

UNITED STATES RAILROAD SITUATION

Some surprise was brought forth by the recent action of the United States Railroad Administration in handing back to the owners the entire control of approximately 2,000 United States railroads. These were, of course, short-line roads, electric feeders and plant facility lines. There remain in the hands of the railroad administration about 200 short-line railroads. It is obvious, therefore, that it is the intention of the government to retain control of the great roads which are essential to the industries of the United States, and to leave those roads which serve particular industries or outlying communities. Many of the returned roads, in fact, were built merely to serve single industrial plants such as lumber concerns, coal mines, etc. About 200 are electric feeders to the main-line roads and less than 400 are short-line railroads doing the general business of the common carrier between two or more localities.

This action of the railroad administration has no doubt been influenced by the results of the first year's operation of the roads by the government. It was not necessary to operate these 2,000 short roads in order to determine whether they were essential to the industries of the country. It was clearly obvious in the first place that this was not the case. Had the government operation of the roads been successful in the economic sense, there is no doubt that these lines would have been retained together with the longer lines. Their return, therefore, is a frank admission that the government cannot operate the lines with the same efficiency as the owners themselves. Whether the lines are operated by the owners or by the government the former are going to do all in their power to make them safe and profitable investments. The work of the government cannot assist them in this direction and is, therefore, unnecessary.

In retaining the large lines, however, the government maintains with consistency its original policy. These are the ones upon which every industry depends to a greater or less extent. It is, therefore, for political, not for economic motives, that these are operated by the government. In fact, it is generally admitted by all who examine the results that the expenses of operation have increased more rapidly than would have been the case under private control. Not only was a general increase in rates of 15 per cent. insufficient to meet this increase, but also the government found itself with a substantial

deficit to meet. After many years of consistent restrictions of rates and consequent depreciation in the value of railroad securities, the United States government found itself almost immediately after assuming the business of railroading, necessary to make a much larger increase in rates than had been even considered while the rates were in private hands.

SHARING THE WAR BURDEN

It is understood that at the next session of the Dominion Parliament, a measure will be introduced providing for the assumption of the patriotic fund by the Federal Government. This is a measure which will meet with wide approval, as the provision of the funds by voluntary giving has become impracticable. It is becoming more and more recognized that the expenses of the war should fall upon the body which is conducting it, and that is the Dominion Government, rather than upon individuals or communities who are willing on their own initiative to bear a portion of the expense. Not only has this fund been maintained by the contributions of individuals, but many municipalities have been for some time making regular grants. The change, if it is adopted, will relieve these municipalities of this expense, at a time when municipal finances are, generally speaking, not in too good shape. The same injustice applied as in the case of individuals, for some municipalities were making grants for this purpose, while others made none whatever.

At the same time, the fact that this will entail still another burden upon the national finance must be realized. This is one of the few items of war expense which, fortunately, has not been increasing to a large extent. So far the draft has applied only to single men, and voluntary enlistments of married men have practically ceased. At any time, however, a much larger burden may be involved under the allowances of the fund. In any case, the regulations of these payments can be adjusted more in accordance with the system of army pay and allowances, and with the work board of the pension commissioners. It also adds still another obligation to subscribe for war loans, and can be used in this way in the coming campaign. With the obligation to contribute to the fund removed, the arguments for subscription can be the more forcibly applied, and subscribers will then receive an excellent interest return upon their contributions.

FIRE INSURANCE COMPANY OF CANADA

Mr. J. E. Clement, who founded and was up until a few weeks ago manager of the Mount Royal Assurance Company of Montreal, was in Toronto last week attending to matters in connection with his new company, the Fire Insurance Company of Canada, which will soon make its bow to the insuring public. Mr. Clement reports that prospects for the success of the new company are exceedingly bright.

During his connection with the Mount Royal Assurance Company Mr. Clement proved himself a most capable underwriter, and succeeded in putting the Mount Royal on a most substantial basis.

Under his guidance it is reasonable to assume that the Fire Insurance Company of Canada will meet with entire success. The new company has opened offices in the Lewis Building, Montreal.

On June 27th, Belgium was given another credit of \$9,000,000, bringing the total loaned to that country up to \$131,800,000, and the total to the allies to \$5,981,590,000.

BOND HOUSE OPENS NEW BRANCH

C. Meredith and Company, Limited, of Montreal, have opened an office in Winnipeg. A short time ago they also opened a branch in Toronto, and these, together with the head office in Montreal and the office in London, England, make a total of four. Mr. A. Norman Strang, formerly of Quebec, who was eleven years with the Canadian Bank of Commerce and five years in general financial business in the west, has been appointed manager of the Winnipeg office.

HAILEYBURY TO PURCHASE TOWN PARK

The town council of Haileybury, Ont., has resolved to purchase a site for a town park, and a piece of land adjacent to the north end of the town has been purchased. The land is about 57 acres in extent, has a frontage of about 800 feet on Lake Temiskaming, and is to some extent covered by trees. The Nipissing Central electric car line, as well as the automobile road, passes along the site. The name of the park will be Lakeview Park.