WHAT CANADIANS PAY FOR TELEGRAMS

Companies Earned Less in Nineteen Fourteen and Their Expenses Were Higher—First Income Account Shown

Telegraph companies operating in Canada earned during the year ended June 30th, 1914, $5,983,204, a decrease of $112,008 from the previous return. The following is a statement of gross earnings:—

Canadian Northern Telegraph Company, $264,615; Canadian Pacific Railway Company, $2,991,273; Dominion Government Telegraph Service, $253,112; Grand Trunk Pacific Telegraph Company, $81,975; Great North Western Telegraph Company, $1,252,930; Halifax and Bermudas Cable Company, $77,465; Marconi Wireless Telegraph Company, $239,006; North American Telegraph Company, $23,849; Pacific Cable Board, $98,558; Temiskaming and Northern Ontario Commission, $32,165; Western Union Telegraph Company, $668,252.

For the first time, telegraph organizations were asked by the department of railways and canals to submit an income account, and the result shows the gross revenue to be $5,709,170, operating expenses were $3,592,557, leaving a net operating revenue of $2,128,507. Additions to this revenue were from outside operations $7,653, rents $11,842, from securities held $1,425, other items $1,958, making a gross corporate income of $2,105,627, from which the following deductions were made, taxes $27,864, interest on bonds $17,888, other deductions $226,484, and the net corporate income was $1,833,389, of which dividends were $101,831, the balance amounting to $1,731,558.

Mr. A. W. Campbell, deputy minister of the department, suggests that it is necessary to have regard to both capitalization and cost in considering the financial situation with respect to telegraph organizations operating in Canada, since there are a number of units which have neither a stock nor a bond issue.

Stock and Bond Issues.

Of the companies having headquarters in Canada, the following made returns respecting capital:—

	Stocks.	Bonds.
Canadian Northern Telegraph Company..	$ 500,000	$800,000
Grand Trunk Pacific Telegraph Company	100,000	......
Great North Western Telegraph Company	500,000	......
Marconi Wireless Telegraph Company ..	5,000,000	......
North American Telegraph Company ...	200,000	......
Totals	$6,300,000	$800,000

The figures of cost relating to Canadian companies show a total of $9,255,137 and were as follow:—

Canadian Pacific Railway Company's Telegraph, $6,696,421; Dominion Government Telegraph Service, $2,411,550; North American Telegraph Company, $58,166; Pacific Cable Board, $55,000; Temiskaming and Northern Ontario, $34,000.

The figures in relation to the Canadian Pacific Railway Company's Telegraph represent merely a valuation, which the company offers as the only information available on the subject. The Dominion government telegraph service is in the same position. The cost of the plant to the Pacific Cable Board has reference solely to Canada.

The following were the sources and amounts of revenue:

Local messages, $2,859,101; conjoint messages, $1,358,194; press reports, $143,798; market reports, $99,638; cablegrams, $711,326; money orders, $56,416; leased wires, $305,746; miscellaneous, $448,981; total, $5,983,204.

Operating Expenses in 1914.

Operating expenses in 1914 aggregated $4,242,539.73, or $208,059.30 more than for the preceding year. The ratio of operating expenses to gross earnings was 70.91, as against 66.84 in 1913 and 65.83 in 1912. The difference between gross earnings and operating expenses in 1914 was $1,740,664.31.

The operating expenses for 1913 and 1914 were distributed among the various reporting organizations as follow:—

	1913.	1914.
Canadian Northern Telegraph Company	$ 141,742	$ 153,603
Canadian Pacific Railway Company ...	1,691,953	1,613,687
Dominion Government Telegraph Service	491,550	623,755
Grand Trunk Pacific Telegraph Company	62,236	93,870
Great North Western Telegraph Company	911,884	947,964
Halifax and Bermudas Cable Company	25,695	20,403
Marconi Wireless Telegraph Company	218,597	231,848
North American Telegraph Company ..	21,084	21,607
Pacific Cable Board	69,649	76,146
Temiskaming and Northern Ontario Commission	12,495	11,150
Western Union Telegraph Company ..	387,590	448,502
Totals	$4,034,480	$4,242,539

A comparison of the items for 1913 and 1914 in the foregoing statement reveals the expenditures which resulted in a relatively large increase of operating expenses for the year under review. The principal increments had reference to equipment, buildings, salaries and wages, stationery and printing and taxes. The chief reductions were in commissions and miscellaneous.

WHY LIFE COMPANIES CHARGE EXTRA PREMIUMS

Thousands of men in Canada in all grades of life have joined the colors. They have given up their various positions and have left their dependents behind. The majority of these volunteers, if not all of them, have been given by the city they hail from a $1,000 life policy.

Why this sudden rush into life insurance? The answer is obvious, writes Mr. C. A. Hastings, author of the useful life underwriters' book, "Some Life Insurance Pointers," which is obtainable from *The Monetary Times'* book department, but has it brought home to those of us who are remaining behind any better idea of the value of life insurance? To those of us who remain death is no more remote. A well-known actuary actually shows that a man in the trenches has more chances of living one year than a man in an office, age 35, has of living ten years.

In view of this statement one may argue, Why are companies charging a war premium? No life company is a philanthropic society, and by assuring the life or lives of any on active service the law of average cannot be brought into account. Life company "A" may insure 1,000 members of one regiment, and life company "B" 1,000 of another regiment, yet it is impossible to tell which regiment is going to have the hardest nut to crack, and thereby record heavy casualties.

Yet again, all life companies have the interests of numerous other policyholders on their books, and if they were to accept hazardous risks indiscriminately, would they not be running a grave risk, and also undertaking a business which would be prejudicial to their policyholders? Therefore, the war premium that is charged is hoped to minimize that risk.

The time to apply for life insurance is not when man considers he is taking an extra risk, and is, in fact, taking all kinds of chances, but before these events, which none can foretell, do occur.

No company will insure your house while those on either side are blazing, will they? Would you wait for that event to occur before you did insure your house?

Quite apart from the fact that life insurance is a duty—I mean adequate life insurance—a few thousands to clear your conscience is despicable—if 10 per cent. to 15 per cent. of his income was put on one side for life premiums would not man find more happiness?

For the sake of argument, take the other side of this picture. These thirty thousand men, who are now all wearing the king's uniform, did insure themselves a year or so before the commencement of hostilities—they were all allowed to apply for as much protection as they could afford and were all accepted at normal rates. Taking it on the $1,000 basis, for the sake of simplicity, and the average premium at 3 per cent., 30,000 men would be insuring themselves for $1,000 each for a total premium of $9,000, and these policies would have been world-wide and without any restrictions as to occupation, travel or residence. In other words, no extra premium would have been charged. Many of them could have carried more than $1,000, and the saving in the difference of premiums would have been no small item.

The Bank of British North America has closed its South Fort George branch. The business is now being transacted at Prince George, B.C.