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Canadian Railways and Railway Statistics

Derivation of Railway Revenue—Passenger Business Grew Relatively Less in Recent Years — Increase in Rates More Than Absorbed by Higher Operating Expenses—Canadian Northern Expense Ratio Shows Big Jump—Other Conclusions From Latest Railway Figures.

By W. T. JACKMAN, M.A.

(Concluded from last week.)

THE sources of the railways' revenues are an important subject for our consideration, if we would obtain a true conception of the function which the railways fulfil in our national life. In order to see these in their proper light, we present the following table which shows for a nine-year period the percentages which the freight, passenger and other earnings bear to the gross earnings for the years mentioned.

Percentage of Gross Earnings for the Years

Sources.	1910.	1911.	1912.	1913.	1915.	1918.
Freight	67.54	67.07	68.35	68.99	66.3	69.1
Passenger	30.44	30.90	29.65	28.99	25.0	20.3
Other sources ..	2.02	2.03	2.00	2.02	8.7	10.6

The freight business is by far the most important source of the railways' revenues, amounting to about two-thirds of the total, and it will be seen that this proportion remains fairly constant throughout. On the other hand, the passenger revenues show a relative decline of one-third in the period between 1910 and 1918. Most of this change has taken place in the last few years, and may be explained, perhaps, by the high passenger rates which have been put into effect during the war to discourage passenger travel and by the phenomenal increase in the use of the automobile. Of these, probably the latter is the more significant of the two. But we must not base too confident assertions upon the statistics which are the indications of the troublous conditions during the war. We can be fairly certain that there has been a *relative* decrease in passenger business in the period shown and there are good reasons why this should be so; but in order to see things in the right perspective, we must also place alongside of the above another table showing the *absolute* changes in the amounts of freight and passenger revenues during recent years. In this table we include the last year of peace as a basis of comparison with the five years of war:—

Sources of Railway Earnings (omit cents).

Year.	Freight.	Index No.	Passenger.	Index No.	Other Sources.	Index No.
1913	$177,089,372	100	$74,431,994	100	$ 5,181,336	100
1914	165,753,730	94	72,564,203	97	4,765,605	95
1915	134,488,303	76	60,699,934	82	4,654,833	78
1916	185,806,167	105	53,097,642	72	22,984,843	102
1917	217,625,962	123	61,290,290	82	31,855,225	121
1918	231,813,388	131	88,192,056	118	10,214,704	129

Using the last entire year of peace (1913) as the base of our calculation and taking the figures of that year in each case as 100, we have derived our index numbers accordingly. From these we see that, during this last six-year period, the earnings from freight increased 31 per cent., the earnings from passengers increased only 18 per cent., and the earnings from other sources increased 29 per cent. While, therefore, there was a *relative decline* in passenger earnings there was an *absolute increase*; and, we learn, on competent authority, that the passenger earnings of the great railways in the fiscal year ended June 30, 1919, have been much larger than ever before, notwithstanding the high fares and the oppressive burden of the high cost of living which occupies such a prominent place in public attention.

A few words by way of comparison with the conditions in the United States may not be out of place. As a whole, the railroads of that country show practically the same percentages as the Canadian lines. But there are wider diversities there than here for particular roads, due to the greater density of passenger traffic in certain sections and greater density of freight traffic in others. The New York Central Lines pass through a more densely populated section than the Pennsylvania Lines, but the latter, east of Pittsburg, have an immense traffic in coal and heavy and costly manufactures. Consequently, while the New York Central Lines' freight earnings are only 59 per cent. of the total, those of the Pennsylvania Lines are 73 per cent. In the Eastern States, the New York, New Haven and Hartford Railroad Company, which depends largely upon passenger business, shows an average of only 50 per cent. for freight, while the Long Island Railroad, the traffic of which is confined to a very limited area, reported a freight percentage averaging but 28 per cent. of the whole. On the contrary, the Pittsburg and Lake Erie Railroad Company shows only a limited amount of passenger business, but its freight traffic goes up to 90 per cent. In Canada, we have variations like those of the United States but not to anything like the same extent, for population does not show the same concentration in certain sections and our industrial development is not upon the gigantic scale which is seen across the border. Moreover, our three great systems of railway are transcontinental and there is no segregation of their eastern from their western business, so that we have no statistics by which to compare the east and the west in this respect.

Some Are in Financial Difficulties

It is a common impression that, with the great development of traffic in this country and the increased rates which the railways have been permitted to charge, there must have been a proportionately great increase in the net returns to the companies. Yet two of our chief companies have been subjected to increasing financial embarrassment, until one has been taken over by the government and the other is being operated under a government receiver. To show some explanation for this state of things we have drawn up the following table showing the gross earnings, operating expenses and net earnings per mile for the last twelve years. We have taken this protracted period so as to get a good background for the present-day conditions. Then, in order to simplify matters, we have used the year 1907 as a base and have represented the figures for that year as 100, so as to secure the index numbers for each subsequent year:—

Year.	Gross earnings per mile (omit cents).	Index No.	Operating expenses per mile (omit cents).	Index No.	Net earnings per mile (omit cents).	Index No.
1907	$6,535	100	$4,620	100	$1,914	100
1908	6,397	98	4,672	101	1,724	90
1909	6,017	92	4,339	94	1,678	88
1910	7,033	108	4,868	105	2,165	113
1911	7,430	114	5,158	112	2,271	119
1912	8,209	123	5,639	122	2,569	134
1913	8,750	134	6,204	134	2,511	131
1914	7,893	121	5,811	126	2,081	109
1915	5,616	86	4,152	90	1,464	76
1916	6,943	106	4,823	104	2,120	111
1917	8,051	123	5,774	103	2,277	119
1918	8,493	130	7,046	153	1,447	76

This table puts before us some valuable data as a basis of certain conclusions which seem to be inevitable. While the gross earnings per mile increased 30 per cent., the operating expenses increased almost twice as much—namely, 53 per cent., and the net earnings suffered a reduction of 24 per cent.; in other words, while the gross earnings from operation increased by 30 per cent., the net earnings are only three-fourths of what they were in 1907, due to the fact that the expenses of operation have been increased by more than half what they were in that year. It cannot be wondered at, therefore, that, since operating earnings have increased only 30 per cent., while operating expenses have increased 53 per cent., there should be a state of decadence over the railway field as a whole. Of course, these greater operating expenses have been due to the fact that the increase in rates allowed did not begin to keep pace with the vastly higher prices paid for materials and higher wages paid to labor. Yet every time there has been an attempt on the part of the railways to secure an increase of rates, there has been a loud and voluminous outcry against it. Another important thing which is revealed by this table is the sudden changes which may occur in net earnings from one year to the next. Note the change in the index numbers for net earnings, for instance, from 88 in 1909 to 113 in 1910, and the still more spectacular changes from 109 in 1914 to 76 in 1915, and from 119 in 1917 to 76 in 1918. These facts indicate with intense emphasis that in the case of the railways there are abrupt changes from favorable earnings to very real distress.

Operating Ratio is Now High

One of the most valuable indexes in regard to railway operations is the operating ratio, that is, the proportion which the gross expenses of operation are of the gross earnings of operation. Knowing how much of the gross earnings is expended in the working of the property, we have a good guide as to the efficiency of the management; for if, under normal conditions, two roads traverse the same territory and have the same kinds of business, and the operating ratio of one is 70 per cent., while that of the other is 80 per cent., it is at once an indication that the former is managed with much greater economy than the latter. Similarly, if the average operating ratio of the railways of the country at one period is lower than that at another period, the indication is that the conditions for economical operation are more favorable at the former than at the latter period. To show the trend in Canada since 1875, we present the averages for all the railways as follows:—

Railway Operating Ratio by Periods

Years.	Average by 5-year periods.	Average by 10-year periods.
1875-1879	80.7	77.4
1880-1884	74.2	
1885-1889	72.8	71.9
1890-1894	71.0	
1895-1899	67.4	68.6
1900-1904	69.8	
1905-1909	72.1	71.2
1910-1914	70.3	
1915-1918	74.5	74.5

In the early years, the amounts of traffic offered to the railways, and consequently the gross earnings of the railways, were very small, while the expenses for upkeep of roadway, structures and equipment were large. It was inevitable, therefore, that the operating ratio should be high. In the first three years of our railway history, beginning with 1875, it was over 81 per cent., while in the first five years after that date, it was 80.7 per cent. But with the filling up of the country and the increase of traffic the revenues were augmented, the operating expenses began to decline, relatively, and, as a consequence, the operating ratio became lower and lower until the lowest point was reached in the last years of the century—in 1899 it was 65.3. Since 1900 the movement has been gradually upward, with occasional yearly relapses. In 1915 it was 73.9 per cent.; in 1916, 69.5 per cent.; in 1917, 71.7 per cent.; and in 1918, 83 per cent. This latter figure shows very clearly the vast changes during that fiscal year, as compared with previous years, in regard to higher wages and higher cost of materials. But if we look at the figures for 10-year averages, we note the steady decline in the operating ratio down to 1899 and the continuous advance since that time. These figures show clearly that for the railways the cost of doing business is steadily advancing and that their outlay for operation is increasing far more than the increase in their gross earnings. This is an additional confirmation of what we have already shown when considering the increase of operating expenses and the decrease of net earnings. It will be universally granted that this increase in operating ratio is not due to less efficient management of the railways as a whole, but is due to the fact that the earnings of the roads are no longer sufficient to pay the extremely high wages and prices required in the upkeep and operation of the properties and still keep net earnings that are high enough to tempt new capital into the field.

Comparison of Roads

Turning from the operating ratio of the railways as a whole, it is instructive to examine the facts in this respect for the five great systems of railway in the country. How do they compare with one another in regard to this vital point, the operating ratio? We have set down the facts in the following tabular form:—

Operating Ratio for the Years

Railways.	1913.	1914.	1915.	1916.	1917.	1918.
Canadian Pacific	67.8	68.2	66.3	62.8	65.9	74.2
C.N.R. system	70.6	68.7	82.6	71.1	71.7	87.4
G.T.R. "	69.1	72.3	75.8	73.5	71.9	84.9
G.T.P. "	89.1	92.1	110.8	84.8	103.1	105.3
C.G. Rys.	101.3	102.3	100.8	85.0	90.9	116.7

In the first place, the facts here shown for individual systems of railway confirm what we have shown above for the railways as a whole—namely, the great increase in the operating ratio, particularly for the last year for which we have complete statistics. From information privately gathered it is indubitable that this higher operating ratio was continued for the fiscal year ended June 30, 1919. Until the last few years any railway in Canada or the United States which showed an operating ratio above 69 or 70, had to justify that higher ratio in order to stand well in the eyes of the investing public; and it will be seen that the Canadian Pacific was well below that normal or standard. The Canadian Northern and the Grand Trunk usually approximated closely to this standard. But when we look at the figures for the Grand Trunk Pacific and the Canadian Government Railways we find that both these had an operating ratio far in excess of the others. In the case of the Grand Trunk Pacific, the line was put through long stretches of new territory, with only a small amount of traffic to offer, in order to open up these sections of the hinterland to settlement. It was natural, therefore, that the revenues of this line should be meagre, while at the same time a large expenditure was required for even the small amount of traffic. This would explain in a large measure the high operating ratio of this western line. As for the Canadian Government Railways, their high operating ratio is due to the fact that they are badly located for the development of traffic and for economical operation, that their rates have been kept too low, and that all the evils of patronage, political corruption and financial debauchery have been manifested in connection with them. It will be noted that, in the case of the Grand Trunk

Pacific and the Canadian Government Railways, their revenues have frequently been insufficient to meet even the operating expenses, much less pay any return upon the capital embarked in them.

Government Operating Cost is High

But one more fact must be noticed before we leave this subject, a fact which is very significant in the light of recent events, and one upon which the writer commented in *The Monetary Times* Annual, 1919. In the case of the Canadian Northern system, the highest operating ratio of which, up to 1917 was but 71.7 (except in the unfortunate year 1915, which was disastrous to all the railways), we note an enormous change in 1918 when the operating ratio jumped to 87.4. This was the first year of government operation of this railway system. In extenuation of this increase, it may be said that the operating ratios of, say, the Grand Trunk and Canadian Pacific, also showed great increases. This is true; but it is remarkable that the increase in the case of the Canadian Northern, in this first year under the government and with a large proportion of the old operating staff, should have been so much greater than in the case of its nearest competitors. We shall close this paragraph by asking the question: Is government management as efficient and economical as private management?

Rapid Growth Illustrated by Capital

Our final inquiry is in regard to the finances of the railways. From the table which is given below, it is apparent that there has been since 1900 an increase of outstanding stock amounting to 166 per cent., an increase of funded debt amounting to 142 per cent., an increase of total railway capitalization (stock and funded debt outstanding) of 154 per cent., an increase of gross earnings of 367 per cent., and an increase of mileage in operation of 120 per cent. These are very large increases in every case, when we think of the short interval in time, and there is no other country which can show a record so proportionately great. It must be remembered that in order to provide facilities for a population scattered over a country three thousand miles in width, there must be the outlay of enormous amounts of capital. As the country has been filling up and rapidly developing both in industry and agriculture, the railways have been under the necessity of increasing their terminal facilities, their rolling stock and the amount of double track; and with the increase of 54 per cent. in traffic density and 80 per cent. in train load since 1907, there has been the necessity of rebuilding large portions of roadway, laying heavier rails, especially on the main lines, reconstructing or reinforcing many bridges and providing heavier and more expensive cars and locomotives. All these things have been carried out at a time when wages have been increasing and the purchasing power of the dollar has been decreasing, so that the railways have had to expend large amounts to purchase the requisite materials and services for these improvements and extensions. Was it wise to spend such great amounts? We have been frequently told that Canada has overbuilt in the matter of railways. But it seems as if this were an entirely erroneous statement. It is true that we have had wasteful duplication of lines in some parts of the country and this kind of prodigality should have been and should be prevented. Nevertheless, when the country can show since 1900 an increase in gross earnings of 367 per cent., with an increase in capitalization of only 154 per cent., there is good reason for saying that there has not been an overdevelopment of railway facilities. Then, the capitalization per mile of line operated shows likewise very conservative financing on the part of the roads as a whole; for this was in 1900, $44,404 and in 1918, $51,438. Even at this latter figure we are still far below many of the lines in the United States in this respect.

The relative increase in the amounts of stock and bonds issued for purposes of capital is worth notice. Up to the year 1912, there was a considerably larger amount of bonds put out than of stock to take care of capital expenditures; and this movement in Canada seemed to run parallel to some extent to a similar trend in the United States. But by the issuing of large amounts of bonds there is an increase in the amount of fixed charges which must be paid if the roads are to remain solvent; and it is impossible to foresee what the conditions may be from year to year in the railway world. Since that time, beginning with the year 1913, a safer method seems to be in course of application—namely, the use of stock to a greater extent than bonds, so as to make the annual charges on this capital conditional rather than fixed. In this way it is easier to keep the roads from being bankrupt, since the fixed charges are kept down.

Lastly, what return have the stockholders received upon the amount of share capital they have owned? For the last six years, including the last pre-war year (1913) the figures stand as follows:—

Year.	Stocks, including debenture stock.	Net corporate income after payment of all fixed charges and operating expenses.	% net corporate income of total stock.	Amount of dividends paid, common and preferred.	Actual average rate of dividend on stock.
1913	$ 918,573,740	$59,597,011	6.4	$33,670,560	3.6
1914	1,026,418,123	38,712,916	3.7	37,240,120	3.6
1915	1,024,085,983	41,123,124	4.0	39,350,278	3.8
1916	1,024,554,370	68,813,546	6.7	43,503,736	4.2
1917	1,089,114,875	51,721,679	4.7	37,196,596	3.4
1918	1,093,885,495	18,328,228	1.7	37,207,877	3.4

From this table, it is seen that if *all* the net corporate income, which is available for dividends if the directors wished to apply them that way, were divided out in the form of dividends, the rates of dividend would have been 6.4 per cent. in 1913, 3.7 per cent. in 1914, 4.0 per cent. in 1915, 6.7 per cent. in 1916, 4.7 per cent. in 1917 and 1.7 per cent. in 1918. Even these rates would have been so low as to be in most cases utterly inadequate as a return upon capital. But when we find that the actual average rate divided upon the common and preferred stock ranged from 3.4 per cent. to 4.2 per cent., we see a good reason why railway enterprise in Canada fails to attract capital and why most of the railways are unprogressive and incapable of keeping pace with, to say nothing of being in the van, of the onward advance. Sooner or later we shall wake up to the fact that in the desire for progress we are pitilessly handicapped by a multitude of inefficient, if not derelict, railways, unless the near future should show an entire change of policy toward them.

Year.	Total stock outstanding.	Index No.	Total funded debt outstanding.	Index No.	Total railway capitalization.	Index No.	Gross earnings.	Index No.	Mileage in operation.	Index No.
1900	$ 410,326,095	100	$373,716,704	100	$ 784,042,799	100	$ 70,740,270	100	17,657	100
1901	424,414,314	103	391,696,523	105	816,110,837	104	72,898,749	103	18,140	103
1902	460,401,863	112	404,806,847	108	865,208,710	110	83,666,503	118	18,714	106
1903	483,770,312	118	424,100,762	113	907,871,074	116	96,064,526	135	18,988	107
1904	492,752,530	120	449,114,035	120	941,866,565	120	100,219,436	141	19,431	110
1905	526,353,951	128	465,543,967	124	991,897,918	126	106,467,198	150	20,487	116
1906	561,655,395	137	504,226,234	135	1,065,881,629	136	125,322,865	177	21,353	121
1907	588,563,591	.143	583,369,217	156	1,171,937,808	149	146,738,214	207	22,452	127
1908	607,891,349	148	631,869,664	169	1,239,761,013	158	146,918,314	207	22,966	130
1909	647,534,647	158	660,946,769	177	1,308,481,416	167	145,056,336	205	24,104	137
1910	687,557,387	168	722,740,300	193	1,410,297,687	181	173,956,217	246	24,731	140
1911	749,207,687	182	779,481,514	209	1,528,689,201	195	188,733,494	267	25,400	144
1912	770,459,351	188	818,478,175	219	1,588,937,526	203	219,403,753	310	26,727	151
1913	918,573,740	224	613,256,952	164	1,531,830,692	194	256,702,703	363	29,304	166
1914	1,026,418,123	250	782,402,638	209	1,808,820,761	229	243,083,539	343	30,795	174
1915	1,024,085,938	249	851,724,905	228	1,875,810,888	237	199,843,072	282	35,578	201
1916	1,024,264,325	249	868,861,449	232	1,893,125,774	240	261,888,653	370	37,434	212
1917	1,089,114,875	265	896,005,116	240	1,985,119,991	252	310,771,479	439	38,604	219
1918	1,093,885,495	266	905,994,999	242	1,999,880,494	254	330,220,149	467	38,879	220

PERSONAL NOTES

MR. F. W. MOLSON has been elected to the directorate of the Dominion Bridge Co., Ltd.

MR. JOHN BAILLIE has been elected to the directorate of the Dominion Glass Co., Ltd.

MR. C. H. ISARD, of Bryant, Isard and Co., Toronto, has been elected a member of the Toronto Stock Exchange.

MR. A. R. BOSWELL, superintendent of insurance and registrar of loan corporations for the province of Ontario, has resigned.

MR. G. N. JACKSON, a former president of the Winnipeg Board of Trade, and who has been prominent in many of Winnipeg's community service projects, has been appointed chairman of the Manitoba Minimum Wage Board.

MR. G. A. MORROW has been appointed managing director of the Central Canada Loan and Savings Co. in succession to Mr. E. R. Wood, who will still continue as president. Mr. Morrow has been vice-president and assistant manager. Mr. A. B. Fisher, who has been secretary, becomes assistant manager. Mr. W. J. Hastie succeeds Mr. Fisher as secretary.

OBITUARY

MR. J. HARRINGTON WALKER, son of the late Hiram Walker, founder of the distilling firm of Hiram Walker and Sons, Walkerville, Ont., died at the Hotel Biltmore, New York, last week. Mr. Walker had been in poor health for some time. He was 60 years of age.

BANK BRANCH NOTES

The following is a list of branches of Canadian banks recently opened:—

Attercliffe, Ont. (Sub to Dunnville)	Canadian Bank of Commerce
Nelles Corners, Ont. (Sub to Cayuga)	Canadian Bank of Commerce
Mannville, Alta.	Canadian Bank of Commerce
Windsor, Ont. (Wyandotte Street East)	Canadian Bank of Commerce
Vancouver, B.C. (Homer St.)	Royal Bank

The Union Bank of Canada may locate in the Border Cities, Ontario, in the near future. Efforts are being made to secure a site there, by officials of the bank.

Mr. John Murray, manager of the branch of the Dominion Bank of Canada at Belleville, is retiring, and will be succeeded by Mr. Hall, of Dresden, Ont.

RAILROAD EARNINGS

The following are the earnings of Canada's transcontinental railways for the first three weeks of December:—

Canadian Pacific Railway.

	1919.	1918.	Inc. or dec.
December 7	$3,797,000	$3,480,000	+ $ 317,000
December 14	3,935,000	3,780,000	+ 155,000
December 21	3,715,000	3,731,000	— 16,000

Grand Trunk Railway.

	1919.	1918.	Inc. or dec.
December 7	$1,294,019	$1,379,502	— $ 85,483
December 14	1,341,590	1,385,902	— 44,312
December 21	1,255,059	1,494,406	— 259,347

Canadian National Railways.

	1919.	1918.	Inc. or dec.
December 7	$2,070,372	$1,714,173	+ $ 356,199
December 14	1,918,932	1,800,902	+ 118,030
December 21	2,002,317	2,095,401	— 93,084

BANK OF COMMERCE ANNUAL REPORT

In its annual report for the financial year ended November 29th, 1919, the Bank of Commerce assets are shown to have increased from a total of $440,310,703, as at 30th November, 1918, to $479,644,205 as at November 30th, 1919. Net profits for the year were $3,074,892, compared with $2,850,318 for 1918. In addition there was a balance of $1,444,842 brought forward, making a total of over $4,500,000. Dividends at 12 per cent. per annum required $1,800,000. The next largest item is $750,000 "to adjust British and foreign investments on existing exchange rates, not otherwise provided." The sum of $250,000 was written off bank premises; $150,000 for war tax on bank-note circulation and $120,000 transferred to pension fund.

A comparison of the statement of assets and liabilities with that of the previous year shows a general expansion of business. While circulation has dropped by $1,500,000, and demand deposits practically unchanged, savings deposits have increased from $202,148,245 to $241,916,674. Current loans in Canada have risen from $199,672,294 to $213,189,170. Other comparisons are:—

Liabilities.

	Nov. 30, 1918.	Nov. 30, 1919.
Circulation	$ 31,583,694	$ 30,047,659
Demand deposits	151,010,570	151,688,481
Savings deposits	202,148,245	241,916,674
Total deposits	353,158,816	393,605,156
Balance due banks elsewhere	10,322,592	8,727,208
Acceptances under letters of credit	13,048,927	14,866,446
Liabilities to shareholders	31,444,842	31,427,735

Assets.

	Nov. 30, 1918.	Nov. 30, 1919.
Gold and silver coin	$ 15,686,046	$ 15,425,252
Gold in central gold reserve	6,500,000	6,500,000
Dominion notes on hand	28,785,117	31,436,349
Dominion notes in central gold reserve	11,000,000	10,000,000
Total coin and notes	$ 61,971,163	$ 63,361,602
Notes of other banks	2,293,472	2,433,211
Cheques on other banks	15,701,358	14,372,830
Balances due by banks elsewhere	8,267,187	10,589,390
Dominion and provincial government securities	36,165,259	46,865,379
British, foreign and colonial public securites and Canadian municipal securities	29,884,242	29,847,537
Call and short loans in Canada	13,843,130	20,750,828
Call and short loans elsewhere	28,018,919	24,854,885
Current loans in Canada	199,672,294	213,189,170
Current loans elsewhere	17,617,641	24,938,269

GOVERNMENT BOND QUOTATIONS

The following quotations of active bonds are supplied by the National City Co., Ltd., and are in New York funds:—

	Bid.	Offered.
Anglo-French 5% (Oct. 15, 1920)	95⅜	95⅝
United Kingdom 5½% (Nov. 1, 1921)	95½	96
United Kingdom 5½% (Nov. 1, 1922)	96⅜	96⅝
United Kingdom 5½% (Aug. 1, 1929)	95	95½
United Kingdom 5½% (Feb. 1, 1937)	87½	88
City of Paris 6% (Oct. 15, 1921)	92½	93
French Cities 6% (Nov. 1, 1934)	92⅛	92½
Dominion of Canada 5½% (Aug. 1, 1921)	98	99
Dominion of Canada 5½% (Aug. 1, 1929)	93½	94½
Russian Govt. Ext. 5½% (Dec. 1, 1921)	22	23½
Russian Gov. Ext. 6½% (July 10, 1919)	22	24
Swedish Govt. 6% (June 15, 1939)	89	90

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PRINCIPAL CONTENTS OF THIS ISSUE

THE BANK CLERKS' UNION

LABOR organizers have been endeavoring for some weeks past to form unions of bank clerks in Montreal and Toronto. The meetings have been well attended, but comparatively few have joined the new organizations. It is no secret that during the past two or three years bank employees have shared the discontent which has been widespread, and trades unionism, following up its success in the field of manual work, finds this an opportune time to try to strengthen itself by bringing in clerical workers. Thus far no attempt to organize bank clerks has succeeded, though a considerable one was made about 1911. Because of the large amount of purely clerical work, and the fact that the different stages are fairly standardized, success seems quite possible.

But when we go back to examine what has caused the growth of trades unionism, certain differences between factory work and that of bank clerks are apparent. Trades unions arose as the step from the employed to the employing classes became increasingly difficult. This was the result of the organization of industry on a large scale; considerable capital was required, coupled with skill and experience in management, finance and marketing. The manual work, on the other hand, became simpler rather than more difficult, because the factory worker as a general rule did not even understand the machine which he operated, much less the wider conditions under which the business was conducted. Formerly, the ambitious workman passed from the stage of apprentice to that of journeyman, and from that of journeyman to that of master workman, with little difficulty, because each stage trained him for the next. The new situation meant that he would always be an employee, and in recognition of the fact that all factory workers, and more especially those in a single industry, had interests in common, trades unions were organized and thrived.

This condition is not found in banking, where there is a direct path of promotion from the lowest to the highest rank. Earnings in the earlier years of service are lower than the wages of unskilled labor, because the later years bring indefinitely greater rewards in proportion to ability. The same condition holds good in the clerical departments of other lines of industry as well as in mercantile and financial institutions. Banking work can also be carried on to a comparatively advanced age, and in Canada pensions are provided for retired employees. Considering the early age at which beginners are employed, and the fact that only a mediocre education is required, the financial rewards compare well with those of other occupations. Where a future is assured by certainty of employment, as in the service of the government and of such large financial institutions as the Canadian banks, earnings in years of prosperity may not be so large as in other lines of endeavor, but over a long period they may be as good if not better.

It is curious to see a labor movement in the banking field, because banks are institutions for the collection and investment of capital. The threat of a tying up of banking service because of a strike would also be a novelty to the public mind. Perhaps it would not be an unmixed evil, however, as the public is always prone to underestimate the usefulness of institutions which have become such an essential part of everyday life.

NOVEMBER BANK STATEMENT

THE summary of chartered banks' statements to the Dominion government for November shows a decrease of $125,000,000 in saving deposits. This is, of course, due to Victory Loan payments. During the 1918 Victory Loan month, a decrease of $137,000,000 was recorded. Other comparisons from the statement, which will be printed in detail next week, are:—

	Nov., 1919.		Changes from Oct., 1919.
Note circulation	237,547,162	+	1,069,683
Demand deposits	728,657,589	+	23,377,348
Notice deposits	1,137,858,277	—	124,888,707
Total deposits in Canada ..	1,866,515,866	—	101,511,359
Dominion notes	178,880,842	+	13,423,553
Call loans in Canada	121,754,469	+	21,205,079
Call loans outside	169,626,880	+	11,432,795
Current loans in Canada ..	1,189,408,523	+	84,468,363
Total assets	3,100,138,639	+	132,539,791

INTERNATIONAL LABOR CONVENTIONS

THE International Labor Conference which closed on November 29th, after sitting continuously for a month, was one of the most notable economic events of recent years. Originating in the peace treaty, and called together by the United States government as stipulated in that treaty, it may pass into history as merely an important experiment, or on the other hand it may be the beginning of an international organization of vast influence in the economic sphere. In any case, the organization of a permanent body was completed, and certain conventions were adopted. The latter will not be submitted to the legislative authorities in the countries concerned, and the initial success of the conference depends to a large extent upon the treatment they receive. Canada played a prominent part in the conference; this was partly the result of present industrial conditions in the United States, which diverted the attention of the United States representatives, who would normally have taken the lead in upholding the views derived from our common experiences on this continent.

The principal convention adopted was the eight-hour day or forty-eight-hour week. So many exemptions were provided, however, as in the case of seasonal industries, that this measure is scarcely radical. Either the eight-hour day or the forty-eight-hour week now obtains in a good proportion of the industries in Canada and the United States to which this convention will apply. It was this question, however, which led the delegates into a careful examination of comparative conditions of production in the numerous and varied countries represented, a study which has hitherto been confined to the economic theorist and the heads of great international industries. The reasons for variation in costs were investigated, in a broad way, including living standards, natural resources, and the extent to which the most modern methods had been adopted. Some light was thrown on the economic forces which determine trade balances, and leadership of countries in certain industries.

While labor leaders view the results as a step in advance, the public as a whole is not yet certain whether they will be beneficial. Consumers have found too often that a labor victory means another slice out of the dollar, and when all have adjusted their income to the new living costs it is found that nothing has been gained. International competition proved an insurmountable obstacle in the path of labor, for when the margin of profit had been reduced to a minimum, a further step could mean only a cessation of production and consequent unemployment. In other words, international competition required each nation to exchange a certain minimum of product in return for the dollar, and thus maintained a standard of production in proportion to cost. The enforcement by international convention of new conditions of work might counteract this competition, but it would be at the expense of a further reduction in the purchasing power of the dollar. It would set up a maximum rather than a minimum standard, limited by the ability of the most successful nation producing under the conditions defined.

WORLD WHEAT SUPPLY BELOW AVERAGE

STATISTICS which arrived a few days ago, by cablegram from the International Institute of Agriculture in Rome, indicate that wheat production this year is below normal. The total production of wheat in 1919 in Denmark, Spain, France, Great Britain, Italy, Netherlands, Rumania, Switzerland, Canada, United States, India, Japan, Algeria and Tunis is 2,074,753,000 bushels, against 2,238,100,000 in the same countries in 1918, and 2,150,000,000, their average annual production in the five years, 1913-1917. The production of rye in Denmark, Spain, France, Italy, Netherlands, Rumania, Switzerland, Canada and the United States is 189,104,000 bushels, against 189,500,000 in 1918 and a five years' average of 150,050,000.

The production of barley in Denmark, Spain, France, Great Britain, Italy, Netherlands, Rumania, Switzerland, Canada, United States, Japan, Algeria and Tunis is 598,000,000 bushels, against 678,000,000 in 1918, and a five years' average of 602,000,000. The production of oats in the same countries as for barley is 2,034,340,000 bushels against 2,402,000,000 in 1918, and a five years' average of 2,233,000,000. The production of corn in Spain, Italy, Rumania, Switzerland, Canada and the United States is 3,126,194,000 bushels, against 2,723,000,000 in 1918, and a five years' average of 2,995,000,000.

The production of potatoes in England and Wales, Scotland, Netherlands, Italy, Switzerland, Canada and the United States is 792,638,000 bushels, against 900,800,000 in 1918, and a five years' average of 765,800,000. The production of flaxseed in Italy, Rumania, India, Canada, United States and Japan is 26,340,000 bushels, against 42,700,000 in 1918, and a five years' average of 43,500,000.

EXCHANGE RATES AND GOVERNMENT BUSINESS

BECAUSE of the fact that charges for postal notes and money orders were nominal, having been fixed when exchange varied only slightly from par, the Dominion government has found it necessary to alter its regulations since New York exchange has risen so high. Government orders were utilized to an abnormal extent for sending funds to the United States, whereas when payments were coming this way the sender, if he was wise enough, bought a draft on Canada at a discount. Earlier this month the sale of money orders to the United States was stopped, but they have now been resumed, at the following enhanced scale of charges, based on a premium of 8¾ per cent: For sums not exceeding $2.50, 20c.; $5, 40c.; $10, 85c.; $15, $1.30; $20, $1.70; $25, $2.15; $30, $2.60; $35, $3.05; $40, $3.45; $45, $3.90; $50, $4.35; $55, $4.80; $60, $5.20; $65, $5.65; $70, $6.10; $75, $6.55; $80, $6.95; $85, $7.40; $90, $7.85; $95, $8.30; $100, $8.70. Postal notes are not yet being issued.

There is another effect of the exchange situation which is being considered by the government; this is the way in which the calculation of customs duties at par of exchange enhances or lowers the degree of protection, according as the exchange on a country is below or above par. For instance if goods invoiced at £100 are imported from Great Britain, the cost, exclusive of duty, is about $412. If the rate of duty were, say, 30 per cent., the amount would be 30 per cent. of $486, or $146, which works out at over 35 per cent. of the actual value of the imports. Goods invoiced at $100 and imported from New York would cost about $108 at the present rate of exchange, and duty at 30 per cent. would amount to just $30, which is about 27.7 per cent.

These effects of methods of calculating customs are, of course, quite apart from the vastly greater advantage enjoyed by the country, whose exchange is at a discount. The low quotations of sterling, for instance, encourage purchases in Great Britain, while the premium on American funds reduces our purchases across the border. Thus the customs calculations affect only in a small degree the effects of the exchange rates themselves. When these points are considered, there does not appear to be any ground for changing the method and calculating duties on the basis of current rates of exchange, as was urged by the council of the Montreal Board of Trade in a discussion with the finance minister on December 22. The fluctuations of exchange are so rapid that no uniformity and accuracy could very well be maintained. The United States adheres to the custom of calculating at par of exchange, although it is interesting to note that the current rate is used as the basis in Jamaica.

A new low-price chain of stores is to be started in Canada early next year. A similar chain will be established in the United States at the same time. The Canadian company is the L. R. Steel Co. and has purchasing offices in Toronto. It is proposed to sell articles at prices up to one dollar.

HIGH PRICES NOT DUE TO HIGH PROFITS

Commerce Board Points Out General Rise in Costs to all Producers—Farmers Have Had Best of It

IN a further statement in explanation of its objects, after three months of experience, the Board of Commerce emphasizes that high costs are unavoidable. The statement says:—

"It is thought desirable that this board should once more point out that its functions under the fair prices part of the acts establishing it are principally to consider whether profits made on the sale of the necessaries of life are excessive. It is entirely erroneous for anyone to suppose that the function of the board is to reduce legitimate costs. The high cost of living is not necessarily made up of excessive profits. That cost is necessarily high because of the extraordinary demand there has been for all commodities during and since the war, and particularly because of the extended foreign demand.

"As is readily seen, the costs of all our imports are extraordinarily higher. Our wheat and the numerous products based thereon have been and are at high figures. Animals and animal food are affected accordingly and the prices thereof likewise keep step therewith. The scarcity and high price of certain classes of labor play their own part in all this. It must not be overlooked that in a certain sense the foreign demand is beneficial to the extent of any surplus that the country may have to spare. The trouble is that we have been shipping more than our legitimate surplus and that the home consumer has been forgotten in the endeavor to take advantage of the foreign demand. The foreign demand, of course, benefits Canadian trade and production. The Dominion government has set up agencies whose special object is to encourage to the utmost the supplying of the foreign demand and thereby improving the Dominion's financial position and the position of its manufacturers and producers. These strong agencies of the Dominion government are insistent in season and out of season in promoting the export of our natural products, including all the things which are known as necessaries of life.

"The result inevitably is to force up the price of supplies to the home consumer. The producer wants the high price, and if he does not get it at home he will get it abroad. So far the consumer's position has not been such that an embargo would be placed upon any commodity merely to keep down price for the home consumer. When embargoes have been hinted at there have been outcries from the manufacturing and producing elements.

"This board has not the power to place a general embargo upon necessaries of life, even those of the most ordinary type of which there should in this country of agricultural effort be ordinarily a superabundance. The very suggestion on one occasion from an outside source that the board should embargo a certain class of farming product met with denunciation.

Can't Bring Prices Down

"One of the difficulties that the board faces is that if it fixes profits on native products such as those of the farm and dairy there will be a rush of these goods to the seaboard and the local demands may not be met at all or may be so reduced that distress will be caused. So what with the high prices of foods and the existence of the foreign demand, it is unreasonable to expect this board to do very much in keeping down prices of anything that may be shipped abroad, which, as a matter of fact, includes everything that comes under the head of necessaries. Almost everything that is made in Canada to-day can be shipped out at a high price to foreign markets. It is largely because of that that we at home have to pay so high.

"The huge loans that have been floated in this country by the government have had their effect on prices in a way that perhaps has not been recognized. One of the chief inducements in the canvass for subscriptions was that every dollar would be spent in Canada. That can be read together with the Canadian trade commission's efforts. Huge credits have been extended to foreign countries by the Dominion on the terms that they would spend the money in Canada. This meant that these countries were buying from Canada the very products that are to us necessaries of life, and so we have, in the interest of our producers, in fact, created the foreign demand which has made living so costly to the Canadian citizen. It is not at all presumed to find fault with this condition, but this board points to this material fact as constituting a very strong factor in the increase of prices to the home consumer at the present time.

"What with the high price of wheat and of mill feeds and the creating of the foreign demand for all products it is hopeless for some time to expect any relief from present price conditions. The cost of labor which enters into all production is itself made exceedingly high because of its own cost of living, which cost is forced up in the same way. Our manufacturing, distribution, and producing classes are benefiting from this state of affairs. The farming producer should have the least objection to make. He has had for years now unequalled high prices. His purchases for necessaries are, in the nature of things, lower than those of the citizen in other walks of like. He has been the least affected by the war in any of its phases, yet when the slightest approach has been made to touch upon the price of commodities which originate with him, there is an immediate outburst of protest. In the history of the board of commerce so far, these protests have been based upon imaginary facts. There have been absolutely no foundation for them. The board has been charged by the farmer representative with doing things which were never in its mind, but these are merely indicative of the attitude of producers in that direction. Distributing classes at home, e.g., retailers, are not profiting by the conditions of things, but the manufacturer and exporter who can take advantage of the foreign demand is greatly benefited. The only benefit to the state is heavy taxation of tion of the law."

"In view of all these circumstances it will be seen that the causes of present high prices are in present conditions natural and that these prices will be stable until radical economic changes take place both at home and abroad. It is the policy of this board, however, that whenever it is found that advantage is taken of any of the aforesaid conditions to demand extorionate prices there shall be a drastic application of the law."

BANK OF TORONTO STATEMENT GOOD

In keeping with the growth registered by other banks, the financial statement of the Bank of Toronto for the year ended November 29th, 1919, shows an increase of $9,000,000 in assets. Net profits for the year were $1,011,359, compared with $844,402 last year, a gain of $166,957. Total deposits have increased from $79,039,274 to $86,712,997. This increase was about evenly divided between interest-bearing and demand deposits. Immediately available assets have risen from $47,018,174 to $49,911,625, and are now 51 per cent. of the bank's liabilities to the public. Last year the percentage was 53, the large increase in deposits slightly changing the ratio. Cash and gold reserves have grown from $13,922,182 to $14,705,222. Commercial loans have kept pace with other forms of expansion, and reflect participation in the country's active business conditions, the figure now being $54,077,641, compared with $49,168,819 a year ago.

There are few changes of importance in the profit and loss account apart from the larger profits and increased dividend. Early in the year the bank increased its dividend from 11 to 12 per cent., hence the distribution to shareholders for the year amounted to $600,000 instead of $550,000. The sum of $100,000 is reserved for federal tax. The amount for officers' pension fund stands unchanged at $25,000. Patriotic subscriptions were $18,000, compared with $36,200 last year, while the amount written off bank premises is $100,000 as against $110,884. There is a good increase in the amount carried forward to next year, which is $793,983, compared with $625,623.

LIFE INSURANCE AND COMMODITY PRICES*

A Discussion Before the Life Agency Officers' Association, Chicago, November 11th, 1919

By Philip Burnet,
President, Continental Life Insurance Co., Wilmington, Del.

THE accompanying chart suggests that some sort of relation exists between the production of new life insurance and the trend of commodity prices. It will be noted from the chart that the amount of new life insurance annually issued in this country from 1860 to 1880 parallels with remarkable accuracy the rise and fall of commodity prices during the same period. The only notable exception is for the years 1864-5, when prices rose more sharply than the amount of new insurance. You will also note practically the same phenomenon for the years from 1913 to 1919, inclusive. Prices rose in much the same way as they did from 1860 to 1866, and the amount of new life insurance increased in a similar manner.

It is yet to be determined what, if any, is the casual relation between the two sets of phenomena; if there is such a relation, then it would follow that an attempt to forecast the trend of life insurance production would resolve itself largely into an effort to predict the trend of prices.

*In view of the interest in the chart published in *The Monetary Times* of October 24th, this address, comparing life insurance business with general price levels, is reproduced herewith.

The Trend of Commodity Prices

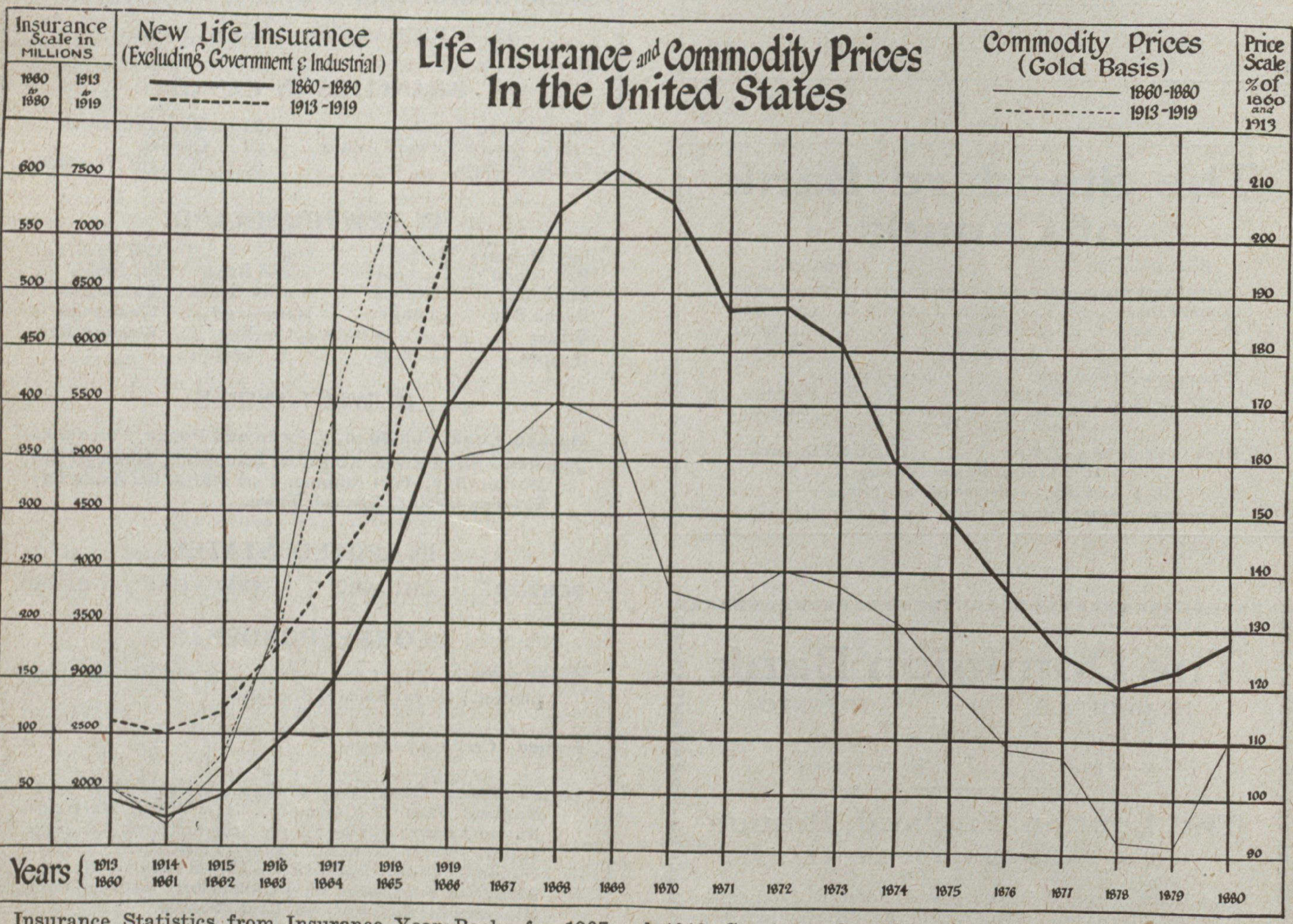
Taussig says that "what determines prices in a highly developed community is the relation between the quantity of goods and the quantity of purchasing power in terms of money."† From this it would follow that an increase of purchasing power or a decrease in the quantity of goods would raise prices; and, conversely, that a decrease of purchasing power or an increase of goods would lower prices. Let us see, then, if we can make any sort of a guess as to whether purchasing power and goods are likely to increase or decrease.

Purchasing Power

Our banks either own or are carrying for their customers approximately 6,500 millions of war bonds.‡ As borrowers pay off these loans, or investors buy the bonds from the banks, deposits will be reduced to a like extent, thereby decreasing purchasing power. But the Federal Reserve Bank of New York reports that the credit released by the liquidation of government securities has been promptly absorbed by the demands of production or distribution, or of the speculation in commodities, securities and real estate, which is taking place practically all over the country.§ Moreover, the government itself is not yet through borrowing. Disbursements exceed revenue; the only way to meet the deficiency is by further borrowing, which, although decreasing, is likely to continue for some time.

On the whole, therefore, it does not seem that the total purchasing power in terms of money is likely to be reduced

†Principles of Economics, Vol. 1, p. 430.
‡Commercial and Financial Chronicle, Vol. 109, p. 1651.
§p. 1648.



Insurance Statistics from Insurance Year Books for 1907 and 1919, Spectator Co., New York; 1919 Estimated. Commodity Prices, 1860-1880, median from chart on page 319, Vol. 1, Taussig's "Principles of Economics," Macmillan, New York; Prices, 1913-1919, median of Bradstreet's Index number.

in the near future. On the contrary, it may be further enlarged by the continued expansion of credit, which appears to be limited only by the desire of borrowers for credit accommodation and the capacity of our gold reserves to sustain it. This is implied by the Federal Reserve Bulletin for October, which says: "There is no ready method in Reserve banking by which the use of reserve facilities can be withheld from use in undesirable lines of activity without also being withheld from use in desirable lines. The problem of controlling the volume and uses of credit in a country with so much diversity of interests and business temper as the United States is far from simple and far from certain of solution.||

Now, if there is no check to expansion, save the capacity of our gold reserves to sustain a larger credit structure, then with the legal requirement for reserves fixed at 35 per cent. for federal reserve deposits and 40 per cent. for federal reserve notes, our existing reserves are sufficient, it seems to me, to sustain a further expansion of at least 25 per cent. of our total bank deposits and money in circulation.

From this it would follow that if expansion continues, as appears likely, and the quantity of goods does not increase, we may expect prices to rise approximately 25 per cent. above their present high level before they reach their highest point. If, however, the quantity of goods also increases, that should check the rise in prices; on the contrary, if the quantity of goods should decrease, the rise in prices may be accelerated. Let us see, then, what is likely to happen to the quantity of goods.

The Quantity of Goods

For the first eight months of this year we exported more than 3,000 million dollars of goods in excess of our imports. That large balance in our favor was paid for, not in cash, but in foreign securities which foreign governments gave to our government. But that arrangement practically ceased in June. The foreigners must now pay us for our exports either in goods, gold or securities; and since they can spare few goods and no gold, and their securities do not appear to find favor with our investors, the foreigners are no longer able to take our commodities in the previous quantities, with the result that for the month of September our exports fell off sharply, imports increased to the largest figures for any single month in the history of the country, and our exports, over and above our imports, dropped to the smallest figures, with but two exceptions, for any single month since the war started.

Exports are likely to be still further curtailed and imports increased until we actually import more than we export. In fact, Europe already owes us such a tremendous sum that she must send us every year some five or six hundred millions of goods in excess of what she receives from us merely in order to pay the interest on her debt to this country.

Consequently, instead of continuing to send abroad some three or four thousand millions a year in excess of our imports, as we have been doing, we may keep our whole product at home, besides having it supplemented for us to the extent of five or six hundred millions from abroad. This is equal to an addition of from 3,500 to 4,500 millions of goods each year to our own stock in this country, provided the production of goods in this country is not reduced.

On the other hand, the labor situation is such that production may be reduced by an amount at least equal to our saving in exports. Of course, if labor gets wholly out of hand, almost anything may happen, but I suspect that our large producers are quite willing to have production reduced at a time when our foreign market is cut off by Europe's inability to pay for our goods, and, therefore, that concessions will be made to labor to whatever extent may be necessary to keep production at such a point as will cause prices to approximate the figure that will yield the best returns to industry.

|| Commercial and Financial Chronicle, Vol. 109, p. 1646.

The Relation Between the Two

It would seem, therefore, that since the quantity of purchasing power in terms of money is likely to increase some 25 per cent. and the quantity of goods is likely to remain, for the time, more or less stationary, we should look for an increase in prices of about 25 per cent. above their present level before the maximum is reached. But rising prices may stimulate production; if so, the increase in goods may check the rise in prices, so that prices, instead of rising 25 per cent. above present levels, may be checked after a rise of 10 per cent. or 15 per cent. This, however, is likely to take a year or more before it is worked out.

Meanwhile Europe will be gradually getting on her feet, reorganizing her industries and increasing her production of goods. Our high price level should attract those goods to this market and our imports should increase, thus increasing the quantity of goods in this country, and consequently causing prices to fall. Moreover, we shall have to pay for those increased imports in gold; this should force a contraction of our enlarged credit structure and reduce the quantity of purchasing power, thus causing prices to fall still further. This fall in prices should continue until our price level reaches an equilibrium with the price level in gold in other countries when imports should be checked, the outflow of gold stopped, and commodity prices pegged at about the world level of prices on a gold basis, whatever that may prove to be.

This movement, instead of being worked out in one or two years, is likely to continue several years; its duration depends largely on how rapidly Europe can be reorganized so as to be able to offer substantial quantities of goods in our market. Then, when prices in this country have found an equilibrium with world-prices, we may expect them thereafter to fluctuate only within relatively narrow limits, barring, of course, the recurrence of such disturbing influences as war, famine and pestilence, or radical changes in the social structure.

Conclusions

On the whole, therefore, it seems to me that we may expect prices to continue to rise for a year or more, then steadily to decline for several years, and after that to remain more less stationary. If life insurance production continues to follow the trend of commodity prices, as it has done before, then we ought to have a year or more of good business, followed by several years of declining business, and then a gradual but steady improvement resulting from the natural growth of population and the increasing popularization of insurance.

If this prediction proves correct, the European war will have resulted in much the same kind of an experience as we had during and after the Civil War, when the production of life insurance increased rapidly throughout the war period and for four years thereafter, declined steadily for the next ten years, and then started on a gradual up-grade which has continued ever since, barring slight reactions following the financial panics of 1893 and 1907, the investigation of 1905, and for a short time after the outbreak of the European war. Of course, all this is highly speculative. I give it to you not as a prophecy arising from any fixed conviction, but merely as what seems to me most likely to happen.

MONEY MARKETS

Messrs. Glazebrook and Cronyn, exchange and bond brokers, Toronto, report the following exchange rates to *The Monetary Times*:—

	Buyers.	Sellers.	Counter.
N.Y. funds	7⅞ pm	8% pm	....
Mont. funds	par	par	⅛ to ¼
Sterling—			
Demand	$4.1250	$4.1350	....
Cable transfers	4.1350	4.1450	....

Rate in New York, sterling, demand, $3.82⅝.
Bank of England rate, 6 per cent.

Trade Relations With the West Indies*

Free Trade Connection Between Canada and Southern Islands Would Lessen Dependence on United States — Present Tariff Might Become British Preference, and General Rate Increased.

By T. B. MACAULAY,

President, Canadian and West Indian League

TRADE co-operation between the different parts of the empire was always desirable, but a crisis has now been reached which makes it essential. The United Kingdom, Canada and the West Indies all import from the United States vastly greater values than they export to that country. Before the war the adverse trade balances were offset by interest on American securities owned in Britain. Most of these securities have now, however, passed into American ownership, and there is also a large annual interest which both the United Kingdom and Canada have to pay in New York. The rates of exchange indicate how hard pressed we are to provide funds to pay for these American purchases. In Britain the New York exchange has risen to a premium of 23 per cent., in Canada to over 5 per cent., and in the West Indies to over 20 per cent., and the end is not yet. These premiums are offered to induce the sale by English owners of their American securities so that the proceeds may be applied to the payment of the American purchases. When American securities are not available British and Canadian securities are offered in New York on the bargain counter at corresponding discounts below the British and Canadian prices. The supply, however, is not unlimited. How long can this continue?

The situation is terribly serious. Leaving the British problem to be dealt with by British statesmen, let us consider the relations of Canada and the West Indies to the United States.

Buy Heavily from the United States

There are few things which the people of the United States require to purchase outside of their own boundaries, especially since their requisition of Porto Rico. As a contrast, Canada must go abroad for all tropical and semi-tropical requirements, and the West Indies must go abroad for all their northern requirements. At present Canada makes these purchases largely from the United States and the West Indies make their purchases also largely from the United States, both rolling up a huge indebtedness to that country. If these two parts of the empire were but to enter into partnership, so that each would buy from the other, instead of from the United States, they would cancel much of their mutual indebtedness to that country, and each be much more prosperous and more populous.

As an illustration, British Guiana in 1917 bought from the United States $7.27 for every dollar the United States bought from her, while she bought from Canada 41 cents for every dollar of her produce which Canada bought. But for the preferential treaty with Canada, the trade of the islands would by this time be almost exclusively in American hands.

As president of the Canadian and West Indian League, the writer recently paid a visit to the eastern group of islands and British Guiana, consulting with the leading people and addressing many chambers of commerce, and therefore speaks with confidence as to the attitude of the people in these colonies. The suggestion of closer trade relations was everywhere received with enthusiasm. He advocated that the present preference of 20 per cent. be increased to 50 per cent., to apply, as does the present preference, to imports into the Dominion from the West Indies, and in the West Indies to imports from either Canada or the mother country. He was left no doubt as to the willingness of these colonies to make this arrangement. The granting of the recent British preference has removed all particle of doubt, if any there were.

Might Mean Higher General Tariff

The question of revenue has to be considered, but the writer always pointed out that the preference could be given by making their present tariff the preferential scale and merely doubling the same for the general tariff, thus avoiding all loss of revenue, making the preference to the mother country and Canada larger and more valuable, and lessening the inequality of concession which result when the percentage of preference is calculated on a low tariff by the West Indies and on a much higher tariff in Canada. This solution seemed to appeal to everyone. Nowhere did the writer hear one word of objection to it.

Incidentally, the new British preference on sugar has introduced a complication. Although the rate is but one-sixth, the British duty is so high that the preference comes to about 80 cents per 100 lbs. or more than double the present Canadian preference. This would result in all British West Indian sugar going to the mother country, thus destroying the Canadian connection. The writer, however, is quite confident that the difficulty will be solved by the increasing of the Canadian preference to equal the British preference. The Minister of Commerce of Canada has power to do this without further authority from parliament.

While all the colonies are ready for a 50 per cent. preference, British Guiana desires to consider the question of going much further. The position of that colony is unique. While the resources of the islands are somewhat fully developed, Barbados having nearly 1,100 to the mile, British Guiana has 90,000 square miles with a population of 300,000 or three to the mile. The colony is in urgent need of development and has great possibilities in sugar, rice, cattle, etc. A railway is urgently desired to open up the savannas in the south-west of the colony. Other public works should also be undertaken. Above all, British Guiana requires to be taken under the wing of some great northern nation which will undertake its development with energy.

The proposed railway would serve also north central Brazil which has enormous savannas with no present outlet or inlet except by the Amazon for two thousand miles to the sea. This great territory could be commercially annexed, especially if a preference treaty were arranged between Brazil on the one hand and Canada and British Guiana on the other.

Commerce with British Guiana

The United States are reported to be negotiating for Dutch Guiana, and if they secure it, will develop it vigorously. Is British Guiana to remain undeveloped because it is British? The natural course would be for the mother country to undertake this work. If, however, Canada is to do this, what basis could be arranged? From the commercial standpoint the admission of British Guiana as a Canadian province would be satisfactory, but the people there do not desire it and nothing more need be said on this point.

There is, however, in British Guiana, a very strong and widespread desire for commercial union, due chiefly to the efforts of Hon. Capt. J. M. Reid, Hon. George Russell Garnett and others, to whose wisdom and patriotic energy the writer would pay unstinted homage. The legislature of the Bahama Islands has twice put on record its desire for political union with Canada, but the other colonies are hardly

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*An address before the Montreal Board of Trade, December 4, 1919.

so far advanced. Under any form of political union British Guiana could reasonably ask to be treated as the provinces were treated. For the maritime provinces the Intercolonial Railway was built; for Prince Edward Island the P.E.I. Railway; and for the prairie provinces and British Columbia the Canadian Pacific Railway. It is practically certain that with political union the Dominion would unhesitatingly undertake the building of the British Guiana Railway and other necessary public works. How closely can we approach this arrangement without actual political union?

Commercial Arrangement

Porto Rico has its own local legislature but no voice in the government of the United States. There is free trade between that island and the American mainland, while the full American tariff is applied against imports from all other parts of the world. The customs revenue goes, however, to the island legislature and not to the United States. Under this arrangement the exports of Porto Rico have grown from $8,000,000 in 1901 to over $74,000,000 in 1918, and the imports from $9,000,000 to $63,000,000, $59,000,000 coming from the United States and $4,400,000 from the rest of the world. The island has become exceedingly prosperous and the trade has been forced into strictly American channels.

A similar arrangement between Canada and British Guiana should produce corresponding results. It is true that Canada has not the population of the United States, but: (1) The Canadian population is growing rapidly; (2) that population is exclusively northern without any competing semi-tropical section as in the United States; (3) the United States has also to provide markets for Hawaii, the Philippines and Cuba. A Canada and British Guiana customs union should provide a 50 per cent. preference for the mother country and this should be made an essential part of the arrangement.

Under a permanent customs union the Dominion would be justified in taking an interest in the development of British Guiana and suggestions are made in this connection. This idea was received with enthusiasm in Georgetown and has been much discussed and advocated since. There has been a chorus of popular approval in the Press and elsewhere, but the writer has not heard one disapproving voice.

Free Trade with Canada

Any form of union would imply free trade between Canada and the West Indian colony. Whether British goods could also be admitted free of duty is discussed. The conclusion is that to secure revenue and to justify Canada in undertaking the development, no better arrangement is posible than the full tariff against the United States, with a 50 per cent. preference to the mother country.

This position is reasonable. So far from injuring the trade of the mother country with the islands and the northern sections of South America it would save that trade from extinction and develop it to much larger figures. If nothing be done that trade will inevitably be captured by the Americans and be lost to both Canada and the mother country. Some details are given of the plans of the United States to capture that trade, and unless Canada intervenes, that British trade will be lost just as surely as the trade with Porto Rico has been lost.

The imports of the West Indian colonies consist chiefly of northern produce, flour, biscuits, grain, cheese, butter, corned beef, pork, salt fish, etc., and these can only be secured from either the United States or Canada. Shall these goods be supplied by one of the empire's dominions or by a foreign country? For goods which the mother country can supply in competition with the United States, the 50 per cent. preference would give her a tremendous advantage over that country.

The United States desires even the ownership of these islands. Striking quotations from American speakers are given. The suggestion is being continually heard that Britain should sell these colonies. In Jamaica, in particular, an insidious agitation is being carried on in favor of annexation, Porto Rico being pointed to as an illustration of the prosperity Jamaica would enjoy under the stars and stripes. The transfer of Jamaica or the other islands would, however, be the beginning of the break-up of the empire. Canada being exclusively northern must have tropical adjuncts if she is to have an independent commercial development and be really independent of the United States. No matter how loyal the people of the Dominion, she must otherwise become in time financially and commercially dominated by the United States. The West Indies are necessary to Canada's future. The United States wants them, but in a commercial sense, Canada wants them and needs them.

There are precedents. The Union of South Africa controls much of Africa; Australia has New Guinea and New Zealand Samoa. Why should not Canada have specially close relations with the West Indies?

But for Confederation the Canadian provinces would be a mere string of detached colonies along the northern border of the United States with probably but two-thirds of their present population and wealth, and completely under American control financially, commercially and probably politically. They would, in fact, by this time almost inevitably have joined the American Union. It might have been argued that it was unfair to the mother country to allow goods from Upper and Lower Canada to have an advantage over those of the mother country in the markets of the maritime provinces. Confederation, however, has saved the trade with Canada and has developed it to vastly greater proportions.

Southern Adjunct Most Desirable

The same objections could now be made to Newfoundland's joining the Dominion. For every commercial advantage resulting from a partnership of two northern countries one hundred advantages would result from a partnership of northern and tropical. Just as certainly as the federation of the Canadian provinces has increased the population and prosperity of every province and developed the trade of the mother country, so surely would a partnership between Canada and the West Indies have similar and even more beneficial results and build up the empire in North America to an importance at present hardly dreamed of. This arrangement would do much to solve the American exchange problem in Canada and the West Indies, and would assist even the mother country in this respect.

If we were to wait till a confederation of the West Indian colonies should first take place, we might wait till we are all in our graves, and the problem have settled itself in favor of the United States. In any case, it is doubtful if British Guiana would confederate with the islands. Her interests are antagonistic. She requires development, and union with the already developed islands would give the latter the power to stop Guiana's development. Would the people of Barbados, for example, vote to tax themselves to develop British Guiana?

British Guiana requires to be developed and Canada is ready, if requested, to undertake the task. It is not necessary to decide now the nature of the partnership or even whether there should be a partnership at all. That question can only be settled after lengthy conference. The Board of Trade of British Guiana has passed a unanimous resolution favoring union with the Dominion, and desires the appointment by the colonial government of a committee to discuss the matter with the Dominion government, the mother country also being represented on this committee. The joint committee would, after a full consideration, make a united recommendation which would be the basis for future action. The matter should be carefully studied in this way and well-thought-out recommendations be made by such a committee, which would not be binding on any legislature, but should be of great value in guiding their deliberations.

The appointment of such a committee may have great and far-reaching consequences, and is not merely wise, but most highly important and desirable. It would be a step forward in the consolidating of the empire in America and should lead to the solution of some at least of the empire's problems.

QUEBEC PROVINCE MAKES GOOD SHOWING

Funded Debt Reduced During Last Fiscal Year—Considerable Borrowing Planned for 1920

WITH the exception of the financial year 1917-18, when receipts from succession duties were unusually large, the revenue of Quebec province for the year ended June 30, 1919, was the largest thus far. These and other points regarding the provincial finances were brought out by Hon. Walter Mitchell, treasurer, in his speech in the legislature on December 17. He stated that the guiding principle of the government was that when the receipts were larger than the estimates larger expenditures could be made for colonization, good roads, education and agriculture and the expenditures on these had amounted to $5,099,852. Mr. Mitchell referred to the intention of the government to borrow $5,000,000 for colonization purposes, and foretold very substantial increases in the grants to agriculture, and for the other public services, which grants would be augmented from time to time as the revenue warranted.

Answering criticism regarding the increase of the funded debt the treasurer pointed out that this had been spent on the public services mentioned, and a considerable sum on the development of the water powers, and illustrated the wisdom of this by mentioning that the investment of $2,894,057 on the St. Maurice and St. Francois River water storages had already brought in $251,079 per annum, and as the years went on this income would increase with the building of new manufacturing plants and the sale of power, and at no distant date the government would be entirely repaid for its outlay and in addition would receive a substantial increase from these works. This revenue going to the consolidated fund meant less taxation.

Results for Year

The treasurer then turned to the results for the year 1918-19. There had been anticipated an ordinary revenue of $10,293,484, and an ordinary and extraordinary expenditure of $10,019,243 which would have left an estimated surplus of $274,240, whereas the actual results of the year's operations showed an ordinary revenue of $12,666,352, and an ordinary expenditure of $12,272,675, leaving a surplus of $393,676. The extraordinary expenditure for the year, however, paid out of the ordinary revenue was $98,455, which gave an actual surplus of ordinary revenue over both ordinary and extraordinary expenditure of $295,221. The ordinary revenue was more than the estimates by $2,372,867 and the estimate of the ordinary and the extraordinary expenditure was exceeded by $2,351,887. The cash operations of the province showed that although the financial year started with a balance in hand of $999,484 it finished with an adverse balance of $47,873, this being due to the fact that the total receipts from all sources was $14,699,136, while the payments were $14,994,978 plus $751,516 for outstanding warrants.

Assets and Liabilities

On the liabilities and assets of the province the provincial treasurer stated that the liabilities were $43,965,512 while the assets aggregated $10,930,221 leaving an excess of liabilities over assets of $33,035,290. The funded debt was $37,716,286 having been reduced by $299,367 during the year. The unfunded debt of the province was $4,167,298 but against this the government had in the form of cash, claims against individuals and corporations for advances, and Quebec's share of the Common School Fund, amounting to $1,169,009, a total of $8,848,295 leaving a surplus of assets over the unfunded debt of $4,680,996.

The Current Year

Dealing with the question of the current year Mr. Mitchell stated that the receipts from ordinary revenue for the five months ended on the 30th of November, 1919, were very satisfactory and the estimated receipts would probably be exceeded at the end of the fiscal year. There would also be an increase over the estimates in the ordinary and extraordinary expenditure for the current fiscal year by the amount of special warrants issued since 1st July, namely: $527,500, and also by the supplementary estimates to be submitted for amounts required for the different services to complete the necessary expenditure for the current year. It was expected that this increase in expenditure would be more than covered by the increase in revenue judging by the receipts up to the 30th of November.

Will Borrow Heavily

The treasurer said the estimates for 1920-21 for revenue were $11,673,904, ordinary expenditure, $11,590,563, leaving an estimated surplus of $83,340. In the matter of good roads he stated that the payments to municipalities and on government roads amounted to $18,813,298 out of the twenty millions authorized by the legislature. It was the intention of the government to secure authorization to borrow an additional sum so that the many demands for the building of highways could be met. Mr. Mitchell did not mention what this amount would be, but it is generally understood it will be $10,000,000 and that together with the federal grant of six millions, which will be an absolute gift to the province, and which will probably be voted in the proportion of forty per cent. of the cost of each highway undertaken, leaving the municipalities and the province between them to pay the remaining sixty per cent. This sum will enable a much more comprehensive scheme of road improvement to be undertaken than in any past year.

Mr. Mitchell concluded by speaking of the fact that the credit of the province was of the best in the money markets of the world.

Industrial Growth

Turning to industry, he pointed out that in the decade 1905-15, the number of industrial establishments grew from 4,965 to 7,158, the annual wages paid employees from $38,703,763 to $80,217,258 and the value of products from $219,861,648 to $387,900,585. During the present year it had been estimated that the industrial output of the province would amount to not less than $500,000,000.

Opposes Borrowing

C. E. Gault, member for St. George, Montreal, discussed the budget briefly on behalf of the opposition. He maintained that had all accounts been paid there would have been a deficit instead of a surplus shown. He also opposed any immediate borrowing. "With the English money market practically closed," he said, "and the exchange situation in such a precarious condition, I trust that the necessity for further borrowing may be put off as long as possible. It would no doubt, be advantageous if money could be borrowed in the United States, but I doubt if it could be, and the tenderer would want to take advantage of the exchange rate. While I am not afraid of the credit of the province, nor afraid to borrow when necessary for the advancement of the province, especially where the expenditure will show large returns, it would be a great thing if this province would show the world an example of economy by keeping its expenditure down to its revenue. This is especially desirable in view of the wave of insanity and the insane desire for wealth spreading over the world, and the great extravagance which exists. The next six or nine months would be most critical in the history of the world, and if it can be weathered Canada will be in for a great era of prosperity. The war had shown us our capacities and our strength and our weaknesses, also our energies, and if these energies were properly directed, there should be no limit to the growth of the country."

On December 20th the legislature adjourned until January 8th.

Admission to the British Industries Fair, to be held at London, Birmingham and Glasgow in February next, is by invitation only. Canadian buyers who propose to visit the Fair can obtain invitations from the British Trade Commissioners in Canada at Montreal, Toronto and Winnipeg, respectively.

The Hamilton Provident and Loan Society

DIVIDEND No. 97

Notice is hereby given that a Dividend of *Four and one half* per cent., being at the rate of *Nine* per cent. per annum, has been declared for the half year ending December 31st, 1919, upon the paid-up Capital Stock of this Society, and that the same will be payable at the Society's Head Office, Hamilton, Ontario, on and after Friday, the 2nd day of January, 1920.

The Transfer Books will be closed from the 15th to the 31st of December, both days inclusive.

By order of the Board.

D. M. CAMERON, Treasurer.

CANADA PERMANENT

MORTGAGE CORPORATION

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of TEN PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

FRIDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board.

GEO. H. SMITH, Assistant General Manager

Toronto, November 26th, 1919.

The Ontario Loan & Debenture Company

DIVIDEND No. 130

Notice is hereby given that a QUARTERLY DIVIDEND of 2¼ PER CENT. for the three months ending 31st December, 1919 (BEING AT THE RATE OF 9 PER CENT. PER ANNUM) has been declared on the paid-up Capital stock of this Company, and will be payable at the Company's Office, London, Ontario, on and after the 2nd January next to Shareholders of record of the 15th December.

By order of the Board.

A. M. SMART, Manager

London, Canada, 25th November, 1919.

THE TORONTO MORTGAGE COMPANY

Quarterly Dividend

Notice is hereby given that a Dividend of Two per cent., being at the rate of Eight per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, together with a Bonus of One per cent., and that the same will be payable on and after **1st Jan., 1920**, to shareholders of record on the books of the Company at the close of business on 15th inst. By Order of the Board.

Toronto, 4th Dec., 1919. WALTER GILLESPIE, Manager.

COST OF GOVERNMENT IN ONTARIO

Per Capita Cost is $56.06 in Toronto, $44.02 in Hamilton and $45.79 in London

THE Citizens' Research Institute of Canada has issued a third study of the cost of government, this one being for Ontario. Figures are given for Toronto, Hamilton and London. During the year 1916-17 the provincial government had a revenue of $18,269,597, and an expenditure of $16,518,223. These are analysed by the bureau as follows:—

REVENUE

Lands, forests and mines	$ 3,579,196	or 19.6%
Succession duties	3,110,495	" 17 %
Dominion of Canada	2,605,949	" 14.3%
Provincial war tax	2,119,732	" 11.6%
Taxation on corporations and companies	1,962,719	" 10.7%
Hydro-Electric Power Commission, interest paid by municipalities under R.S.O., 1914	1,185,091	" 6.5%
Department of public highways (including motor vehicles)	954,654	" 5.2%
General fees, fines, licenses, etc.	737,819	" 4 %
Amusement tax	587,721	" 3.2%
Charitable institutions	536,167	" 3 %
Casual revenue	400,883	" 2.2%
T. & N. O. Railway	250,000	" 1.4%
Agriculture	141,219	" .77%
Education department	61,168	" .33%
Other items	36,784	" .2%
	$18,269,597	100%

EXPENDITURE

Statutory expenditure	$ 3,342,577	or 20.2%
Education	2,588,586	" 15.7%
War expenditure	2,414,447	" 14.6%
Public institutions maintenance (including hospitals for the insane, reformatories and industrial farm)	2,255,875	" 13.7%
Civil government	1,798,809	" 10.9%
Public buildings, general	821,003	" 5 %
Charges, Crown lands	819,328	" 5 %
Agriculture	811,060	" 4.9%
Hospitals and charities	543,536	" 3.3%
Highways	438,303	" 2.6%
Miscellaneous (including refunds)	684,699	" 4.1%
	$16,518,223	100%

The expenditure on general education was 15.7 per cent. of the total expenditure.

The total expenditure represented an expenditure per head of population of $6.02 (Canada Year Book).

Coming to the revenue and expenditure of the cities, these are analysed as below.

Summarizing, the total cost of government in Ontario, per capita, is as follows for the cities mentioned:—

	Municipal. 1917.	Provincial. 1916-17.	National. 1917.	Total.
Toronto	$33.64	$6.02	$16.40*	$56.06
Hamilton	21.60	6.02	16.40*	44 02
London	23.37	6.02	16.40*	45.79

*Does not include subsidies to provinces, as these are shown in provincial expenditures.

INCOME

Source.	City of Toronto. Amount.	Percentage.	City of Hamilton. Amount.	Percentage.	City of London. Amount.	Percentage.
Taxation:						
General	$10,193,476.67		$1,060,359.00		$ 863,642.96	
Schools	3,924,928.01		570,298.00		398,587.85	
	$14,118,404.68	87.6%	$1,630,657.00	90.0%	$1,262,230.81	95.4%
Miscellaneous departmental revenues	1,545,467.00	9.6%	181,582.60	10.0%	48,131.28	3.6%
Surplus, 1916	448,037.47	2.8%	....	.....	12,967.46	1.0%
Total revenue	$16,111,909.15	100%	$1,812,239.60	100%	$1,323,329.55	100%
Surplus on water works operation	....	.....	61,441.80	.....	....	.....
Outstanding taxes, 1913-1916 (inclusive)	....	.....	454,732.00	.....	....	.....
Profit from public utilities	....	.....	....	.....	16,149.89	.....
	$16,111,909.15		$2,328,413.40		$1,339,479.44	

EXPENDITURE

Function.	City of Toronto. Amount.	Percentage.	City of Hamilton. Amount.	Percentage.	City of London. Amount.	Percentage.
General government	$ 4,313,109.45	27.0%	$ 438,544.41	20.3%	$ 369,615.94	27.6%
Education	4,098,438.24	25.7%	708,693.08	32.8%	436,887.85	32.6%
Protection of persons and property	2,689,610.78	16.9%	314,761.45	14.6%	169,768.79	12.7%
Health and sanitation	1,912,751.39	12.0%	128,353.93	6.0%	21,505.41	1.6%
Highways	1,432,000.06	9.0%	268,126.35	12.4%	174,272.35	13.0%
Charities and correction	874,651.06	5.5%	231,627.82	10.7%	150,679.10	11.3%
Recreation	617,989.69	3.9%	68,131.76	3.2%	16,750.00	1.2%
Total expenditure	$15,938,550.67	100%	$2,158,238.80	100%	$1,339,479.44	100%
Deficit from public service enterprises	173,358.48	.....	....	.....	....	.....
Overdraft, 1916	....	.....	170,174.60	.....	....	.....
	$16,111,909.15		$2,328,413.40		$1,339,479.44	
Population for 1917	473,829		107,826		57,301	

Increased rates on paper and paper products are contained in a new set of tariffs just issued by the Canadian National Railways, the Canadian Pacific Railway and the Grand Trunk. It is proposed to make these effective on January 2nd next.

Messrs. Craig, Luther and Irvine, members of the Montreal Stock Exchange, announce that beginning with the new year they will operate a branch office in the Windsor Hotel, Montreal, Que. Mr. A. G. Fenwick, now a partner of the firm, will be in charge of the branch.

TORONTO RESTAURANT STOCK OFFERING

Messrs. Bongard and Ryerson will shortly make an offering of stock for Prince's, Ltd., a company incorporated to conduct a catering establishment on Yonge Street, near King, Toronto. The capitalization is $400,000 7 per cent. cumulative preferred, of which $150,000 is being issued now, and $600,000 common, with a present issue of $300,000. A good part of the preferred has already been privately disposed of in Toronto.

INSURANCE LICENSES ISSUED

The Yangtsze Insurance Association, Ltd., has been licensed to transact in the province of British Columbia the business of fire insurance. The chief agency is to be situated in Vancouver, B.C.

The Great American Insurance Co. has been licensed to transact in British Columbia the business of explosion insurance (including riot and civil commotion), in addition to hail, tornado, sprinkler leakage, marine and automobile insurance (excluding insurance against loss by reason of bodily injury to the person).

Application will be made by the British Pacific Casualty Co. to transact in British Columbia the business of fire insurance in all its branches, and to change the name of the company to British Pacific Insurance Co.

The Canadian Fire Insurance Co. has been licensed to transact in British Columbia the business of automobile insurance. Provincial head office is Victoria.

The British General Insurance Co., Ltd., has been licensed to transact in Canada the business of fire insurance. The chief agency of the company is to be situated at Montreal, and Mr. T. F. Dobbin has been appointed chief agent.

The London Assurance Co. has been licensed to transact in Canada the business of fire insurance and automobile insurance.

The National Surety Co. has been licensed to transact in Canada the business of burglary insurance in addition to guarantee insurance, for which it is already licensed.

The General Accident Assurance Co. of Canada has been licensed to transact in Canada the business of automobile insurance in addition to the classes for which it is already licensed.

Representatives of Greenshields, Ltd., from all over the Dominion, held a convention at the head office in Montreal, on December 16 and 17. About 73 were present. The firm has been in existence since 1833, having been founded by Samuel and John Greenshields, grandfather and father of the late E. B. Greenshields, who was first president of Greenshields, Ltd.

INTERPRETATION OF INTEREST ACT CLAUSES

Cluases Six and Seven Have Given Rise to Several Important Legal Cases—Three Recent Ones

By M. L. Hayward, B.C.L.

BY Sections 6 and 7 of the Interest Act the Parliament of Canada has made the following provisions:—

Section 6: Whenever any principal money or interest secured by mortgage on real estate is, by the same, made on the sinking fund plan, or any plan under which the payments of principal money and interest are blended, or on any plan which involves an allowance of interest on stipulated repayments, no interest whatever shall be chargeable, payable or recoverable, on any part of the principal money advanced, unless the mortgage contains a statement showing the amount of such principal money and the rate of interest chargeable thereon calculated yearly or half-yearly, not in advance.

Section 7: Whenever the rate of interest shown in such statement is less than the rate of interest which would be chargeable by virtue of any other provision, calculation or stipulation in the mortgage, no greater rate of interest shall be chargeable, payable or recoverable, on the principal money advanced, than the rate shown in such statement.

Instalments Stipulated in Agreement

These provisions were considered by the Supreme Court of Canada in the case of the Canadian Mortgage Investment Co. vs. Cameron, in which the mortgagor entered into the following covenants contained in the mortgage:—

"First: That he will pay to them, the said mortgagees, the above sum of one thousand four hundred dollars and interest thereon at the rate hereinafter specified in gold or its equivalent, at the office of the said mortgagees at the City of Toronto, in the Province of Ontario, as follows: That is to say, in instalments of one hundred and seventy-nine 90/100 dollars half-yearly on the 24th days of June and December in each year until the whole of said principal sum and the interest thereon is fully paid and satisfied, making in all ten half-yearly instalments. The first of said instalments to become due and be payable on the 24th day of December, 1907. All arrears of both principal and interest to bear interest at ten per centum per annum as hereinafter provided.

"Secondly: That he will pay interest on the said sum or so much thereof as remains unpaid at the rate of ten per centum per annum by half-yearly payments on the twenty-fourth days of December and June in each and every year until the whole of the principal money and interest is paid and satisfied, and that after maturity interest shall accrue at the rate aforesaid from day to day, and that interest in arrear, whether on principal or interest, and all sums of money paid by the mortgagees under any provision herein contained or implied or otherwise, shall be added to the principal money and shall bear interest at the rate aforesaid, and shall be compounded half-yearly, a rest being made on the twenty-fourth days of the months of December and June in each year until all such arrears of principal and interest are paid; and that he will pay the same and every part thereof on demand."

Contended Amounts Not Shown

The mortgagor contended that the covenants quoted above did not contain "the statements showing the amount of principal money and the rate of interest chargeable thereon calculated yearly, or half-yearly, not in advance," as required by Section 6 and that, therefore, "no interest whatever shall be chargeable, recoverable or payable," as provided by said Section 6.

The Supreme Court of Canada held that as the mortgagor had covenanted to pay the principal and interest in ten half-yearly payments and to pay interest on the principal or so much thereof as remains due at the rate of ten per centum per annum and the same rate on any sum in arrear, the mortgagee may collect the interest as Section 6 has been complied with, and that if the mortgage shows the amount of principal and the rate of interest calculated as required a special statement, complete in itself, showing the amount of the principal and the rate of interest is not necessary.

"In this second paragraph," said Judge Davies in referring to the covenant in the mortgage quoted above, "each of the stipulated half-yearly instalments contains the sum charged for interest at the rate of ten per centum payable half-yearly and that interest at this rate is chargeable under the mortgage and payable at such intervals. That, I think, is a sufficient compliance with Section 6 of the Interest Act."

Second Case Also Decided

In another case along the same line, the Standard Reliance Mortgage Corporation vs. Stubbs, argued before and decided by the Supreme Court of Canada at the same time as the Cameron case, the mortgagor covenanted to pay the sum of $700, "together with interest thereon as hereinbefore provided, said principal and interest being payable as follows: The sum of $8.75 on the first Monday of each month for the period of 135 months, and it is further agreed that the principal is $700 and the rate of interest chargeable thereon is ten per centum per annum as well before as after default."

In this case the same point was raised—namely, that the mortgage in question did not contain a sufficient statement of the principal and interest to comply with the requirements of Section 6 of the Interest Act, but in this case as well the decision was in favor of the mortgage corporation, the Court holding that the provision quoted above was a sufficient compliance with Section 6.

Interest Act Not Clear

"The purpose and effect of the concluding clause of Section 6 of the 'Interest Act' are certainly not as clear as could be desired," said the Court. "Consideration of its terms, however, has led me to the conclusion that it does not prescribe that the mortgage shall set forth the calculation by which the several blended payments or instalments of principal and interest are computed, or that it shall be shown what amount of principal and what of interest is comprised in each such payment or instalment. What the prescribed statement is to show is (a) 'the amount of such principal money advanced'—namely, the amount of the principal money secured which has been advanced and is to be repaid in the blended payments; (b) 'the rate of interest chargeable thereon'—namely, the rate at which the interest to be paid is to be computed. (c) The section further prescribes that such interest shall be 'calculated yearly or half-yearly not in advance,' and the 'statement' shall show that it is intended to be so computed. The adjective 'chargeable' clearly relates to and qualifies the word 'rate.' The participle 'calculated' equally clearly relates to and qualifies the word 'interest.' It cannot apply to the word 'rate'; a 'rate of interest' is not 'calculated.' But the 'rate' is distinctly affected by the frequency with which it is calculated or computed and interest in advance is appreciably more advantageous to the lender than interest not in advance. Ten per cent. per annum computed monthly, is a rate materially higher than ten per cent. per annum computed yearly. There is nothing in the statute which precludes requiring payment by quarterly, monthly or even weekly instalments of blended principal and interest. But however frequently the payments are to be made, not only must the rate of interest chargeable be stated, but it must also appear that such interest is to be 'calculated' 'yearly or half-yearly and not in advance.' If the rate be stated to be say 10 per cent. per annum, although this is not an explicit statement that the interest is to be computed yearly, such a computation is implied, and I should regard it as a sufficient statement to that effect and as precluding the computation of interest on any other than a yearly basis. So, too, with the provision 'not in advance.' Unless the contrary is expressly stipulated, I would read a reservation of interest at 10 per cent. per

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annum as precluding computation of interest in advance. That the interest in such a case is to be computed 'not in advance' is, I think, the reasonable implication from the stipulation. The statement in the mortgage before us that the rate of interest chargeable thereon is 10 per cent. per annum as well before as after default is, in my opinion, a sufficient statement of the rate of interest and that it is to be calculated yearly and not in advance."

A More Intricate Case

In the case of Biggs Freehold Loan and Savings Co., also decided by the Supreme Court of Canada, the mortgage was given to secure the payment of the sum of $20,000 with interest at 9 per cent. payable half-yearly, and contained the following provisos:—

"The amount of principal money secured by this mortgage is $20,000 and the rate of interest chargeable thereon is 9 per cent. per annum payable half-yearly, not in advance. The said sum of $20,000 is to be due and payable in two years after date. Provided (1) that on default of payment for two months of any portion of any money hereby secured the whole of the instalments hereby secured shall become payable, and (2) that on default of payment of any of the instalments hereby secured the interest at the rate above mentioned shall be paid on all sums in arrear and also on the interest by this proviso secured at the end of every half-year that the sum shall be unpaid."

The mortgage was in default for over two months, whereby the whole amount became due and payable, whereupon the savings company claimed that it was entitled to interest at the rate of 9 per cent. on the amount in default, according to the second proviso quoted above, while the mortgagor contended that the company could not collect more than the then legal rate of interest—namely, 6 per cent., and in this case the decision of the Court was in favor of the mortgagor, on the ground that the principal sum of $20,000 coming due under the first proviso quoted above was not an "instalment in arrear."

"The language of these provisos," said the Court, "has very intelligible application to the case of the loan where the principal sum advanced and interest thereon at a rate agreed upon are blended together and the sum of the amounts so blended is made payable by instalments until the whole blended sum is repaid, and the effect of the first of these provisos in such mortgage plainly is, that upon any one of those instalments becoming in arrear and continuing so for two months after the day prescribed in the mortgage for payment thereof, then the whole of the subsequent instalments shall become immediately payable in advance, whereupon the mortgagee may exercise all the powers contained in the mortgage for the recovery of the whole amount remaining on the security of the mortgage in anticipation of the day specified in the mortgage for payment of the last instalment."

MUTUAL LIFE AND CITIZENS' ASSURANCE CO.

At the annual meeting of this company, which was held in Sydney, N.S.W., the financial statement for the year ended December 31st, 1918, was presented. It shows assets amounting to $73,400,000, of which 74 per cent. is invested in government securities, municipal securities and loans to public bodies. The whole of the company's accumulations since August, 1915, have been invested in war loans, including those of the Dominion of Canada. The average rate of interest earned is 5 per cent. In the ordinary branch the company's expense ratio is 10.90 per cent. and in the industrial branch 35.44 per cent. Claims during the year totalled $4,135,000 against $3,590,000 in 1917. New business showed an increase of $2,500,000, compared with 1917.

The following were the shipments of ore, in pounds, from Cobalt Station for the week ended December 20th, 1919:—

O'Brien Mine, 64,020. Total, 64,020. The total since January 1st is 23,759,692 pounds, or 11,879.84 tons.

UNION MUTUAL FIRE ASSOCIATION

A special meeting of the Union Mutual Fire Insurance Association was held in Woodstock, Ont., on December 15, for the purpose of drafting by-laws suitable to all the companies concerned. The following were among those present: J. Collins, from the Brant Mutual, Brantford; T. M. Cayley, the Otter Mutual, Norwich; T. R. Mayberry, Dereham and West Oxford Mutual, Ingersoll; F. H. Harris, Dereham and West Oxford Mutual, Mt. Elgin; and J. C. Dance, Dorchester Mutual, Dorchester.

SECURITY LIFE SHARES BIG BUSINESS

In recent years the Security Life Insurance Co. of Canada, which was originally incorporated in 1907 under the name of the Prudential Life Insurance Co. of Canada, has made good progress, and the figures of new business for this year, shown elsewhere in this issue, indicate that a good share of the large volume now being written each month is obtained. Applications for new business for the first eleven months of the year amounted to about two and one-half times those for the whole year 1918. Since 1911 the company has been writing under a Dominion license.

BRITISH COLUMBIA TAXATION INQUIRY

On November 20th the British Columbia government commenced an inquiry into the subject of municipal revenue. A board, composed of Hon. John Hart, minister of finance, R. Baird, inspector of municipalities, and R. Johnson, inspector of revenues, held sessions in Victoria on November 20th and 21st, and in other cities at later dates. The new Municipal Act, which has been discussed for some time, will be taken up at the next session of the provincial legislature, and this inquiry will be an important factor in determining the legislation. At the opening meeting, Hon. John Hart pointed out that at the last session of the legislature a municipal delegation had asked for more sources of revenue, and for this reason the present inquiry was being held.

These sessions have now been completed, but no announcement has been made. In addressing the Vancouver Board of Trade on December 9th, Hon. John Hart stated that they had not had an opportunity to review the evidence. Reviewing the finances of the province since 1910, he said that in 1910 there was a surplus of approximately $9,000,000, and a public debt of $10,300,000. In November, 1916, the public debt was $23,153,000, with a floating debt of $2,000,000. The revenue from 1910 to 1917 was about $65,000,000. The expenditure, including the surplus, for those seven years approximated $90,000,000. Together with this, the province had contingent liabilities in the way of guarantees to railways of $47,000,000 to the C.N.R., and $20,000,000 to the P.G.E. It was taking a lot to carry on the P.G.E. construction work. It was the government's policy to endeavor to complete next year the P.G.E. to Fort George. This would require approximately $3,000,000, which with $1,000,000 for interest, would bring next year's cost approximately to $4,000,000. As for the C.N.R., it was fortunate the federal government had taken it over. This meant an end to provincial liabilities, he believed.

When the government went into office, it was faced with a large debt which required approximately $4,000,000 to meet. Owing to the financial position of the province at that time, the best price that was offered for bonds meant a cost of 7.40 per cent. to the government. This offer was refused. The charges the government was forced to meet, in the way of interest payments, grants to hospitals and schools, etc., amounted to about $7,500,000. With the revenue at approximately $6,000,000 it was plain to see, he said, that it had been necessary to bring about increased taxation. Efforts had been made to reduce expenditures in the civil service, but in view of the increase in the cost of living, he thought there would really be an increase in that department.

INDUSTRIAL EVENTS OF THE WEEK

Developments in the Pulp and Paper Field—No Agreement Yet Between Great Lakes Co. and Twin Cities—Dominion Steel Has Large European Contract —Government Order for Canada Car

SEVERAL important developments in the pulp and paper field have been announced this week. Probably the most important is the report of the increasing interest by the M. J. O'Brien Co., in connection with the installation of a large pulp and paper mill at the north end of Lake Timiskaming. The O'Brien Co. is a $20,000,000 corporation, and controls among other properties, two important silver-producing mines, namely, the O'Brien at Cobalt and the Miller Lake-O'Brien at Gowganda. The corporation also controls a part of the Des Quinze power, which will develop upwards of 100,000 h.p. It is stated that the company is investigating the various methods employed in other plants, and is considering the possibility of electrically heated boilers, etc.

The manufacture of bleached sulphite has commenced at the new plant of the Kipawa Fibre Co., which is a subsidiary of the Riordon Pulp and Paper Co., situated at the south end of Lake Timiskaming. During the second week of December, the first unit was brought into operation and is expected to turn out about 50 tons daily. Following the actual commencement of production comes the information that the company has already begun specifications for the installation of another unit of equal size, the first having been installed with the fixed object in view of adding other units. It is stated that the aim of the company is to ultimately have about five such units, to be installed at the approximate rate of about one a year until the whole is completed.

C. R. Whitehead, president of Wayagamack Pulp and Paper Co., confirms the report that the company has acquired by purchase the Breakey Timber Limits, in Gaspe, Que., situated on the York River, which cover a total of 450 square miles and will be particularly valuable to the Wayagamack Co. as 90 per cent. of the timber on the limits is spruce, the kind of wood the company requires for the manufacture of its kraft products. The York River is driveable through the entire length of the limits now acquired and it is the intention to ship to the Wayagamack plant at Three Rivers, Que., by means of steam barges. It is understood that it will not be necessary for the company to effect any additional financing in connection with this important purchase.

The Northumberland Paper and Electric Co. is said to have just completed a transaction which is of considerable interest to the paper trade of Canada. It has bought out the Canada Boxboard Co., with mills both at Montreal and Frankford, Ont. The importance of the deal is shown from the fact that the Frankford mills make almost twenty-five tons of boxboard per day, whereas the mills now under the ownership of the Northumberland Paper and Electric Co. have a combined output exceeding one hundred tons per day.

Great Lakes Pulp Mill Question

No definite agreement between the Great Lakes Pulp and Paper Co. and the cities of Port Arthur and Fort William has yet been arrived at. A delegation of the two cities conferred with representatives of the pulp company and the hydro at Toronto last week, and the price of power was definitely decided upon at $17.50. The question of the location of the site for the proposed plant, and the power agreement between the commission and the company are as yet undecided.

Dominion Steel Rail Order

Official announcement has been made by the Dominion Steel Corporation that an order has been received for 7,500 tons of special shaped rail for export to Rumania. The preparation of the rolls necessary to produce these rails has been undertaken and it is now expected that the rolling can be started in January. As soon as the rolls are ready the rail mill will be started on single shift and this means that from three to four weeks' work is now in sight for this department. To permit the production of this extra tonnage without interfering with the other smaller mills now in operation, and in the hope of further business offering prior to the completion of the present order, it is now the intention to operate two blast furnaces beginning about January 1st. If conditions at that time warrant, some further steel furnaces will then be placed in operation.

Government Work for Canada Car

A contract with the Fort William works of the Canadian Car and Foundry Co., for the repairing of 1,500 freight cars at present in use on the Grand Trunk Pacific, has been closed with the Canadian government. Word to this effect has been received by Dr. R. J. Manion, M.P. for Fort William from the Hon. Dr. Reid, minister of railways and canals.

Other Industrial Notes

A new woodturning industry is to be located in Parry Sound, Ont., pending the closing of the options on the building now owned by Mr. James Allen, located near the Parry Harbor dock. A request for about fifty horse power has been made, and machinery, it is expected, will be on the way about the beginning of January.

The manufacturing, transportation and mercantile committee of the Sudbury, Ont., Board of Trade met last week to deal with communications with regard to new industries which were referred to them at a recent meeting. It was decided to forward at once to the Kersch Mfg. Co. and the United Charcoal Co., of Chicago, data concerning the advantages of Sudbury as a manufacturing centre, and also to ask these companies for further information as to their plans and requirements.

The Mead-Morrison Manufacturing Co., of Boston, Mass., has purchased all the interests in M. Beatty and Sons, Ltd., Welland, Ont., and will shortly take over the plant. The American company will continue the business conducted by the Beatty Co. in the manufacture of contractor's plant.

Messrs. Alex. Young, Ltd., will erect a $300,000 plant in Regina, Sask., for the manufacture of new cut stone and monumental goods.

Construction of the main buildings of the British Columbia Manufacturing Co., New Westminster, B.C., plant No. 2, is now under way, and this additional plant, which is designed to have twice the capacity of that now in operation, will be in a position to make fruit boxes for next year's season.

Woodstock is to have another large new industry in the near future if the proposal made by two prominent Toronto manufacturers is accepted by the ratepayers of the city. These men propose to form a company to be known as the Karn Manufacturing Co., Ltd., and will rejuvenate the Karn name and patents in the manufacture of pianos, player-pianos and piano actions. They have taken an option on the factory to buy it for the sum of $40,000.

MONTREAL INVESTMENT HOUSE FORMED

Winans, Dickinson and Whitehead, Ltd., is the name of a new investment firm, the formation of which was announced in Montreal a few days ago. Offices have been secured in the Dominion Express Building. They will deal in Victory Loan bonds, provincial and municipal bonds and debentures, and industrial securities. The members of the firm are Lt.-Col. B. G. Winans, who is well known in financial circles in Montreal, Toronto and Winnipeg, T. Kelly Dickinson, who was for fifteen years a financial journalist and recently editor of the "Montreal Financial Times," and W. T. Whitehead.

In addition to the lists of fire and casualty insurance companies already given in *The Monetary Times* as subscribers to the 1919 Victory Loan, the Continental Insurance Co., and the Fidelity-Phenix Fire Insurance Co. also subscribed for $50,000 each.

NEW INCORPORATIONS

Goodyear Tire and Rubber Co. of Canada, Ltd.—Canadian Connecticut Cotton Mills, Ltd.—Hudson Mines, Ltd.

The following is a list of companies recently incorporated, with the head office and authorized capital:—

Caledonia Springs, Ont.—Caledonia Front Cheese Factory, Ltd., $2,000.

Galt, Ont.—Stauffer-Dobbie, Ltd., $1,000,000.

Lachine, Que.—Rose-McLaurin, Ltd., $100,000.

Cutler, Ont.—Ferguson and McDonnell, Ltd., $20,000.

Arnprior, Ont.—Climax Clothing Co., Ltd., $100,000.

Midland, Ont.—St. Margaret's Club, of Midland, Ltd., $25,000.

Maple, Ont.—Maple Farmers Co-operative Co., Ltd., $10,000.

Belleville, Ont.—Weed Harvester Machine Co., Ltd., $50,000.

Chatham, Ont. — Crawford Skead Gold Mines, Ltd., $1,000,000.

Baie Saint-Paul, Que.—Donnacona Silver Fox Farms, Ltd., $20,000.

Smith's Falls, Ont.—Record-News Press, of Smith's Falls, Ltd., $40,000.

New Toronto, Ont.—Goodyear Tire and Rubber Co. of Canada, Ltd., $30,000,000.

Ottawa, Ont.—Capital Sales and Distributing Co., Ltd., $24,000; Foundries, Ltd., $24,000.

Sherbrooke, Que.—Canadian Connecticut Cotton Mills, Ltd., $6,500,000; J. M. Nault and Freres, Ltd., $45,000.

Victoria, B.C.—George I. Warren and Co., Ltd., $10,000; Canadian Lignite Co., Ltd., $90,000; Salmon River Silver Mines, Ltd., $50,000.

Vancouver, B.C.—North-West Biscuit Co., Ltd., British Columbia, $10,000; B. F. Fell, Ltd., $50,000; Vancouver Sheet Metal Co., Ltd., $5,000; Turpin Bros., Ltd., $50,000.

Quebec, Que.—Franquelin Lumber and Pulp Wood Co., Ltd., $550,000; National White Mica Mine, Ltd., $500,000; Saguenay Lumber Co., Ltd., $100,000; Tarrien Lumber Co., $199,000.

Hamilton, Ont.—John Lennox and Co., Ltd., $500,000; Bird Machine Co. of Canada, Ltd., $1,000; Canadian Foamite Firefoam Co., Ltd., $50,000; Canadian Hart Products, Ltd., $500,000; Brown's Hardware Co., Ltd., $30,000; Court Ambitious Building Committee, Ltd., $15,000.

Winnipeg, Man.—Hudson Mines, Ltd., $5,000,000; General Development Corporation, Ltd., $50,000; Thomas L. O'Brien Co., Ltd., $200,000; Motor Mart, Ltd., $2,000; Trans-oceanic Trading Co., Ltd., $5,000; Pelican Carbon Co., Ltd., $20,000; Aerial Transport and Taxi Co., Ltd., $75,000; Manitoba Clays and Building Supplies, Ltd., $300,000.

Montreal, Que.—Lazier Paper Mills, Ltd., $45,000; La Compagnié J. S. Laughran, Ltd., $90,000; Standard Woollen Co., Ltd., $45,000; Eriez Stove and Manufacturing Co. of Canada, Ltd., $200,000; John Allen Safe Co., Ltd., $75,000; Mitchell-Dossert Co., Ltd., $50,000; Kel-Ola Co., Ltd., $200,000; Canadian Financial and Trading Corporation, Ltd., $100,000; Vlit Manufacturing Co., Ltd., $150,000; Specialities, Ltd., $50,000; Montreal Printing and Publishing Co., Ltd., $99,000; Rotisseries, Ltd., $45,000; U. H. Dandurand, Ltd., $20,000; Montreal Townlots, Ltd., $500,000; The Bradford Cap Manufacturing Co., Ltd., $20,000; Jolicoeur, Ltd., $49,900.

Toronto, Ont.—Canadian I. T. S. Rubber Co., Ltd., $600,000; Harris Wood Products Co., Ltd., $100,000; Allied Drug Co. (1919), Ltd., $100,000; Eastern Cafeterias of Canada, Ltd., $500,000; Ward Baking Co., Ltd., $1,000,000; Republic Flow Meters Co. of Canada, Ltd., $50,000; Bowes Co., Ltd., $1,000,000; Universal Sales Co., Ltd., $50,000; Commercial Lumber Co., Ltd., $40,000; General Services, Ltd., $100,000; Ivey Storage Batteries, Ltd., $500,000; Canadian Confectionery and Spice Co., Ltd., $40,000; City Dye Works, Ltd., $40,000; British Harold F. Ritchie and Co., Ltd., $400,000; J. M. Smoot and Co., Ltd., $40,000; Dominion Wine Growers, Ltd., $100,000; Wolfe Wilder Fur Co., Ltd., $20,000; Canadian Fireclay Products, Ltd., $40,000.

WHY "ACADIA" SHOULD BE FORMED

Great Savings in Public Expenditures—Development of Other Provinces Compared

SOME suggestions for the union of the three maritime provinces of Canada, and for their administration as a unit, are made by Hon. J. B. M. Baxter in a Christmas issue of the St. John, N.B., Standard. "The three eastern provinces," he says, "naturally look for that share in the development of our country to which we feel we are entitled. Our contribution to the revenues of Canada have rendered possible the expenditures which have developed the west. Our population, however, has barely held its own, considered from the standpoint of natural increase. It has had no such development as has taken place in the western provinces. We may take Quebec and Ontario somewhat as standards, these being the older and more settled provinces whose populations are less likely to undergo sudden changes. During the ten years from 1901 to 1911 the first-named province increased its population about 21½ and the latter about 15½ per cent. That of Nova Scotia was increased but little more than 7 per cent., New Brunswick about 6¼ per cent., while Prince Edward Island decreased by nearly 9¼ per cent. Contrast this with Manitoba's growth of 78½ per cent., British Columbia nearly 120 per cent., Alberta 413 per cent. and Saskatchewan nearly 440 per cent. These four provinces in 1901 had an aggregate population of a little under 600,000, while the maritime provinces then possessed nearly 894,000. The latter attained in 1911 to about 938,000 as against 1,715,000 for the western group."

Regarding the public debt, Mr. Baxter says: "It may be that the amalgamation of the debt would require a good deal of consideration. Looking, however, at the 1916 statement of Prince Edward Island, we find that the debt, without taking into consideration the sinking funds, is about $10 per capita. Nova Scotia at the same period is about $27 per capita and New Brunswick about $26. Prince Edward Island has sinking funds which almost extinguish its debt, while Nova Scotia and New Brunswick have assets which perhaps are not immediately realizable. Both the latter provinces have also considerable indirect liabilities, all of which, no doubt, would need to be carefully considered in framing a financial scheme.

"But after all it is not the debt per head which is most important. Perhaps the fair measure of the burden of government is the yearly demand for income, and we find that Prince Edward Island raises about $5.30 per head; Nova Scotia about $3.90 and New Brunswick about $4.30. The Island province can, therefore, actually enjoy a lessening of immediate taxation. It is not, however, what a country pays, but what it gets for its money that is the real test of successful administration, and if the united province had an income estimated at $5 per capita, giving it an annual expenditure of about $4,700,000, it might reasonably be anticipated that extremely good results would be produced by the expenditure of that amount."

NEW YORK BANKS WILL COMBINE

It is announced by the Merchants National Bank of New York that the boards of directors of that bank and the Bank of Manhattan Co. have approved a plan for the consolidation of the two institutions. It will be recalled that the control of the Merchants National Bank was acquired in 1918 by interests connected with the Royal Bank of Canada and Aldred and Co. The result of this consolidation will create an institution which will have a capital and surplus of about $20,000,000. Of these amounts the Merchants National Bank contributes $6,500,000 in capital and surplus, while the Bank of Manhattan brings in about $13,500,000. Its total resources will be more than $200,000,000.

Jones and Proctor Bros., insurance agents, have moved their offices from Wellington Street, to 60 King Street West, Toronto.

THE CANADIAN BANK OF COMMERCE

Statement of the result of the business of the Bank for the year ending 29th November, 1919

Balance at credit of Profit and Loss Account brought forward from last year		$ 1,444,842 68
Net Profits for the year ending 29th November, after providing for all bad and doubtful debts		3,074,892 72
		$ 4,519,735 40
This has been appropriated as follows:		
Dividends Nos. 128, 129, 130 and 131, at twelve per cent. per annum		$ 1,800,000 00
War tax on bank-note circulation to 29th November		150,000 00
Written off Bank Premises		250,000 00
Transferred to Pension Fund		120,000 00
To adjust British and Foreign investments on existing exchange rates, not otherwise provided		750,000 00
Subscriptions:		
Salvation Army	$ 5,000 00	
University of Toronto Memorial Fund	2,500 00	
Soldiers' Emergency Fund, Repatriation Campaign	10,000 00	
Navy League of Canada	2,500 00	
Sundry Subscriptions	2,000 00	
		22,000 00
Balance carried forward		1,427,735 40
		$ 4,519,735 40

GENERAL STATEMENT, 29th November, 1919

LIABILITIES

To the Public—			
Notes of the Bank in circulation			$ 30,047,659 68
Deposits not bearing interest		$151,688,481 72	
Deposits bearing interest, including interest accrued to date		241,916,674 29	
			393,605,156 01
Balances due to other Banks in Canada			74,816 06
Balances due to Banks and Banking Correspondents elsewhere than in Canada			8,727,208 45
Bills Payable			441,180 99
Acceptances under Letters of Credit			14,866,446 19
			$447,762,467 38
To the Shareholders—			
Dividends Unpaid			4,002 86
Dividend No. 131, payable 1st December			450,000 00
Capital Paid up		$ 15,000,000 00	
Rest Account		15,000,000 00	
Balance of Profits as per Profit and Loss Account		1,427,735 40	
			31,427,735 40
			$479,644,205 64

ASSETS

Gold and Silver Coin Current on hand	$ 15,425,252 93		
Gold deposited in Central Gold Reserves	6,500,000 00		
		$ 21,925,252 93	
Dominion Notes on hand	$ 31,436,349 25		
Dominion Notes deposited in Central Gold Reserves	10,000,000 00		
		41,436,349 25	
			$ 63,361,602 18
Notes of other Banks		$ 2,433,211 00	
Cheques on other Banks		14,372,830 21	
Balances due by other Banks in Canada		476 59	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		10,589,390 95	
			27,395,908 75
Dominion and Provincial Government Securities, not exceeding market value			46,865,379 16
British, Foreign and Colonial Public Securities and Canadian Municipal Securities, not exceeding market value			29,847,537 20
Railway and other Bonds, Debentures and Stocks, not exceeding market value			5,953,791 41
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks			20,750,828 04
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada			24,854,885 75
Deposit with the Minister of Finance for the purposes of the Circulation Fund			881,791 81
			$219,911,724 30
Other Current Loans and Discounts in Canada (less rebate of interest)			213,189,170 54
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)			24,938,269 89
Liabilities of Customers under Letters of Credit, as per contra			14,866,446 19
Overdue Debts (estimated loss provided for)			137,120 45
Real Estate other than Bank Premises			467,650 60
Mortgages on Real Estate sold by the Bank			203,381 18
Bank Premises at cost, less amounts written off			5,859,008 22
Other Assets not included in the foregoing			71,434 27
			$479,644,205 64

B. E. WALKER, President.

JOHN AIRD, General Manager.

Report of the Auditors to the Shareholders of The Canadian Bank of Commerce.

In accordance with the provisions of sub-sections 19 and 20 of section 56 of the Bank Act, 1913, we report as follows:—

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash, and verified the securities representing the investments of the Bank, at its chief office and principal branches at a date other than, and in addition to, the verification at 29th November, 1919, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A.,
of George A. Touche & Co.
JAMES MARWICK, C.A.,
of Marwick, Mitchell, Peat & Co.
Auditors.

Trade of Canada for November

TRADE of Canada for the month of November, 1919, showed an increase of more than $18,000,000, as compared with the same month in 1918. The figure of the Department of Customs for the month was $215,714,257, and for the same month in 1918, $197,543,153. For the eight months ending November 30, 1919, the figure was $1,475,362,631, as compared with $1,492,037,038, a decrease of over $16,000,000.

Exports for the eight months showed a decline of approximately $35,000,000, compared with the same period in 1918, while on the other hand, imports increased by nearly $3,000,000.

The value of wood, paper, etc., exported during the eight months was nearly $32,000,000 higher than during the same period in 1918. The value of domestic agricultural products exported was more than $70,000,000 more than last year, and animals and their products, $67,000,000. A great falling off in the value of miscellaneous products is shown. Exports under the head miscellaneous declined about $165,000,000. The statement is given in detail below:—

IMPORTS ENTERED FOR HOME CONSUMPTION

—	Month of November				Eight months ending November			
	1918		1919		1918		1919	
	Free	Dutiable	Free	Dutiable	Free	Dutiable	Free	Dutiable
	$	$	$	$	$	$	$	$
Agricultural and vegetable products, mainly foods	2,627,329	5,772,760	2,402,549	12,124,988	25,124,050	48,203,215	22,351,445	78,187,062
Agricultural and vegetable products, other than foods	2,535,798	814,741	4,410,825	2,200,444	26,252,726	7,045,161	25,588,682	13,103,784
Animals and animal products	1,564,328	1,868,572	4,444,459	4,060,610	10,307,358	17,635,730	22.827,339	35,365,607
Fibres, textiles and textile products	7,444,365	8,462,005	6,612,458	13,739,450	51,252,533	65,733,655	36,885,169	78.800,570
Chemicals and chemical products	1,817,309	1,504.372	1,442,147	1,616,453	13,573.980	12,066,151	7,592,650	10,505,448
Iron and steel, and manufactures thereof	4,046,936	9,119,794	1,937,483	12,209,114	35,538,714	92,361,365	22,480,155	95,636,852
Ores, metals and metal manufactures, other than iron and steel	1,588,477	1,803,044	1,382,254	3.399,128	11,595,007	16,834,689	12,090,822	21,173,689
Non-metallic minerals and products	3,559,348	7,249,231	5,161,886	5,452,038	31.393,404	64,451,597	38,907.053	41.432,879
Wood, wood products, paper and manufactures	1,214,238	1,768,714	1,367,792	2,428,202	10,633,565	13,021,184	12,064,059	15,350,962
Miscellaneous	6.587,539	2,040,648	2,511.506	3.807,484	61.532,512	18.907,479	19,930,131	26,114,799
Total	32,986,167	40,403,881	31,680,359	61,037,911	277,203,849	356,260,226	220,717,505	415,671,652
Duty collected	....	12,342,202	....	16,012.510	....	107,085,732	....	114,029,005

EXPORTS

—	Month of November				Eight months ending November			
	1918		1919		1918		1919	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
	$	$	$	$	$	$	$	$
Agricultural and vegetable products, mainly foods	23,376,150	2,437,606	40,866,473	313,060	184,126,699	3 759,562	255,021,870	3,824.944
Agricultural and vegetable products, other than foods	2,571,630	76,256	2,878 301	45,722	15,284,199	548,258	20,799,227	1,338.173
Animals and animal products	28,559,937	797,492	35,303,954	749.235	145.332,590	3.811,230	212,862,201	4,975,288
Fibres, textiles and textile products	2,581,299	71,447	1.931,987	397,905	20,698,331	375,901	18,259,183	2,956,396
Chemicals and chemical products	4,796,195	50,943	1,753,308	316,452	40,846,445	868,097	14,571,215	2,754,758
Iron and steel and manufactures thereof	8,268.798	473.793	6,435,869	1,327,532	46,397,202	4,224,166	53,281,156	8.158,421
Ores, metals and metal manufactures, other than iron and steel	6,820,154	35,114	4,299,633	105,251	53,835,4?4	589,031	32,528,407	2,029,379
Non-metallic minerals and products	1,932,524	539.265	3,300.488	46,379	15.709.776	2,312,087	17,338,211	325,828
Wood, wood products, paper and manufactures	13,090,363	18,935	19,118,424	35,001	105,847,509	209,136	137,677.942	235,684
Miscellaneous	27,163,953	491,251	3,525,224	245,789	211,222,780	2,474,540	45,964,158	4,071.033
Total	119,161,003	4,992,102	119,413,661	3,582,326	839,300,955	19,272,008	808,303,570	30,669,904

RECAPITULATION

—	Month of November		Eight months ending Nov.	
	1918	1919	1918	1919
		$		$
Merchandise entered for consumption	73,390,048	92,718,270	633,464,075	636,389,157
Merchandise, domestic, exported	119,161,003	119,413,661	839,300,955	808,303,570
Total	192,551,051	212,131,931	1,472,765,030	1,444,692,727
Merchandise, foreign, exported	4,992,102	3,582,326	19,272,008	30,669,904
Grand total, Canadian trade	197,543,153	215,714,257	1,492,037,038	1,475,362,631

COIN AND BULLION

Month of November, 1919	
	$
Imported	869,484
Exported	418,704

STANDARD RELIANCE INVESTIGATION

At the inquiry into the affairs of the Standard Reliance Mortgage Corporation, which was resumed on December 23rd, W. S. Dinnick described the steps leading up to the formation of the syndicate to handle the Grand Valley Railway. The corporation's solicitor had advised that such an investment would be quite proper, and it was only after sums of money had successively been sunk in it, in the hope of putting it on a paying basis, that the item was written off the books.

A uniform discount rate of ten per cent. on Canadian money has been arranged in Detroit. Stores will charge this rate, and will in turn be charged ten per cent. by the banks. The arrangement was made by the Clearing House Association.

GOVERNMENT AND MUNICIPAL BONDS

Alberta Disposes of $2,000,000 Bonds to Toronto Syndicate—Province Pays Over 6 Per Cent. for Money—Manitoba Asks for $4,000,000

THE province of Alberta has disposed of by private tender an issue of $2,000,000 5½ per cent. 10-year bonds to a Toronto syndicate comprising Messrs. Dominion Securities Corporation, A. E. Ames and Co. and Wood, Gundy and Co., according to Deputy Treasurer W. V. Newson. The price paid was 96.30 and accrued interest, which means that the province paid over 6 per cent. for its money. It is expected that all the bonds will be disposed of in the United States in view of the prevailing exchange conditions, which enable brokers to sell profitably across the line. Another million will, it is expected, be purchased by the same syndicate under an option.

Outside of this issue the week was quiet owing to Christmas holidays and pending municipal elections. Only one issue of any importance is due for this month—namely, York Township, particulars of which were given in these columns last week. Other issues offered are:—

Borrower.	Amount.	Rate %.	Maturity.	Tenders close.
York Tp., Ont.	$ 562,564	Various	Various	Dec. 29
Manitoba	4,000,000	6	5-years	Dec. 30
Sherbrooke, Que. ..	342,500	Various	Various	Jan. 5
Nanton, Alta.	6,000	6½	10-instal.	Jan. 15
Red Deer, Alta.	50,000	6	10-instal.	Jan. 16
La Tuque, Que.	50,000	6	25-instal.	....
St. Thomas, Ont. ..	100,000	5½	20-instal.	....

Red Deer, Alta.—Tenders are being asked until January 16, 1920, for the purchase of $50,000 6 per cent. 10-instalment treasury bills. The total issue is $100,000.

St. Thomas, Ont.—Debentures to the amount of $100,000 are being offered for sale; $75,000 is for school purposes and $25,000 for the purchase of car-barns and equipment. Debentures will be issued in amounts of $50 and upwards and for any term of years from one to twenty. They will have interest coupons attached at the rate of 5½ per cent. per annum.

Manitoba.—Tenders will be received by the Hon. Edward Brown, provincial treasurer, until December 30, 1919, for the purchase of $4,000,000 6 per cent. 5-year gold bonds of the province. The amount represents a considerable portion of the debt of the province, which matures in the city of New York on February 1, 1920, so that the issue does not increase the present indebtedness of the province. (See announcement elsewhere in this issue.)

Fredericton, N.B.—The city is raising money for permanent paving work by the issue of one and two-year bonds to the Bank of Nova Scotia, and by selling bonds due 1922, 1923 and 1924 to the public at par.

Victoria, B.C.—A by-law for the raising of $20,000 by debenture issue for municipal golf links, will be sent to the ratepayers at the January elections. The bonds will be issued on a serial basis.

Chatham, Ont.—City Treasurer Cottier informs *The Monetary Times* that during the year over $110,000 worth of 5½ per cent. 20-instalment bonds have been sold locally over the counter. During the previous year 6 per cent. debentures to the amount of $218,000 were disposed of in the same manner. The city sells practically all debentures locally over the counter.

The following table, compiled by R. G. Dun and Co., Toronto, shows business failures in Canada for the four weeks ended December 19, 1919, compared with the 1918 figure:—

Date.	Ont.	Que.	Man.	Alta.	Sask.	B.C.	N.S.	N.B.	P.E.I.	Total.	1918.
Dec. 19th ..	5	9	2	1	2	0	1	0	0	20	11
Dec. 12th ...	6	8	2	0	0	0	0	0	0	16	21
Dec. 5th ...	1	7	2	0	4	0	2	0	0	16	16
Nov. 28th ..	3	6	2	0	1	1	6	0	0	19	9

NEWS OF MUNICIPAL FINANCE

Montreal Debt Reaches High Water Mark—Good Business Conditions in Toronto Evidenced by Favorable Tax Report

Stratford, Ont.—The treasurer's statement shows that receipts for the six months up to December 1 amount to $875,533, and balance $3,445.

Barton Township, Ont.—The financial statement for 1919 shows the following items: Receipts, $360,277; expenditure, $239,862; total assets, $759,467; liabilities, $663,693.

Dundas, Ont.—The annual financial statement shows expenditures of $210,405, with a surplus of $2,039 on hand. The assets of the town are given as $423,551, and the liabilities at $366,026.

Halifax, N.S.—Estimates for the year 1920-21 total $1,488,422, as compared with $1,291,312 for the preceding period. Some of the largest amounts required are: Schools, $458,245; consolidated fund, 1905, $177,569; sinking fund, $35,552; works department, $256,975.

Saskatoon, Sask.—Application will be made to the Local Government Board to purchase £300 City of Saskatoon 4½ per cent. bonds, due November 1, 1940, from a Toronto broker. Interest is payable May 1 and November 1 at $4.86⅔ per £1. The price is 78.22 and interest yielding 6.40 per cent. These securities will be purchased, subject to the board's permission, as investment of the sinking fund.

Lethbridge, Alta.—The last financial statement of the city shows that the bonded debt is $3,950,361. From this is taken $668,102 for sinking fund, and $5,608 for debenture principal payable, leaving a total of $3,276,649. Under the heading of sundry creditors the amount of $196,273 is shown. Depreciation reserve amounts to $804,672, included in which amount is $479,075 for sinking fund instalments and interest and bonded debt redeemed. The sinking fund reserve amounts to $15,213.

Edmonton, Alta.—The city council of Edmonton at a meeting last week appointed Mayor Joseph A. Clarke as finance commissioner. The council have also under consideration the appointment of a third commissioner to assist with the increasing duties of the commission board. It is quite probable that the tax prepayment scheme, which gave such signal success this year, will be made more attractive by the allowing of the maximum discounts at earlier dates next year. Speaking of the prepayment scheme, Mayor Clarke stated that he favored a 10 per cent. discount on current taxes up to March 15. From that time until April 30, the reduction would be 8 per cent., and then drop at the rate of 1 per cent. each month for the remainder of the year. According to the mayor, an attempt will be made to get the tax rate struck early this year. The commissioners have sent out instructions for the estimates to be prepared by all departments.

Montreal, Que.—The 1919 debt is estimated to be $121,277,622, and for 1920 the estimate is $121,901,622. Of the total debt of $121,901,622, the sum of $27,000,000 is due to recent annexations of adjoining municipalities. In 1910, when a number of municipalities were annexed to Montreal, which provided new city wards, the debt was increased by $6,500,000. In the year 1917 new annexations produced about $2,000,000 more debt. When Maisonneuve was annexed to Montreal in 1918, another $18,000,000 was added.

One of the features of the civic debt is the presence of two permanent loans, which can never be redeemed unless the holders of the obligations consent to sell their holdings. The corporation of Montreal has been endeavoring for a number of years to buy in as much of this first loan as is possible to obtain. This loan, which was made in 1867, or fifty-two years ago, and the amount of which was $587,600, now stands at $496,400, as $91,200 has been redeemed. This loan is at 7 per cent., the city getting as much as 116 for a part of it. The second permanent loan was floated in 1890 for the amount of $7,000,000, at the time of the consolidating of the civic debt. The rate of interest is much better than for the first loan of that nature, as it is but 3 per cent., the city securing less for its securities than in the first instance.

Toronto, Ont.—The annual tax statement for 1919 has been issued by Finance Commissioner Bradshaw. It shows that the taxes collectible in 1919 amounted to $19,402,297, or $805,403 less than in 1918, due to the current tax rate of 28½ mills, being 2 mills less than that of the previous year. The amount actually received during the year was $16,756,418, or 86.16 per cent. of the total due, as compared with 84.64 per cent. in 1918. The commissioner states that in view of the unsettled conditions incident upon the cessation of hostilities, this high percentage of collections cannot but be regarded as decidedly encouraging.

"Recently, the department has strongly emphasized the collection of overdue amounts, and during the current year $2,699,927 was received on account of those taxes which fell due in 1918 and previous years," stated Mr. Bradshaw. "This amount, added to that received for taxes for the current year, brings the aggregate tax receipts in 1919 up to $19,456,345."

Mr. Bradshaw states that the fact that the total arrears are $554,376 less than at the same period in 1918, and that the major portion of these is less than one year overdue is also an evidence of the soundness of business conditions generally within the city.

Referring to the annual tax sales the commissioner reports: "The usual annual sale of properties upon which taxes were three years in arrear, was held in March last, and the outcome is a substantial evidence of the highly satisfactory condition of real estate holdings in the city. While there were 4,350 parcels liable for sale, against which there were taxes outstanding of $295,383, no less than $262,130 in repect to 4,059 was received prior to the date of the sale and only 229 parcels, covering $26,157, were actually sold for taxes. In 26 parcels, the taxes against which amounted to $4,110, the prices offered were below the arrears outstanding, and were therefore acquired by the city."

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MONTREAL AND TORONTO STOCK EXCHANGES

Sales and Closing Quotations for Week ended December 24th, 1919. Montreal Figures supplied by Burnett & Co., Montreal.

Stocks	Montreal			Toronto		
	Asked	Bid	Sales	Asked	Bid	Sales
Abitibi com.	221	219	1431			
" pref.		99	55			
Ames-Holden-McCready com.	130¼	130	443			
" " " pref.	109	108¾	211			
Asbestos Corporation com.	84½	84	2320			
" " pref.	99½		1480			
Atlantic Sugar com.	70	69½	2235	69¾	69	350
" pref.				120		50
Barcelona				7	6½	50
Bell Telephone	113	112	176	117		
" " (New Stock)						
Brazilian T. L. & P. Co. com.	50¾	50½	1093	50½	50	1444
British Columbia Fishing & Packing Co.	62	61½	150	63½	62½	50
Brompton	83⅝	83½	2495			
Burt Co., F. N. com.				106	105½	105
" " pref.				106	105¼	145
Canada Bread com.				29	28	735
" pref.					86	10
Canada Cement com.	73½	73¼	1270	73½	72¾	735
" pref.	98¾	98½	186		98	
Canada Foundries & Forgings com.	196½	191	85			
Canada Steamship Lines Ltd. com.	78	76	800	78	77	50
" " " " pref.	84⅞	84½	240	84¾	84½	885
" " " " voting trust			290			100
Canadian Car & Foundry com.	60	59⅞	3815	63½	62½	100
" " " pref.	103¾	103	1796	106	104	100
Canadian Converters	70	69				
Canadian Cottons, Limited com.						
" " " pref.			60			
Canadian General Electric			64	104½	103½	48
" " " pref.						10
" " " rights	104		1562			1524
Canadian Locomotive com.			50	95		140
" pref.				95		
Carriage Factories com.	28¼	28	805			
" " pref.			103			
City Dairy com.					56	17
" pref.					91½	
Coniagas Mines, Ltd. ($5 per share)				3.00	2.90	20
Consolidated Mining & Smelt. Co. ($25 par)	28½	28	325			
Consumers Gas				150		17
Crow's Nest Pass Coal Co.					60	60
Crown Reserve Mining Co. ($1 per share)			1500	46	43	2500
Detroit Railway			195			
Dominion Iron pref.						
Dome Mines ($10 par)				1450	1400	100
Dominion Bridge	106	105	145			
Dominion Canners com.	58½	58	300	59	57	135
" " pref.				89½	88½	16
Dominion Coal pref.						
Dominion Glass	65	63	55			
" " pref.		91				
Dominion Steel Corporation com.	73⅜	73¼	4425	74	73½	
Dominion Telegraph					91½	
Dominion Textile com.		120	25			
" " pref.						
Duluth Superior Traction				29		5
Goodwins Limited com.						
" " pref.			10			
Hillcrest Collieries com.	54		50			
Howard Smith Paper Mills com.	150			150	145	
" " " " rights						
Illinois Traction com.						
" pref.		68½	20			
International Coal						
International Petroleum Co. ($5 par)					6400	
Lake of Woods Milling Co. com.			25			
" " " rights	200		34			
La Rose Consolidated ($5 per share)				50	47	50
Laurentide Co.	267	265	1455			
London & Canadian						
Lyall Construction Co. com.	88	87	395			
Macdonald Co., A. Ltd. com.	39½	39¼	1900			
Mackay Companies com.				76½	75¾	248
" " pref.				69½	68½	15
Maple Leaf Milling Co. com.	205			201	196	
" " " pref.					103¼	54
Monarch Knitting com.					60	
Montreal Cottons, Limited com.	85	83½	10			
" " pref.						
Montreal L. H. & P.	90	89½	1806			
Montreal Loan and Mortgage						
Montreal Telegraph						
Montreal Tramways	158		210			
" " deb.	75					
National Breweries com.	181	180	916			
" " pref.						
National Steel Car Co. com.						60
" " " pref.						281
Nipissing ($5 per share)				1450	1400	290
Nova Scotia Steel & Coal Co. com.					78	
" " pref.						
Ogilvie Flour Mills Co. com.	280		170			
" " pref.			10			
Ontario Steel Products com.		53½	75			
" " pref.						
Ottawa Light, Heat & Power						
Pacific-Burt com.				40	38	176
" pref.				86	82	
Penman's Limited com.	111			111	108	
" pref.						
Porto Rico com.				25		35
Price Bros. com.			5			
Provincial Paper com.						
" " pref.					90	
Quebec Railway, Light, Heat & Power Co.	28¾	28½	8170	29½	28¾	570

Stocks	Montreal			Toronto		
	Asked	Bid	Sales	Asked	Bid	Sales
Riordon Pulp & Paper Co. com.			430			10
" " " " pref.			17			
Rogers, William A. com.				72		17
" " " pref.						3
Russell Motor Car com.				95	90	
" " " pref.				99	90	
Sawyer-Massey com.				20	17	10
" " pref.				67	65	
Shawinigan Water and Power Co.	118	117⅜	2402			
Shredded Wheat Co. com.					141	
Smelters			9			
Spanish River Paper & Pulp Co. com.	85⅜	85	11187	86½	85	278
" " " " " pref.	128¼	128	2553	12[illegible]	126	60
Spanish River Vouch.						
Steel Company of Canada com.	85½	85	8863	85½	84½	603
" " " pref.		100	155	100		10
Steel Corporation						1870
St. Lawrence Flour Mills Co. com.	134		460			
Toronto General Trust						7
Toronto Railway	44	43½	77	45	41	
Trethewey				49½	48½	8600
Tuckett Tobacco Co. com.	58	57¾	190	58½	57½	65
" " " pref.			60			5
Twin City						
Western Canada Flour				145	138	2
Wayagamack	80¾	80½	1016			
Winnipeg Street Railway				38		30
Woods com.	110	108				
" pref.			10			
Banks						
Commerce			13	196	195½	52
Dominion				204	201	11
Hamilton				190	188½	2
Hochelaga			17			
Imperial				197	195	1073
Merchants	190	189	11	189		
Molsons				190		
Montreal		208	59	211	208	4
Nationale						
Nova Scotia				270		
Royal			133	215	214½	42
Standard					210	
Toronto				196½	195½	5
Union		160			160	
Loan and Trust						
Canada Landed & National Invest.					140	
" " " " 20% paid						
Canada Permanent Mort. Corporation					170	
Colonial Investment & Loan				75	73	
Hamilton Provident & Loan					146	
" " " " 20% paid						
Huron and Erie Mortgage Corp.					112	
" " " " 20% paid					105	
Landed Banking and Loan					142	
London & Canadian Loan & Agency					117	
National Trust					200	
Ontario Loan & Debenture					160	
" " " 20% paid					150	
Toronto General Trusts				211		
Bonds						
Asbestos Corporation			1000			
Canadian Car & Foundry			4500			
Canada Bread				94		1000
Canadian Consolidated Rubber						
Canada Cement	99¾		1700			
Canadian Cottons						
Canadian Pacific Railway Notes						
Canadian Locomotive				94		1000
Cedar Rapids			9000			
City of Montreal (May, 1923)		101½	4500			
" " (Sept., 1923)	101					
" " (Dec.)			3500			
Dominion Canners			4000	90		
Dominion Iron and Steel	85½	85	2000			
Dominion of Canada War Loan 1925		96¼	19450	96⅝	96⅛	20100
" " " " 1931		96½	10300	96⅜	96½	65400
" " " " 1937	99⅝		70700	99¼	99⅛	117700
" " Victory Loan 1922			139250	99⅛	98⅞	242150
" " " " 1923	99⅛	99	130550	99⅜	99¼	378150
" " " " 1927	101¼	101	42200	101½	101⅛	25700
" " " " 1933	102¾	102½	213350	102½	102⅜	339750
" " " " 1937	103⅞	103¾	102350	103½	103⅜	107900
Electrical Development				92	91	
Mexican Light & Power						
Montreal Light, Heat and Power 4½%						
Montreal Street Railway						
Montreal Tram.						
" " Debenture Stock						
National Breweries, Ltd.			1000			
Nova Scotia Steel & Coal Co.						
Ogilvie Flour A						
Ontario Steel Products, Ltd.						
Penmans		89	10000	89	88	500
Porto Rico				82½		
Price Bros.	85					
Quebec Railway, Light & Power Co.		65	20200	67		
Rio de Janeiro					74	
Sao Paulo Tramway					74	
Scotia						
Spanish River						
Sterling Coal						1000
Wayagamack	86½	86	7400			
Wabasso Cotton	94					
Winnipeg Electric						

DIVIDENDS AND NOTICES

Central Canada Loan and Savings Co.

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO AND ONE HALF PER CENT. (2½%) for three months ending Dec. 31st, 1919, at the rate of TEN PER CENT. (10%) per annum, has been declared upon the Capital Stock of this Institution, and the same will be payable at the Offices of the Company, Toronto, on and after Friday, the 2nd day of January, 1920.

The Transfer Books will be closed from the 15th to the 31st of December, both days inclusive.

By order of the Board,

E. R. WOOD,
President.

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THE LONDON & CANADIAN LOAN & AGENCY CO., LTD.

DIVIDEND No. 115.

Notice is hereby given that a **Dividend of Two per cent.** for the quarter ending 31st December, 1919, and a **bonus of one per Cent.** upon the Paid-up Capital Stock of the Company, has this day been declared, and will be payable on and after the Second day of January, 1920, to Shareholders of record at the close of business on 15th December, 1919.

By Order of the Board.

V. B. WADSWORTH,
Manager.

Toronto, Nov. 25th, 1919. 20

PENMANS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared this day for the quarter ending January 31st, 1920: One and one-half per cent. (1½%) on the Preferred Stock, payable on the 2nd day of February to shareholders of record of the 21st day of January, 1920, and one and three-quarters per cent. (1¾%) on the Common Stock, payable on the 16th day of February to shareholders of record of the 5th day of February, 1920.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., December 17th, 1919. 46

THE STANDARD TRUSTS COMPANY

DIVIDEND No. 31.

Notice is hereby given that a Dividend at the rate of 9% per annum on the paid-up Capital Stock of the Standard Trusts Company has been declared for the half-year ending December 31st, 1919, and that the same will be payable at the Company's offices in Winnipeg on and after January 2nd, 1920.

The Stock transfer books will be closed from the 16th to 31st of December, both days inclusive.

By order of the Board.

WILLIAM HARVEY,
Managing Director.

Winnipeg, December 3rd, 1919. 32

PROVINCIAL PAPER MILLS COMPANY, LIMITED

Notice is hereby given that Dividends of one and three-quarters per cent. (1¾%) on the Preferred Stock and one and one-half per cent. (1½%) on the Common Stock of the **Provincial Paper Mills Company, Limited,** have been declared payable January 2nd, 1920, to shareholders of record at the close of business, December 15th, 1919.

S. F. DUNCAN,
Secretary.

Toronto, December 13th, 1919. 39

NOVA SCOTIA STEEL AND COAL COMPANY, LIMITED

DIVIDEND NOTICE

A dividend of two per cent. (2%) on the Preferred Stock and one and one-quarter per cent. (1¼%) on the Ordinary Stock of the Company for quarter ending December 31st, 1919, has been declared, payable on the 15th of January, 1920, to shareholders of record at the close of business on December 24th, 1919.

By Order of the Board.

THOMAS GREEN, Cashier.

New Glasgow, Nova Scotia, December 20th, 1919. 49

DEBENTURES FOR SALE

PROVINCE OF MANITOBA

A REFUNDING ISSUE

TENDERS

The undersigned will be pleased to receive tenders up to 2 p.m. of Tuesday, the 30th of December, 1919, for an issue of **Engraved Gold Bonds of the Province of Manitoba:—**

Amount—$4,000,000.00.

Term—Five-year.

Interest—6%. Payable half-yearly, both principal and interest, in New York City in the U.S.A., and in Montreal, Toronto and Winnipeg in Canada.

Issue to be dated January 2nd, 1920.

The amount represents a considerable portion of the present debt of the Province, which matures in the City of New York on the 1st of February next, so that the issue in question does not increase the present indebtedness of the Province.

The last Budget statement, presented to the Legislature as at the 30th November, 1918, disclosed the following facts with reference to the financial position of the Province, viz.:—

Gross Debt	$33,900,000.00
Revenue-bearing Debt	19,300,000.00
Net Debt	14,500,000.00
Of this latter amount there might fairly be deducted the cash in hand representing unexpended capital balances	1,103,000.00
Cash on hand and Capital Investments	7,600,000.00
Surplus of Assets over Liabilities	34,200,000.00

Interim Bonds can be supplied in five days.

Definitive Engraved Gold Bonds in one month from the date of acceptance.

The proceeds of the issue may be payable in Canadian currency, and payment will be accepted in Toronto or in Montreal as if it was made in Winnipeg.

Delivery of the Bonds in question will be made in Montreal or in Toronto without charge.

The lowest or any tender not necessarily accepted.

EDWARD BROWN,
Provincial Treasurer.

Winnipeg, Man., December 26th, 1919. 48

INVESTMENTS AND THE MARKET

Abitibi Paper Enterprise to be Reorganized—New Brunswick Telephone Co. Applies for Increased Rates—Southern Canada Power Presents Good Report

Montreal Tramways Co.—It has been officially announced that a dividend of 2½ per cent. on the common stock of the company has been declared for the quarter ended June 30, 1918. As this is the period when dividends on the common ceased last year, it is expected that the company will pay back the 17½ per cent. dividends now in arrears in due course.

Granby Consolidated Mining, Smelting and Power Co.—The output of the company for November amounted to 1,776,863 lbs. of copper, compared with 2,164,344 lbs. in October, 1,584,515 lbs. in September, 2,171,204 lbs. in August, and 2,050,000 lbs. in July. In November of last year the production was 2,147,405 lbs., and in the same month of 1917 it amounted to 2,886,489 lbs.

Winnipeg Electric Railway Co.—The dispute between the city and the company regarding the right of the company to impose increased car fares will be heard in the courts on January 26. The city is opposing the recent increase from five to six cents, one of the grounds being that the public utilities commissioner had no power to sanction an increase, another basis being that the company broke the contract it made with the city to supply street car rides at five cents.

Abitibi Power and Paper Co.—The directors of the company have announced a plan for the reorganization of the enterprise. A new company—Abitibi, Ltd.—is to be formed with a capital of $31,000,000, divided into $30,000,000 common and $1,000,000 preferred stock. This new organization is to take over the present Abitibi Power and Paper Co. as a going concern, giving the holders of the latter's common stock five shares of common for each share presently held, the preferred holders receiving share for share alike. There would thus be issued at the outset of the new company's career $25,000,000 in common and $1,000,000 in preferred stock, leaving a balance of $5,000,000 in the treasury for disposal among shareholders at the discretion of the directors. In addition, holders of Abitibi, as of record on January 2nd next, will receive a dividend of 4½ per cent., bringing the disbursement for the year 1920 up to a full 6 per cent., the initial payment on the junior securities of the company having been declared on September 23rd last, and paid on October 1st.

New Brunswick Telephone Co., Ltd.—Application has beeen made by the company to the Public Utilities Commission at St. John, N.B., for increased rates, the first since 1911. The application has been filed and the date for hearing has been set for January 21, 1920. The company claims a construction programme of $600,000, and the greater part of that expenditure must be made from the reserve fund, as the claims of depreciation and obsolescence must now be met and the moneys temporarily borrowed from depreciation reserve, instead of being obtained from banks or shareholders, must now be returned and devoted to the uses for which the fund was created. To obtain this money for replacement purposes above outlined, it will be necessary to sell stock on which dividends must be paid, entailing additional earnings of about $48,000 annually. The following is the estimated financial position of the company for the next twelve months, from November 1, 1919, calculated per station: Operating, maintenance, general expenses and depreciation at 7 per cent., figured on basis of actual cost for the last six months, $26.98; increased maintenance wages and material required to keep plant up to standard, $4.82; increase in wages, $3; return on investment at $100 per station, $8; total, $42.80; revenue per station under the present rates, $31.64. Average increase per station required, $11.16, which, for 23,700 stations now in use, amounts to $264,492.

Southern Canada Power Co., Ltd.—The annual financial statement of the company for the year ended September 30 last, shows gross earnings of the parent and subsidiaries of $566,091, compared with $475,009 a year ago, and $432,634 in 1917. Total profits from operations in the twelve months at $210,412, as compared with $154,328 in the same period of 1918. After adding in profits from other sources, amounting to $6,439, as compared with $6,600 in the previous year, total profits amounted to $216,851, as compared with $160,929 in 1918. After deducting charges including legal, engineering and administration, of $23,897, bad debts write-off of $801, and bond and other interest of $134,126, a surplus of $58,027 remained, which compares with $48,159 in the previous fiscal year. After adding in the balance carried forward from the previous year, total balance at credit of profit and loss account was $201,036, as compared with $143,009 in 1918.

The balance sheet shows plant investment at $7,961,898, as against $6,505,241. Cash on hand is lower at $27,548, as against $34,803; notes receivable up at $215,641, against $140,836; accounts receivable down at $37,529, against $45,653; inventories up at $124,491, against $82,958; and investments down at $48,948, against $64,024. Total assets amount to $8,425,707, as compared with $6,892,933 in 1918. Among the liabilities the common stock outstanding has increased in the year from $3,520,000 to $4,000,000. Bonded debt is also up being $3,147,678, against $2,676,266. Notes payable show a large increase, being up to $497,055, as against $91,263. Accounts payable are also largely higher at $233,097, against $142,434. The report of the board says:—

"Transmission lines from Drummondville through Actonvale to Sherbrooke and St. Hyacinthe, which were under construction a year ago, have been completed and put into operation. During the year the distribution plants were extended to take care of the requirements of over a thousand new customers, bringing the total number to slightly over nine thousand customers, which the company was serving at the close of the fiscal year. The new power development at Drummondville has been completed, and is now in successful operation. The dam, forebay and head works, etc., are completed for the ultimate 18,000 horse-power development. The power house has been completed for the first two units, with a capacity of 3,500 horse-power each, which are now in operation."

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison, Jr., & Co., Toronto.
(Week ended Dec. 24th, 1919.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abbey Salts	.30	.60	Can. Westinghouse	110	120	Home Bank	94	98.50	Nova Scotia Steel 6% deb.	87	90
Alta. Pac. Grain....com.	178	198	Cockshutt Plow....pref.	65	73.50	Imperial Oil	138	150	Ontario Pulp.........6's	106	....
" " " ...pref.	88	92	Col'gwood Shipb'dg com.	40	....	Inter. Milling.......pref.	88	95	Robert Simpson...pref.	78	82
Ames-Holden Tire..com.	40	45	" " 6's	92.50	97	King Edward Hotel.com.	68	75	Rosedale Golf	300	....
Belding Paul.......com.	54	61	Continental Life	16	24	Kipawa Paper,.....com.	45	....	Scarboro Golf	60	75
" " .....pref.	88.25	92	Davies, William......6's	98	102.25	Lambton Golf	435	....	Sterling Bank	100	109
Blain, Eby.........pref.	82	91.50	Dominion Fire	30	....	Loew's (Hamilton).pref.	82	87	Sterling Coal.......com.	17.50	21.50
Brand.-Henderson..com.	94	98	Dom. Iron & Steel 5's 1939	74.50	80	" (Montreal)...com.	90	96.50	Toronto Carpet.....com.	105	....
Burns, P., 1st......6's	98	....	Dom. Power........com.	55	60	" (Toronto)....pref.	88	93	Toronto Paper ....6's	90	....
British Amer. Assurance	13.50	16	" ....pref.	95.25	100	Manufacturers Life	36	42	Toronto Power ..5's 1924	86.50	90
Can. Con, Felt.....com.	35	39	Dunlop Tire.........pref.	92.50	97.50	Massey-Harris	100	118	United Cigar Stores com.	.50	.80
Can. Crocker-Wheeler pf.	81	88	" " ....6's	97	101.50	Mexican North. Power 5's	8	12.50	" " " pref.	1.80	2.10
Can. Machinery.....com.	30	....	Eastern Car..........6's	91.75	95.50	Milton Pressed Brick	22	....	Western Assurance	14	16.50
" " .....pref.	60	....	Goodyear Tire......com.	190	....	Mississauga Golf	47.50	62	Western Grocers....pref.	80	86
" " ....6's	80.50	86	" " pref. (old)	99	109	Morrow Screw ....6's	88	92.50	....	....	....
Can. Marconi	3.40	4.25	Great West Life	200	....	Murray-Kay ....7% pref.	62.50	72.50	....	....	....
Can. Oil.............com.	46	51	Holt Renfrew......com.	50	62	National Life	40	....	....	....	....
" ....pref.	95	100	Harris Abattoir........6's	97	101	North-Amer. Pulp	4	4.50	....	....	....

DIVIDENDS AND NOTICES

THE REAL ESTATE LOAN COMPANY OF CANADA, LIMITED

DIVIDEND No. 66

Notice is hereby given that a Dividend at the rate of Three and One-half Per Cent. for the half-year ending 31st inst. has been declared upon the Capital Stock of the Company, and that the same will be payable at the Offices of the Company in Toronto on and after 2nd January, 1920, to Shareholders of record of 18th December inst.

Toronto, 11th December, 1919.

By Order of the Board.

E. L. MORTON,
Manager.

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DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the **Dominion Textile Company, Limited**, has been declared for the quarter ending **31st December, 1919**, payable **January 15th, 1920**, to shareholders of record **December 31st, 1919.**

By Order of the Board.

JAS. H. WEBB, Secretary-Treasurer.

Montreal, 15th December, 1919. 42

NIPISSING MINES COMPANY, LIMITED

165 Broadway, New York, December 15th, 1919

The Board of Directors has to-day declared a Regular Quarterly Dividend of **Five Per Cent., and Five Per Cent.** extra, payable January 20th, 1920, to shareholders of record December 31st, 1919. Transfer books close December 31st, 1919, and reopen January 19th, 1920.

44 P. C. PFEIFFER, Treasurer.

MARCUS LOEW'S THEATRES, LIMITED, TORONTO

The Directors have declared a Dividend of one and three-quarters per cent. on the Preference Stock for the quarter ending 31st December, 1919. Also a Dividend of 3% on the Common Stock for the quarter ending 31st December, 1919, together with an Extra Dividend of 2%.

The above Dividends are payable on the 15th day of January, 1920, to Shareholders of record on the 31st day of December, 1919.

By Order of the Board.

SAMUEL D. FOWLER,
Secretary.

Toronto, 20th December, 1919. 43

CANADIAN CAR AND FOUNDRY COMPANY, LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the Paid-up Preference Stock of the Company for the quarter ending December 31st, 1919, has been declared payable on the 10th day of January, 1920, to Shareholders of record at the close of business on the 26th day of December, 1919.

By Order of the Board.

A. C. BOURNE,
Secretary.

Montreal, December 18th, 1919. 45

DEBENTURES FOR SALE

CITY OF EDMONTON, ALTA.

Notice is hereby given that in view of the adverse financial market conditions, the city will not exercise its option as stated in a former notice to take up the following debentures:—

Issued Under By-Law.	Series.	Maturity.	Next Interest Due Date.
683	A	July 1, 1920	Jan. 1st, 1920
684	B	July 1, 1920	Jan. 1st, 1920
700 & 3 1918	C	July 3, 1922	Jan. 3rd, 1920
27 1918	F	July 15, 1923	Jan. 15th, 1920
2 1919	G	Feb. 15, 1924	Feb. 15th, 1920

F. BARNHOUSE,
City Treasurer.

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TENDERS FOR $6,000.00 DEBENTURES

Tenders will be received by the undersigned up to January 15th, 1920, for the purchase of $6,000.00 Debentures of the Town of Nanton.

Said Debentures bearing 6½ per cent. interest payable in ten equal annual instalments of principal and interest.

33 WM. ROBERTSON,

Town of Nanton, Alberta. Secretary-Treasurer.

CITY OF SASKATOON, SASKATCHEWAN

DEBENTURE INTEREST DUE JANUARY 1st, 1920

Holders of City of Saskatoon Debentures, payable at the Union Bank of Canada in Toronto and Montreal, are requested to present their interest coupons, due January 1st, 1920, for payment at the Bank of Montreal in either of the above-mentioned cities.

J. C. OLIVER,
City Treasurer.

Saskatoon, December 13th, 1919. 47

Condensed Advertisements

"Positions Wanted," 2c per word; all other condensed advertisements, 4c. per word. Minimum charge for any condensed advertisement, 50c per insertion. All condensed advertisements must conform to usual style. Condensed advertisements, on account of the very low rates charged for them, are payable in advance; 50 per cent. extra if charged.

EXPERIENCED appraiser and valuator open for engagement beginning of year with Loan, Trust or Mortgage Company. Can take coast to coast or Winnipeg west. First-class references. Box 245, *The Monetary Times*, Toronto.

RECENT FIRES

Number of Fires With Loss Over Ten Thousand Continues Large, and Indicates Substantial Loss for Month

Adamsville, Que.—December 19—Factory known as the Wilkins "Hub and Mop Handle" factory was destroyed. Estimated loss, $5,000. No insurance carried.

Chicoutimi, Que.—December 20—Three large business blocks were destroyed. Among the stores and offices destroyed are the following: Gagnon and Villeneuve, largest ladies' wear store in Chicoutimi; Edgar Lepine, Ad. Tremblay, J. A. Clavet, Joseph Luc Simard, Alfred Claveau and Misses Boily, ladies' tailors. There were a number of offices in the buildings destroyed, and among these is the office of the agent of the Crown Lands. Estimated loss, $100,000. Little insurance carried.

Edmonton, Alta.—December 21—All Saints' Cathedral was destroyed. Estimated loss, $60,000. Insurance carried, $20,000.

Edmonton, Alta.—December 22—Two large grain elevators belonging to Western Canada Flour Mills Co. were damaged. Estimated loss, $150,000.

Fredericton, N.B.—December 17—Building of the Old Kirk Apartments, owned by Gordon G. Scott and occupied by Dr. McKay, Wm. A. Robertson, J. Russell Brownlee and Peter MacDonald, was destroyed. Cause, defective fireplace. Estimated loss to building, $20,000, and to tenants, $5,000. Insurance carried on building, $4,000.

December 21—Building of the Gem Theatre, operated by F. G. Spencer, of St. John, was destroyed. Cause, unknown. Estimated loss, $10,000.

Gaspe, Que.—December 21—Morin Hotel was destroyed, town hall was slightly damaged. Estimated loss, $15,000. Insurance carried, $2,000.

Grande Prairie, Alta.—December 15—Salmond's hotel was destroyed. Estimated loss, $10,000, partially covered by insurance.

Halifax, N.S.—December 21—Warehouse of the Maritime Telephone and Telegraph Co. was damaged. Estimated loss, $150,000. Insurance carried, $95,000.

Kincardine, Ont.—December 20—House owned by Mrs. Reynolds was destroyed. Cause supposed to have been from an electric iron.

Krydor, Sask.—December 4—Business section, including post-office, Szutlak's hardware store, poolroom and International Harvester Co.'s agency was damaged. Estimated loss, $25,000, covered by insurance.

Mansonville, Que.—December 16—Residence of George Willard was destroyed. Loss partially covered by insurance.

Moncton, N.B.—December 18—Building of the Winters homestead, owned by Mr. Fownes, was destroyed. Estimated loss, $6,000.

St. Catharines, Ont.—December 22—Factory of the Dominion Electric Co. on Church Street was destroyed. Estimated loss, $15,000, partly covered by insurance.

St. John, N.B.—December 18—One block of wooden buildings at Mill Street and Paradise Row was damaged. Estimated loss, $50,000.

Summerland, B.C.—December 14—Hospital was destroyed. The patients and staff escaped uninjured. Estimated loss, $12,000.

Toronto, Ont.—December 19—Restaurant owned by Sam Shullman, situated at 269 Yonge Street, was damaged. Cause unknown. Estimated loss, $500.

December 21—Garage at the rear of 1585 Yonge Street containing three cars was damaged. Cause, gasoline explosion. Estimated loss, $41,000, and fully insured.

December 23—A one-story frame house, situated at Stop 27, Lake Shore Road, owned by W. Wallace, was destroyed. Cause unknown. Estimated loss, $1,000.

Windsor, Ont.—December 16—Office of Dr. Raymond Rheaume, in the Ellis Block, was damaged. Cause, defective fireplace. Slight damage was also done to the jewellery store of A. Ashby. Estimated loss, $150.

Yarmouth, N.S.—December 21—Building, including post-office, custom house, shipping office, harbor master's office, and the janitor's quarters, was damaged. Cause, spontaneous combustion. Estimated loss, $5,000.

ADDITIONAL INFORMATION CONCERNING FIRES

Woodstock, Ont.—December 9—Oxford Garage building and a barn were damaged. Caused by crossing wires from storage battery, the spark setting fire to some gasoline. Estimated loss, $21,300. Insurance carried, $17,750.

St. Malachie, Que.—December 4—Storehouse, flour mill and grain elevator, owned by Dorchester Co., Ltd., was destroyed. Cause unknown. Estimated loss, $113,000. Insurance carried to the amount of $69,521 as follows: Mount Royal, $7,500; Home Insurance Co., $5,000; Royal Insurance Co., Ltd., $5,000; Liverpool-Manitoba, $5,000; Connecticut Fire, $5,000; Globe and Rutgers, $5,000; Sun Insurance Co., $5,500; Yorkshire Insurance Co., $5,000; British Empire, $2,500; Cie du Canada, $2,500; Nationale de Paris, $2,500; La Nationale, $2,500; Strathcona Fire Insurance Co., $2,500; Phœnix Assurance, $11,521.

Vancouver, B.C.—November 21—Shingle mill occupied by Nasmyth Lumber Co. was destroyed. Cause, sparks from refuse burner. Estimated loss, $4,000. Insurance carried in British Crown Co., $3,200.

Ontario.—The fire loss in the province for the month of October was $541,397, according to the fire marshal's report. The insurance loss was $384,754, and the loss not covered by insurance, $156,643. The total for the ten months was $7,924,935; insurance loss, $5,086,696, and the loss not covered by insurance, $2,838,239.

Manitoba.—The Provincial Fire Commissioner, in a statement of fires and fire loss for November, 1919, says:—

"A total of 149 fires occurred in the province during the month of November, involving a property loss of $230,436, an increase of $82,603 over that of the previous month. The major portion of this destruction is accounted for in three heavy fires: the Echo flour mill, Gladstone, with a loss of $130,000; the Trafalgar Hotel fire, Belmont, $30,000; the Griswold fire, destroying a residence, office and hotel, and involving a loss of $15,000.

"Eighty-nine fires, or 56 per cent. of the total, occurred in Winnipeg, with a comparatively small loss of $20,388, or 9 per cent. of the total of the fire loss of the province for the month. One hundred fires, or 68 per cent. of the total number of fires, occurred in frame buildings with a loss of $39,320, or 16 per cent. of the total fire loss for the month. Carelessness with hot ashes caused fourteen fires with a loss of $32,390. Eleven fires reported as of unknown origin caused a loss of $13,039.

"Reports received at this office show that within the province during the month of November there were four deaths due to fire. Of this number, two lives were lost in the Trafalgar Hotel fire, Belmont; a girl six years of age was fatally burned while playing with matches; a seven-year-old boy lost his life in a fire which destroyed his home in Tuxedo."


Norwich Cathedral