

"In a word, therefore, we would be glad if your Board, having due regard to all the circumstances, and considering carefully the interests of all concerned, would readjust rates in a way that would conserve and promote the welfare of the Western producer, and carry that readjustment just as far as it would seem practicable to carry it, consistent with the axiom that bona fide capital investment must always be afforded a reasonable return."

Mr. Pitblado, for the Winnipeg board of trade, criticized the final argument of Hon. Mr. Phippen for the Canadian Northern. Mr. Phippen had practically taken the stand that the public must provide the capital and buy the bonds of the road. What about the owners themselves? asked Mr. Pitblado. Why should they not do some of the financing, and suffer some of the reduction themselves? He also opposed Mr. Phippen's statement that the railways should be allowed to obtain a surplus by the sale of their securities to provide a margin of safety. This was a wrong principle on which to base rates, said Mr. Pitblado. The older portions of a country could not be asked to pay for new lines.

Mr. M. K. Cowan, K.C., for Saskatchewan and Alberta, said Mr. Phippen had raised the hospital cross in one hand and the crossbones and black flag in the other in regard to provincial government guarantees of Canadian Northern railway bonds, but Mr. Cowan assured the Board Saskatchewan and Alberta had no fears in this regard. Dominion Government assistance had been given the Canadian Northern for transcontinental lines, said Mr. Cowan, yet it had gone on building the Canadian Northern Ontario, Canadian Northern Quebec, Central Ontario and other eastern roads in face of statement of its own counsel that there was not enough traffic in Ontario and Quebec to support two railways.

Charters Are Lapping.

"This is mostly due to the system by which Parliament grants charters," remarked Commissioner McLean.

"Charters!" said Mr. Cowan. "We grant them till they lap over the edges."

SUGGESTION OF CHRISTMAS.

An unusually attractive and seasonable photograph has been designed for Messrs. McCutcheon Brothers, Limited, the well-known real estate and investment agents of Calgary, with branch offices at Toronto and elsewhere. It shows Santa Claus, unusually stout, and therefore with an extensive "wheat belt" around his waist, filling Canada's stocking with 207,575,000 bushels of wheat. His Canadian knapsack is so replete with good things that his fur, dairy products, fruit and wool gifts, with a value of \$38,000,000, have fallen out of the bulging pack. Another present are the fisheries products with a value of \$34,000,000 and forest products with a value of \$160,000,000, while minerals and still more gifts are in the bottom of the sack. The various provinces are peeping around the corner to watch what Santa Claus is doing for Canada. Other presents are three locomotives representing the transcontinental railways the Dominion will have in 1914.

KINGSTON'S FIRE WASTE.

Kingston, Ont., fire loss for the year to date as submitted to the council by Fire Chief Armstrong shows that there were 127 alarms answered during the year, four of which were beyond the city limits. This being 18 more to date than last year, which was a record. The loss occasioned by these fires, as far as can be ascertained, with the insurance carried, is as follows:—

Loss on buildings, \$15,914; insurance on buildings, \$498,766.

Loss on contents, \$31,877; insurance on contents, \$326,816.

Total loss, \$47,792; total insurance, \$825,582.

Of the above loss, \$43,269 occurred in nine fires where the loss was greater than \$1,200 and five of these fires, entailing a loss of \$34,824, occurred when the department was shorthanded on account of meal hours, while the other four occurred during the night and the loss was confined to \$8,445. There were 11 fires, where the loss was so small that no claim was made for insurance. In addition there were 11 calls to the city dumping ground requiring in all 7,150 feet of hose and the use of water for over 35 hours.

During the year water was used from hydrants for fires other than grass or dump fires, for 40 hours and 40 minutes; 62 fires were confined to the place where they started; 19 extended to other parts of the buildings, 1 extended to adjoining building; 25 fires were extinguished with chemicals using 600 gallons; 28 fires were extinguished with water through hose lines; 5 were extinguished with water and chemicals; 4 were extinguished with garden hose or water pails; and 11 required no attention from the department.

PUBLIC WAITS FOR DISCOUNT

That is Why Large Shares of New Issues, in Falling Markets, Go to Underwriters

The consol market, writes a correspondent to the London Economist, enjoyed mild amusement last month over the alleged "strike" of underwriters, who had determined, so it was seriously declared, to boycott new issues until old ones had been absorbed. To secure co-operation amongst the various rings of underwriters would indeed be a feat. There is the Stock Exchange with its wide circle of clients, of whom some are always willing to do underwriting on a scale of more or less magnitude; there are brokers and jobbers always on the look-out for cheap stock; there are market dealers, not only willing, but anxious, for stocks likely to stimulate business, even though for the time being the new issues depreciate senior securities.

Amongst the brokers' clients will be found banks, insurance companies, trusts and financial houses, besides the smaller individual customers, and a little army of provincial Stock Exchange members who have ready channels for the absorption of good stock at relatively low figures. Foreign banking houses, too, possess keen appetites for such things, and the catalogue of possible underwriters might be extended, were it necessary to show further the large audience that stands expectant to hear of new issues.

Certain of Underwriters.

The essential point is that the stocks shall be offered at cheap prices. Given this, and failing accidents in the world of international politics, a good colonial or similar security can be certain of obtaining underwriters. Probably they will be thankful to get the offer of it, for the possibilities of profit are not at all bad. A reasonably good market after the allotment is pretty well assured, because the stock, offered cheaply to begin with, is bound to attract investors if the price drops to a discount. For the sake of concrete example, it may be supposed that (as in the case of the Toronto issue) underwriters get left with 50 per cent. of a loan upon which the commission is 1 per cent., with an extra $\frac{1}{4}$ per cent. upon amounts allotted. If the issue price is 96, this means the underwriter gets £50 stock for £46 17s. 6d., or 93 $\frac{3}{4}$ per cent., equal, of course, to 2 $\frac{1}{4}$ discount. The market, after allotment, would be about 1 $\frac{1}{4}$ to $\frac{3}{4}$ discount, buyers getting the stock at 95 $\frac{1}{4}$, which shows the underwriter the useful profit of 1 $\frac{1}{2}$ per cent. On £10,000 stock this would be £150, obtainable with comparatively little risk. Taking the price as 1 discount, the gain comes to £100.

It is absurd to suppose that underwriters will strike, or enter into a boycotting league, when these results can be achieved. The investor, as usual, determines the matter. If he were to refuse to buy stock at a discount after allotment, the underwriting business would quickly wane in popularity. Occasionally he does decline to be tempted, and when this happens in the case of several consecutive new issues there arise mutterings in the underwriting world, with vague threats of boycott, and so on.

Question of Price.

These, however, merely serve as hints to the next borrower that he must be prepared to offer more liberal terms; in other words, to bring out his forthcoming loan at such a price as will make subscription—either before allotment or after it—a matter of certainty. Apart from the Brazil loan, and one or two other unlucky incidents, London underwriters have not been doing badly. But the public has learnt as a rule to wait until (in falling markets) new issues go to a discount.

WORKMEN'S COMPENSATION IN THE UNITED STATES

A digest of workmen's compensation and insurance laws in the United States has been issued by the Workmen's Compensation Publicity Bureau, 18 Maiden Lane, New York city. This digest deals with the twenty-four compensation laws of the States that have passed legislation of this nature. It is cleverly arranged and unique in character. The pamphlet has been printed in a form which makes it handy for carrying in a coat pocket. Canada being somewhat in the experimental stage, so far as workmen's compensation is concerned, and Ontario now considering a compensation bill, the digest will prove interesting and valuable for reference by all those interested. The pamphlet is copyrighted by Mr. F. Robertson Jones, secretary-treasurer of the Bureau, which is distributing the folder.