608. The amount paid to policyholders in cash and bonuses was $45,956. The substantial sum of $84,653 was available for addition to policyholders' surplus. The surplus over capital was thus increased by fully 15 per cent., making the total net surplus $651,574. The gross surplus to policyholders stands at $776,574.

The company and its clients have every good reason to be satisfied with their position.

WHY HIGHER FREIGHT RATES ARE NEEDED

In support of the application of the Canada Freight Association to the board of railway commissioners for a general increase of freight rates, the applicants state that:—

(a) It is in the interest of the country at large, as well as of the companies and their shareholders, that further revenues should be obtained from the carriage of freight traffic.

(b) That the rate of return in not operating income upon the property investment of the companies has seriously declined.

(c) That the principal cause of this decline is the steady and constant increases in operating expenses due to matters of continuing character, such as wage increases, legislative requirements and the necessity of maintaining a higher standard of track, equipment and facilities generally.

(d) That the return upon money invested in railway facilities in the territory in respect of which increases in rates are asked is unreasonably low and inadequate.

(e) The effect of these factors is to seriously diminish the borrowing powers of the companies and compel the obtaining of necessary capital at much higher rates of interest, thereby increasing fixed charges, which must be met out of the net earnings, which have been decreased, and will in all likelihood be further decreased by the necessity of paying higher rates of interest on any moneys borrowed.

(f) That in consequence of the exceptional conditions at present existing, various money markets previously open to the companies are now closed, the result being to very materially limit the sources from which money may be obtained.

(g) That among other grounds the companies will urge as a reason for the proposed increases the fact that after a full hearing the Interstate Commerce Commission recently made an order increasing the rates in the official classification territory to the south, notwithstanding the fact that in the opinion of the applicants the conditions under which the companies were there operating were much more favorable than those which apply to Canadian railways.

Statistics to support the grounds upon which the application is based will be placed before the commissioners.

The Imperial Oil Company has deposited with the minister of public works at Ottawa a description of the site and the plans of the wharf to be built in Prince Rupert harbor, B.C.