

SHOULD THE INVESTOR RECEIVE ANYTHING?

A NEW way to meet increased operating costs has been devised in London, Ont., where the street railway has pointed out its inability to pay the higher wages asked by the employees unless increased fares are permitted. On May 6 the Ontario Railway and Municipal Board took over the operation of the railway. The company's officials remain, but are under the direction of A. B. Ingram, vice-president of the Board. Thirty-nine cars are being operated, instead of thirty-four as formerly. The employees are to receive the same wages as before, pending the outcome of an investigation into the financial affairs of the company. Whatever increase is granted them will include back pay from the present time.

It is obviously unfair to the employees to keep them in this uncertain position, considering the fact that their present wages are considerably below the prevailing rates in other cities and in other trades. It is equally unjust that the city does not recognize the claims of the shareholders to receive an income from their investment. Street railway service would be gladly extended if rates were sufficient to leave a reasonable net profit after paying operating expenses and fixed charges; but is impossible in view of the present financial position of the company.

WHEN THE AMERICAN DOLLAR WAS DOWN

AN article in the April "Home Bank Monthly" recalls the fact that Canadians had, at the close of the American Civil War, an opportunity to buy United States government bonds on terms much more attractive than those at which our bonds are now being sold across the line. This was due to the depreciation of the American dollar, which went as low as forty cents in Canadian currency. "It is quite evident," says the article, "that the fluctuations of exchange and any prospective decline of Canadian war bonds, will never leave to American investors the opportunities for quick profits and large returns that were available to Canadian speculators in United States bonds during the latter years of, and following the close of the American civil war. Our bonds move between 'points,' while exchange slides back and forth in a comparatively narrow range, with an uncertainty that perplexes the most cautious. In 1864, on the other hand, American money was down sixty per cent.—exchanging at forty cents on the dollar for Canadian money—while United States bonds, backed by the resources of the federal government, which resources comprised the entire wealth of the United States of America after the 9th of April, 1865 (the date of Lee's surrender at Appomattox) were selling at one-third of their face value in August of the preceding year. On the 16th of July, 1864, gold reached a premium of 285 per cent. in New York."

FREIGHT PAYMENT AND CANADIAN CURRENCY

COMPLICATIONS arising from the exchange situation continue to reveal themselves. Due to the depreciation of the Canadian dollar there has been a tendency towards the payment of freight charges, wherever possible, on the Canadian side. The traffic across the line amounts to a large total each month, and this meant that the roads were receiving Canadian money for services performed in the United States. Shippers in the United States could easily arrange to have the freight collected on delivery here, while shippers from this side prepaid the freight. This amounted to a discount of over ten per cent. on the business done in the United States in carrying goods to and from the Canadian border, and both Canadian and United States lines were losing heavily in this way.

To remedy this situation the United States Interstate Commerce Commission passed an order requiring all charges on shipments to Canada to be prepaid. This, of course, gives the roads payment in United States currency for business done in Canada as well as in the United States. The Canadian railways have also decided to refuse and accept shipments to the other side unless charges are to be collected there, and the Board of Railway Commissioners has decided, in response to complaints made by the Toronto and Montreal Boards of Trade on March 16 and 17, that it has no authority to compel the roads to do otherwise. Thus far, therefore, the railroads have the best of the matter. It is understood that negotiations are now being carried on with a view to having payment for haulage in United States territory made in United States currency, and payment for haulage in Canada in Canadian currency.

MORE TAXES ON CORPORATIONS

ACCORDING to legislation drafted by the Ontario government, banks will be required to pay one-fifth of one per cent. on their paid-up capital, instead of one-tenth of one per cent. as in the past. They will pay an additional tax of \$3,000 for the principal office in Ontario and \$100 for each additional branch or agency. These rates were previously \$1,500 and \$50.

The tax of \$30,000 on insurance companies is also changed. Life insurance companies will pay one and one-quarter (1¼) per cent., and every other insurance company one per cent. on the gross premiums received on business transacted in Ontario. In the case of mutual fire insurance companies which received premiums in cash the tax shall be calculated on the gross premiums received in cash in respect of the insurance transacted on the cash plan in Ontario. In the case of re-insurance by an insurance company, the company re-insured shall be exempt from the tax imposed on the portion of the premium paid to the re-insuring company, but the re-insuring companies shall be liable for the tax in respect thereof as part of its gross premiums. Where the re-insuring company does not transact business in Ontario and has no principal or head office therein, the company re-insured shall retain in its hands so much of the premium for re-insurance as is equivalent to the tax imposed in respect of such premium and it shall be liable for the tax and for the payment thereof to the treasurer.

DANGER OF FOREST DEPLETION

EVERY business and individual is already feeling the effects of the present scarcity of forest products. If this is true to-day, how much more severe must be the effects of a continual depletion of these natural resources? In fact, complete exhaustion of some forest products can now be calculated almost to the year. Dealing with this question in an address before the Rotary Club, Ottawa, on May 10, James White stated that wood, pulp and paper exported from Canada totalled \$113,000,000 in 1919, and 80 per cent. went to the United States. One-third of the newsprint used in the United States came from Canada. He stated that it was of the utmost importance that Canada should continue to supply the United States, and that we must have efficient management of our forests to avoid depletion. Our supply was not inexhaustible without conservation.

Mr. White went on to state that a survey showed that Quebec had 155,000,000 cords available, 52 years' supply, cutting 3,000,000 cords per year. Ontario had about 100,000,000 cords of spruce and balsam, possibly 67 years, supply, cutting normally. New Brunswick had 36,000,000 cords of spruce and an annual cut of 1,250,000 cords, had 29 years' supply, and the theoretical increase of 600,000 cords amounted to only half the annual cut. Forests mean something to every one in Canada, said Mr. White, and conservation is a matter of business sense, not sentiment.