

# THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in Western Canada, including that part of Ontario west of Lake Superior, the Provinces of Manitoba and British Columbia and the Territories.

**Nineteenth Year of Publication  
ISSUED EVERY SATURDAY.**

Subscriptions—Canada and the United States, \$2.00 per annum in advance, or \$2.25 when not so paid; other countries, \$2.50 per annum in advance.

Changes for advertisements or stops should be in not later than Thursday morning.

Advertisements purporting to be news matter, or which profess to express the opinion of this Journal, will not be inserted.

Office 219 McDermott St. Telephone 224.

D. W. BUCHANAN,  
Publisher.

The Commercial certainly enjoys a very much larger circulation among the business community of the vast region lying between Lake Superior and the Pacific coast than any other paper in Canada, daily or weekly. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, MARCH 9, 1901.

## INDICATIONS OF IMPROVEMENT.

The outlook for development in the West during the present year continues good. There is every reason to believe that the more rapid development of the country, which has been so much in evidence during the past two years, will not show any slackening up during 1901. In fact it would seem probable that the settlement and improvement of the country will go ahead on an increased scale of magnitude, even compared with the rapid development of the past two years. Although it is still early in the year, there are not wanting indications of the advancement which the country is likely to make during the year. The first month in the year shows a total of 648 entries and sales of government land, compared with 402 for the corresponding period of last year, 315 for 1899, and 202 for 1898, and 41 for 1897. Other land sales and the immigration movement for the new year to date, also show up well compared with past years, so that there is every reason to count upon a year of very marked progress in the development of Western Canada, for 1901.

## THE GREAT WEST LIFE.

The annual report of The Great West Life Assurance Company, which is given in The Commercial this week, will no doubt be perused with interest by many of our readers. The fact that The Great West is a local concern, and in fact the only western life insurance company, will attract additional attention to its annual statements, from the business people of the West.

Some of the more important points in the report, to which special attention may be drawn, are the increase in business, the large interest earnings, and the method employed of inspecting securities.

The results of the year show a gain in business of \$1,582,310. The growth of the Great West Life compares exceedingly favorably with other Canadian companies. The company now has in round numbers \$12,000,000 of insurance in force. This, at the end of the eighth year of the existence of the company, is a remarkable showing, far exceeding the position of the older Canadian life insurance companies at the same respective age in their career.

Some of the most prosperous Canadian companies now in existence, only had two to four million dollars of insurance at the end of their eighth year.

The Great West Life has always been noted for large interest earnings. This result is due to the fact that better interest rates have been obtained in the West, where the investments of the company have been made, than could be secured elsewhere. These large earnings have not been secured by taking doubtful risks for the sake of securing a high interest rate. A careful, independent appraisal which has been made of the company's mortgage securities, places their value at about three times the amount of their loans thereon. A large portion of the company's investments are on first mortgage securities of this nature. The executive committee, which reports on all loan applications, is composed of men who have had wide and successful experience in connection with business affairs in the West, and who are familiar with western investments.

Another feature which might be mentioned, is the low mortality rate which has been the experience of the Great West Life, and which has contributed to the success of the company.

The Great West now shows a surplus to policyholders, calculated on a 4 per cent basis, of \$146,241. This would be equal to a surplus of over \$200,000 on the 4½ per cent basis, as formerly calculated by Canadian Life companies.

The Great West has shown a progressive spirit from its inception, as shown by its adoption of the 4 per cent basis before it was required by law, when other companies were showing surplus on 4½ per cent basis. Also the adoption of its collateral security policy, giving guaranteed loan value to policy holders.

## INSOLVENCY LEGISLATION.

There is beyond doubt a great deal of dissatisfaction with the existing conditions in Canada regarding the laws for the winding up of insolvent estates. One cause of dissatisfaction is the lack of uniformity in the laws of the various provinces. In the absence of any federal enactments, the different provinces have undertaken to provide insolvency legislation, with widely varying results. While a uniform insolvency law for the whole Dominion would certainly be a great convenience, it must be admitted conditions vary in different parts of the country, and that a law which would be satisfactory for one division might be quite inadequate for another. Canada is a country of vast extent and widely varying conditions exist in different provinces. This is where the difficulty of framing a federal law suitable for the entire country, comes in. Several attempts have been made to provide a federal insolvency act, but they have all proved unsatisfactory when applied to the whole country.

In the West, where population is sparse, and where insolvent estates are generally characterized by small liabilities, a very simple and inexpensive law is required. It has been found that the federal insolvency laws framed in the past, would be altogether too expensive in their workings as applied to conditions in the West. The feeling among jobbers here is in favor of uniformity in insolvency legislation, providing a law can be framed which will work satisfactorily for winding up small estates, and which will not materially increase the cost of liquidating such estates, nor cause unnecessary delay in closing up estates.

So far as the province of Manitoba is concerned, the provincial insolvency legislation seems well adapted to meet the requirements of conditions here. The law is very simple and inexpensive, as well as permitting of expedition in closing up estates. In some other parts of the West, however, the insolvency laws are very unsatisfactory. The new law in the territories, for instance, is unnecessarily expensive in its operations. To close out a small estate under the Territorial act practically means the eating up of the estate in law costs and fees. The first principle of insolvency legislation should be to recognize that the estate belongs to the creditors of the insolvent and the object of legislation should be to provide for an equitable distribution of the assets as closely as possible according to the desires of the creditors. This principle is utterly disregarded in the territorial law, the object apparently being to provide for a large share of pickings out of the estate in the interest of local parties. The insolvency laws of British Columbia are open to criticism and are the subject of considerable complaint from outside merchants who have had experience with insolvent estates in that province. There is also a great deal of dissatisfaction with the existing laws in some of the Maritime provinces.

While there would certainly be many advantages in having a uniform insolvency law for the country as a whole, it will be seen that it will be a difficult matter to frame a law that will work satisfactorily in all parts of the country.

## BOARD OF TRADE ON CONTRACTS.

It will be seen from the report of the meeting of the Winnipeg board of trade, called to discuss the railway contracts, that no action was taken either for or against the contracts. Two reports were presented by the committee appointed to look into these railway problems. The majority report asked for a number of changes in the contract before it should be passed. Several of the changes demanded are very important, and if adopted by the government would tend to very materially improve the contract and further greatly safeguard the public interests. The majority report closed with the following expression of opinion:

"Assuming that the figures and information furnished this committee are correct, in the opinion of this committee the benefits to be derived by the province from the proposed contracts are such as to warrant the government in entering into them with the provisos and safeguards above set forth."

This expression amounts to a qualified endorsement of the contracts. It all hinges, however, on the words: "Assuming that the figures and information furnished the committee are correct." The members of the committee however, stated plainly that they had no means of verifying the data furnished them. They regretted that time did not permit of going into the matter more thoroughly with expert assistance.

The minority report made some very important suggestions, particular in clause six, wherein they say:

"The clause in the contract providing that the company shall be heard and their interest taken into consideration before the rates are fixed, in our opinion practically deprives the government of the power of reducing rates. We would suggest in this connection that the government should control the issue of stock or hold the majority of

the same in order to make the control of rates certain."

This is probably the most important recommendation in either reports of the committee. It is the opinion of many persons, including experts, that the effect of the clause requiring that the company shall be heard and its interests considered, before a reduction in rates is made, practically deprives the government of any reasonable control of rates. The consideration of the interests of the company might be construed to mean that the company should be allowed to earn dividends on stock, etc., before any reduction in rates could be made. Other important clauses were incorporated in the minority report, which can be referred to in the report itself, without further comment here. The minority report went further than to suggest amendments to the contracts. In clause two they virtually condemn the contract in the following words:

"We are of the opinion that a capital liability of over \$17,000,000 involving an annual interest charge of about \$600,000, which we may be called upon to pay is very much greater than should be imposed on this young province and greater than conditions in the country warrant."

No action was taken on either reports of the committee, as it was found impossible to deal with them at one sitting of the board, though the meeting was continued until after midnight. It was therefore resolved to adjourn, to meet again at the call of the president. The board, therefore, failed at this meeting, to put itself on record either for or against the contracts, and in the absence of the adoption of either of the reports, the statements contained therein can in no sense be taken as representing the opinions of the board.

It is useless to speculate on what the board might have done. It may be stated, however, that judging from the applause which greeted the different speakers, a large majority of those present appeared to be opposed to a favorable expression of opinion on the contract as a whole.

## ANOTHER CONTRACT.

It has transpired that a contract was signed by Hon. Hugh J. Macdonald, before he retired from the premiership of Manitoba, for the construction of a new line of railway to Duluth. The contract was signed at New York, with James P. McDonald, a well-known railway contractor. For some reason this contract was not taken up by the re-organized Manitoba cabinet, after the resignation of Hon. Hugh J. Macdonald. This contract has been kept in the background, but was made public by Hon. Thos. Greenway, leader of the opposition, in the house on Thursday. Mr. Greenway had been sent a copy of the contract by Contractor McDonald.

The contract provided for the construction of a line of railway from Duluth to the Manitoba boundary. Interest to the amount of 4 per cent on \$15,000 per mile, was to be guaranteed by the government. Several hundred miles of railway were also to be built in Manitoba, on which the government would guarantee interest on bonds to the amount of \$10,000 per mile. Principle in either case was not to be guaranteed. The contract provided for certain specific reductions in freight rates. A 2½ cent passenger rate was to be made in Manitoba, and a maximum 10 cent grain rate was also provided for. This 10-cent grain rate was to cover all Manitoba. A maximum rate of \$2 per ton on salt and coal from Lake Superior to Winnipeg, was also provided for. Specific maximum rates on lumber, etc., were also named, and a 25 per cent reduction in rates on general freight was provided for in the contract.