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Necessity and Opportunity for Canadian Exports

Small as Well as Large Manufacturers Can Increase Business by Looking Abroad—Private and National Advantages—Domestic Markets Are Contracting—Assistance Provided by Government — Steamships Sail From Montreal and Vancouver to Many Foreign Ports.

By COL. C. R. HILL,
Managing Director, Hill and Co., Ltd., Toronto

(This is the first of a series of articles on Practical Exporting, to be published in The Monetary Times.)

EVERY newspaper and industrial magazine of to-day contains some reference to exports; every financial paper quotes current exchange in its relation to exports and shows that a Canadian dollar is only worth ninety cents in the United States; the Navy League, the big banks, the Department of Trade and Commerce all urge the Canadian manufacturer to export.

The first article in this series deals with the advisability and necessity of exporting as well as with the opportunities for the big and small manufacturer. However, it is useless telling a man to talk Chinese until he has learned the language, and the subsequent articles are designed to give practical information on exporting from the period of seeking foreign markets to that of making actual shipments.

Necessity for Export

It is both a national and individual duty for big and small Canadian manufacturers to commence or expand export sales.

Firstly, from the national aspect, it is apparent to anyone who studies international finance that the more money which is owing to Canada for products sold abroad, the more actual value is placed on our own currency in the foreign financial exchanges. Secondly, from the national standpoint, comes the value of advertising which goes with every Canadian-made article used thousands of miles from home. No one will deny that the finest and greatest advertisement Canada has had in its history was that caused by the fighting ability, initiative and personal good character shown by our men in France and Belgium. The praises of Canada resounded around the world from 1915 to 1918. Foreign buyers who never thought of Canada before the war have since studied our producing possibilities and are eager to prove that their kindly sentiment is not a temporary thing. No one can better commercialize and make permanent that sentiment than the Canadian manufacturer by proving that the quality of Canadian products is as sterling as the character of our fighting men. Thirdly, from the national standpoint, is the bald, plain fact that commercial reasons are at the back of all wars and will best be avoided by binding nations together with strong mutual commercial interests.

Subjects of Discussion in this Series of Eight Articles on Foreign Trade.

1. Necessity and Opportunity for Canadian Exports.
   (a) Necessity for Export.
   (b) The Field for Exports.
2. How to get into the Export Field.
   (a) Sending representatives abroad.
   (b) Direct correspondence through Government Trade Organization.
   (c) Advertising in Export publications.
   (d) Through medium of Export Commission houses.
3. Home Organization for Export Sales.
4. Foreign Organization for Export Sales.
   (a) Foreign Branches.
   (b) Exclusive agencies.
   (c) Independent customers.
5. Making up prices for foreign markets.
6. Financing of Exports.
7. Freight forwarding and shipping documents.
8. Miscellaneous Problems.

Recent Activity Was Abnormal

Dealing with the question of exports from the standpoint of the manufacturer's domestic problems is a little more difficult. Generally speaking, the manufacturers realize that the buying in 1919 and early in 1920 represented abnormal conditions; construction had been stopped for so long that a rush came on, which was only retarded by high prices. Stocks of all essentials and non-essentials had become depleted under war conditions and required replenishing; money was released from war purposes. All these things caused enormous domestic orders and prevented the manufacturer from either seeing the necessity or possibility of filling foreign orders. In the meantime, many plants have been extended and more machinery installed on the expectation of a furtherance of heavy domestic business, which will really become less until conditions become more normal.

The obvious remedy is to seek foreign markets to keep these plants working to full capacity and at profitable prices. Furthermore, the seeking process should not be delayed, as the development of foreign markets is a lengthy process. This can best be appreciated when one realizes that a letter posted to Cape Town or Calcutta to-day cannot produce a reply for nearly three months. Therefore, to get into a foreign and distant market is a matter of patience as well as study, and temporary domestic problems should not be an excuse for delaying an export campaign.

To the very big manufacturer the foreign market has been tried with more or less effort and in various ways. However, the very smallest manufacturer has a foreign market if he will only try it out. It might be noted that an Ontario manufacturer of golf shafts with a very small plant of lathes, and who does nothing more than make a plain smooth shaft, sells virtually his entire output in England; nevertheless, he submitted his product to South Africa three months ago and received a substantial order by return mail. A Toronto manufacturer of plain wooden rulers cannot catch up with his export orders.

Therefore, these series of articles should be read and re-read by the small plant owner, as well as the executives of more pretentious establishments.

The Field for Export

This is a broad and indefinite subject on which reams of paper might be printed and sufficient population and trade statistics to make one dizzy. There is no one in Canada competent to say what is or is not saleable in a distant country, unless he has been there or studied the possibilities from reliable information originating in that country. For instance, to consider India as a field only suitable for articles required in hot countries is a fallacy. It is hot on the central plains but not on the northern hills. To estimate whether a Canadian manufactured article will sell in Italy is impossible until one knows whether the Italians like it, whether the delivered price meets domestic or foreign competition, and whether the Italian government will allow it to enter the country.

The best way to know what export field each article may expect is to try it out in as many trading countries as it is possible to get into. The various channels by which this may be accomplished will be dealt with in the article which follows this in the next issue of *The Monetary Times.*

Shipping Facilities

In any event, trade follows steamer routes, and it may be taken for granted that Canadian products of many varieties have found a market in the countries where the ocean liners call after leaving on their regular trips from Canadian Atlantic and Pacific ports. November sailings from Canada include the following: From Montreal to Liverpool, London, Glasgow, Dublin, Antwerp, Rotterdam, Hamburg, Havre, Trinidad, Melbourne, Auckland, Buenos Aires, Rio Janeiro, Santiago, Calcutta and Singapore; from Vancouver to the British Isles and the Orient.

In addition to the above sailings there are regular lines out of New York going to numerous additional ports, established to take care of United States exports and which are just as available for Canadian exports passing through the States in bond.

To further appreciate the field for Canadian exports, one must know that the Department of Trade and Commerce at Ottawa has studied the possibilities in almost every country, resulting in the establishment of Canadian trade commissioners in many lands. Extensions to this service are under contemplation and in the meantime, where there is no direct commissioner, the British trade commissioners' service is always willing to do its share in introducing Canadian products.

In the next issue dealing with the problem "How to Get Into the Export Field," particulars of this Canadian and British trade commissioners' service will be given.

MAY PROSPECT FORESTS FOR OIL

New Regulations of Dominion Government—National Debt Still Further Reduced in October

(Special to *The Monetary Times.*)

Ottawa, November 11th, 1920.

RECENT developments in oil prospecting in the west have made necessary some new regulations. An order-in-council just passed sets forth that requests have been made to the Interior Department that the petroleum and natural gas regulations, applicable to Dominion lands, should be extended to the forest reserves, in order that an opportunity may be given to test the lands with a view to discovery, and representations have been made that, from surface indications, these lands may contain a commercial supply of oil. It would, therefore, appear to be advisable in the public interest, says the order, that persons desiring to do so be permitted to prospect for oil and natural gas in at least a portion of these reserves, since the discovery of these products would be of great public benefit, and would also materially enhance the value of portions of the reserves retained by the Crown. The new regulations come in force on December 6 next.

Another order-in-council provides that, for a period of five years after the date upon which the Minister of the Interior decides that oil in commercial quantities had been discovered on Crown lands acquired under regulations governing these lands, the royalty to be collected by the Crown shall not exceed 5 per cent. of the output of well or sale of the products of the location, nor be less than 2½ per cent., and for the following five years it shall not be more than 10 per cent., nor less than 5 per cent. Thereafter it shall be 10 per cent.

Measures for Prospectors' Safety

The rush of prospectors to the north is causing the government to revive the old grub stake ordinances of the Yukon days, as the situation threatens to become serious. It is proposed to take steps that those who go in will not become a charge upon the Royal Canadian Mounted Police. In consequence, only those in good physical shape to stand the rigors of an Arctic winter and have enough "grub" to keep them, will be permitted to go. The northwest company that made the discovery has applied for leases, which will probably be granted, but under stringent regulations.

Another oil strike is reported at Czar, near Wainwright, Alberta. When the Petroleum and Gas Act was applied to the forest reserves, it was provided that half the profits should go to the Crown, and a similar provision is likely to be made now. The limit leased to any one person is 1,920 acres. The Shell Oil Co. development, which did not materialize, undertook to split the profits with the government.

National Debt Reduced

Expanding revenues last month brought a reduction in the net Canadian national debt of $2,634,356. At the end of September the net debt (no credit being taken for non-active assets) stood at $2,276,516,163. During October it was reduced to $2,273,881,806, at which figure it now stands. The bounding revenue, coupled with a heavy fall in capital expenditure due to the practical closing up of war accounts, is regarded with keen satisfaction. During the seven months of the fiscal year ending October 31 ordinary revenue was as follows: 1920, $256,576,967; 1919, $186,408,795, an increase in revenue of $70,168,172. Total revenues collected in October alone were $36,671,056, compared with $27,323,334, or an increase of over nine million dollars.

The new taxes imposed on sales and luxuries last session are apparently the money-getters. They are included in Finance Department returns under the head of inland revenue, and inland revenue last month was nine times what it was in October, 1919, the figures being: October, 1919, $1,045,708; October, 1920, $9,534,178. Income tax collections during the month were $712,093, in comparison with $272,691 in October, 1919, also a heavy increase. Business profits tax shows a decline of $208,000. Both customs and excise also show slight reductions. Ordinary expenditure during the last two seven months' periods of 1920 and 1919 was: 1920, $180,390,913; 1919, $159,049,406; increase, $21,341,507. Capital expenditure during the seven months was $21,804,572 in 1920, as compared with $230,164,048 in 1919.

Western Farmers Hit by Drop in Wheat

But They Are Not the Only Ones Caught by Falling Prices—Producers Must Lose by Movement Which Benefits Consumer—Two Dollar Wheat Would Net Farmer Just $1.70—Farming Profits May be Small This Year

By ANGUS LYELL

FARMERS all over the west will be hard hit if there is any further material drop in the price of wheat. The cost of putting in and taking off the crop has been abnormally high, and if less than two dollars a bushel is realized, the margin of profit, in a good many cases, will be very small. The government has rejected the appeal of the Canadian Council of Agriculture for the re-introduction of a wheat board, similar to that employed last year, on the ground that the concerted control of the foreign markets which then existed is no longer operative. The government will interfere only if a situation develops similar to that which existed last year.

What gain the average farmer will make with wheat selling round two dollars a bushel can at best be but estimated. An important factor—in fact, the controlling factor—is the yield per acre, which varies considerably. In some districts, it may be heavy enough to provide for a reasonable gain even if the price dropped to a dollar and a half a bushel, while in others, it may be so scanty that two and a half dollars might be required to avoid a loss.

It is often hard to determine just what is the actual gain or loss on farming operations. Proper records of operating expenditures may not have been kept. Allowance may not have been made for capital outlays, or for depreciation on the equipment used or other factor of production. One farmer who gave evidence the other day before the Tariff Commission at Edmonton stated that he expected a return of $3,685 from a five-hundred-acre farm. But he admitted that he was not including his own labor and that of his adult son in the operating charges. Very likely he was also omitting other proper charges against his revenue, such as interest on his capital investment—in land, buildings, machinery, work-horses, and so on—and depreciation on his wasting assets. A marked drop in the price of wheat would likely eliminate this man's gain.

Costs Were High This Year

The year has been a hard one on the farmers in the west. Owing to the poor crop last year, there was in several districts not only a shortage of seed but insufficient feed. This led, in many cases, either to a loss in disposing of live stock or a heavy outlay for maintenance. The cost of seed was high. In Alberta, for example, seed oats cost from $1.25 to $1.75 a bushel, and wheat from $2.50 to $3. Many farmers had to purchase their seed. Then labor for spring operations cost about one hundred dollars a month, exclusive of board, and, in some cases, men had to be engaged for the whole season so as to ensure the harvesting of the crop. Day wages in the fall soared to eight and ten dollars a day.

On an average, about two and a half bushels of wheat is required per acre for seed. At three dollars a bushel, the cost per acre for seed would be $7.50. Then let us put the average cost of labor per acre at $11, which, I think, is not excessive for all operations—plowing, discing, harvesting, thrashing. Estimate the interest on the capital invested in land, buildings, work-horses, and equipment at $6.50 an acre, and we have total charges of $25 an acre.

Net Return from Two Dollar Wheat

The average yield of wheat in Alberta this year will be about twenty bushels to the acre, which is better than the yield in Saskatchewan. Now, twenty bushels at two dollars each gives a return of $40. But wheat selling at $2 would net the producer only about $1.70 at the elevator, or $34 an acre, which, according to our estimate, would give a gain of $9 an acre. The return from a five-hundred-acre field, which is much larger than the average under cultivation, would be but $4,500. But were the market price to fall to $1.60 a bushel, it is obvious that the margin of profit might be entirely eliminated. In pre-war days, when wheat sold at ninety cents a bushel, the cost of operation was very much less.

Wise Action in Removing Control

It is unfortunate from the viewpoint of the farmers that there has been a marked drop in the price of wheat, because of the heavy cost of production. But I think the government acted wisely in abolishing price control, and I cannot see that it would be in the best interests of the people as a whole were any measures now taken—if any could be taken—to bolster up a falling market, even though the agents of those European nations which most need our wheat may be helping to manipulate prices.

Market conditions last year were very different from those which now exist. European buyers were short of capital, and the buying and selling devolved on the nations interested. Both the United States and Canada, as exporting countries, had to finance the European powers that purchased their wheat, either by granting loans or credits. For that reason, it was necessary to fix prices and to practically eliminate a free trading market.

This year there is no such restraint. There is no concerted purchasing by the European nations. The European nations are receiving no aid from Canada or the United States to help them in financing their imports. There is an open market.

We all know very well that the high level of prices of commodities cannot be maintained. We know that, when a sharp break comes, some—producers, manufacturers, jobbers, speculators, and others—are bound to suffer loss. It will be unfortunate if our farmers are "nipped," but a general decline in the cost of food will be a blessing to millions. Once there is a marked reduction in the cost of the necessaries of life, there will be a general break in the cost of everything. We will be well on the road to normal conditions.

World Market Must Rule

European buyers cannot well be criticized for purchasing in the cheapest market. France has an excellent crop, perhaps more than ample for her needs. Britain, too, has a good crop, although it is considerably short of her requirements. To-day, both the Canadian and the United States dollar are at a premium in the London market. You can (at the date of writing) buy the pound sterling in Canada at $3.85—a discount of about twenty-two per cent. This means that if the market price of our wheat is two dollars a bushel, the British purchaser has to pay an extra forty-five cents for it. The premium on the United States dollar is higher. While present exchange conditions continue, overseas buyers will undoubtedly delay their orders as long as possible and then reduce them to a minimum.

But the good harvest this year will be a blessing to the average man. While the tendency in the west is for the producers to hold their wheat in expectation of an increase in the market price, the wheat cannot be carried in storage for ever. It will be forced on the market by sheer necessity. There is little money at present in circulation, business is far from active, and merchants are beginning to insist on settlement of their accounts. Very soon a condition will be reached where it is imperative to sell. And while a loss to the farmers is to be regretted, more so than a loss to the sugar refiners who endeavored to bolster up prices, a general reduction of prices will be of untold good to the community.

BRITISH COLUMBIA WOULD BORROW MORE

Complain that Eastern Institutions Fail Them and They Must Go South for Capital

(Staff Correspondence.)

Vancouver, Nov. 11, 1920.

THE future of Vancouver will be built up around its shipping and export trade, and, while just at present export trade is somewhat quiet from Pacific Coast ports, the outlook for the future is undoubtedly bright. Vancouver has a wonderful harbor, and has immense possibilities before it. The natural resources of the province of British Columbia are possibly greater than any other province in the Dominion, and much capital will be needed to develop them.

There is a more or less marked feeling of bitterness among representative men in Vancouver at the financial institutions of eastern Canada and our big financial men for their lack of foresight in not giving greater assistance or taking advantage of the great opportunities there are for the development of British Columbia resources. They claim that American interests are much keener in seeing the need and taking advantage of it, and that many of the important developments have American capital behind them, particularly in mining, pulp industry and numbers of others.

More Capital Needed

Surely the great heritage that Canadians have in the province of British Columbia should be attractive enough to Canadian and British capital, so that in the immediate future the necessary money for turning these great resources into wealth would be made available.

In Point Grey municipality considerable growth has taken place this year. More than six hundred houses have been built, and there is urgent need for increased water supply to take care of the population. To further show the growth and importance of Vancouver, the C.P.R. contemplates making extensive enlargements and alterations to the magnificent Hotel Vancouver, at present one of the largest and finest of the C.P.R. hotels.

British Columbia Electric's Position

Population and business is increasing steadily at the Pacific Coast. Figures compiled by the public utility companies show many more consumers than there were a year ago. The British Columbia Electric Railway Company has made some two thousand new lighting connections in the last year, and there were many homes built outside the lighting area. A recent compilation places the population of Greater Vancouver at 203,000.

In the last few months the increase in street car traffic in and around Vancouver has been, roughly, 500,000 a month. In meeting this increase the British Columbia Electric Railway Company is in an anomalous position. In the first place, the government of the province at its last session put through an Act, changing the rule of the road from left to right. The cost of this change would be mainly connected with changing the tracks and rolling stock of the street railway companies, and it is estimated that the change would cost about a million dollars. The British Columbia Electric Railway Company in the meantime cannot order any more rolling stock until this change is put under way, but no one in the province has decided who is to pay for making the change, and there the matter rests. In the meantime the traffic continues to grow.

Utilities' Jurisdiction Not Yet Settled

Another condition is connected with the fares charged in Vancouver. The railway company is at present under the jurisdiction of the Dominion Railway Commission, although the commission has taken a stated case to the Supreme Court of Canada for hearing in February on the question of its jurisdiction. At the last session of the Federal House an Act was passed, returning the British Columbia Electric Railway Company to provincial jurisdiction at the end of one year, which expires in July, 1921. This means that the company will return to the original fares as fixed in the dozen or more franchises with cities and municipalites. As the company now collects six and seven-cent fares, authorized first by the late Provincial Public Utilities Commission and then ratified by the Dominion Railway Commission, the possibility of a return to a five-cent fare is serious. In the meantime the company is receiving requests for extensions and better service, but, owing to the uncertain condition of its fares, it replies that nothing can be done in the direction of further investment until its fares are definitely fixed.

Industrially, Vancouver is forging ahead rapidly. Since January, 1916, 296 new power consumers have located in the city, with a connected horse-power of 15,529. In the same time 8,186 new lighting customers connected with the British Columbia Electric lines. Similar increases are recorded by the British Columbia Telephone Company.

"EQUITABLE" NOT AN INSURANCE TRADE MARK

Department Holds American Company Has No Proprietary Interest in Title—Ontario Equitable Life and Accident Will be Name of New Company

THE word "equitable" is of such common use in the names of insurance companies that no one company can claim its exclusive use. This is the substance of a ruling of the Ontario Insurance Department in connection with the application for incorporation of the Ontario Equitable Life and Accident. Superintendent Gray says:—

"It was urged that the word 'equitable' was so associated in Canada with the business of the Equitable Life Assurance Society of the United States as to have become the property of that company in connection with life insurance in a manner similar to a trade name in a commercial enterprise. I have come to the conclusion that the Equitable Life Assurance Society of the United States has no proprietary interest in the word 'equitable.' It was, in the first instance, copied by this company from the Equitable Life Assurance Society of England, which had already acquired a world-wide reputation. The word 'equitable' is part of the name of another English company, known as the 'British Equitable Assurance Company,' and also that of another company, called the 'Scottish Equitable Life Assurance Society,' and of at least two other companies incorporated in the United States. Furthermore, the cases establish that the word is not of a quality which contains the essentials necessary to constitute a trade mark or trade name. (See Standard Ideal vs. Standard Sanitary 1911 Appeal Cases, p. 78.)

Aim to Prevent Confusion

"Aside from the above considerations, the real question upon which the decision of the department must be based is whether the name 'Ontario Equitable Life and Accident Insurance Company,' proposed to be given to the new company, is liable to be confused with the name, 'The Equitable Life Assurance Society of the United States.' My conclusion is that no confusion will result from the fair use of both names.

"If any attempt is made by representatives of the new company to pass off the policies of the new company as being the policies of the other company, there are proper and adequate legal remedies for such an offence.

"In order that the misuse of the name, innocent or otherwise, may be guarded against, the applicants will be asked to provide an undertaking or agreement in form satisfactory to the department to the effect that in any abbreviation of the name of the company for ordinary purposes the word 'Ontario' will be retained to distinguish the name from that of any other company whose name includes the word 'equitable.'

"In coming to this conclusion and adopting this suggestion I have had regard to what has been the practice of insurance departments in other jurisdictions, particularly in Canada and Great Britain, in similar circumstances."

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PRINCIPAL CONTENTS

SELLING CANADIAN GOODS ABROAD

SOONER or later this country must build up a substantial surplus of exports over imports, and maintain that surplus for an extended period. This will not make Canada rich, but will merely enable it to pay the interest on the immense sums which have been borrowed abroad. A large part of our exports will no doubt for a long time to come consist of raw materials, the product of our farms, forests, mines and fisheries. But in adopting protection with its consequent high costs we have imposed a handicap on these industries, which must be offset by the export of products of our manufacturing industries whose existence and success is made possible by the tariff.

Canada has not in the past been able to build up a permanent surplus of exports. The favorable balances of the fiscal years ended March 31, 1916, 1917, 1918, and 1919 were the result of war conditions. The only favorable balances on record before these years were in 1880 and in the four years 1895 to 1898. In every case the surplus has quickly disappeared when the special conditions causing it were removed. The war-time surpluses were due to the unusually large exports to the United Kingdom, France and other allied countries. In the twelve months ended September 30, 1920, our exports to Great Britain were only $375,461,000, compared to $549,209,181 in the preceding twelve months, and to $712,670,404 in the twelve months ended March 31, 1918. The exports to France were, for these three years, $43,941,390, $73,688,731, and $131,460,692 respectively. These reductions reduced our total exports from $1,358,419,580 in 1918 to $1,210,541,387 in 1919, and to $1,208,919,175 in 1920, being made up in part by increases in exports to other countries.

This is the national aspect of our foreign trade problem. It has also a practical significance to Canadian manufacturers, who build up a large war-time business abroad under the stimulus of a world-wide scarcity of goods, and who must now build up an efficient export organization if their scale of operations is to be maintaind under the more keenly competitive conditions which will prevail in the next few years. Foreign business is a new field for most Canadian manufacturers, and it is one in which success is to be achieved only after years of preparatory work. A comprehensive survey of the situation is made in the series of articles, the first of which is published in this issue of *The Monetary Times*, by Col. C. R. Hill, who has made a close study of the question and whose firm has already been of service to many Canadian manufacturers since it was organized last year.

The suggestions made in these articles are practical, dealing with export organization at home and abroad, agencies, sales campaigns, financing, shipments and packing, and the numerous details which must be considered in foreign business. While Canada is not dependent on foreign business to the same extent as are countries like the United Kingdom, whose prosperity has been built up in this way, yet Canadian manufacturers will benefit to the extent that they can advance our products to the manuactured stage, rather than have them exported merely as raw materials.

FACTORS IN PRICE REDUCTION

BUSINESS men are no longer deceiving themselves as to the trend of business on this continent. Quietness has been rather more in evidence across the border than in this country, for there prosperity had reached its maximum and New York exchange was at a premium in almost every other country. It was expected therefore that the United States would be the first to feel the change, and this expectation has been realized. The industrial and commercial situation in Canada, it is pointed out by the Canadian Bank of Commerce in its November *Commercial Letter*, is influenced to so great an extent by the movements of commodity markets in the United States, particularly those of domestic raw products, that the continued fall on the part of cotton and wool, combined with a determined effort on the part of growers to hold their stocks for higher prices, cannot fail to have an unsteadying effect on Canadian manufactures.

The prospect of a further decline in commodity prices continues to favor conservative buying. Other factors in determining this attitude are the publicity given to the Tariff Commission's investigations, the gradual elimination of government control from the marketing of important manufactured and domestic products, and the feverish movements of foreign exchange. On the other hand there are some reassuring factors. Immigration continues to increase, the greater number coming from British territory. Meanwhile United States farmers continue to take up holdings in western Canada, where land values are firm with a decidedly upward tendency, as is also the case in eastern Canada.

The marketing of the cereal crops during the early part of October was delayed somewhat by declining prices and a shortage of railway cars. Holders of live stock who were favored with good fodder crops deferred shipments pending an improvement in market conditions, but in spite of this an average number of cattle found its way to the markets. Terminal and country elevators are congested with grain, the holders anticipating an advance in prices. Under such conditions the current obligations of farmers and country store-keepers have not been liquidated as promptly as expected. This situation creates a strain upon the available supply of credit. In certain extensive areas in the west, there has been an accumulation of farmers' obligations for seed grain, current liabilities, and mortgage arrears caused by a series of bad harvests. Fortunately the threshing returns in most of these districts indicate satisfactory crops this season.

A NEW PROPOSAL ON THE HOUSING PROBLEM

THE housing shortage is now a thing of the past. Property rentals and values have advanced to such a degree that there need no longer be a gap between demand and supply; in fact, it may be necessary to restrict house rents and thereby control the value of improved property, which is the net rental capitalized.

Such at least is the viewpoint suggested by a bill which has just been drafted by the Ontario government for submission at the next session of the legislature. The bill aims at setting up courts for the regulation of house rents. But the record of building by no means confirms this viewpoint. Costs of construction are still so high as to prevent builders from placing houses on the market at the present time. Even the present level of rentals is not sufficiently high to make such an investment profitable, and there is also to be considered the possibility of rents coming down in the period of dullness and contraction upon which we appear to be entering. House rents must be determined on the basis of present construction costs; that such rents may afford too large or too small a return on all property is unavoidable, just as a change in commodity or security prices affects the values of those held by previous purchasers.

A New York court has just held an act providing for the control of rents to be unconstitutional on the grounds that it discriminates between the owners of old and new property. While our Canadian constitution is not so specific in its definition of the rights of the individual as is that of the United States, the spirit of British law requires that there be no restriction of property rights so long as competition prevails. Apart from the fundamentally monopolistic character of land values, improved properties are still bought and sold in the open market, there being no controlling group on either side. If there are still insufficient houses in our industrial centres, the level of rents and values must be made sufficiently high to enable them to be built at a margin of profit. The government and many municipalities tried to solve the problem without having regard to this consideration, and failed to do so. Almost every city in Canada is now discussing the control of rents, but such a measure as the proposed Ontario bill cannot bring any remedy to the situation.

INSURANCE TRAINING REQUIRED

SEVENTY out of one hundred and sixty-eight universities in the United States now have courses in insurance or are about to start such courses. Practically no attention has been given to insurance by Canadian universities, and as systematic training of employees is a difficult thing for an individual company to carry on there is a good opportunity for co-operative effort on the part of the companies. The Insurance Institute of Toronto has offered courses in insurance for the past twenty years, but employees have made little response. Many years ago there was a similar institute in Montreal, but it passed out of existence; last year, however, the Fire Insurance Society of Montreal commenced an active educational program.

There are many organizations of this kind in the United States. At the twelfth annual conference of the Insurance Institute of America in New York recently, President Frederick Richardson reported a substantial development of interest in the institute movement. Not only has there been a large increase in the number of students attending classes and sitting for the examinations, but a much more general recognition of the functions performed by the organization has been secured, he said. The necessary financial assistance to carry on the work planned in previous conferences is now assured, and the institute will go ahead with its program, which includes the following: (1) A permanent office for the institute, with a paid secretary, whose duty it will be to direct the various activities under the president; (2) incorporation of the institute; (3) the preparation of a revised casualty course and life and marine courses; (4) the preparation of suitable text books that may be used both for class work and for tuition by correspondence. A decision will soon be made as to whether the institute will seek to obtain a federal or a state charter, and if the latter, in what state to incorporate.

The strength of the public ownership movement on this continent is proven by its ability to survive such revelations of graft as are now being made in connection with the United States Emergency Fleet Corporation.

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The Dominion government has instructed its various departments to conserve paper and twine. To the casual visitor to government offices the superfluity of labor is the most glaring example of extravagance.

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A returned soldiers' organization now urges another "bonus" of $8,000,000 on account of loss of exchange on pay received overseas. The ingenuity of war veterans in finding new "claims" on the government could be better applied in productive channels.

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A Montreal despatch dated November 10 states that the Canadian banks will not finance the importation of securities, while another Montreal despatch of the same date refers to an offering of city of Paris bonds through several Montreal institutions which are members of the Bankers' Association or of the Bond Dealers' Association. The Paris bonds are for the purchase of goods in Canada, but is not money released in Canada to the credit of Britishers also available for the purchase of Canadian goods?

* * * * *

Tips on oil stocks are the order of the day, but such tips are not always of value. Lunching recently at a club of which he had just became a member, a broker enquired of the waiter if there was any rule against tips.

"No, sir," replied the expectant waiter.

"Well, then, if you have any Consolidated Oil stock, sell it at once."

PERSONAL NOTES

THOMAS COSTELLO, who for some years has been textile adviser and Dominion appraiser of customs, has resigned his position to take over the management of the Toronto branch of the Capital Trust Corporation of Ottawa.

M. P. LANGSTAFF, the assistant general manager and actuary of the newly formed Ontario Equitable Life and Accident Insurance Company, of Waterloo, Ont., has been actuary of the Dominion Life Assurance Company, Waterloo, since 1910. Previous to that he was connected with the Imperial Life and the Continental Life, becoming assistant actuary of the latter. He is a Fellow of the Institute of Actuaries of Great Britain and an associate of the Actuarial Society of America. As a result of the organization efforts of S. C. Tweed, the general manager, and of Mr. Langstaff, the first issue of $500,000 of capital stock has already been fully subscribed. This was accomplished between October 1st and October 29th, and probably establishes a record in life insurance organization in Canada.

J. H. C. LAWRENCE, a well known figure in Winnipeg financial circles, was recently appointed manager of the Winnipeg branch of the Canada Permanent Trust Company, to succeed G. F. R. Harris. The Canada Permanent Trust is an offshoot of the Canada Permanent Mortgage Corporation whose headquarters are at Toronto, and the formation of the trust company was undertaken to work hand-in-hand with the parent company, doing general trust company business. Mr. Lawrence has been with the company since 1896 in various capacities both in the east and the west. He is Winnipeg manager of the Canada Permanent Mortgage Company as well, succeeding G. F. R. Harris.

D. J. McDOUGALD has been elected president of the Eastern and Western Land Corporation to succeed the late Thomas Long. The company is one of the pioneer land and colonization organizations of Saskatchewan, and has its head office at Toronto. The vice-presidents are Sir Geo. E. Foster and Hon. Robert Watson.

OBITUARY

A. J. MACDONELL, manager of the Kingston, Ont., branch of the Bank of Montreal, died on November 5, following a brief illness. Mr. Macdonell entered the Ontario Bank at Lindsay in 1877, and was promoted to Port Hope, Montreal and Cornwall, and became manager at Emerson, Man., in 1881. The next year he was appointed superintendent of the North-West Territory. In 1884 he was appointed assistant manager at Winnipeg, and subsequently became manager at Mount Forest, Port Perry, Guelph, Port Arthur and Sudbury, Ont., from which place he went to Kingston.

SALE OF PACIFIC COAST FIRE INSURANCE CO.

The sale has just been consummated of the Pacific Coast Fire Insurance Co., with head office in Vancouver, B.C., to the Century Insurance Co., Ltd., of Edinburgh, Scotland. The Century acquire the controlling interest in the company, paying $120 per share for fully paid shares, directors and shareholders receiving the same price for their stock.

With the control of the Pacific Coast Fire passing to that of the Century, no change in the name of the company will be made and the head office will continue to remain in Vancouver, B.C. T. W. Greer, who has been solely responsible for putting through this important deal, has been manager of the Pacific Coast Fire for the past twelve years, two years as branch manager in Toronto and ten years as managing director in Vancouver, is to remain under contract with the organization, and he will also continue to act as manager for the Century Insurance Co., Ltd. of Edinburgh, Scotland, and the Vulcan Fire Insurance Co. of Oakland, California, which position he has held jointly with the Pacific Coast Fire during the past five years.

T. W. GREER

The premium income written by the office this year will amount to approximately $800,000 in premiums, all three companies operating the Canadian field from Quebec west to British Columbia.

The Pacific Coast and Century net loss ratios for the first ten months of this year are in the neighborhood of 35 per cent., whereas the Vulcan have a net loss ratio in Canada this year for the first ten months of well under 20 per cent.

ROYAL TRUST COMPANY MEETING

A year of satisfactory progress and continued growth in the business of the Royal Trust Company was reported at the annual meeting of the shareholders on November 9th, presided over by Sir Vincent Meredith, Bart. The old board of directors and executive of the company were re-elected at the meeting, with Sir Vincent Meredith, Bart., president, and Huntley R. Drummond, vice-president.

Because they consider that the amendments to the corporation taxation act, passed at the last session of the Manitoba legislature, are discriminatory legislation, brokers, manufacturers, agents and commission merchants organized in the Winnipeg board of trade will contest its validity in the appeal court, according to a decision reached on October 27th.

THE EXCHANGE RATE

VII.—What Controls It?

WE have shown in former issues of this series that currencies, outside their own countries, are commodities, not money; the advantage of Bills of Exchange over gold for making settlements and the effect of the Trade Balance on the Exchange Rate. In our last article, we explained the influence of the Inflation of the Currency. We will now deal with the effect of the second of the War Finance measures, the Restriction of the Export of Gold.

Before the War, except during the greatest financial crises, paper currencies of the chief countries could be redeemed in gold on demand, and the gold could be sent to another country.

The fact that this was possible had great controlling influence on fluctuations in exchange, for when the premium on a Bill of Exchange on any country rose above the cost of shipping and insuring the gold, settlements were made by such shipments. Gold reserves, if depleted by shipments to countries where our paper money was at a discount, usually were restored by the purchase of gold in countries where our paper money was at a premium. The range of the rise and fall in exchange was thus kept within comparatively narrow limits.

When war broke out, however, all the belligerents prohibited the export of gold in order to retain as large reserves as possible for their future financing.

The principal controlling factor in the exchange market was therefore withdrawn, and the price of Bills of Exchange depended chiefly on whether the amount offered exceeded, or was less than the demand.

In our next issue, a week from to-day, we shall touch upon some other influences on the exchange value of the dollar which, to keep the problem in its simplest form, have so far been omitted.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up - $15,000,000.
Reserve Fund - $15,000,000.

This series, when completed, will be published in pamphlet form. If you desire a copy, write to our Head Office, Toronto.

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INTERIM REPORT ON ONTARIO TIMBER PROBE

Commissioners Recommended That Legal Action be Taken to Secure Amounts Due Government

ACTING upon recommendations contained in a second interim report by Justices Riddell and Latchford, the Ontario government will at once take action in the courts to recover from the Shevlin-Clarke Lumber Co., of which J. A. Mathieu, Conservative member for Rainy River, is general manager, a sum running into millions, due to the province on lumber for which no return was made. This is the second interim report to be issued by the commission which has been enquiring into the timber licensing operations of the province.

Recommend Legal Action

The commissioners, in advising the government that proceedings should be taken, express themselves strongly regarding the way the company has dealt with the government. "From the facts before us, in great measure from the books and records of the company and from their servants, we think the Shevlin-Clarke Company has defrauded the province of large sums of money," says the report. "In our opinion, such proceedings should be taken by the Attorney-General for the punishment of those who have committed forgery and perjury as the evidence submitted herewith may justify. We also recommend that proceedings be taken to recover from the Shevlin-Clarke, Limited, of Fort Frances, the sums of money unlawfully withheld from the province, and for the cancellation of the license for berths 45 and 49 in the Quetico Forest Reserve."

The two berths referred to were given to the company under license by Hon. G. Howard Ferguson on August 30, 1919, without notice to the public and without competition as required by the regulations of the department then in force. The commissioners, in commenting upon Mr. Ferguson's assumption that he had a right as minister to deal with such matters regardless of that regulation, point out that there is no provision in the statutes or regulations allowing an exception to the clear provisions set up in the regulations, and assert that the issue of the license by Mr. Ferguson was a violation of the law of the province.

Proper Returns Not Made

The greater part of the interim report is devoted to showing how it was possible for the Shevlin-Clarke Company to get millions of feet of lumber for which they made no return to the Crown. It emphasizes the extent to which the province was dependent upon the honesty of the cullers, and then goes on to show how the cullers appointed by the government were appointed. The commissioners do not comment upon the contradiction in the statements of Mr. Mathieu and Hon. Mr. Ferguson. The former maintained that he had the patronage for the district, while Mr. Ferguson declared that no member had the patronage in his department—Mr. Mathieu or anyone else—but they point out that the cullers at the company's operations might well believe that their appointment depended upon Mr. Mathieu's good will. They draw attention to the fact that some of the cullers appointed by the government to measure the lumber cut by the company were for a part of the year in the employ of the company, and one was in receipt of money from the company all the year around.

The report explains the system of keeping records, the provision calling for an oath as to the correctness of the records at the end of the season. These checks, say the commissioners, should have been sufficient to ensure a reasonably accurate return of the timber cut. "But," says the report, "the returns made to the government by cullers and by the company's servants on behalf of the company contain a great mass of perjury and forgery. In many cases affidavits were made in blank, in many cases alleged affidavits were not sworn to, and in many cases the signatures to the affidavits were deliberate forgeries. Some of these documents were prepared and completed in the company's offices."

In the nine years from 1911 to 1919 inclusive the mills of the company produced 649,946,017 feet of lumber, but the government received returns for, and was paid on only 294,181,714, so that the company had 355,764,303 feet more lumber than appeared in the return to the government.

GRAIN SITUATION TO DATE

The Northwest Grain Dealers' Association estimates this year's crop production in the prairie provinces as follows:—

	Acres.	Bushels per acre.	Total bushels.
MANITOBA			
Wheat	2,687,000	15.1	40,573,700
Oats	1,887,000	33.6	63,403,000
Barley	865,000	22.3	19,289,500
Rye	268,000	15.7	4,207,600
Flax	62,000	6.8	421,600
SASKATCHEWAN			
Wheat	9,440,000	13.3	125,552,000
Oats	5,126,000	29.8	152,775,000
Barley	480,000	20.4	9,792,000
Rye	202,000	14.8	2,989,600
Flax	1,032,000	5.8	5,985,600
ALBERTA			
Wheat	3,644,000	17.6	64,134,400
Oats	2,906,000	25.2	102,291,000
Barley	418,000	26.	10,868,000
Rye	88,000	18.6	1,636,000
Flax	84,000	6.5	546,000
AGGREGATE			
Wheat	15,771,000	14.6	230,260,000
Oats	9,919,000	32.1	318,449,000
Barley	1,763,000	22.6	39,949,500
Rye	558,000	15.8	8,834,000
Flax	1,178,000	5.9	6,943,000

A summary of the grain situation as at October 30 is made by the association as follows:—

WHEAT SITUATION

	Oct. 30, '20. Bushels.	Nov. 15, '19. Bushels.
Wheat inspected to date	59,250,000	60,329,000
In store at country points	28,500,000	24,500,000
In transit, not inspected	12,000,000	4,500,000
Allowed for seed and country mills	37,000,000	36,000,000
	136,750,000	

Balance in farmers' hands to market, 93,510,000 bushels; amount yet to be inspected, 134,010,000 bushels.

	Bushels.	In store, country points. Bushels.
Oats inspected to date	8,929,000	5,160,000
Barley " " "	2,901,000	1,720,000
Rye " " "	1,022,000	625,000
Flax " " "	772,000	500,000

The Kent Building, one of Toronto's large office buildings, has just been purchased by the Childs Co., Ltd., which has for some years past occupied the ground floor as a restaurant, for $1,000,000.

BRITAIN TO REPAY $150,000,000

In 1916 the Canadian banks loaned the British government $100,000,000 for the purchase of munitions, and a similar amount in 1917 for the purchase of wheat. These loans are now being repaid. For the first six months, commencing November 1, the monthly payments will be $5,000,000 each, and for the next year $10,000,000 per month, thus wiping out the debt by May, 1922.

These loans were originally advanced on a three-years' basis, and at a moderate rate of interest. Renewals have been made from time to time, and repayment commenced at the beginning of this year. From January 1, 1920, till May 1, monthly payments of 10 millions each were made by Great Britain, thus leaving the present balance of 150 millions to dispose of.

Great Britain still owes Canada about 180 millions, in addition, which represents the credit balance due the Canadian government on the various advances made mutually by the two governments to each other to cover their respective war expenditures in the two countries. No arrangements for the liquidation of this debt are known to have been made as yet. The repayment of the other debt of 150 millions to Canadian banks, will, however, materially assist the credit position of the Dominion, and bankers express much satisfaction that the account is being thus disposed of.

EXCHANGE QUOTATIONS

Glazebrook and Cronyn, exchange and bond brokers, Toronto, report local exchange rates as follows:—

	Buyers.	Sellers.	Counter.
N.Y. funds	12¾ pm	13 pm	....
Mont. funds	Par.	54 pm	⅛ to ¼
Sterling—			
Demand	$3.82	$3.83	....
Cable transfers	3.83	3.84	....

Bank of England rate, 7 per cent.

New York quotations of exchange on European countries, as supplied by the National City Co., Ltd., Toronto, at November 11, 1920, follow: London, cable, 337⅞; cheque, 337⅛; Paris, cable, 5.79; cheque, 5.78; Italy, cable, 3.44; cheque, 3.43; Belgium, cheque, 6.12; Swiss, cheque, 15.30.

RAILROAD EARNINGS

The following are the approximate gross earnings of Canada's transcontinental railways for the month of October:—

Canadian Pacific Railway.

	1920.	1919.	Inc. or dec.
October 7	$5,356,000	$3,965,000	+ $1,391,000
October 14	5,689,000	4,029,000	+ 1,660,000
October 21	5,983,000	4,241,000	+ 1,742,000
October 31	7,579,000	5,878,000	+ 1,701,000
Total	$24,607,000	$19,113,000	+ $6,494,000

Canadian National Railway.

October 7	$2,657,913	$2,140,414	+ $ 517,499
October 14	2,901,802	2,012,883	+ 888,919
October 21	2,917,348	2,167,313	+ 750,035
October 31	3,874,104	3,221,718	+ 652,386
Total	$12,351,167	$9,542,328	+ $2,808,839

Grand Trunk Railway.

October 7	$2,737,818	$2,115,530	+ $ 622,288
October 14	2,557,273	2,148,124	+ 409,149
October 21	2,666,086	2,101,885	+ 564,201
October 31	3,705,621	3,175,005	+ 530,616
Total	$11,666,798	$9,540,544	+ $2,126,254

BANK BRANCH NOTES

Four New Branches Announced This Week—Royal Bank Branch at Woodbridge Robbed

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

Wedgeport, N.S.	Royal Bank of Canada
Toronto City Hall Branch	Dominion Bank
Lower Wood Harbour, N.S.	Royal Bank of Canada
St. Thomas, Ont.	Royal Bank of Canada

T. V. B. Bingay, manager of the branch of the Bank of Montreal at Yarmouth, N.S., has been granted leave of absence from about the 1st of December.

D. McCallum, formerly manager of the Bank of Nova Scotia at Portage la Prairie, has been appointed manager of the branch at Fort William.

Harry J. Sterling has returned to Winnipeg and entered the service of the Bank of Hamilton as manager of the Princess St. branch, succeeding Geo. McCombie, who was recently made assistant manager at Vancouver, B.C. Mr. Sterling first associated himself with the Bank of Hamilton at Simcoe, Ont., twenty years ago, and has occupied positions of accountant at the Winnipeg main office and manager of the Fort William branch.

The branch of the Royal Bank in Woodbridge, Ont., was robbed of $15,000 in notes on the night of November 2. Some weeks ago an attempt had been made by robbers to enter the bank, but neighbors gave an alarm and the robbers escaped. This time the vault was broken open. James Fleming, who had just left the bank that evening to go on a vacation, prior to taking up a new appointment as manager of the Royal's branch at Bolton, Ont., was arrested the following day in Toronto. He was released at once, however, and has now entered an action for $50,000 damages against the bank, alleging malicious prosecution, trespass and false imprisonment.

WEEKLY BANK CLEARINGS

The following are the Bank Clearings for the week ended November 11, 1920, compared with the corresponding week last year:—

	Week ended Nov. 11, '20.	Week ended Nov. 13, '19.	Changes.
Montreal	$164,392,544	$131,452,622	+ $32,939,922
Toronto	107,551,105	100,925,696	+ 6,625,409
Winnipeg	110,806,325	68,139,541	+ 42,666,784
Vancouver	17,148,162	13,627,783	+ 3,520,379
Ottawa	15,214,940	15,105,121	+ 109,819
Calgary	12,199,332	10,698,932	+ 1,500,400
Hamilton	7,820,896	7,387,131	+ 433,765
Quebec	8,726,996	6,435,379	+ 2,291,617
Edmonton	6,240,396	6,277,693	— 37,297
Halifax	5,393,597	4,641,349	+ 752,248
London	4,032,250	3,488,070	+ 544,180
Regina	6,619,164	2,650,000	+ 3,969,164
St. John	3,697,700	2,139,865	+ 1,557,835
Victoria	2,842,441	2,542,020	+ 300,421
Saskatoon	3,020,613	2,196,975	+ 823,638
Moose Jaw	2,628,163	2,560,392	+ 67,771
Brantford	1,523,734	1,474,248	+ 49,486
Brandon	1,174,138	1,126,343	+ 47,795
Fort William	1,152,464	1,043,886	+ 108,578
Lethbridge	1,314,759	839,521	+ 475,238
Medicine Hat	793,365	581,509	+ 211,856
New Westminster	749,542	552,495	+ 197,047
Peterboro	951,751	1,213,958	— 262,207
Sherbrooke	1,533,939	1,147,734	+ 386,205
Kitchener	1,255,754	1,672,575	— 416,821
Windsor	3,657,931	2,560,392	+ 1,097,539
Prince Albert	485,640	583,478	— 97,838
Totals	$492,927,641	$393,064,708	+ $99,862,933
Moncton	1,006,578	......	......

Marine Insurance, Policies and Claims

The Bill of Lading and the Insurance Policy are the Important Documents—Four Main Clauses of Marine Insurance — Differences Between Marine and Fire Insurance Policies — "General Average" and its Significance

MARINE insurance practice in Canada was the subject of a comprehensive address given by B. G. D. Phillips, Vancouver manager of Dale and Co., before the Board of Trade of that city recently. Mr. Phillips' address, as summarized by the *British Columbia Financial Times*, was as follows:—

"The two most important documents in connection with a shipment of goods are the bill of lading and the insurance policy, the former giving the title to the goods and the latter protecting the assured in case of damage by sea perils.

"The general idea that one gets upon reading a bill of lading is that, whilst the shipowner agrees to carry goods from one point to the other and makes conditions with regard to the payment of the freight, he takes care to provide, so far as it is possible to do so, that he shall not be held liable for any damage which may occur to the goods in transit. He is entitled to do this by reason of the fact that he is what is known as a contract carrier, and in this connection the difference between a common carrier and contract carrier may be noticed.

"Common" and "Contract" Carriers

"When a railway is to be built an Act of Parliament is passed authorizing it, and concessions of land are obtained in order that the line may be constructed. When it is completed it practically becomes a public utility, and the conditions under which it transports goods are laid down by the Railway Commission. The railway bill of lading starts out with the words that the carrier shall be liable for all loss or damage which may happen to the goods, with the exception of damage caused by the "act of God," "riots," "strikes," and one or two other causes.

"The steamship company, on the other hand, is usually a private concern financed by private capital, and does not obtain any concessions such as the railway company. They are, therefore, in the position of making their own contracts with regard to the carriage of goods, and these are only modified by law in certain instances. In the United States we have the Harter Act, a similar act in Australia and the Water Carriage of Goods Act in Canada, the intention of all three acts being the same, viz., to provide that the shipowner cannot contract himself out of liability for his own negligence.

What a Marine Policy Covers

"The insurance policy covers goods against perils of the sea, and a mistake is often made by those who are insuring cargo in taking it for granted that the mere fact of insuring means that the underwriters are responsible for all damage which may happen to the goods in transit. Such, however, is very far from being the case. Just as there are different kinds of accident and sickness policies, the cost of which vary according to the risks covered, so there are different kinds of insurance policies of which the same remarks are true.

"The question is often asked underwriters by those wishing to insure cargo whether it is not possible for them to so insure the goods that they may call upon underwriters to pay any loss on arrival, no matter how it is caused. The answer to this is that it is possible to do so, but the assured usually finds that the cost of such insurance is more than he is prepared to pay. Moreover, as a rule, the regular insurance companies are more or less averse to giving insurance of this kind, and it usually has to be obtained at Lloyds.

"Before dealing with the different clauses of marine insurance, two points may be noticed in which marine insurance differs from fire insurance.

"If you have a shipment of goods for which you have paid, say, $1,000, and you figure that on arrival here they will be worth, say, $1,500, you are perfectly entitled to insure them for that amount. Suppose the market drops, and as a matter of fact they would only be worth $750 on arrival, and for the sake of argument say the ship and cargo are totally lost by fire a day before they arrive at destination, the assured is entitled to recover the full face value of the policy, which in this particular instance would show a profit of $750. If these goods had been insured under a fire policy all that the assured could recover would be the cost of replacing them, or, say, $750.

"If you insure your house under a fire policy for $5,000 and you have a loss of, say, $2,000, the policy is automatically decreased by that amount, and in order to reinstate it you have to pay an additional premium, but if you insure a ship for that amount, you may have, during the year, three or four losses of $2,000 and end up with a total loss, for all of which underwriters would be liable, nor would they receive any further premium than the amount paid them when the policy was originally taken out.

Classes of Marine Insurance

"Marine insurance on cargo may be divided into four classes:—

"First, against the risk of total loss. This is the form generally used in connection with insurance on cargo by scows, and the reason that underwriters are unwilling to give fuller cover is that the risk of part of a cargo washing overboard is very considerable, and the premium they want to cover this loss is probably more than the owner of the cargo would be willing to pay. There are, of course, cases in which this risk is covered, but the premium is naturally increased in proportion.

"Secondly, what is known as an 'F.P.A.' policy, which is the most common form of marine insurance, and apparently the least understood. There are two forms of 'F.P.A.' clause. First, the English, which reads: 'Free from particular average unless the vessel or craft be stranded, sunk, burnt, on fire or in collision—the collision to be of such a nature as may reasonably be supposed to have led to the damages claimed for.' The American form reads: 'Free from particular average unless caused by the vessel being stranded, sunk or burnt.'

"A concrete example will best show the meaning of and difference between these two clauses, and by way of parenthesis it may be said that 'particular average' simply means a partial loss or damage accidently caused to any particular interests as opposed to 'general average,' which signifies an expense or sacrifice voluntarily incurred for the benefit of all interests at risk on board a vessel.

"If you have a shipment of goods insured under an English 'F.P.A.' clause and the shipment arrives damaged by heavy weather, but the vessel was not stranded, sunk, burnt or in collision, or, in insurance language, the 'F.P.A.' warranty has not been broken, you have no claim on your underwriters. If, however, one ofthe above contingencies has occurred, even though it is not responsible for the damage, the 'F.P.A.' warranty is open and underwriters have to make good the loss. Under the American clause the loss, in order to be recoverable, has to be the direct result of the vessel being stranded, sunk, burnt or in collision, so that it will readily be seen that an assured should always take care to have the English clause in his policies.

"The third form of insurance is known as 'with average' insurance—sometimes called 'all risks.' The latter

term, however, is misleading, as it does not mean what it says. A 'with average' policy includes all the conditions of an 'F.P.A.' policy, but in addition it provides that if the goods receive damage which amounts, as a rule, to 3 per cent. of their value, the assured can recover, even though the warranty has not been broken. There are many kinds of 'average' clauses drawn up in connection with various classes of goods which time did not permit the speaker to touch on.

"The last form of insurance is an 'all risks' policy, and by this term the speaker means a policy which covers all and every risk of whatsoever nature. As stated above, it is difficult to obtain this form of insurance, and the rate runs anywhere from four to ten times the amount charged for 'F.P.A.' insurance.

Settlement of Claims

"Now as to the settlement of claims, which, after all, is the point in which the assured is most interested. First of all, that where goods arrive damaged at their port of destination, the consignee is not entitled to abandon them merely because they are damaged, but must take delivery of them, pay the charges in the ordinary way and prove his loss. If the underwriter decides to compromise the claim or to pay a total loss and take over the goods himself, he is entitled to have these goods handed to him free from all charges for freight and duty, the reason being in most instances that he does not insure the freight and duty. It is settled law that the basis of adjustment of losses in connection with cargo is the sound market value at destination, and in this connection he gave two instances to show how this works out.

"Supposing, for example, that a consignee is importing a shipment of goods, the invoice price of which is $1,000—he probably insures for $1,100, covering his profit of 10 per cent. The goods, on arrival at destination, with the addition of freight and duty, are probably worth, say, $1,500. Now if they arrive damaged, the first thing to be ascertained is what their wholesale value in damaged condition actually is. Supposing that the consignee feels that he can dispose of the goods for, say, $1,200, or, in other words, that there is a damage of 20 per cent., and this basis is agreed to by underwriters, he recovers from underwriters 20 per cent. of the insured value, or $220. If, on the other hand, no agreement can be reached as to the actual percentage of damage, the only method of arriving at the amount of the loss is by selling the goods at auction, and, assuming that they realize $750 gross, or, in other words, that there is a 50 per cent. loss on the sound value, the consignee can recover 50 per cent. of the insured value, or $550.

How Losses are Adjusted

"Now, in the first instance, it will be seen that the loss on the sound value is $300 and the consignee recovers only $220, and in the second instance the consignee's loss is $750 and he only recovers $550. This difference is a frequent cause of dissatisfaction and complaint on the part of consignees, as they feel that they are not receiving justice from underwriters. As a matter of fact, this is not the case.

"The value of any shipment of goods at destination is really made up of four component parts: (1) Invoice value and shipping charges. (2) Duty. (3) Freight payable at destination. (4) Profit.

"Now in the cases above mentioned, and this is the basis on which goods are usually insured, the consignee covers his invoice value and his profit, but does not insure the duty and the freight payable at destination. Now, if one had a 50 per cent loss, it affects all the component parts that go to make up the value of the goods, and, to take the last case quoted as an example, what the consignee recovers from his underwriters is 50 per cent. of the invoice value and 50 per cent. of the profit, both of which are insured, but he does not recover 50 per cent. of the duty and freight, which amount to $200, for the reason that he has not insured them. It, therefore, follows that if a consignee wishes to completely cover himself in case of loss he must, in addition to insuring the invoice value and the profit, cover also the duty and the freight payable at destination against 'particular average' only. He does not need to insure these against 'total loss' or 'general average,' because, in the event of the goods not arriving, there will be no duty or freight to pay.

Meaning of "General Average"

"The term 'general average' above is a form of loss which is covered by all marine policies unless specially excluded. Countless books have been written on the subject of 'general average,' but the following simple example will give a general idea of what it means. If a ship and cargo go ashore, it is reasonable to expect that unless something is done to float the ship both the vessel and cargo will eventually become a 'total loss.' In order to avoid this tugs are sent out. Possibly part of the cargo is discharged, and eventually by this means the vessel is floated. The benefit thus gained is not confined to any one interest, but is common to all parties who have anything at risk on the boat, and the expenses incurred are divided over the various items at risk in proportion to their respective values at destination. This is, of course, only the briefest outline, as 'general average' is a very complicated subject."

PRICES DECLINED IN OCTOBER

A decline of 4.8 per cent. in wholesale prices during October is recorded by a new index number which has been constructed by Professor H. Michell, of McMaster University, Toronto. It is based on forty commodities, twenty foodstuffs and twenty manufacturers' goods. The figure was 242.1 for the month of October, a decline of 4.8 per cent. over the previous figure of 254.5 for the month of September, and a decline of 18.1 per cent. over the peak of 298.3, reached in May of this year. In foodstuffs declines were registered in flour, beef, bacon, butter, cheese, sugar, rice, canned tomatoes and oatmeal, while fresh eggs advanced. In manufacturers' commodities declines were registered in rubber, wool, cotton, hides, silver, lead, copper, tin, the remaining commodities staying unchanged.

It is noticeable that the decline from August to September was one of 7.8 per cent., while that from September to October was only one of 4.8 per cent. This is to be accounted for on the ground that, while the declines were actually more in number, they were less violent, showing a more general but equal recession. Every indication points to a steady and general decline in all lines for some time at least, but there seems to be no danger of a serious break in the markets, says Professor Michell. The index number is based on the last quotation of each month in the Toronto markets, the base, 100, indicating the average price of the commodities for the years 1900 to 1909.

LONG SERVICE WITH LONDON AND LANCASHIRE

Eight officials of the London and Lancashire Fire Insurance Company, who were recently assembled in Chicago, averaged over thirty years of service with the company, the aggregate being 243 years. The occasion was a dinner given by Manager Charles E. Dox, of the western department, in honor of General Manager F. W. Pascoe Rutter, who is now on his way around the world, visiting the principal branches of the company.

Mr. Rutter himself heads the list with a credit of 47 years' service; Alfred Wright, manager at Toronto and chief agent for Canada, 38 years; A. G. McIlwaine, Jr., United States manager, 34 years; A. W. Blake, branch manager at Winnipeg, 32 years; A. R. Hancock, manager at Atlanta, 27 years; Carl Clausen, superintendent of agents of the western department, 24 years; Alfred Brame, superintendent of agents of the south-western states, 21 years, and Charles E. Dox, manager at Chicago of the western department, 20 years.

BOND SALES OVER FORTY MILLIONS

October Total Which is Second Highest on Record This Year was Swelled by Grand Trunk Issue—Bulk of New Financing Done Across the Line

SALES of Canadian bonds during October reached the large sum of $43,880,000. This figure compares with $9,389,176 in September and $48,101,575 for March of this year, which month holds the record for new financing for 1920. In October a year ago there were practically no sales, the Victory loan campaign claiming the attention of all bond selling organizations.

The large volume of new bond issues last month does not indicate any strength or activity of the Canadian market, but rather reflects the power of the American market to absorb our securities, inasmuch as $39,450,000 of the total was placed across the line. All of the provincial bonds, the Grand Trunk Railway securities and the two largest corporation issues were sold to United States investors.

While the total of municipal sales was smaller than in the previous month, there was more activity in that section of the market, at least as far as Canada is concerned. In September, the total was chiefly made up of two large issues,

(Continued on page 24)

Borrower	Amount	Rate %	Term (Years)	Interest Basis	Purchaser	Price Paid
PROVINCES	$					
British Columbia	1,000,000	6	3 years	4.80	Carstens & Earles, Royal Financial Corporation, British American Bond Corporation and Gillespie, Hart & Todd	103.351
British Columbia	1,000,000	6	5 years	5.83	Carstens & Earles, and Syndicate	100.73
Manitoba	500,000	5	3 years	5.00	Wood, Gundy & Company	100.00
Manitoba	750,000	6	5 years	5.05	Minnesota Trust & Loan Co., and Wells-Dickey Co.	104.15
Ontario	3,000,000	6	6 months	....	A. Jarvis & Co., and the Home Bank of Canada, private	....
Ontario	3,000,000	6	3 years	4.70	A. Jarvis & Company, Halsey, Stuart & Company, and the First National Company	103.567
	9,250,000					
MUNICIPALITIES						
Ontario—						
Hamilton Township	7,300	.....	10 years	....	....	....
Saugeen Township	8,000	6	10 instalments	6.00	Locally	100.00
Bexley Township	7,000	6	15 instalments	....	Privately	....
Gananoque	33,000	6½	Serial	....	A. E. Ames & Company, private	....
Guelph	16,000	6	20 years	6.00	Locally	100.00
Niagara Falls	33,000	6	20 instalments	6.77	Wood, Gundy & Company	93.91
Halton County	35,000	6	20 instalments	6.53	C. H. Burgess & Company	95.26
Brockville	37,500	6	10 years	6.53	A. E. Ames & Company	96.09
Belleville	3,000	6	20 years	6.55	A. Jarvis & Company	92.75
Belleville	38,000	6	30 years			93.58
Lincoln County	50,000	6	10 instalments	6.75	A. Jarvis & Company	96.50
Exeter	50,000	5½	....	....	Locally	....
Waterloo	95,000	6	20 instalments	6.72	United Financial Corporation, Limited	94.33
Kitchener	135,000	6	20 instalments	6.60	C. H. Burgess & Company	95.27
York Township	215,280	6	Instalments	6.85	A. E. Ames & Company	95.78
	763,080					
Quebec—						
East Angus	50,000	6	20 instalments	6.60	Canadian Bond Corporation, Montreal	95.25
Lachine	140,000	6	Serials	....	Versailles, Vidricaire & Boulais	....
Lachine C. S. B.	175,000	6	10 years	....	Versailles, Vidricaire & Boulais	....
Sherbrooke	392,000	5	5 years	7.00	Versailles, Vidricaire & Boulais	91.71
Three Rivers	700,000	6	10 years	6.49	Beaubien & Company	96.80
	1,457,000					
New Brunswick—						
Campbellton	17,000	5½	20 years	....	Eastern Securities Company, Limited	....
Nova Scotia—						
Kentville	31,100	6	25 years	6.47	Mahon Bond Corporation	....
Manitoba—						
Manitoba Schools	24,000	8	20 years	....	J. A. Thompson & Company	....
Woodworth	145,000	....	....	7.25	Strang & Snowden	83.03
G. Winnipeg W. D.	800,000	6	20 years	6.90	A. E. Ames & Company	90.093
	969,000					
Saskatchewan—						
School Districts	129,000	8	Various	Var.	Various	Var.
Saskatoon	48,887	6½	20 years	7.21	Saskatoon Sinking Fund	....
Davidson	9,700	6½	15 instalments	....	Locally	....
Maple Creek	8,200	....	....	....	Locally	....
Moosomin	4,500	7	10 instalments	....	Locally	....
Maple Creek	1,000	7½	10 instalments	....	Locally	....
Imperial	2,000	....	....	....	Locally	....
Holdfast	1,000	8	5 instalments	....	A. Duesing, Eau Claire	....
	204,287					
Alberta—						
Medicine Hat	50,000	6	10 years	7.70	A. Jarvis & Company	88.25
British Columbia—						
Trail	9,000	7	10 years	7.28	Locally	98.00
Courtenay	30,000	7	20 years	....	Pemberton & Son	....
	39,000			Offering Basis		
RAILWAY						
Grand Trunk	25,000,000	7	20 years	7.00	W. A. Read & Company, and Syndicate	....
CORPORATION						
Paramount Victoria Theatres, Limited	300,000	8	....	8.00	Burdick Bros., Ltd. Offered with bonus of 50% com.	....
Benson-Hines London Hotel Company	600,000	7	Serials	7.00	Brent, Noxon & Company	....
Ottawa Light, Heat & Power Company	1,200,000	8	....	....	Royal Securities Corporation and Harris, Forbes & Company, Incorporated	....
Massey-Harris Company, Limited	4,000,000	8	10 years	8.00	Wm. A. Read & Company	....
	6,100,000					

DIVIDENDS AND NOTICES

BANK OF MONTREAL

Notice is hereby given that a **Dividend of Three Per Cent.** upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after **Wednesday, the First Day of December** next, to shareholders of record of 31st October, 1920. Also a **Bonus of Two Per Cent.** for the year ending 31st October, 1920.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 19th October, 1920. 262

THE ROYAL BANK OF CANADA

DIVIDEND No. 133.

Notice is hereby given that a **Dividend of Three Per Cent.** (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of December next, to shareholders of record at the close of business on the 15th day of November.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., October 15th, 1920. 263

THE ROYAL BANK OF CANADA

BONUS

Notice is hereby given that a bonus of two per cent. upon the paid-up capital stock of the bank has been declared, and will be payable at the bank and its branches on and after Wednesday, the 15th day of December next, to shareholders of record at the close of business on the 30th day of November next.

Shares not fully paid on the 30th day of November next will participate in the bonus rateably to the amounts paid thereon.

By Order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., October 26, 1920. 270

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 135

Notice is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 30th November next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st December, 1920. The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board,

JOHN AIRD,
General Manager.

Toronto, 15th October, 1920. 260

LAKE OF THE WOODS MILLING COMPANY, LIMITED

DIVIDEND NOTICES

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of **Lake of the Woods Milling Company, Limited,** for the three months ending November 30th, 1920, has been declared, payable on Wednesday, December 1st, 1920, to shareholders of record at the close of business on Saturday, November 20th, 1920.

By Order of the Board.

R. NEILSON,
Assistant Secretary.

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of **Lake of the Woods Milling Company, Limited,** for the three months ending November 30th, 1920, has been declared, payable on Wednesday, December 1st, 1920, to Shareholders of record at the close of business on Saturday, November 20th, 1920.

By Order of the Board.

R. NEILSON,
281 Assistant Secretary.

UNION BANK OF CANADA

DIVIDEND No. 135

Notice is hereby given that a dividend at the rate of 10% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also its branches, on and after the First day of December, 1920, to shareholders of record at the close of business on the 15th day of November next.

The Transfer Books will be closed from the 16th to the 30th day of November, both days inclusive.

By Order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, October 22nd, 1920.

Notice is also given that a bonus of 2% has been declared on the Paid-up Capital Stock, payable to shareholders with the dividend referred to above.

By Order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, October 30th, 1920. 284

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors, held to-day, a dividend of two and one-half per cent. on the Common Stock for the quarter ended 30th September last, being at the rate of seven per cent. per annum from revenue and three per cent. per annum from Special Income Account, was declared payable on 31st December next to Shareholders of record at 3 p.m. on 1st December next.

By Order of the Board.

ERNEST ALEXANDER,
Secretary.

Montreal, 8th November, 1920. 288

BOND SALES OVER FORTY MILLIONS

(*Continued from page 22*)

namely, Ottawa $2,300,000 and Edmonton $2,075,000, both of which went to the United States.

Prices were not materially changed for municipals, very few issues being made at better than 6½ per cent. The provinces apparently made some good bargains as a result of the exchange situation between this country and the United States, but, as has been pointed out in these columns before, their satisfaction may be short-lived.

A summary of last month's bonds sales, with comparisons, follows:—

	Oct., 1920.	Sept., 1920.	Mar., 1920.
Provincial	$ 9,250,000	$3,750,000	$14,850,000
Municipal	3,530,467	5,639,176	8,367,299
Railroad	25,000,000	....	24,000,000
Corporation	6,100,000	....	884,276
	$43,880,467	$9,389,176	$48,101,575

THIS YEAR'S FIRE LOSS ALREADY HIGH

October Figure Brings Ten Months' Total to $21,215,299, or Just $2,500,000 Short of Last Year's Total

Fire losses in Canada in October, as estimated by *The Monetary Times*, were as follows:—

Fires exceeding $10,000	$1,856,000
Small fires reported	111,901
Estimate of unreported fires	500,000
	$2,467,901

Several conflagrations took place during the month. The plant of the Canadian Cereal Mills in Tillsonburg was the heaviest loss, while fires in Wadena, Sask., St. Stanislas, Que., Brandon, Man., Stewiacke, N.S., and Port Arthur, Ont., caused losses of $100,000 or over.

The Monetary Times' record for the past four years shows the following monthly losses:—

Month.	1917.	1918.	1919.	1920.
January	$ 1,918,660	$ 2,688,556	$ 3,915,290	$ 2,637,850
February ..	2,009,953	2,243,762	1,091,834	1,895,575
March	2,050,650	1,682,286	2,154,095	1,793,200
April	1,317,714	3,240,187	1,080,070	3,229,500
May	1,163,110	3,570,014	1,785,130	2,001,819
June	1,184,627	3,080,982	3,337,530	1,424,319
July	1,101,734	3,369,684	1,118,377	1,426,850
August	1,230,183	3,110,445	1,374,495	1,857,800
September ..	1,301,700	917,286	1,940,272	2,480,485
October	704,605	5,119,145	1,023,288	2,467,901
November ...	959,049	1,059,580	2,339,870	....
December ...	5,144,100	1,733,917	2,047,496	....
Totals ..	$20,086,085	$31,815,844	$23,207,647	$21,215,299

List of Large Fires

The following are the October fires causing damage of $10,000 or over:—

Grassey Lake, Alta., Oct. 1, business section, $65,000.
Toronto, Ont., Oct. 1, apartments, $50,000.
Drumheller, Alta., Oct. 2, business section, $50,000.
Sherbrooke, Que., Oct. 2, barns, $30,000.
Colonsay, Sask., Oct. 3, hotel, $12,000.
Elcan, Alta., Oct. 5, plant, $12,000.
Mount Forest, Ont., Oct. 6, barns, $15,000.
Ayr, Ont., Oct. 9, barns, $20,000.
Victoria, B.C., Oct. 10, plant, $20,000.
Stewiacke, N.S., Oct. 11, lumber mill, $150,000.
Tillsonburg, Ont., Oct. 14, plant, $500,000.
Ste. Stanislas de Kostka, Que., Oct. 15, business section, $200,000.
Port Arthur, Ont., Oct. 17, mill, $100,000.
Hamilton, Ont., Oct. 18, plant, $10,000.
Belle River, Ont., Oct. 19, flax, $50,000.
Downsview, Ont., Oct. 19, barns, $15,000.
Wadena, Sask., Oct. 19, business section, $300,000.
Brandon, Man., Oct. 21, plant, $15,000.
Quebec, Que., Oct. 22, residences, $10,000.
Montreal, Que., Oct. 23, offices, $20,000.
Arnprior, Ont., Oct. 24, lumber piles, $15,000.
Aylmer, Ont., Oct. 24, farm buildings, $20,000.
Margaret, Man., Oct. 24, main portion of village, $35,000.
Swift Current, Sask., Oct. 26, barns, $17,000.
Upper Dorchester, N.B., Oct. 26, sawmill, $15,000.
Brandon, Man., Oct. 29, police buildings, $200,000.
Whitby, Ont., Oct. 30, planing mill, $20,000.

Analysis of Causes

Among the causes reported were: Sparks, 2; lightning, 4; spontaneous combustion, 2; incendiarism, 2; matches, 4; explosion, 1; stoves, 2; defective chimney, 1.

The following structures were destroyed or damaged: Barns, 27; business sections, 4; garages, 3; buildings, 11; residences, 26; stores, 4; hotels, 2; mills, 7; apartment, 1; convent, 1; apple evaporator, 1.

Deaths From Fires

Peterboro, Ont., Oct. 4, burnt in building	1
Belleville, Ont., Oct. 8, playing with matches	1
Kitchener, Ont., Oct. 11, burnt in building	1
Kitchener, Ont., Oct. 14, struck by lightning	1
Quebec, Que., Oct. 20, clothing caught fire	1
Morse, Sask., Oct. 21, burnt in building	2
Dana, Sask., Oct. 26, burnt in building	3
Wolfe Island, Ont., Oct. 26, burnt in building	1
Toronto, Ont., Oct. 28, clothing caught fire	1
North Sydney, N.S., Oct. 30, clothing caught fire	1
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Comparison of Deaths

The record of deaths from fire has been as follows:—

Month.	1913.	1914.	1915.	1916.	1917.	1918.	1919.	1920.
January	14	26	3	10	21	28	13	22
February	21	18	11	23	19	87	26	30
March	22	27	23	23	20	34	9	35
April	11	22	14	6	15	7	27	8
May	33	8	5	14	12	10	15	13
June	18	12	2	6	9	9	28	15
July	9	8	13	268	19	6	11	15
August	29	3	14	30	12	7	24	14
September ...	27	9	27	6	21	13	23	13
October	15	9	7	39	23	11	16	13
November	24	14	12	12	21	3	14	..
December	13	19	11	94	15	26	19	..
Totals	236	175	142	531	207	241	225	178

THORNTON-DAVIDSON CREDITORS MEET

Creditors of the stock brokerage firm of Thornton, Davidson and Company met in Montreal on October 22nd and formally appointed five inspectors to represent them in respect to their claims against the suspended house. A number of the creditors, it was stated, had not yet filed their claims, and these were given until November 12th either to do so or to forfeit their rights in this respect. The sentiment expressed at the meeting was optimistic of an ultimate satisfactory settlement. The five inspectors appointed by the creditors are: M. S. Wheelwright, H. J. Murphy, L. J. Lehuray, A. J. Carpenter and H. J. Allison.

DEBENTURES FOR SALE

$5,000,000.00

PROVINCE OF ONTARIO

7-YEAR 6 PER CENT. GOLD BONDS

Sealed tenders endorsed "Tenders for Province of Ontario Bonds," addressed to the undersigned, will be received for the purchase of $5,000,000 (Five Million Dollars) seven-year gold bonds of the above Province, dated 15th November, 1920, due 15th November, 1927, bearing interest at the rate of six per centum per annum, payable half-yearly on the 15th November and 15th May. Principal and interest payable in gold coin at the office of the Treasurer of Ontario, Toronto, or at the Bank of Montreal, Montreal, Canada, or at the agency of the Bank of Montreal in the City of New York, U.S.A., at the option of the holder.

Bonds to be in denominations of $1,000 each, with coupons attached, and may be registered as to principal only.

Payment for bonds, and delivery thereof, to be made at the office of the Treasurer of Ontario at the Parliament Buildings, Toronto, on or before the 19th November, 1920, less the amount of the deposit. Interim debentures will be supplied on payment of the money, to be exchanged for the definitive bonds on completion by the engravers.

Tenders to be addressed to the Honorable P. Smith, Treasurer of Ontario, Parliament Buildings, Toronto, and delivered not later than 12 o'clock noon on Monday, the 15th day of November, 1920.

Tenders must be for the whole amount offered, and must be accompanied by marked cheque for $50,000, to be applied, in the case of the successful tenderer, in payment for bonds.

The highest or any bid not necessarily accepted.

P. SMITH,
Treasurer of Ontario.

Toronto, November 3rd, 1920. 280

TOWN OF COCHRANE, ONTARIO

TENDERS FOR DEBENTURES

Sealed Tenders will be received by the undersigned up to and including November 16th, 1920, for the purchase of $32,000 6% 20-year Instalment Bonds of the Municipality of the Town of Cochrane, issued for the purpose of purchasing Local Telephone System. Interest and Principal at Cochrane, Ontario. Issue has received assent of Electors.

W. L. WARRELL, Treasurer,
Municipality of Cochrane.

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ROMAN CATHOLIC SEPARATE SCHOOL BOARD

The Roman Catholic Separate School Board for Sault Ste. Marie, Ontario, offers for sale $85,000 in six per cent. debentures, interest half-yearly. Tenders will be received up to November 30th. Particulars furnished on application.

V. McNAMARA,
Secretary-Treasurer.

287 Box 536, Sault Ste. Marie, Ontario.

DEBENTURES FOR SALE

TOWN OF PEMBROKE

Tenders will be received by the undersigned, marked "Tenders for Debentures" on the outside, up to 3 p.m., Wednesday, November 24th, 1920, for the following:—

$33,000.00 General Debentures, ten-year, instalment, with interest at six (6) per cent. Principal and interest payable the First day of December in each year at the Bank of Nova Scotia, Pembroke.

$14,000.00 Public School Debentures, thirty-year, instalment, with interest at six (6) per cent. Principal and interest payable on the 30th day of October in each year at the Bank of Nova Scotia, Pembroke.

The highest or any tender not necessarily accepted.

S. L. BIGGS,
Clerk-Treasurer.

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THE ROYAL BANK OF CANADA

Tenders will be received by the undersigned for the whole or any portion of approximately four thousand (4,000) shares of $100 each of the new stock of The Royal Bank of Canada issued on the 31st May, 1920, pursuant to a resolution passed by the Board of Directors on that date.

The shares comprise the unaccepted allotments and the fractions which, under the provisions of the Bank Act, were not allotted.

The stock will rank for dividend from date of payment. Interim receipts will be issued, which may be exchanged for regular stock certificates on and after 1st March, 1921.

Tenders must state the price per share offered and be accompanied by a certified cheque for ten per cent. of the amount. In case a tender is accepted, the balance will be payable on allotment.

The bank does not bind itself to accept the highest or any tender.

Tenders will be received up to 3 p.m. on Monday, November 15th, and must be marked "Tender for Stock," and addressed "The General Manager, The Royal Bank of Canada, Montreal."

By order of the Board. 282

C. E. NEILL,
General Manager.

Montreal, November 1, 1920.

PLACING INSURANCE OUTSIDE PROVINCE

At a regular meeting of the Vancouver Fire Insurance Agents' Association held recently, comments were made on the fact that some of the banks and manufacturing concerns placed their insurance outside the province. It was mentioned that some of the manufacturing concerns advertised "Buy B.C. made goods," and they insured these same goods in eastern Canada and United States.

Complaint was also made of the alleged unfairness of some of the bigger insurance companies operating as board companies in eastern Canada, and cutting rates in B.C. by operating non-board. Expressions of regret were made that there was apparently no redress in this connection.

The Vancouver Fire Insurance Agents' Association (which is composed entirely of agents of board companies) decided after a lengthy discussion "not to traffic directly or indirectly with non-board companies."

The Molsons Bank

Proceedings at the Sixty-fifth Annual General Meeting of The Molson's Bank, Held at their Banking House in Montreal, Tuesday, November 2nd 1920.

The Sixty-fifth Annual General Meeting of the Shareholders of The Molsons Bank was held in the Board Room of their Banking House, 200 St. James Street, Montreal, Tuesday, November 2nd, 1920, at 3 o'clock.

The President, Mr. Wm. Molson Macpherson, took the chair, and there were present the Vice-President, Mr. S. H. Ewing, Messrs. F. W. Molson, Wm. M. Birks, J. W. Ross, J. M. McIntyre, Walter Molson, C. E. Spragge, Alfred Piddington, W. B. Blackader, Arthur Browning, H. J. Tellier, S. W. Ewing, P. E. Bilkey, R. S. White, and others.

The President, having called the meeting to order, requested Mr. H. A. Harries to act as Secretary, and after that gentleman had read the advertisement calling the meeting, and said that notice of the meeting had been mailed to each Shareholder in accordance with the requirements of The Bank Act, the President named Messrs. C. E. Spragge and Alfred Piddington to act as Scrutineers.

The minutes of the last Annual Meeting were taken as read and adopted.

The President then called upon the General Manager, Mr. Edward C. Pratt, to read the Annual Report, as follows:—

THE ANNUAL REPORT

Montreal, 2nd November, 1920.

To the Shareholders of The Molsons Bank:

Gentlemen,—The Directors have the pleasure to submit the Balance Sheet for the year ending 30th September, 1920, and to report that the net profits after making provision for bad and doubtful debts and for the rebate of discount on Current Loans, is $822,718.23, which, with the amount brought forward from last year, $275,435.66, in all $1,098,153.89, has been appropriated as follows:—

Dividends	$480,000.00
Contribution to Officers' Pension Fund	25,061.23
Charity Fund	5,000.00
To provide for Dominion Government Taxes	70,000.00
Leaving at credit of Profit and Loss Account, 30th September, 1920	518,092.66
	$1,098,153.89

As usual all the branches of the Bank have been carefully inspected during the year, and we have pleasure in testifying to the zeal and efficiency of our staff.

During the year 12 Branches and Sub-Agencies were opened in the following places:—

BRITISH COLUMBIA

Arrowhead (Sub-Agency to Revelstoke)

ONTARIO

Coatsworth
Harrow
Morpeth (Sub-Agency to Ridgetown)
McGregor
Ridgeway
Yonge and Bloor Streets, Toronto

QUEBEC

Amqui
Hochelaga (Montreal)
St. Roch (Quebec)
St. Sauveur (Quebec)
Wellington St., Verdun (Sub-Agency to Cote St. Paul, Montreal)

The Auditors, Messrs. Lemuel Cushing and Charles A. Hodgson, whose report is appended to our Balance Sheet, offer themselves for re-election. Mr. George Creak, the senior member of the firm, we regret to report, has passed away since our last meeting.

WM. MOLSON MACPHERSON,
President.

GENERAL STATEMENT

of the Affairs of The Molson's Bank on the 30th September, 1920.

LIABILITIES

Capital Stock paid in	$4,000,000.00	
Reserve Fund	5,000,000.00	
Profit and Loss Account	518,092.66	
		$9,518,092.66
160th Dividend for ¼ year at 12% per annum	$ 120,000.00	
Dividends unpaid	3,956.50	
Notes of the Bank in circulation	5,909,563.00	
Balance due to Dominion Government	7,272,141.26	
Deposits not bearing interest	11,707,237.71	
Deposits bearing interest, including interest accrued to date of statement	55,037,581.79	
Balances due to other Banks in Canada	557,855.39	
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	2,079,559.33	
Acceptances under Letters of Credit	269,666.62	
Liabilities not included in the foregoing	735,299.78	
		83,692,861.38
		$93,210,954.04

ASSETS

Current Coin	$ 595,689.03		
Dominion Notes	6,196,051.75		
		$ 6,791,740.78	
Deposit in the Central Gold Reserves		2,000,000.00	
Deposit with the Dominion Government to secure Note Circulation		235,000.00	
Notes of other Banks		455,907.85	
Cheques on other Banks		5,392,098.92	
Balances due by other Banks in Canada		31,402.30	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		2,024,276.79	
Dominion and Provincial Government Securities, not exceeding market value		5,277,709.51	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities, other than Canadian		7,060,992.91	
Railway and other Bonds, Debentures and Stocks, not exceeding market value		699,612.07	
Call and short (not exceeding thirty days) loans in Canada on Bonds, Debentures and Stocks		7,839,278.64	
			$37,808,019.77
Other current Loans and Discounts in Canada (less rebate of interest)		$51,636,475.88	
Liabilities of Customers under Letters of Credit as per contra		269,666.62	
Real Estate other than Bank Premises		97,837.58	
Overdue Debts, estimated loss provided for		22,249.41	
Bank Premises, at not more than cost, less amounts written off		2,850,000.00	
Mortgages on Real Estate sold by the Bank		24,338.67	
Other Assets not included in the foregoing		502,366.11	
			55,402,934.27
			$93,210,954.04

PROFIT AND LOSS ACCOUNT

Statement of the result of the business of the Bank for the year ending 30th September, 1920

Balance at credit of Profit and Loss Account, 30th September, 1919	$ 275,435.66
Net profits for the year after deducting expenses of management, reservation for interest accrued on deposits, exchange, and provision for bad and doubtful debts	822,718.23
	$1,098,153.89
This has been appropriated as follows:—	
157th Dividend at rate of 12 per cent.	$ 120,000.00
158th Dividend at rate of 12 per cent.	120,000.00
159th Dividend at rate of 12 per cent.	120,000.00
160th Dividend at rate of 12 per cent.	120,000.00
Contribution to Officers' Pension Fund	25,061.23
Charity Fund	5,000.00
To provide for Dominion Government Taxes	70,000.00
	$ 580,061.23
Leaving at credit of Profit and Loss Account, 30th September, 1920	518,092.66
	$1,098,153.89

WM. MOLSON MACPHERSON, President. EDWARD C. PRATT, General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We have checked and verified the Cash, Investments and Securities of The Molsons Bank at the Chief Office in Montreal on 30th September last, and also at another time as required by the Bank Act, and we have at different times during the year checked and verified the Cash and Securities held at other important Branches of the Bank.

We have compared the Certified Returns from all the Branches with the entries in the Books at the Chief Office of the Bank as at 30th September, 1920, and find that they agree therewith; and all the transactions which have come under our notice have been, in our opinion, within the powers of the Bank.

We have obtained all the information and explanations we have required, and we certify that in our opinion the above Statement is so drawn up as to exhibit a true and correct view of the Bank's affairs at the close of business on 30th September, 1920, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

LEMUEL CUSHING }
CHAS. A. HODGSON } Auditors.
Chartered Accountants.

Montreal, 19th October, 1920.

The General Manager, Mr. Edward C. Pratt, gave a few words of explanation with regard to the Annual Statement, during which he said:—

The most striking change this year is the large decrease in Dominion and Municipal securities, over $11,000,000, and on the other side the decrease of over $5,000,000 in the amount owing to the Dominion Government. Last year's figures were exceptionally large, owing to the Government requirements just prior to the issue of the last Victory Loan and the reduction is mainly due to the paying off of Dominion and British Government loans. We may look for a further reduction in the same items in the coming year.

The great demand for commercial loans in Canada is reflected in the increase of $7,800,000 in our loans and discounts. Our deposits show reasonable growth, a little over $3,000,000.

There is an increase in Bank Premises of $325,000. This covers expenditure that we found it absolutely necessary to make either in buying, building or improving our properties. We can assure you that the Bank now is very well equipped at practically all its offices.

With a total of assets and liabilities of about the same amount as last year, we have returned practically the same profits, although the expense of conducting the business has largely increased.

The memorial to our officers who fell and who served in the war, referred to at our last meeting, has just been erected in our Montreal Office, and you are invited to inspect it as you pass out.

THE PRESIDENT'S ADDRESS

The President, Mr. Wm. Molson Macpherson, then delivered his annual address, as follows:—

The Sixty-fifth Annual Statement of the Bank which has just been submitted to you, showing profits slightly in excess of those of last year will, I am sure, be satisfactory to the Shareholders.

In a few days we shall be celebrating the second anniversary of the signing of the Armistice. We can now see that at that time we were too hopeful as to the period it would take to restore normal conditions, and were mistaken in thinking the readjustment necessary after the disorganization caused by the conflict would be completed before this. We in Canada, of course, suffered very little destruction in property, and in consequence seem to be regaining more systematic and stable conditions with less disturbance than most countries.

The deposits of the Canadian public in the chartered banks of Canada show an increase for the year of $70,000,000, but the bank loans in Canada have increased by $360,000,000. This justifies the banks in their present policy in restricting loans. You are doubtless aware that for the past four or five years the Canadian banks have supplied their customers with the necessary funds to conduct their business with little, if any, increase in discount rates, and our customers at the present time are discounting their bills at lower rates than can be obtained in Great Britain or the United States. We are sure that the Canadian public must value the steady money market they have enjoyed all through these troublesome times.

The period of falling prices has begun and provided the drop is gradual and not violent, our people should be able to meet the changing conditions without difficulty. Most of our manufacturing and trading firms have prospered so well during the past few years that they are in a good financial condition to meet a period of readjustment without embarrassment.

While the farmer may have to be content with a smaller price for his produce this year, the very bountiful crops all over the country should give him as great a return in money as last year. The extraordinary advance in the markets of the world in the price of pulp and paper is altogether to the advantage of Canada.

Exchange on New York still runs heavily against Canada and exchange on London greatly against Great Britain. As England has been in the past the largest market for our exports, the fall in the value of the pound sterling as represented in Canadian dollars has made it more difficult to sell in England. The balance of trade, which a year ago was running in our favor, has now turned against Canada, the year ending 30th September showing $80,000,000 excess imports over exports as against $383,000,000 excess exports over imports last year. Until there is a better balance between imports and exports exchange rates will be abnormal.

Canada needs more population, most of which must come through immigration. This should be carefully selected and no better means of getting a good class of immigrants can be found than the recommendation of those who know the country and advise their friends and acquaintances to move here. In this connection the visits of the British Press Congress and of the Chambers of Commerce of the Empire should be most helpful. Our visitors during the year included leaders of industry, commerce and letters in Great Britain, India, Australia and the other colonies, many of whom visited points all over Canada. All the speakers expressed their pleasure at the wonderful development seen throughout the country and we feel sure on returning home will speak well of its prospects.

The Government very wisely has increased taxation until it is apparently now sufficient to meet the national outlay without necessitating the issue of new loans. This should make the present War and Victory Bonds, which we have been recommending to you for some years in our annual address, very desirable investments, and we advise their purchase at the present attractive prices, which we do not think are likely to last very long.

The President then invited discussion, but nothing being said, he moved the adoption of the Annual Report, which was seconded by the Vice-President, Mr. S. H. Ewing, and unanimously adopted.

It was then moved by Mr. Alfred Piddington, seconded by Mr. Charles E. Spragge, and resolved, that Messrs. Lemuel Cushing and Charles A. Hodgson be continued in their office as Auditors of the Bank for another year. This was unanimously adopted.

It was moved by Mr. W. B. Blackader, and seconded by Mr. Arthur Browning, and resolved, that the Secretary be instructed to cast one ballot for the re-election of the Directors, which was unanimously carried.

Messrs. Charles E. Spragge and Alfred Piddington then presented the report of the Scrutineers, as follows:—

Montreal, 2nd November, 1920.

To the General Manager, The Molsons Bank:

Sir:—We have the honour to report that at the Annual Meeting of the Shareholders of The Molsons Bank, held this day, the following gentlemen were re-elected to the Board of Directors: Wm. M. Birks, W. A. Black, S. H. Ewing, Wm. Molson Macpherson, F. W. Molson, J. M. McIntyre, John W. Ross.

A vote of thanks of the Shareholders to the President, Vice-President, Directors, General Manager, and officers of the Bank, was then moved by Mr. S. W. Ewing, seconded by Mr. Walter Molson, and unanimously adopted.

The President, Mr. Wm. Molson Macpherson, in returning thanks on behalf of himself and the Directors, referred in complimentary terms to the work of the General Manager and his staff. He remarked that on the shoulders of bank officers generally had fallen and must fall a good deal of the work to be done in the period of reconstruction. He stated that it gave satisfaction to the Board of Directors to know that the Bank had for a great many years taken its full share in the development of the country and that it is in a strong position to continue to do so.

The General Manager, Mr. Edward C. Pratt, thanked the Shareholders for their expression of confidence and mentioned that the officers of the Bank were grateful for the increased remuneration granted to them by the Board of Directors during the past three years. In reply to this, Mr. Arthur Browning said the Shareholders were pleased to learn that the staff had been liberally dealt with. He hoped that the Board of Directors would bear in mind the desire of the Shareholders to see a bonus paid to them whenever the profits of the Bank would warrant it.

The meeting then terminated.

At a subsequent meeting of the Directors Mr. William Molson Macpherson was re-elected President and Mr. S. H. Ewing Vice-President, for the ensuing year.

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WILL A GOLD BOOM HELP?

Gold Supply Affects Prices, But Would Not Adjust Supply and Demand for Commodities

By A. B. Barker

FIGURING on the era of unemployment believed by many to be at hand, some of the London and New York papers are predicting a gold boom. They think that as work grows scarce there will be a movement of men to the mining camps for work, which will result in an increased output of gold, and with increased activity in mining, there would be always the possibility of new discoveries. This it is hoped will provide a broader basis for the present paper currency, and so help deflation.

In the past, however, any material increase in the production of gold has had the effect of raising the prices of commodities. Gold is a commodity as well as a measure of value, and as a commodity is subject to the natural law of trade; as the supply increases its exchange value decreases, when measured in terms of commodities in general. For monetary purposes gold is used in the shape of coins, which, by law, contain a certain specified weight of the metal of a certain fineness, according to the denomination of the coin. The value of the coin consists in the certified weight of metal contained therein. Prices are measured in these coins, and when the value of gold, measured in commodities, decreases, it takes more of these coins to exchange for these commodities, or, as it is usually expressed, prices rise. There is no reason to believe that the result would be any different now than in the past, and a big gold production would merely increase the prices of food and clothing; in fact, of any commodity dealt in. The relative values of the different commodities, compared with each other, would not change on this account, but their price measured in gold would increase.

Goods, Not Gold, Wanted

What is wanted is not more gold, but more goods to replace those destroyed in the war, and until this is accomplished deflation will be retarded.

Before the war our surplus of foodstuffs and raw materials went to Europe, and we received goods in exchange, not directly, but the proceeds none the less were received by us in goods. Trade in modern times is rarely direct. Ours was to Europe chiefly and from the United States. What Europe owed us on trade balance, and also for the proceeds of loans to the Dominion and provincial governments, municipalities, and corporations, we spent in the United States for goods. We shipped the goods to Great Britain and transferred to the United States the debt in our favor owing by Great Britain. By this transfer the debt owing to the United States for goods shipped to Canada was cancelled. Money was not used and the settlement was arranged by the transfer of credits, the real transaction, however, so far as we were concerned, was an exchange of goods for goods.

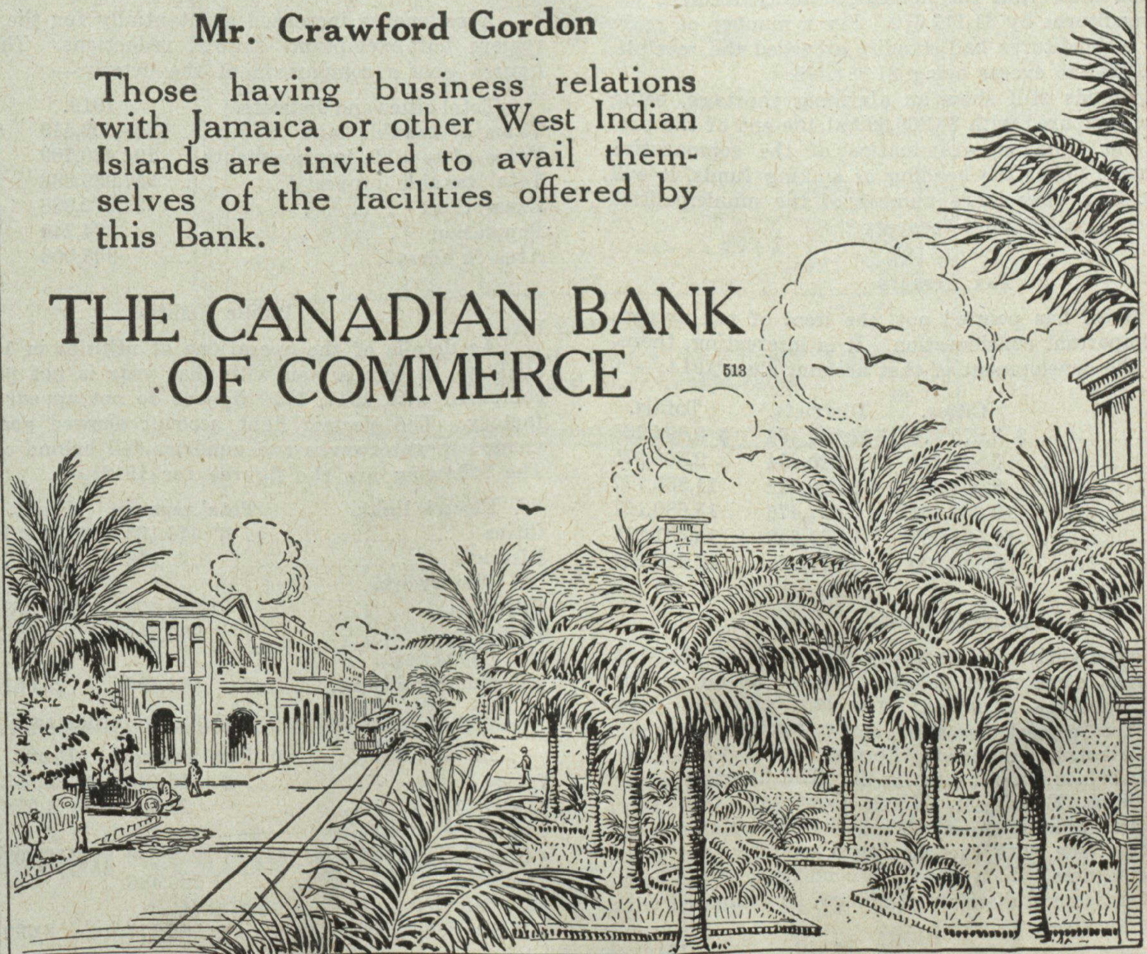
International Settlement

During the war we shipped large quantities of supplies of all kinds. Part of this was paid for as before, that is, we used the proceeds to purchase goods in the United States, and part was sold on credit, and is eventually to be paid for in goods, shipped up direct or sold to some country, and the credit made available to us so that we can pay it to some other country for goods. All our borrowings abroad would under normal conditions have been eventually paid for by the shipment of goods, and by the transfer of much of the evidences of these debts in the shape of Canadian securities of various kinds, during and since the war, this movement was accelerated. The difficulty now is that the countries to whom we sent our surplus in former years are unable to ship goods in exchange, and the problem is how to supply our old customers and wait until they are in a position to produce what we want in exchange. International finance has complicated the matter to some extent, but in the final analysis the problem is as stated, and on the successful solution depends chiefly the question of the deflation of currency and the prosperity of the country and the people.

TAX ARREARS IN ALBERTA.

Alberta's treasury is being swelled this fall by the receipts of tax arrears following the application of the tax arrears act which requires payment of all taxes in the province up to the end of last year, failing which the lands or properties will be sold for taxes. Hon. C. R. Mitchell, provincial treasurer, has announced that the effect of the advertising all land in arrears for sale during the next two months has been payment of such arrears in a growing volume. Although considerable sub-divided properties outside cities and towns are apparently to be allowed to go to the auction block for arrears, Mr. Mitchell says nearly all outstanding accounts against farm lands are being paid to avoid the sale, and the total collection of the province in this manner is already large. The provincial treasurer refers to the fact that many of these arrears have been standing for several years, and the deficits which have had to be met by the government in annual accounting were the result of the non-payment of taxes due. This year the situation promises to be greatly improved both as regards payments of current taxes and the collection of arrears.

Preliminary work on the development of the Bridge River power site near Lillooet, B.C., is being carried on. The development will entail an expenditure of $30,000,000; the head will be 1,600 feet and 400,000 horse-power will be available.



Finances of British Columbia Municipalities

Reduction in Tax Arrears a Favorable Feature—Revenue and Expenditure Account Shows Surplus as Compared with Deficits of Previous Years—Sinking Funds Need Adjusting — Shortage has Grown to Large Figure — In Utilities Electric Light Makes Satisfactory Showing, but Waterworks and Sundries Have Fallen Behind

STATISTICS of the finances of British Columbia municipalities for the year ended December 31, 1919, have just been issued by Robert Baird, inspector. In commenting on the report Mr. Baird makes the following remarks:—

"The report is of particular interest in view of the fact that in the year 1919 the first serious effort was made to clear up the large amount of arrears of taxes outstanding, much of which was on account of the extent of the accumulation rapidly becoming uncollectable. The amending act of 1919 re-enacted in whole the taxation and tax-collection provisions of the "Municipal Act," and provided for a compulsory annual tax sale and also for the obtaining of a tax sale title without delay and at very little cost. The full result of this policy will not be seen from the figures of the first year of which we have complete record; the arrears of taxes show a decrease, the decrease being from $14,631,216 at the end of 1918, to $12,094,121 at the end of 1919. The figures submitted also show that the moneys actually received exceed the expenditures by $1,119,670. For a number of years previous the expenditures had steadily exceeded the receipts, in the year 1918 the excess being $1,884,475.

"Sinking funds still show an alarming shortage, being $5,289,012, as compared with $5,206,093 at the end of the previous year, but from an examination of the comparative statement shown under the heading of sinking funds, it will be seen that in a very large number of the municipalities there has been a satisfactory recovery."

Tax Arrears

As Mr. Baird has pointed out, the item of tax arrears is the most important consideration. It is interesting, therefore, to note the development of that account since 1914:—

	Cities.	Districts.	Totals.
1914	$ 3,879,775	$2,114,454	$ 5,994,230
1915	6,845,741	2,520,634	9,366,375
1916	8,964,834	2,890,942	11,855,777
1917	10,642,651	3,037,476	13,680,127
1918	11,551,567	3,079,648	14,631,216
1919	9,996,200	2,097,920	12,094,121

Sinking Funds

Having apparently satisfactorily disposed of the tax arrears problem, some move should be taken to adjust the sinking fund shortage situation. The only cities to show surpluses in this regard, for the year ended December 31, 1919, were: Alberni, Cranbrook, Fernie, North Vancouver, Port Alberni, Prince Rupert and Trail. The districts were: Coquitlam, Delta, Esquimalt, North Cowichan, Oak Bay, Point Grey and Spallumcheen. That these surpluses were small in comparison with the shortages will be seen from the following figures, which show the conditions of the sinking funds of cities and districts combined, as compared with the previous year:—

	1919.	1918.
Cash	$ 2,009,108	$ 1,924,907
Invested	11,844,740	9,580,337
Total	13,853,849	11,505,244
Sinking fund required	18,958,720	16,669,546
Short	5,289,012	5,206,093
Surplus	184,140	41,791

In his report for 1918, Inspector Baird remarked of the poor sinking fund investments, particularly in regard to mortgages, and spoke of these as doubtful assets. A comparison of the distribution of the investments shows that the account mentioned has not improved; but a substantial increase in holdings of Dominion of Canada bonds is a favorable feature:—

	1919.	1918.
Dominion of Canada war bonds	$7,007,512	$4,977,209
Mortgage	278,704	273,320
Debentures of the municipalities	4,558,523	4,329,807

Total debenture debt of the cities at the end of 1919 was $72,581,126, while the total debt was $79,800,504, as compared with $73,164,612 and $82,388,002 at the end of the previous year. Total debt of the districts amounted to $24,496,152, and the debenture debt $22,160,488, as compared with $23,912,456 and $21,855,497. On the whole there was some improvement.

Assessments and Exemptions

Assessments increased substantially for the year under review, but exemptions showed reductions. The following figures give a comparison of the details:—

Total cities and districts.	1919.	1918.
Value of taxable land	$363,508,519	$366,004,371
Value of taxable improvements	194,430,709	181,358,225
Total taxable property	557,939,288	547,362,596
Exemptions	37,072,096	39,495,172
Population	374,740	374,980
Area in acres	945,008	945,208

Public Utilities

As details of the operations of utilities in 1918 are not available, a comparison with that year is not possible. As compared with 1917, 1919 figures do not appear very satisfactory. The electric light account showed good improvement, but waterworks and sundries fell behind considerably. The following are the figures for 1919:—

Electric light.	Total revenue.	Profit.	Loss.
Cities	$ 410,163	$ 50,421	$ 22,032
Districts	26,118	......	3,959
Waterworks.			
Cities	1,038,674	104,858	128,213
Districts	252,384	1,822	219,791
*Sundries.			
All municipalities	582,896	25,061	50,946

For 1917 the figures, in the same order as above, are:—

Electric light.	Total revenue.	Profit.	Loss.
Cities	$ 316,586	$ 26,653	$ 21,933
Districts	22,392	1,772	357
Waterworks.			
Cities	978,696	112,908	129,403
Districts	206,486	528	220,692
*Sundries.			
All municipalities	345,577	3,090	64,169

*Including water, light, telephones, irrigation and street railway.

Receipts and Expenditures

As pointed out by Inspector Baird in his résumé, a favorable showing was made in receipts and expenditures, the former amounting to $18,815,692 and the latter $17,696,022, a surplus of $1,119,670. In previous years the situation had not been so favorable.

COLONIAL LOAN PREFERENCE STOCK REDEMPTION

The redemption of one-half the outstanding preference shares of the Colonial Investment and Loan Co., which was approved at a special meeting of shareholders held on September 14, has been postponed from October 1 to November 30; this has been necessary owing to the fact that sufficient members of the Treasury Board have not been present at Ottawa to hold a meeting to bring into force the amendment to the company's act of incorporation passed at the last session of parliament. A new meeting of the shareholders is accordingly called for November 19 to approve of a new by-law.

EMPLOYMENT CONDITIONS NOT SO SATISFACTORY

The Employment Service of the Department of Labor reports that returns from the Dominion and Provincial Offices of the Employment Service of Canada for the week ended October 16 show a decrease in placements when compared with the returns for the previous week. The offices reported that they had made 8,754 references to regular positions, and that 7,534 placements were effected. This is a decrease of 437 as compared with the returns for the previous week when 7,971 placements were reported, and an increase of 1,095 when compared with the corresponding week of last year. In addition 1,721 casual jobs were supplied during the week as compared with 1,717 during the week ended October 9.

During the week 9,454 applicants were registered, of whom 8,277 were men and 1,177 were women. This represents a decrease of 311 in registration when compared with 9,765 applications reported during the preceding week. The number of vacancies notified by employers to the service during the week totalled 8,686, of which 7,566 were for men and 1,789 were women. When compared with the 9,890 vacancies of the preceding week this is a decrease of 1,204. Of the placements in regular employment, 6,821 were of men and 713 were of women.

LARGE RESERVES HAVE HELPED BANKS

One of the principal reasons for the success of our Canadian chartered banks is the result of the foresight of the bank managers in the days when most of our large institutions were established. They realized that permanency could be achieved only by putting aside ample reserves so that bad years could be faced without disaster. This meant that in days when money yielded large returns, when even mortgages yielded 10 per cent. or more, shareholders had to be satisfied with 6 to 8 per cent. while reserves were being built up out of the undivided profits.

The Molsons Bank, whose 65th annual meeting of shareholders has just been held, and which has had an eminently successful year, is a good instance of this. From 1856 to 1888 dividends ranged from 5 per cent. to 8 per cent., and thence to 1900 exceeded 8 per cent. only nine times when 1 per cent. bonus had been paid. The reserve fund had by then grown to $2,050,000 while the capital was $2,466,040. Since then the reserve has grown to $5,000,000, while the capital is only $4.000,000, and now shareholders are receiving the reward due to their sacrifices and are drawing 12 per cent., equal to less than 6 per cent. on their combined capital and reinvested savings. The banking capital now available for business purposes in Canada's banks—and which is so badly needed too—has been provided to the extent of almost 50 per cent. by the undivided profits of shareholders without which our banks would not have been able to maintain their low rates on discounts (lower at present than those in Great Britain and in the United States). The Canadian public thus are benefitting now from the wise forethought of the founders of Canada's banking system.

UNION INSURANCE SOCIETY OF CANTON

Results of the operations of the Union Insurance Society of Canton, Limited, during the year 1919 were highly satisfactory, as evidenced by the annual report for that year. The working account shows the net premium income as £1,609,640, compared with £1,533,573 for the previous year. The 1918 working account, which, after deduction of interim dividend and bonus, showed a balance of £691,062. This was distributed as follows: Final dividend, £78,800; bonus dividend to shareholders, £98,500; addition to reinsurance fund, £150,000; addition to building reserve fund, £30,000; addition to equalization of dividend fund, £50,000; carried forward to underwriting suspense account to close the account for 1918, £283,762.

J. A. Plummer, chairman, in his report to shareholders at the annual meeting, spoke of the growth of the company. He quoted the 1913 premium income as £450,000, as against last year's figure of £1,609,640. A comparison of the balance sheet is further evidence of the growing strength of the company. Total assets at December 31st, 1919, were £6,200,-010, as against £4,835,084 at the end of the previous year. This advance is due largely to the company's increased holdings of investment securities.

Under the management of Chas. R. Drayton the Canadian business made unusual progress. Net cash received for fire premiums amounted to $401,962, as against $289,329 for the previous year. Other classes of business, which include automobile, hail and inland transportation, also showed largely increased development. Net cash received for all classes of business last year totalled $439,076, while in 1918 the figure was $302,202.

ACTUARIAL SOCIETY SEMI-ANNUAL MEETING

The fall meeting of the Actuarial Society of America was held in Richmond, Va., October 28th and 29th. A. B. Wood, who was recently elected a member of the executive, was one of the speakers. About one hundred members attended. Wm. A. Hutcheson, vice-president and actuary of the Mutual Life, in his presidential address, reviewed the "Evolution of Life Insurance." In a paper on "Actual Deaths in the Mutual Life Insurance Company of New York, Compared with the Expected by Three Standards," Mr. Hutcheson also gave the experience of the Mutual Life for the policies issued in the United States and Canada in the years 1907 to 1917, inclusive, carried up to the policy anniversaries in 1918. These policies were all annual dividend policies. The mortality was compared with the mortality as shown by the Medico-Actuarial Table, and also with that of the American Men Table, with the result that the actual mortality was 78.7 per cent. of the expected by the Medico-Actuarial Table and 84.6 per cent. of the expected by the American Men Table, these figures being by amounts. By policies the percentages were somewhat less. Attention was called to the fact that, since the experience ended with the anniversaries of the policies in 1918, it covers little war experience and none of the influenza period, except in those cases where the experience extended into the last few months of 1918.

The bulk of the business was written between ages 20 and 50. The experience covered over $1,300,000,000 of insurance issued. The exposures were over $5,000,000,000 for one year. Attention was called to the fact that if the experience were divided into the first five years and sixth to eleventh years, each would show almost exactly the same percentage of the expected mortality by the American Men Table as the total, the variation being only one-tenth of one per cent.; also, that if the first year were separated from the others, the ratio of the actual to the expected mortality for that year would differ only by one per cent. of that of the total experience.

The paper was completed by a series of tables giving in detail the results of the experience.

CHARTERED ACCOUNTANTS

BOND ISSUE WAS LEGALLY AUTHORIZED

Holder of First Mortgage Bonds Must Comply with Decision of Other Bondholders, if He Wishes to Retain His Security

ACTION taken by a bondholder of the Canada Stove and Foundry Company, attacking the validity of an issue of bonds made by the company in 1918, failed in the Superior Court of Quebec province, according to a judgment handed out recently. The plaintiff, Peter Z. Bonneville, had purchased some of the company's first mortgage bonds issued in 1916. In 1918 a reorganization of the company became necessary, and a meeting of the bondholders was held at which a resolution was passed authorizing the company to create $750,000 of six per cent. prior lien bonds, and $1,000,000 of six per cent. second mortgage income bonds, the latter bonds being exchangeable for the original first mortgage bonds of the company.

Holder Refused to Exchange

The plaintiff refused to exchange his bonds, and in October, 1918, took the present action, asking that the proceedings at the bondholders' meeting be declared illegal, and that the prior lien bond issue be annulled. On December 3rd, 1919, a winding-up order was granted against the company, and Paul L. Turgeon, liquidator, was subsequently authorized to contest the action.

The judgment holds that the rights of holders of original first mortgage bonds were confined to receiving from the trustee in exchange for their bonds an equal amount par value of second mortgage income bonds, and that, under the terms of the trust deed creating the original first mortgage bonds, the plaintiff had no right to institute the present action. It is also declared that the company was not insolvent at the date upon which the new bond issue was created, and that the bondholders had power to authorize the creation of such prior lien bonds. The plaintiff's action was accordingly dismissed with costs.

CANADA NATIONAL FIRE CASE

An interesting insurance case has just been decided before the Court, the Canada National Fire Insurance Co., of Winnipeg, having sued Albert Wesley Woodard for $13,727 damages. It appears that Mr. Woodard was at one time branch manager for the Canada National in Vancouver. Owing to dissatisfaction on his part, he left the company, but was reappointed, according to his sworn statement as a recording agent, but to secure this appointment he was obliged to sign an agreement—one clause of which was that if he left the company he would not solicit business from, or interfere with, the clients of the insurance company. In January, 1919, he did leave the service, and it was contended that he did canvass the policyholders of the Canada National, and it (the company) is alleged to have lost, during the year, in this way, over $5,000 in premiums. Mr. Woodard claimed that the action of the company, subsequent to his signing the agreement, warranted him in believing that the said agreement was of no effect.

Mr. Woodard further referred to conversations with the officials of the company in regard to this matter, but the Court did not allow these conversations to go in as evidence. Justice Macdonald gave judgment to the effect that the written agreement signed by Mr. Woodard was legally binding upon him, and he allowed the injunction to restrain Mr. Woodard from interfering in the company's business in the manner indicated, and awarded the company damages.

Canadian Debentures Corporation, Ltd., have removed their offices from 8 King St. W., Toronto, to 36 King St. E. W. R. Fleming is manager.

SHOULD TRUSTEE MAKE INCOME RETURN?

Whether a trust company can be required by the city assessment department to make a return, showing income payable to beneficiaries, was discussed in the Toronto Court of Revision on November 2nd. George Hearst, on behalf of the department, said:—

"The position is that the department have found that large estates have not been assessed on their prospective income. It is our purpose to assess beneficiaries who reside in the municipality. We send these beneficiaries income schedules, and they come back, saying, 'We have no income.' We are told to go to the trust companies, who are the trustees, for the information. Mr. Watson, of the Toronto General Trusts, says to us: 'If you get a letter from the beneficiaries, we will give you the information.' Now, we contend the Act says these corporations should give the department the information. We have come to the court, and you have said the department should get the information. The Appellate Court says the estate is subject to assessment in the municipality where the testator died. All we want is that the corporations should assist us. Every corporation has to file a statement of the dividends, and we contend we are entitled to know whether such dividends are assessable against the corporation or any beneficiary in the municipality."

Another point emphasized by the department was that where the income goes to capital instead of being distributed it should be assessed.

CASE ON ALBERTA SOLDIERS' RELIEF ACT

The Alberta Chancery Court has just held that a mortgagor cannot stay foreclosure proceedings by the transfer of his interest to a soldier. William J. Corkrum, in March, 1915, commenced an action against Donald Hope for the recovery of money due under a mortgage. Since that time, the action has been pending before the court. In the meantime the plaintiff died, and the defendant's son enlisted. In October, 1919, Percy C. Hope, the son, claimed to have an interest in the property, and the court stayed the action under the Soldiers' Relief Act, although Percy Hope was not a party to the action.

In June, 1920, Percy was added as a defendant. The plaintiff appealed from three orders of the court, and Justice Scott has now given judgment allowing the appeal with costs, and setting aside the orders appealed from. The judge held that Percy C. Hope was not a necessary party to the action, and was not entitled to be made a party defendant, merely for the purpose of obtaining a stay of proceedings under the Soldiers' Relief Act.

"To hold, for instance, that after proceedings had been taken under a mortgage the mortgagor may fraudulently or otherwise transfer his equity of redemption to a soldier, and that the latter as such would thereupon be entitled to stay the proceedings would open a wide door for fraud, as it would provide an effectual means of obtaining a stay of proceedings in every mortgage action.

"In my view, the nature of the possession referred to in the act is actual possession, which is something more than the constructive possession which one tenant in common may be entitled to claim by reason of the actual possession of the property by another tenant in common.

"I entertain a strong suspicion that the application to make Percy C. Hope a party to the action was made entirely in the interest of his father, Donald Hope, and solely for the purpose of enabling him to stay the proceedings in the action and thus enable him to retain possession of the property.

"It was under his instructions that the application was made, his son having left for South America (where he now resides), some months before it was made. It is true that the father claims to be acting under power of attorney from the son, given in March, 1918, but it appears that he resided in Calgary after his discharge for about a year, during which he does not appear to have sought to be made a party."

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News of Industrial Development in Canada

Power Shortage in Ontario not yet Relieved, but Negotiations are Under Way—Armour Company Leaving Canada—Flour Mill Established at Charlottetown—Steel Industry not Affected by Depression, Says Authority—Dominion Shipbuilding Plant to be Operated—Prince Rupert Drydock Company Suspends Operations

NEGOTIATIONS between the Ontario government and the Electrical Development Co. for the relief of the power shortage, which is crippling Ontario industries, are still pending. A proposition was submitted by the company last week, but was rejected by the government. The proposition contained the following conditions:—

"If the government will take or cause to be taken such action that during the period of generation of power in excess of 125,000 h.p. (peak load) under our proposition (a) we will be put in the same position as if the Act of 1920 had not been enacted, and (b) the existing injunction order will be suspended on proper terms, and (c) we will be put in the same position as if the Act of 1917, and the order-in-council of June 27, 1918, had not been passed, and (d) we will not be subject to any claim based upon alleged exceeding of our license under our contract with the Park Commission:

"(1) We will, from time to time, as demand requires, generate power in excess of 125,000 h.p. (peak load), up to the capacity to which we are advised our plant can, from time to time, be safely and properly operated. (We estimate this to mean, at the present time, with all units in commission, a possible commercial output of 15,000 h.p. in excess of 125,000 h.p. (peak load).

"(2) We will supply such power generated in excess of 125,000 h.p. (peak load), from time to time, at market or current contract prices, on usual conditions, to any customers who apply and are prepared to pay for it, and can take it, under operating conditions which we are advised are safe and proper, from our distribution system or connections with it, provided by the customers.

Premier Drury, in his reply to these conditions, said the specific value of this power has been set by a commission of judges at $9 per horse-power. Understanding from the company, however, that its case was not represented before that commission, he offered to reappoint it to decide again on a fair price. The premier also took objection to the manner of distribution. He suggested that the company deliver in the same manner as it did the 13,500 horse-power which it delivered to the hydro up to October 15.

From the standpoint of the hydro engineers, the chief drawback to the offer is its stipulation that the relief be given by the company taking over a number of big hydro power contracts. The hydro commission makes the same suggestion as Premier Drury in this regard.

Armour Company Closing

On November 8 announcement was made from Chicago of the closing of the Canadian business of Armour and Co., the large packing company, including the plant at Hamilton, Ont., and selling agencies at St. John, N.B., Sydney, N.S., Hamilton, Ont., Montreal, Que., and Toronto. A statement given out at Hamilton last week by J. W. Duvall, general manager there, explains the situation:—

"With the export market practically gone and with hogs at prohibitive figures, the closing of the Hamilton plant of Armour and Co. has been made imperative. We hope to be able to resume operations when conditions become favorable for conducting the plant on a basis which makes earnings possible.

"While the lack of an export market and the high price of hogs are the immediate causes for cessation of operations, there is another underlying handicap to the success of packing operations at Hamilton. Due to the small margins on which we operate, large volumes are essential in our business, and the production of hogs in the Hamilton territory has not been sufficient to enable volume operation. We have always felt and we still believe that this territory can produce good hogs in abundance, but it is not being done now. Our plant has been operated for a long time on a basis far short of its capacity, and this has greatly increased the overhead expense which each animal necessarily has to bear. That made it impossible for us to compete with plants more favored as to volume. It is the part of good business, therefore, to close the plant.

"Cessation of operations is being brought about gradually as stocks are cleared out. We look forward to the time when we can resume operations here and be more than ever a factor in the industrial life of Canada."

Charlottetown Flour Mill

A new flour mill has been established at Charlottetown, Prince Edward Island, and is now working at full capacity. This mill has a capacity of 150 barrels of flour per day and will be able not only to take care of all the wheat grown in the province but will import largely from the western provinces, thus manufacturing at home a large proportion of the wheat now imported, and giving employment to Island labor. It is the intention to produce two brands of flour, namely, Gold Bond and Garden City. The former will be milled from No. 1 western wheat and will be a high grade patent; the later will be a blend of Island and western wheat, both brands having a distinct flavor.

The promoters of this new industrial undertaking are: B. D. Howatt, president; Isaac Carter, vice-president; H. M. Davison, C. H. Chandler, and B. W. LePage, secretary-treasurer.

Iron and Steel

A quarterly report by the Lake Superior Corporation contains satisfactory statements of production and of railway conditions. The output of coke, pig iron and steel ingots for the three months ending September 30 reveals a large increase over the figures for the corresponding quarter a year ago. The shipments of iron and steel are also much higher, being 142,246 tons, compared with 48,229. Unfilled orders on September 30, including pig iron and steel, for delivery in the last quarter of 1920, were 200,000 tons. "A satisfactory tonnage is offering for delivery in the first quarter of 1921," says the report. "The output of Lake Superior coal and of limestone shows an increase, while that of Cannelton coal is lower. The coal companies operations have been curtailed on account of car shortage."

The plate mill of the Dominion Iron and Steel Co., at Sydney, N.S., last month surpassed all former records in output, turning out 4,900 tons. The previous record was slightly over 4,500 tons. Whether the plate mill will be kept in operation all winter or not depends on orders from the Canadian government.

The rail mill at the steel plant, which closed some weeks ago for lack of orders to keep it in operation, is to resume work at once on the manufacture of a small order of billets. The order which the company has received will keep the mill in operation for about two weeks. Future operations depend on whether or not further orders are received.

According to authoritative reports, the Dominion Bridge Co., and its subsidiary the Dominion Engineering Co., are operating to capacity in every department, and orders now on the books are sufficient to ensure continuation of these conditions for many months to come. The principal drawback experienced by the company is no longer the difficulty of obtaining orders, but the difficulty of obtaining supplies of sheets and bars and various iron and steel products re-

quisite for the manufacture of the orders taken by the company. Lack of transportation facilities is apparently responsible for some of this shortage. In this connection it is interesting to note that Canadian iron and steel mills are too busy to supply all the requirements of the company, so that supplies have to be imported in part from outside. In the matter of labor, the situation is improving somewhat, but the supply is still on the short side.

The fact that Canadian steel mills are very busy is further emphasized in a statement by S. J. Waddie, president of the Canadian Drawn Steel Co., Hamilton, that his company has sufficient orders on hand to insure uninterrupted operations for a long time to come. It is his opinion that the steel industry will not likely be affected to anything like the same degree as other lines of industry might be. "We could get much more work to do if we could only get the raw material," he said.

Shipbuilding Plant Resumes

It is understood that the plant of the insolvent Dominion Shipbuilding Co. will be utilized by the Henry Hope Co., of Peterboro, Ont., to complete some contracts for the Dominion government. When the Dominion Shipbuilding Co. went into liquidation last August there were on hand two unfinished government boats. The Henry Hope Co. will finish these, and in the original shipyards, of course.

While this plant is to be opened, announcement is received to the effect that the Prince Rupert Drydock and Engineering Co. has suspended operations. The company was constructing under the government program two vessels of the 8,100-ton type so that the Dominion's shipbuilding program will receive a temporary setback. The government, however, is fully protected from loss by guarantee bonds. Inability to meet its debt is given as the reason for the suspension of the shipbuilding company.

FOUR INSURANCE LICENSES ISSUED LAST WEEK

All Were Provincial, And Three Authorized Extension of Scope—Insurance Agency Changes Its Name

AUTHORIZATION has been granted to the Beaver Fire Insurance Co. to transact in the province of Quebec the business of fire insurance. R. J. Dale, Coristine Bldg., Montreal, is the chief agent for the province.

In addition to this, two companies, already licensed to transact business in the province of Quebec, have had their scope extended. The Northern Assurance Co. may now write burglary insurance, in addition to numerous other classes, while the National Benefit Assurance Co., Ltd., has been authorized to transact accident and sickness insurance, in addition to fire business which it already writes.

The London and Lancashire Guarantee and Accident Co. of Canada, has been licensed to write burglary insurance and insurance against loss or damage occasioned by larceny, theft, or stealing from the person by violence, threat, holdup, or otherwise, in British Columbia, in addition to other classes of business which it is already transacting in the province.

Carson and Williams, Bros., Ltd., prominent Canadian insurance agents, have changed their name to Carson, Williams and Willcox, Ltd., to give more prominence to the position in the company of W. J. Willcox. Mr. Willcox has been in actuality a member of the company for the past nine years, being located at Winnipeg, and having charge of the Winnipeg, Regina and Calgary offices.

Cramer and Co., Ltd., insurance investment and estate agents, have removed their offices from the Canada Life Bldg. to 530 Seymour St., Vancouver, B.C. The growth of their business necessitated larger and more conveniently located premises. The company represents the Imperial Guarantee and Accident Insurance Co. of Canada, the Century Insurance Co. of Edinburgh, Scotland, and the Equitable Fire and Marine Insurance Co. of Providence, R.I.

NEW INCORPORATIONS

Kilgour Bros., Ltd., Toronto, $2,500,000—International Screencraft Co., Ltd., Sault Ste. Marie, $1,500,000—Ormes Steamship Co., Ltd., Montreal, $1,000,000

Dominion charters have been granted to the following companies, with head office and authorized capital as indicated:—

Humid-Air Co., Ltd., London, Ont., $60,000; Canusa Export Co., Ltd., Montreal, $20,000; Canadian Freighter, Ltd., Toronto, $40,000; Canadian Sapper, Ltd., Toronto, $40,000; Canadian Transporter, Ltd., Toronto, $40,000; National Fibre Products, Ltd., Ottawa, $500,000; Ormes Steamship Co., Ltd., Montreal, $1,000,000; Tecumseh Baseball and Athletic Association, Ltd., London, $100,000; Tupman Thurlow Co., Ltd., Toronto, $25,000; George B. Meadows, Ltd., Toronto, $250,000; Samuel Hart & Co., Ltd., Montreal, $500,000; the Live Fish Co., Ltd., Quebec, $100,000; Aird & Son, Ltd., Montreal, $300,000; Landry Pulpwood Co., Ltd., Quebec, $100,000; Foreign Investment Corporation, Ltd., Toronto, $100,000; Toronto Fuel Export Co., Ltd., $24,000; Jas. Carruthers and Co., Ltd., Montreal, $1,000,000; Kilgour Bros., Ltd., Toronto, $2,500,000; Smith's Falls Construction Co., Ltd., Smith's Falls, Ont., $50,000; Talbot Shoe Co., Ltd., St. Thomas, $175,000; Central Saskatchewan Flour Mills, Ltd., Duck Lake, Sask., $60,000.

Provincial Charters

Provincial charters announced during the past week have been as follows:—

Alberta.—Ladywear, Ltd., Edmonton, $50,000; Hose and Brooks, Ltd., Calgary, $50,000; Morinville Fair Association, Morinville, $20,000; Scott Fruit Co. of Calgary, Ltd., Calgary, $20,000; Helfgott-Caplan, Ltd., Craigmyle, $20,000; Dominion Furniture Co., Ltd., Edmonton, $25,000.

British Columbia.—Kaien Island Club, Ltd., Prince Rupert, $10,000; Litchfields, Ltd., Victoria, $15,000; Industrial Supply and Service, Ltd., Vancouver, $10,000; Crawford Battery Co., Ltd., Vancouver, $25,000; Laminated Materials Co., Ltd., New Westminster, $400,000; S. O. Supply Co., Ltd., Fairview, $10,000; Smelts-Prickett, Ltd., Vancouver, $10,000; Land Limes, Ltd., Armstrong, $25,000; Lincoln Mining Syndicate, Ltd., New Westminster, $10,000; R. S. Taxi Co., Ltd., Victoria, $50,000; Canadian Basic Minerals, Ltd., Vancouver, $50,000.

Manitoba.—Currie Manufacturing and Lumber, Ltd., Brandon, $100,000; Rogers Hide and Fur Co., Ltd., Winnipeg, $200,000; Canadian Theatre Supply Co., Ltd., Winnipeg, $20,000; D. R. Reid Contracting Co., Ltd., Winnipeg, $40,000; United Technical Schools, Ltd., Winnipeg, $50,000; United Farmers of Manitoba Political Executive, Ltd., Winnipeg, $5,000; Standard Machine Co., Ltd., Winnipeg, $20,000; Wood, Gundy and Co., Ltd., Winnipeg, $250,000.

New Brunswick.—The Northern Light, Ltd., Bathurst, $24,000.

Ontario.—Palter Cap Co., Ltd., Toronto, $100,000; Shaw Bread Co., Ltd., Ottawa, $75,000; Canada Heaters, Ltd., Toronto, $100,000; British Talc and Mineral, Ltd., Toronto, $200,000; International Screencraft Co., Ltd., Sault Ste. Marie, $1,500,000; Toronto Ladies' Outfitters, Ltd., Toronto, $40,000; Canadian Pattern and Castings Co., Ltd., Walkerville, $25,000; Sukes Bread, Ltd., Hamilton, $50,000; Deer Park Golf and Country Club, Ltd., Grimsby East, $50,000; Farmers' Auto Accessories, Ltd., Toronto, $250,000; Mack Storage Battery Co., of Canada, Ltd., Toronto, $100,000; Cataract Co-operative Co., Ltd., Fenelon Falls, $25,000; T. Brown, Ltd., Stratford, $40,000.

Quebec.—Canada Drug Co., Ltd., Quebec, $20,000; John P. Callaghan Corp., Ltd., Montreal, $10,000; Garage St. Valier, Ltd., Quebec, $49,000; P. Guerin, Ltd., Montreal, $20,000; Levis Tool Factory, Ltd., Levis, $49,000; Canadian Securities Corp., Ltd., Montreal, $100,000; J. E. Massicotte Co., Ltd., Chicoutimi, $99,000; Club Liberal de la division Laurier, Montreal, $20,000.

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News of Municipal Finance

Calgary's Position Criticized by Civic Commissioner—Australian Tax Collection System Suggested for Victoria — Negligent Bookkeeping in Eastview Causes Vexing Situation — Toronto Finance Commissioner Sounds Note of Warning Regarding City's Capital Obligations

Lethbridge, Alta.—From January 1 to the end of October, 1920, collections of current taxes amounted to $375,268, or 66.16 of the total levy. Last year the figure was $315,248, or 65.43 of the total levy.

Hamilton, Ont.—A good showing is revealed in the report of W. A. Kerr, collector of taxes. The report shows that the estimated tax collection for 1920 was $3,424,159, and the amount actually collected to the end of October was $3,283,636. The collection for Homeside amounted to $71,706.

Winnipeg, Man.—According to figures made public in the city last week, Winnipeg ratepayers contributed $15,378,943 to the school board from 1895 to 1920, or 19 per cent. of the $79,006,949 taxes raised in the same period. The school outlay increased from $94,000 in 1895 to $2,175,700 this year. The population increased in these years from 34,954 to 192,571, the property exemptions from $4,424,330 to $40,971,930, the land assessment from $11,730,250 to $144,332,700, and the assessment on buildings from $7,030,700 to $92,637,710.

General taxes increased from $521,603 to $7,637,935, including special assessments. In these totals the taxes for municipal purposes increased from $292,839 to $3,977,594 and the business taxes from $60,869 to $431,915. Patriotic levies aggregating $1,265,500 were paid from 1916 to 1919, inclusive.

Toronto, Ont.—Finance Commissioner Ross has sounded a note of warning regarding the city's capital obligations. Mr. Ross says that although the city has been able to dispose of bonds approximating $2,250,000 this year, there still remains the large sum of $13,367,117 to be marketed. He points out that after the latter amount has been issued, the city's borrowing margin will be reduced to $5,500,000. The only relief in sight lies in the fact that next year bonds of $4,780,000 will mature and be paid off.

He further calls attention to the fact that the city is committed to immense obligation in the near future, in connection with the acquisition of the Toronto Railway system and the necessary extension and changes that must follow in order to provide an adequate transportation system for the entire city. In addition, $8,568,861 is required in connection with the hydro radial enterprises already authorized. Other contingent liabilities, the amount of which cannot be estimated at present, are in connection with the waterfront viaduct and the city's share of the harbor improvements. "In view of these things," says Mr. Ross, "it would seem imperative that no further capital commitments be considered until such time as the amount of the present commitments is materially reduced."

Eastview, Ont.—An audit of the town's books has just been completed. This audit was taken following the dismissal last July of A. Guilbault, tax collector, who, it was alleged, had been negligent in his duties, and short in his funds. The auditors' report shows the town to be solvent, there being a surplus of assets over liabilities of $2,637. The net debenture debt amounts to $160,239, less cash in sinking fund of $7,591. The shortage of the tax collector as at July 20 last was $259, less $250, deposited after that date.

Apparently, negligent bookkeeping has been the cause of all this trouble. There had been a number of unauthorized cheques issued by the tax collector, that is to say, without the accounts having first been passed by the council, aggregating close to $50,000. The report states that the tax collector's rolls had not been balanced from year to year. If they had been the deficiency would have been discovered. In addition, there is apparently something lax with regard to the collection of taxes, as the audit shows that the total amount available for tax collections on the assessment for 1919 was $43,989, and of this there was an amount of $34,751 not collected.

There is no suggestion in the report that there has been anything savoring of dishonesty in the financial administration of the town, but it is made plain that there has been much negligence, particularly with regard to bookkeeping, which has resulted in the affairs of the town being in a very muddled condition.

Victoria, B.C.—As in the case of many other western cities, the municipality is confronted with the reverted land problem. W. G. Cameron, reverted land commissioner, has stated that he has been unable to get much further than the outside fringe of the situation, and that he has been unable to devise any policy to recommend for the disposal of the land that has been accumulated to the credit of the city as the result of tax sales.

"As we look back, it is easy to see where we made mistakes," said Mr. Cameron, "but it is a very different matter to set things right. It is now patent to everyone who has looked into conditions that the city embarked upon too much local improvement work simultaneously, and did so without keeping sufficiently close attention to the relation between estimates and actual cost. The other big mistake was the postponement of tax sales and the lack of effort to induce prompt payment of taxes. Then, of course, the city was handicapped to some extent by the Moratorium Act, War Relief Act and similar measures which delayed payments. In the case of local improvement work, instead of the individuals being responsible for payments, it was the corporation that had to bear the load."

Mr. Cameron said that application of the Australian system along modified lines might help to solve the problem, but he doubted whether it could be introduced at this time without creating a lot of trouble and giving rise to legal complications. In Australia property owners are expected to meet their tax payments promptly, and if they fail to do so, the matter is at once taken to court and judgment given against the owner, if the debt to the municipality can be clearly established and the owner is solvent. There is practically no such thing as a tax sale, because the taxpayers toe the mark all the time and naturally follow the tendency of not speculating or buying more than actual requirements unless they are sufficiently well fixed financially to carry the load for an indefinite period. The municipal authorities in Australia do not concern themselves so much with the property as with the individual. The taxpayer, knowing the consequences of getting into debt with the city, pays promptly and makes it his business to keep out of the courts. If he defaults in his taxes it is no matter of his own choice whether he lets the property go. The municipality doesn't bother about his property. It takes his money.

Calgary, Alta.—In the course of an address before the Dominion Labor party in Calgary last week on the problem of municipal taxation, the past and present system of the city was the subject of severe criticism by Commissioner Samis. "The difference between what the city of Calgary is paying annually, and what it should pay if the term of debentures was what it should be, is $200,000," declared the commissioner. He went on to say that the extension of the term of several classes of debentures and the borrowing of money against the land that has come into the possession of the city would go far to the solution of the problem.

"We owe $1,500,000 to a bonding house in New York, which is the first charge against our unpaid taxes," continued Mr. Samis. "We owe the sinking fund $2,500,000, the fund having been short-changed as a result of our being unable to collect taxes after the boom. We have land assessed at

$5,000,000 from previous sales, and expect to get another $1,000,000 from the next, making a total of $6,000,000. There is no reason why we should not bond that land. We don't have to pay out much more than $100,000 a year."

With regard to the suggestion of some members of the council to shorten the term of debentures to five years, Mr. Samis said: "They would ruin the city. With our present population of 75,000 and the development we may expect in ten years' bonding of the land, it would be well worth while." He cited the Center Street bridge on which $6,000 a year is paid to sinking fund on thirty-year debentures, as an example of a too short term. Engineers stated that the bridge would last one hundred years. He would not suggest so long a term, but would point out that the sinking fund on a hundred years' debentures would be only $500. Waterworks debentures, not for thirty years, would be for sixty years.

In connection with the city's present indebtedness on unprofitable extensions of utilities, the commissioner stated that this is due to influential persons, who during Calgary's early development, wanted to get into the gambling game in real estate. "It was most unfortunate that more of these absurd schemes had not been turned down. Street railway extensions for the benefit of the owners of subdivisions were the primary trouble, because wherever the street railway goes eventually the other utilities have to be put."

The matter with the city, said the speaker, is that it was laid out by the C.P.R., and that a great deal of railway land was exempt from taxation. If it had not been for this, and for the stringing out of the utilities which resulted, the bonded indebtedness of $4,000,000 on the waterworks would have been $1,000,000 less. Interest and sinking fund has now to be paid on that unnecessary capitalization.

Government and Municipal Bond Market

Nova Scotia and Toronto Received Good Prices for Their Securities—Former Issue Will be Sold Across the Line—Ontario Coming on the Market Next Week—Windsor Bonds Are Disposed Of

THERE was a great deal of activity in the government and municipal bond market during the past week. Two large issues, namely, the city of Toronto and the province of Nova Scotia, were taken up, and in addition many other municipal sales were made.

The price received by the city of Toronto, which was on a basis of about 6.55 per cent., was considered a good one, and Finance Commissioner Ross was entirely satisfied, taking into consideration the condition of the market.

Nova Scotia received a good price for its securities, the basis being about 5.63 per cent. This is a much better rate than the province received previously this year, and apparently indicates that the market in the United States for our bonds has improved, as all the issues but one were disposed of by the province across the line.

Coming Offerings

Borrower.	Amount.	Rate %.	Maturity.	Tenders close.
Langenburg, Sask.	$ 9,500	8	15-years	......
Ontario	5,000,000	6	7-years	Nov. 15
Yellow Grass, Sask.	12,000	7	10-instal.	Nov. 15
York Township, Ont.	8,765.10	6	5-instal.	Nov. 15
Etobicoke Twp., Ont.	25,000	6½	30-instal.	Nov. 15
Pembroke, Ont.	47,000	6	10 & 30-inst.	Nov. 24
Freeman Twp., Ont.	10,000	7	20-instal.	Nov. 27
Sault Ste. Marie, Ont., S.S. B.	85,000	6	......	Nov. 30

York Township, Ont.—Offers are being asked until November 15, 1920, for $8,765.10 6 per cent. 5-instalment debentures.

Etobicoke Township, Ont.—Tenders will be received until November 15, 1920, 10 o'clock, for $25,000 6½ per cent., 30-instalment debentures.

Pembroke, Ont.—The town is asking for bids until November 24, 1920, for the purchase of $33,000 6 per cent. 10-instalment debentures, and $14,000 6 per cent. 30-instalment debentures. (See advertisement on page 25 of this issue.)

Sault Ste. Marie, Ont.—The Separate School Board is asking for tenders on $85,000 6 per cent. debentures until November 30, 1920. (See advertisement on page 25 of this issue.)

Debenture Notes

Brantford, Ont.—The Brantford Scale Company is asking the city to guarantee its bonds to the extent of $80,000.

Mimico, Ont.—The council has given first reading to a by-law to issue debentures to the amount of $23,000 for school purposes.

Windsor, Ont.—Providing the city council approves, ratepayers will be asked to vote on a by-law in January next, authorizing the borrowing of $175,000 for a new police station.

Cochrane, Alta.—The Board of Public Utilities Commissioners has given its approval of the issue of $4,000 debentures for electric light and sidewalk purposes.

Paris, Ont.—Early in December, ratepayers will be asked to approve of guaranteeing the bonds of the Macfarlane Engineering Company to the extent of $40,000.

St. Thomas, Ont.—Members of the city council, the board of trade and the trades and labor council have endorsed a proposition to raise $200,000 for water purposes. Ratepayers will be asked to give their approval.

Lethbridge, Alta.—Prospectus for the Lethbridge Northern Irrigation project is now being prepared by an expert of an eastern bond house, and is expected to be ready within a week. Then tender forms will be distributed to bond houses in the United States and Canada.

Calgary, Alta.—The city is considering the issue of $600,000 bonds for the installation of a gas pipe line. Should the council approve such action, ratepayers will be asked to vote on the matter at the December elections, following which the Public Utilities Commission must give its approval.

Windsor, Ont.—The city council will be requested by the finance committee at its next meeting to authorize the preparation of a by-law for submission to the ratepayers at the municipal elections in January respecting the plan of Essex Utilities Commission to take over Windsor and Walkerville waterworks for a joint system to serve all the border municipalities. The project, it is estimated, will involve an ultimate expenditure of approximately $1,800,000.

Saskatchewan.—The following is a list of authorizations granted by the Local Government Board from October 23 to 30, 1920: Proswita S.D., $1,500 8 per cent. 10-instalments. Rural Telephones—8 per cent. 15-years annuity: Whitewood St. Hubert, $15,450; Atwater, $2,100; Tipperary, $1,600.

Bond Sales

Moosomin, Sask.—The town has sold $5,338.72 7 per cent. 20-year debentures to local citizens at par. The money will be used for cement sidewalks.

Niagara Falls, Ont.—W. A. Mackenzie and Company have been awarded $153,955 5 per cent. 10 and 20-instalment debentures at a price of 90.03, which is on about a 6.60 per cent. basis.

Sarnia, Ont.—The Dominion Securities Corporation have purchased an issue of $164,981.87 5½ and 6 per cent. deben-

"Some Victory Bond Questions and Answers"

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1923	98 and interest	6.24%
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1924	97 and interest	6.36%
1934	93 and interest	6.26%

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tures of various maturities. The proceeds of the issue will be used for soldiers' civic gratuity and other purposes.

Montreal, Que.—A block of $500,000 6 per cent. 10-year school bonds has been purchased by Versailles, Vidricaire and Boulais.

Nova Scotia.—The tender of the Dominion Securities Corporation of 102.02 for the $2,000,000 6 per cent. 10-year bonds, payable in Canada and New York, has been accepted. At this rate the province pays about 5.63 for its money.

The following is a list of tenders received:—

	5 years, U.S.	10 years, U.S.	10 years, Can.	20 years, Can.
Dominion Securities Corp., and Wm. A. Read and Co.......	104.04	102.02	.....	.....
Dominion Securities Corp., and W. F. Mahon and Co.......	......	......	95.17	94.16
*Wood, Gundy and Co., National City Co., and E. H. Rollins and Co.	103.235	101.435	.....	.....
*Wood, Gundy and Co., A. E. Ames and Co., Eastern Securities Co., J. C. MacIntosh and Co., J. M. Robinson and Sons, and National City Co.	....	....	93.18	91.90
J. C. MacIntosh and Co., on behalf of Halsey, Stuart and Co., and A. E. Ames and Co.	102.99	100.395	.....	.....
Canada Bond Corp., A. B. Leach and Co., Paine, Webber and Co., Hornblower and Weeks, Wells-Dickey Co., First Wisconsin Trust Co., Carstens and Earles and Rutter and Co.	102.67	100.45	.....	.....
Harris, Forbes and Co., Inc...	......	101.871	.....	.....
Canadian Debentures Corp., and C. H. Burgess and Co.	......	101.97	.....	.....
United Financial Corp., Ltd., and Bank of Montreal	......	100.33	.....	.....
A. Jarvis and Co., Blodget and Co., and First National Co..	......	100.24	.....	.....
R. A. Daly and Co., Lee, Higginson and Co., Merrill, Oldham and Co., Eastbrook and Co., White, Weld and Co.	......	99.677	.....	.....
R. C. Matthews and Co., Kassal, Kinnicut and Co., Bankers' Trust Co., Wm. R. Compton and Co., Detroit Trust Co., F. S. Mosely and Co.	......	99.262	.....	.....

*These two syndicates also bid for half of each maturity. In the case of the 5 and 10-year bonds payable in New York the offer was 102.435. In the case of the 10 and 20-year bonds payable in Canada the price was 92.50.

Windsor, Ont.—W. A. Mackenzie and R. A. Daly and Company have purchased $377,547 5½ and 6 per cent. bonds, which mature from 1921 and 1960, inclusive. The proceeds of the issue will be used for various purposes. It is understood that there were several bids for the securities, although no prices have been announced.

Oshawa, Ont.—A. E. Ames and Company have been awarded $78,743.88 6 per cent. 15-instalment debentures at 94.199, which is on about a 6.94 per cent. basis. Tenders received were as follows:—

A. E. Ames and Co., 94.199; Wood, Gundy and Co., 93.90; Dominion Securities Corp., 93.588; United Financial Corp., Ltd., 93.56; Æmilius Jarvis and Co., 93.53; N. A. McDonald and Co., 92.76.

Toronto, Ont.—The city's $2,853,000 6 per cent. bonds have been sold to a syndicate of Toronto dealers at 94.317, which is on a basis of about 6.55 per cent. The securities are for various maturities, but the average is 17½ years. Four tenders were received as follows:—

Dominion Securities Corporation, R. A. Daly and Company, W. A. Mackenzie and Company, Harris, Forbes and Company, Inc., and the National City Co., Ltd.	94.317
*A. E. Ames and Company and Wood, Gundy and Company	93.239
A. Jarvis and Company	93.21
United Financial Corporation, Ltd., and R. C. Matthews and Company	90.60

*In addition to this bid an offer was made for $1,834,000 at 93.239 and an option on the balance at 94.450.

Smith's Falls, Ont.—Tenders will be received until November 22, 1920, for the purchase of $9,200 6½ per cent. 20-instalment debentures, the proceeds of which will be used for hydro-electric purposes. J. A. Lewis, town clerk.

MUNICIPALITIES FEELING SHORTAGE OF CAPITAL

Defaults Have Seriously Affected Their Ability to Borrow—Settlement in Case of Humboldt

(Special to *The Monetary Times.*)

Saskatoon, Sask., Nov. 8, 1920.

QUITE recently some developments have been taking place in the municipal situation in Saskatchewan which are of more than ordinary importance. The outstanding one is, of course, the enquiry into the affairs of Humboldt by the Local Government Board. It may be worth noting here that the business of this body is steadily growing, and is of a varied character.

By the outsider it is looked upon as the responsible supervisor of capital expenditure in municipalities. Every new school, electric light plant or skating rink or other public undertaking, the carrying out of which by a municipal or school authority involves going to outside markets for capital, must first have the consent of this body. The importance of this prerogative of the board is certainly not appreciated by the public generally in Saskatchewan, nor that of any other province of the Dominion, except those units of the general public who have been approached by the bond salesman with a view to becoming a holder of Saskatchewan municipal or school bonds. Of course the bond dealers appreciate the importance of the board, and they represent to prospective buyers of Saskatchewan municipal, school and telephone debentures that the money they represent is expended under the board's supervision. The Act creating the board charges it to do so.

To buyers of bonds it is, therefore, represented, and properly so, that Saskatchewan bonds are safe purchases, because the affairs of the borrowing bodies are kept within the limits of safety by the board. And when it is possible to make this statement the market for the said bonds should be appreciably widened. For some reason, however, this obviously sane policy, under which the capital expenditures of municipal and school authorities are carefully supervised, has not resulted in the creation of a ready market for Saskatchewan city and town school and municipal debentures.

Poor Sale for Bonds Now

That so little demand exists for these debentures is one of the serious developments in local affairs here. Within the past few days a town school districts' officers deplored the fact that, even on a basis of 10 per cent., they could not get an offer for their bonds. Saskatoon itself, a city that has put its financial affairs into such order as to compare favorably with any other city of the province, has its own difficulties in marketing securities, although its desires in the way of borrowing received from the Local Government Board severe checks. The volume of rural school debentures that would go to market if there was one big enough is very large. It is presumed, however, that the Local Government Board has fixed the limit of 8 per cent. to the borrowers as the maximum. Buyers, however, are not rushing to buy these securities on even that basis, and in consequence the volume available is difficult to measure.

Many school districts are being organized, and the aggregate of their needs must be very large. But the spout through which these bonds get to the public is under the careful control of the Local Government Board. The same applies to telephones. Rural exchanges are growing in number, and they are as valuable in bringing the people into touch with each other, and thereby obliterating that strangeness which makes nation-building more difficult, as are the public schools. But 8 per cent. is not now attractive to the buyers of school and telephone bonds. Nor does any rate of interest prove attractive in the case of Saskatchewan municipal and school bonds. Naturally, the question is being asked why these things should be.

To this question the public are beginning to look for an answer from the Local Government Board. Why is it that

(Continued on page 51)

Corporation Securities Market

Stock Prices Break on Canadian Exchanges—Atlantic Sugar and Papers Suffer Heavy Losses — Some Slight Rallies at the Close — Wayagamack Shareholders Plan Capital Reorganization—Winnipeg Electric Railway to Increase Authorized Capital

THE break in stock prices on the Canadian exchanges this week did not come altogether as a surprise, although such drastic changes were not expected. Ever since last August stocks have pursued an uneven downward trend, and business and other financial developments during the past month added to this movement. The largest losses last week were sustained by Atlantic Sugar and the paper issues.

Towards the close of November 10, however, the markets showed an improved tone. Many stocks advanced a few points, but none entirely retrieved their losses. Several influences combined to alter the situation, which had become to look very gloomy. The support of the markets by Canadian bankers was, no, doubt, one of these. Then a recovery in Wall Street helped to improve the sentiment. A smart advance in the price of Canadian wheat on news of British buying and the recovery of sterling in New York were also other important developments.

Just what the outlook of the markets is, nobody has been bold enough to predict. It is certain, however, that their condition is such as to necessitate careful moving on the part of speculators for some time to come. Business adjustment has by no means been completed yet, and until it has, there can be no definite movement in stock prices.

Liquidation which accompanied the decline last week was heavy, as will be seen from the following figures:—

	Montreal.		Toronto.	
	Listed stocks.	Bonds.	Listed stocks.	Bonds.
Thursday	14,616	$ 9,100	1,142	$ 9,500
Friday	19,971	19,200	1,804	8,600
Saturday	7,759	21,600	841	4,700
Monday	24,672	22,700	2,757	16,500
Tuesday	34,571	19,400	2,646	36,500
Wednesday	24,883	79,000	1,976	87,800
	126,472	$171,000	11,166	$163,600

The figures for the previous week were: Montreal, listed stocks, 54,443; bonds, $131,412; Toronto, listed stocks, 7,320; bonds, $146,400.

The Frontenac Moulding and Glass Co., Ltd., Kingston, Ont., incorporated under the laws of the Dominion with a capital of $250,000, has been authorized to increase this capital to $325,000, by the creation of 750 new shares of $100 each.

Harvey Knitting Co., Ltd., Woodstock, Ont., incorporated under the laws of the province of Ontario, is decreasing its capital from $1,500,000 to $1,280,500, by the cancellation of 1,861 shares of preferred stock and 334 shares of common stock, all of a par value of $100.

Winnipeg Electric Railway

A special general meeting of the Winnipeg Electric Railway Company is called for December 4 for the purpose of ratifying and approving a by-law of the directors increasing the common capital stock of the company to $11,000,000 from the present authorized amount of $10,000,000.

Shareholders will also be asked to ratify and approve a by-law amending the by-law authorizing the issue of $3,000,000 7 per cent. cumulative preferred stock by making provision for giving voting powers to the holders of such preferred stock, and by providing that no further issue of preferred stock in excess of $3,000,000 shall be authorized unless the authority is obtained of the holders of such preferred stock, and by providing that no further issue of preferred stock in excess of $3,000,000 shall be authorized unless the authority is obtained of the holders of two-thirds in amount of the preferred stock issued and outstanding.

The $3,000,000 7 per cent. preferred stock mentioned was purchased some time ago and is now being underwritten by Nesbitt, Thomson and Company.

Wayagamack Reorganization Plans

A circular has been sent to shareholders calling a meeting for December 9, to ratify proposals which have been made by directors in regard to capital reorganization. The circular reads in part as follows:—

"Your directors after serious consideration have come to the conclusion that the capital of your company should be reorganized by the conversion of the present outstanding 50,000 common shares of the par value of $100 each into 100,000 common shares without nominal or par value, each shareholder to receive two shares of such new capital stock without nominal or par value for each one share then held by them.

"Your directors are further of opinion that the authorized capital stock of the company should be increased by an additional 150,000 common shares without nominal or par value, of which 50,000 of such shares should be issued at an early date and offered ratably to the then shareholders of the company on favorable terms to provide for the cost of new extension recently made and new machinery recently purchased, and also to provide additional working capital for the company's requirements. The remaining 100,000 common shares without nominal or par value will only be issued when it may become necessary or advisable in the company's interests."

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison, Jr., & Co., Toronto (Week ended Nov. 10th, 1920.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Gen. Mtg.6's(1940)	....	88	Collingwood Shipb'dg.6's	90	....	Home Bank..............	98	102	R. Simpson. 6% pref. xd.	74.50	78
Alta. Pac. Grain....pref.	81	85.50	Crown Life Insurance...	70	....	Imperial Oil..............		115	South. Can. Power.com.	....	29
Ames Holden Felt....7's	....	84	Cuban Can. Sugar. com.	....	20	King Edward Hotel..7's.	73	79	" " " pref.	73	....
American Sales Book.6's	94	....	" " " ..pref.	....	62.50	Loew's Buffalo.....com.	4.50	5.75	Sterling Bank...........	105	112
Ashdown Hard. J. H. 5's	85	....	Davies, William ....6's	96	101	" Ottawa.....com.	....	11.50	Sterling Coal.......com.	20	....
Belding Paul........com.	....	49	Dom. Iron & Steel 5's 1939	65	72	Manufacturers Life......	175	205	Toronto Power.5's (1924)	83	87
Brandh'm-H'ders'n.com.	....	62	Dom. Power........com.	....	42	Marconi Wireless	2	2.75	Trust & Guar............	67	72
British Amer. Assurance	10	14	Dryden Pulp	28	31.50	Massey-Harris xd........	94	100	United Cigar Stores pref.	1.60	2
Can. Consolid. Felt..pfd.	74.50	....	Dunlop Tire....7% .pref.	88	91	Mercantile Trust........	94	....	Western Assurance......	10	12.50
Can. Crocker Wheeler pf.	75	....	" " ....6's.	94	....	Mexican Nor. Power..5's	9	....	Western Grocers....pref.	68	71.50
Can. Furniture......pref.	....	28	Eastern Car..........6's	85	91	Morrow Screw........6's	84	...	Whalen Pulp........pref.	....	59
Can. Machinery ....com.	....	31	Eastern Theatres...com.	....	20	Murray-Kay. 7% pref.xd.	61	67	....	....	....
Can. Mortgage...........	65	....	Famous Players.8% pfd.	....	87	National Life............	160	....	....	...	....
Can. Oil ....com.	....	67	Frontenac Breweries....	....	76	Nova Scotia Steel 6% deb	70	78	....	....	....
Can. Westinghouse......	106	112	Goodyear Tire.. pref.xd.	....	88.50	Ont. Pulp.............6's	94	97	....	....	....
Can. Woollens......com.	45	52	G'rd'n,Ironside & Fare6's	89	....	Page Hersey........pref.	88	....	....	....	....
" " ......pref	74	81	Gunns, Ltd ....pref.	....	89	Riordon..com. (new stk.)	37	42	....	....	....
Cockshutt Plow 7% pref.	....	64.50	Harris Abattoir........6's	90	95	Peoples Loan & Savings.	....	84	....	...	

MONETARY TIMES WEEKLY STOCK EXCHANGE RECORD

MONTREAL—Week Ended Nov. 10th.

(Figures supplied by BURNETT & Co.)

Stocks	Sales	Open	High	Low	Close
Abitibi P. & P.	8595	67	67	57¾	60¾
" " ......pfd.	5	88	88	88	88
Ames Holden......pfd.	1	50	50	50	50
Asbestos Corp.	985	91	91	84	84
" ....pfd.	317	98	98	94	94
Atlantic Sugar	13343	75	75	37	42
Bell Telephone	483	103½	103½	100	100
Brazilian T.L. & Power	2235	35¼	35¼	34¾	35
B.C. Fish	365	42	42½	40	40
Brompton Pulp & P.	16124	67¾	67¾	60	64
Canada Cement	965	58	59	56	58
" " ...pfd.	271	91	91	89	90
Can. Con.	140	67¼	67½	65	65
Canadian Cottons	155	79	80	78	78
" " ..pfd.	10	74	74	74	74
Canadian Car	.....	.....	.....	.....	.....
" " ....pfd.	100	85	85	84	84
Canadian Gen. Elec.	79	97	97½	96½	96½
Carriage Factories	25	10	10	10	10
Can. Steamship	1519	57½	57½	51½	51½
" " ....pfd.	498	72	72	70½	70½
" " Vot. Trust	.....	.....	.....	.....	.....
Con. Mining & Smel.	1025	22	22	19½	21
Det. Rys.	1769	100	101½	97	101
Dom. Canners	15	38	38	38	38
" " .....pfd.	.....	.....	.....	.....	.....
Dominion Bridge	5	79	79	79	79
Dominion Glass	425	61	61	57	59
" " ...pfd.	55	84	84	83	83
Dom. Iron.........pfd.	10	73	73	73	73
Dom. Steel Corp.	4601	50	50¼	47	47½
" " " ..pfd.	85	65½	65½	64	64
Dominion Textile	1307	115	116½	110½	112
Howard Smith	540	151	151	121	121
" " ..Rights	1511	12	12	6	7
Illinois Traction ..pfd.	155	64	65	64	65
Lake of the Woods	112	140	141	139	139
" " " ..pfd.	40	98½	98½	98	98
Laurentide	8010	99	99	88½	94
Lyall Cons.	45	55	55	49	49
Kaministiquia	.....	.....	.....	.....	.....
Macdonald Co.	295	28½	28½	25	25
Maple Leaf	50	137½	137½	137½	137½
Mont. Cottons	.....	.....	.....	.....	.....
" ...pfd.	25	94	94	94	94
Montreal Power	1677	80	80	77	79
Montreal Tram.	.....	.....	.....	.....	.....
" Tram Deb.	14100	68	68	65	65
" Telegraph	....	.....	.....	.....	.....
National Breweries	17324	60⅛	60⅛	53	54½
Ogilvie Flour Mills	380	220	220	200	200
" " " .pfd	40	100	101	100	101
Ottawa L. H. & P.	30	70	70	70	70
Ont. Steel Prod.	115	63	63¾	63	63
" " " ....pfd.	.....	.....	.....	.....	.....
Penmans	185	120	120	106	107
" ....pfd.	5	80	80	80	80
Price Bros.	55	320	320	305	305
Quebec Ry. L. H. & P.	3155	24⅞	25	21	22
Riordan Pulp & P.	1615	193	194	176	176
" " " pfd.	111	88	88	88	88
St. Lawrence Fl. Mills.	250	83	83	69	69
" " " ..pfd.	.....	.....	.....	.....	.....
Scotia	100	42	42	42	42
Shawinigan W. & P.	1782	105	105	100⅞	101
Sherwin-Williams.pfd.	15	90¼	90¼	90¼	90¼
Spanish River	43081	96½	97	83	87¼
" " .....pfd.	13081	100¼	100¼	86⅞	90
" " Div. Vou.	.....	.....	.....	.....	.....
St. Maurice	10	129	129	129	129
Steel Co. of Canada	2700	63	64	61	61
" " " pfd.	65	92	92	90	90
Toronto Ry. Co.	154	43	43	41	41½
Wabasso Cot'n	.....	.....	.....	.....	.....
Wayagamack P. & P.	3380	130	130	107	109
Winnipeg Ry.	.....	.....	.....	.....	.....
Windsor Hotel	.....	.....	.....	.....	.....
Woods Mfg. Co.	.....	.....	.....	.....	.....
Banks					
Commerce	6	183	185	183	185
Hochelaga	.....	.....	.....	.....	.....
Merchants	231	170	172	167	167
Molsons	5	174	174	174	174
Montreal	230	188¾	190	188¾	190
Nova Scotia	14	253	255	253	255
Nationale	12	174	174	174	174
Royal	185	205	205	203	203
Union	87	142½	145	142½	145
Bonds					
Asbestos Corp.	.....	.....	.....	.....	.....
Bell Telephone Co.	.....	.....	.....	.....	.....
Can. Cement	1000	91½	91½	91½	91½
Cedars Rapids Mf'g.	16500	95	96	86	86¼
Can. Rubber	.....	.....	.....	.....	.....
Can. S.S. deb.	.....	.....	.....	.....	.....
City Mont. Dec. 6's, 1922	.....	.....	.....	.....	.....
" " May 6's, 1923	100	100½	100½	100½	100½
" " Sept. 6's, 1923	6000	99	99	98¾	98¾
Dom. Can. W. Loan. 1925	36900	92	92¾	92	92½
" " " 1931	45800	89½	90¾	89½	90⅝
" " " 1937	22600	94½	94½	93½	93½
Victory Bonds, 1922	.....	.....	.....	.....	.....
" " 1927	.....	.....	.....	.....	.....
" " 1937	.....	.....	.....	.....	.....
" " 1923	.....	.....	.....	.....	.....
" " 1933	.....	.....	.....	.....	.....

MONTREAL—*Continued.*

Bonds	Sales	Open	High	Low	Close
Dom. Cottons	.....	.....	.....	.....	.....
Dom. Coal	2000	82¾	82¾	82¾	82¾
Dom. Iron	25000	76	76	76	76
Dom. Textile A	500	94	94	94	94
" " B	.....	.....	.....	.....	.....
Lake of Woods	.....	.....	.....	.....	.....
Montreal Power	.....	.....	.....	.....	.....
National Breweries	.....	.....	.....	.....	.....
Ogilvie Flour	.....	.....	.....	.....	.....
Penmans	.....	.....	.....	.....	.....
Price Bros.	.....	.....	.....	.....	.....
Quebec Ry. L. H. & P.	14100	59½	60	59½	60
Scotia	.....	.....	.....	.....	.....
Sherwin-Williams	.....	.....	.....	.....	.....
Spanish River	.....	.....	.....	.....	.....
Steel Co. of Canada	.....	.....	.....	.....	.....
Wabasso Cotton	.....	.....	.....	.....	.....
Wayagamack P. & P.	1700	80	80	80	80
Windsor Hotel	.....	.....	.....	.....	.....

TORONTO—Week Ended Nov. 10th.

Stocks	Sales	Open	High	Low	Close
Atlantic Sugar	2365	70	70	39	43½
Abitibi	670	67	67½	58	59¼
Barcelona	170	4½	4½	4½	4⅛
Bell Telephone	67	102½	103	102	102
Brazilian Traction	978	35¾	35¾	35	35⅛
Burt. F. N.	78	94½	95½	94½	95
" ....pfd.	9	94	94	94	94
B.C. Fish	45	42	42	38	38½
Can. Bread	305	20½	20½	20	20
" " ....pfd.	.....	.....	.....	.....	.....
Canada Cement	120	58	58⅛	54¼	55½
" " ...pfd.	10	90⅜	90½	90⅜	90½
Can. Gen. Elec.	148	97	98	96¾	96¾
" " " ...pfd.	30	95	95	93	93
Canada Steamship	227	55	56	51½	51½
" " pfd.	181	72	72½	70½	70½
Canners..........pfd.	23	81	81	80	80
Canadian Pacific R.	371	138⅞	140¾	137	137½
Con. Gas	24	136	136	136	136
Dome	325	13.75	14.10	13.75	14.10
Ford Motor	42	315	320	310	310
Lake of Woods	.....	.....	.....	.....	.....
Loco	5	82	82	82	82
" ....pfd.	35	83¼	83¼	83	83
Mackay Companies	155	70½	70½	70	70
" " ...pfd.	119	63	63½	63	63½
Maple Leaf	185	138	138	134	134
" " .. ..pfd.	22	94	94	93	93
Monarch	.....	.....	.....	.....	.....
N.S. Car	45	5	5	4⅛	4⅛
" " ....pfd.	230	24	25	23	23
Nipissing	225	9.50	9.60	9.40	9.60
Penmans	15	105	105	105	105
Prov. Paper	.....	.....	.....	.....	.....
Quebec R.L.H. & P.	305	24½	24½	22	22
Riordon	102	187	193½	187	193½
Rogers .... pfd.	.....	.....	.....	.....	.....
Salesbook	.....	.....	.....	.....	.....
" ....pfd.	19	74½	74½	74½	74½
Sawyer-Massey....pfd.	25	13	13	13	13
Smelters	210	23	23	20¼	20⅞
Spanish River	1405	95	96	84½	87½
" " ..pfd.	357	96½	99½	87⅞	87⅞
Stan. Chem.........pfd.	.....	.....	.....	.....	.....
Steel Corp.	375	49½	49½	47½	48
Steel Company	575	63	63½	61	61
" " ....pfd.	66	91¾	91¾	89	89
Toronto Ry.	70	42	42½	42	42
Tucketts	5	48	48	48	48
" ....pfd.	10	88	88	88	88
Twin City.......com.	.....	.....	.....	.....	.....
Winnipeg	20	35	35	35	35
....	.....	.....	.....	.....	.....
Banks					
Commerce	53	187	187	187	187
Dominion	13	190	192	190	192
Hamilton	18	176½	176½	176	176
Imperial	46	186	186	184	184
Merchants	2	172	172	172	172
Molsons	.....	.....	.....	.....	.....
Montreal	.....	.....	.....	.....	.....
Nova Scotia	.....	.....	.....	.....	.....
Royal	12	204¾	205	204	204
Standard	6	207½	207½	207½	207½
Toronto	1	183½	183½	183½	183½
Union	194	142¾	143½	142½	143½
Loan and Trust					
Can. Perm.	223	162	162	160	160
Lon. & Can.	9	115	115	115	115
Real Estate	.....	.....	.....	.....	.....
Toronto Gen. Tr.	22	200	200	196½	198
" " " Rights	43	6	6	3⅞	4
Tor. Mtg.	14	132	132½	132	132½
Bonds					
Can. Bread	1000	85	85	85	85
Elec. Dev.	500	87½	87½	87½	87½
Penmans	.....	.....	.....	.....	.....
Rio. Jan. T., L. & P.	5000	73	73	72½	72½
Sao Paulo	7000	73	73	72½	72½

TORONTO—*Continued*

War Loans	Sales	Open	High	Low	Close
Dom. Can. W. Loan, 1925	31100	92	92⅝	92	92¼
" " " " 1931	74600	90	90¼	89⅜	90¼
" " " " 1937	50400	94½	94½	94	94½
Victory Loan 1922	....	.....	.....	.....	.....
" " 1923	.....	.....	.....	.....	.....
" " 1927	.....	.....	.....	.....	.....
" " 1933	.....	.....	.....	.....	.....
" " 1937	.....	.....	.....	.....	.....
....	.....	.....	.....	.....	.....

WINNIPEG—Week ended Nov. 6th.

	Sales	Open	High	Low	Close
Victory Loan 1922	168050	98	98	98	98
" " 1923	80500	98	98	98	98
" " 1924	16350	97	97	97	97
" " 1927	8000	96½	96½	96½	96½
" " 1937	22700	98	98	98	98
" " 1933	68590	97	97	97	97
" " 1934	74250	93	93	93	93
War Loan 1931	18600	90	90	90	90
" " 1937	1000	94	94	94	94
" " 1925	.....	.....	.....	.....	.....
Can. National Fire Ins.	50	130	132	130	132
Union Bank	10	141	141	141	141

NEW YORK—Week ended Nov. 6th.

Stocks	Sales	Open	High	Low	Close
Canadian Pacific	49780	124¾	127⅝	123⅞	124½
Canada Southern	.....	.....	.....	.....	38
Nova Scotia S. & Coal	1000	40	40	38	38⅝
Granby Consolidated	.....	.....	.....	.....	28
Bonds					
Dom. of Can. 5% 1921	82500	....	99	98⅝	98⅝
" " " 5½% 1921	47000	.....	98⅞	98¼	98⅝
" " " 5% 1926	46000	.....	91¼	90¾	91
" " " 5½% 1929	51000	.....	93¼	92½	93
" " " 5% 1931	27000	.....	91⅛	90¾	90¾
New York Curb—					
Canada Copper.	.....	.....	.....	.....	.....

LONDON, Eng.—Week ended Oct. 22nd.

Gov't. & Mun.	Sales	Open	High	Low	Close
Alberta 4% debs.	.....	77¼	77¼	77¼	77¼
" 4½%	.....	70½	70¾	70½	70¾
Canada...3½%	.....	74	74½	74	74
" 3%	.....	63½	63¾	63½	63¾
" 3½% 1930-50	.....	61½	62¼	61	61
" 4% 1940-60	.....	71⅛	71⅜	71⅛	71⅜
" ....4½% bds.	.....	90	90	90	90
Calgary 4½% deb.	.....	80½	80½	80	80½
Edmonton 5% bds. 23-53	.....	77	110	77	89½
Nfld. 3½% bds.	.....	60	65½	60	60
Montreal 4½% Reg.	.....	68¼	68¼	68¼	68¼
" 4% 1932	.....	76¼	76¼	76¼	76¼
Nova Scotia 4½% cons.	.....	73	73½	73	73½
Port Arthur 5% deb.	.....	78	78	76	76
Quebec 3%	.....	61½	61½	61½	61½
" 3½% Reg.	.....	58¾	58¾	58¾	58¾
" 4% bds. 1888	.....	79¾	79¾	79⅜	79⅜
" 4½% Reg.	.....	75½	76½	75½	76½
Sask'ew'n 4% deb. 1923	.....	122½	122½	120¾	120¾
" 5¾%	.....	110¾	110¾	110¾	110¾
Saskatoon 4½% cons.	.....	65	65	65	65
S. Vancouver 5% cons.	.....	65½	68¾	65½	67
Vancouver 4% cons.	.....	58	58	58	58
" 4½% cons.	.....	68¼	68½	68	68
Toronto 4% deb. 1944-8.	.....	66⅛	66⅛	66⅛	66⅛
Victoria 3½% 1921-6	.....	83	83	83	83
" 4%	.....	67¾	67¾	67⅜	67⅜
" 4½% 1920-25	.....	87½	87½	87½	87½
" 5½ cons.	.....	93	93	92	92
Winnipeg 4½% c's. 43-63	.....	75	76½	75	76½
" 4% cons.	.....	78¼	78¼	78¼	78¼
Railways					
C.Nor.Pac.4% gr.deb.50	.....	67¾	67¾	67¾	67¾
" " Ont. 4% deb.	.....	49	50¾	49	50
Can. Nor. 4% deb. 1939	.....	50	50¾	50	50
" " 4% deb. 1930.	.....	98½	98½	98½	98½
Can. Pac.	.....	180	180¼	179½	180⅛
" " ......4% deb.	.....	63¾	64⅜	63½	64⅜
" " ......4% pfd.	.....	59½	59½	59¼	59½
G.T.P. Br. 4% bd. 1939.	....	85¾	85¾	85¾	85¾
G.T.P. 3% bds.	.....	65	68	65	68
G.T.P. 4% 1955.	.....	63½	66	63½	66
G.T.P. .... 4% deb.	.....	48	48	47	47
Gr. Trunk.... 4% guar.	.....	56½	57	56	57
Gr. Trunk 5% 1st. pfd.	.....	40½	41½	40½	41½
Gr. Trunk 5% 2nd pfd.	.....	30	30	29¼	29¼
Gr. Trunk 4% cons.	.....	57¾	57¾	57¼	57¾
Ont. & Quebec 5% deb.	.....	76	76¼	75	76¼
P. Gt. East. 4½% deb. '42	.....	83¼	84	83	84
Ind., Fin., Etc.					
Can. Car 7%.	.....	111½	112	111	111
Can. Cement 6% bds.	.....	112¼	113	112¼	113
" " 7% pfd.	.....	112½	114½	112½	114½
C. W. Lumber 5% debs.	.....	63½	63½	61	62½
Bank of Montreal	.....	.....	.....	.....	.....
Can. Bk. of Commerce.	.....	40¾	41	40¾	41

Maritime Provinces Support Protective Tariff

Farmers Present Arguments for Tariff Reduction at Most of Hearings, However—Statement by Thomas Cantley on Coal and Steel Industries—Sessions in Charlottetown, Halifax, St. John and Moncton

HEARINGS of the tariff commission were renewed in Charlottetown, P.E.I., on November 4. On November 6 and 8 the commission was in Halifax, on November 9 in St. John, and on November 10 in Moncton. From the latter city it left for Quebec province.

Prince Edward Island is chiefly agricultural, in fact, it was pointed out that only 2 per cent. of the population are engaged in manufacturing. The evidence was therefore favorable to lower duties. The case for the farmers was presented by Hon. Walter M. Lea, commissioner of agriculture; M. H. MacGregor, J. A. Dewar, M.P.P., of New Perth, president of the United Farmers of the Province, and Edgar G. Godding, of Murray Harbor, president of the Central Farmers' Institute. Mr. Dewar submitted a written memorial. The others gave verbal testimony.

Agriculture received the most attention from the commission, the chairman asking many questions, and there was an interesting discussion between the commissioner of agriculture and himself. Mr. Lea declared that it was possible to increase the annual earning power of the island farms, which he estimated at thirty million dollars, to double that amount by more intensive cultivation and the use of more fertilizers. Mr. Lea said that as mixed farming prevails on the island a great variety of agricultural implements were required. The duty on these should be reduced, in order to increase production. As the island has very few manufacturers, there is no opportunity of encouraging home industries, as goods have to be purchased elsewhere. The manufacturers of Canada largely get the benefit of the present tariff, not the government.

Senator MacLean presented a memorial from seven starch manufacturers. The memorial said that the mills had a capacity of ten thousand tons, that they are not operating now because the farmers will not supply potatoes at the price offered—60 cents per hundred pounds—and that the starch industry on the island was in danger of being wiped out owing to cheap Japanese starch being dumped into Canada at a price below the cost of potatoes here. The prohibition of Japanese starch, it was urged, might be considered by the commission.

Coal and Steel Industries

"A specific duty of $1 per ton on all coal would so stimulate production and distribution as to make Canada within 10 years independent of all outside sources, and add enormously to the wealth of the Dominion," said Col. Thomas Cantley, chairman of the Nova Scotia Steel and Coal Co., addressing the commission in Sydney on November 6. "The effect would be widespread, giving a long column of long haul business to the Canadian National and other Canadian railways, while the annual food requirements of the mining population, say $35,000,000, would all go to the farmers of Canada. Clothing and all the other necessaries of life required by these miners, assorted labor and families would be supplied by Canadian manufacturers. The adverse trade balance with the United States would be materially reduced, with all the advantages accruing to Canada from such a condition. If the Nova Scotia coal companies granted the increased wages recommended by the Royal Commission, the cost of coal would be increased $1.50 a ton."

Dealing with the steel industry, Col. Cantley said: "Nova Scotia blast furnaces and associated steel plants are wholly dependent upon Wabana, Newfoundland, ore, a considerable portion of which is won from submarine areas at a point one and a half or two miles from the surface hoisting plants. This ore, freighted by sea to North Sydney and Sydney, is subject to an export tax levied by the Newfoundland government. The ore averages about 50 per cent. metallic iron and is used wholly in the blast furnaces of the Scotia and Dominion companies without the admixture of other ores, the product being pig iron, conveyed in a fluid state to basic open-hearth furnaces for conversion into steel ingots.

In conclusion, Col. Cantley appealed for "a revised tariff which would provide, by way of increased duties and the total abolition of the free list steel items, a substantial amount of protection to the coal, iron and steel industry of Nova Scotia, which has contributed so largely to the development and wealth of Canada, with but a very small return to shareholders."

Varied Views in Halifax

Groups of representatives of the manufacturers, the fishing interests, the farmers, and the retail and wholesale merchants presented stated cases to the commissioners in Halifax. Nova Scotian farmers, represented by D. L. Taggart, president of the United Farmers of the Province, expressed themselves as being in favor of a substantial reduction in tariff on articles necessary to agriculturists. Mr. Taggart attributed the "languishing" of the agricultural industry and the depopulation of farms in part indirectly to a protective tariff which favored certain industries, enabling them to offer better wages and shorter hours than did the farms.

W. D. Piercey read the manufacturers' brief, which opened with the direct assertion that "the manufacturers (of Halifax and other parts of Nova Scotia), as a class, believe it to be in their interests, in the interests of the working men, of the consumers and the nation as a whole that a policy of protection, such as has been enforced since 1879, should continue to be the policy followed by the government of Canada."

A. H. Brittain, of Montreal, vice-president and general manager of the Maritime Fish Corporation, urged the case of the fishing interests. "The best interests of the Canadian consumers, as well as those of the fishermen, will be served by the continuance of the present duty on fresh fish. It will enable us to develop plans for marketing so as to make fresh fish available at reasonable prices to practically all communities in Canada," reads an extract from Mr. Brittain's brief.

New Brunswick Hearings

In St. John, on Tuesday, representatives of several New Brunswick industries, including the fisheries, presented pleas for the maintenance of the present tariff, urging that in many cases large capital investments would be wiped out by the influx of United States surplus goods placed on the markets of Canada at lower-than-cost prices to drive Canadian industries to the wall. It was held that this could be done in many cases despite the Canadian dumping laws. Representatives of the farmers were also heard. These put forward the tariff planks in the United Farmers' party platform, urging the reduction or elimination of duties on implements of cultivation and necessaries of life.

W. S. Fisher, on behalf of the manufacturers of New Brunswick, presented a statement in favor of continuation of a policy of adequate protection in Canada. It opened with the assertion that, to provide a home market for the agricultural products of the province, which, being the products of mixed farming, were not so readily exportable as the grains of the west, it was necessary there should be industrial expansion in the province. So, too, it was set forth that the natural resources here furnished scope for activity for many citizens, but to secure the capital for development had always been difficult and would be more so if there was a likelihood of a departure from the policy of adequate protection.

Corporation Finance

Bell Telephone Hearing is Resumed—Company's Application For Increased Rates Meet With Much Opposition—Kerr Lake Production is Lower—Reserves of Ore at Cobalt Property Becoming Exhausted—Increased Gas Rates for Quebec Railway and Light Company is Recommended

Quebec Railway, Light, Heat and Power Co.—The civic finance committee of Quebec has recommended to the city council that the company be authorized to increase the gas rate from $1.25 per thousand cubic feet to $1.75, the increase to date from November 11, and under certain conditions.

Cockshutt Plough Co.—One change was made in the officers of the company in Brantford on November 10th at the annual meeting, E. A. Mott being added. The directors are: Col. H. Cockshutt, George Wedlake, G. K. Wedlake, Sir Augustus Nanton, E. A. Mott, Sir Lomer Gouin, H. W. Hutchinson, James Adams, F. Perry. The statements presented were reported as very satisafctory to the shareholders.

Kerr Lake Mines, Ltd.—Due to the gradual exhaustion of the reserves of both high-grade and low-grade ore at the Cobalt property, the amount of silver produced during the year ended August 31, 1920, was considerably less than during the previous year, and the cost of production was higher. The mine is now producing each month a relatively small amount of silver, and no definite estimate can be made as to how long this will continue. During the year under review gross production amounted to 956,049.92 ounces of silver, 42,654 pounds of cobalt and 34 pounds of mercury. These figures also include 88,598 ounces of silver on hand at August 31, according to inventory. Last year the result was 1,482,649.40 ounces of silver, 90,586.42 pounds of cobalt, and 137.5 pounds of mercury. Inventory showed 154,682 ounces of silver on hand.

The income account shows the balance transferred to the balance sheet as $916,089, as compared with $22,152 last year. The account shows no dividend payments, however, while last year payments totalled $600,000. Dividends received from the Kerr Lake Mining Co. are stated as $1,000,000, as compared with $653,000 a year ago. Total assets of the company amounted to $3,377,641, while at August 31, 1919, the figure was $3,039,591.

Bell Telephone Company of Canada, Ltd.—From September 21 to 23 last, the company presented its case for increased rates before the Dominion Board of Railway Commissioners at Ottawa. Now the board is hearing the other side of the story. The first hearing against the company's application was held at Hamilton on November 4. It was the chief complaint that the company had not supplied sufficient data.

One of the chief witnesses was J. B. Williams, of the Hamilton Chamber of Commerce. The board was reminded by Mr. Williams that the company in applying for an increase was ignoring a previous order of the board that no permanent increase should be made until normal conditions were restored. Mr. Williams read a lengthy statement in which he showed that the Chamber of Commerce had met with repeated failure in trying to get information from the company as to its cost of operation in Hamilton, cost of maintenance in Hamilton, number of local business calls and residential calls. Other information the chamber felt the company should give concerned the actual expense of operation, actual revenue under present rates, estimated revenue under proposed rates applying to a representative private branch exchange, having, say, ten trunk lines, necessity for the increase in wages granted on May 1, 1920, what increase was granted? why was a larger increase granted in Hamilton than elsewhere, actual cost of installing a telephone ready for service, and lastly, on the present Hamilton business, what does the company estimate its revenue would be under the proposed rates?

On virtually only one point did the company commit itself, and that concerned its estimated increase of $130,000 in revenue in Hamilton were the new rates to become effective. As against this estimate, however, Eric Bower, assistant city treasurer, gave it as his opinion that the rates on which the company had based its increase would really produce a revenue of $370,000 per annum, instead of $130,000.

The second hearing against the application for increased rates was held in Toronto on November 5, and at this the company's proposition met with decided opposition. On the whole, the majority of the representatives stated that if the commissioners reach the conclusion that the Telephone Company was entitled to receive any more money it should be fixed on the basis of a flat rate. On the other hand, the spokesmen representing the various ratepayers' associations contended that, in view of the apparent general decline of the prices of various commodities, the company should not be be permitted to increase the rates. The evidence which the traffic departments of the Toronto Board of Trade and the Canadian Manufacturers' Association has been gathering was not submitted, counsel stating that it would be ready for submission at the final hearing of the investigation at Ottawa in a few weeks hence. H. W. Shapley appeared for the Bankers' Association, and was granted permission to file at a later date a tabulated statement of the proposed rates as it affected the banks.

Mayor Church, speaking as chief magistrate of the city, emphasized the fact that all prices had reached their utmost peak, and are now receding, adding that the time was opportune when the people should be furnished with better service and decreased rates, instead of having to contest an application for higher rates. In his opinion the whole matter was merely one of accounting. The mayor then suggested that the Bell Telephone Company should be asked to supply answers to the following questions: Cost of operation and maintenance in Toronto; number of business and residential calls in Toronto; actual cost of operation; actual revenue under present rates; estimated revenue under proposed rates; applying to a representative branch exchange having ten lines; necessity for the increase of wages granted May 1, 1920; what increase was granted; why a larger increase given in Toronto than in other points of the system; book value of Bell plant in Toronto; actual cost of installation of a telephone ready for service; on the present Toronto basis, what does the telephone company estimate the revenue would be under proposed rates?

The session in Montreal on November 10th was of short duration. It was announced that the date of the final sessions at Ottawa for the discussion of the whole matter, on which their eventual order will be based, would not be fixed until it was known when the reports of the experts engaged by the Union of Municipalities, who are opposing the company's application, would be ready. These reports, the board was informed, could not be ready for at least six weeks.

Another matter of almost equal importance was settled at the session, namely, when Chairman S. J. McLean announced that there would be no retroactive measures, but that any increases, if granted, would date from the issuing of the order of the board, but would have no retroactive effect. This led to a request by counsel for the Bell Telephone Company that proceedings should be hastened, since they claimed that under present rates the company was losing $200,000 a month.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended November 5th:—

McKinley-Darragh, 86,321; Bailey Mine, 87,116; La Rose Mine, 109,972; Nipissing Mine, 325,766. Total, 609,075. The total since January 1st is 23,870,695 pounds, or 11,935.3 tons.

MUNICIPALITIES FEELING SHORTAGE OF CAPITAL

(Continued from page 44)

the rural schools must wait, and lonely settlers' children must go without elementary education—or must be content with the promise of it—at a time when the government is finding money to lend to individual farmers at 6½ per cent., and when farmers are at the same time making vigorous demands on private lenders to get money at 8 per cent. In too many cases the farmers make no bones about offering more than 8 per cent. These facts are but a few of many that might be enumerated that are creating a questioning attitude of the public mind.

While in this humor the citizen is prone to lend his ear and attention to such incidents as the enquiry at Humboldt, conducted by the Local Government Board. That town's debt is about half a million, and it is now some years since it paid interest and principal coupons maturing. Its water and electrc light plants are sources of loss, and the capital expenditure on them was authorized by the Local Government Board. This was not fully admitted when the point was raised by the representatives of the bondholders at the investigation, but there is no gainsaying the fact that the major portion of the capital in the utilities in question was expended and obtained under the board's direction. What course it will now take after an investigation, made on the initiative of the bondholders, is the subject of conjecture.

Humboldt in Bad Position

The position at Humboldt is a serious one. The tax rate is 67 mills, and even at that there is a bare surplus, not nearly equal to ordinary as well as uncontrollable expenditure in the form of interest and principal payments. Annual deficits on utilities are increasing as a result of declining plant efficiency, and water is being pumped at great cost, which the citizens decline to use except for flushing and fire purposes. The problem presented is a difficult one, but on its solution very much depends, not only to Humboldt, but to the whole of Saskatchewan's municipalities. If the bondholders of that town are to bear the loss, it is feared that the present awkward situation in the market for municipal securities will be accentuated, and the board, looked upon as the guardian of municipal credit by the bond buyers, will find itself bereft of its chief value as a factor in reducing the cost of capital so much needed for local development purposes. Humboldt is the first occasion, so it is generally believed here, on which the board has had to deal with trouble arising from expenditures authorized by it. Whatever action it takes will, therefore, establish an important precedent. Its chairman, the Hon. G. W. Bell, is regarded here as being resourceful and capable, and doubtless will evolve some plan by which the Humboldt citizens may get back to solvency, speaking of them as a municipal corporation. In their private affairs there is obviously a state of health, if the travellers' reports may be relied upon. There is some basis of hope in this condition.

If Humboldt was the only Saskatchewan town in trouble the problem before the Local Government Board would not be so difficult. But there are others, and what is done in respect of one may become the precedent by which the settlement of other town troubles will be guided. On the result of enquiries now under way the restoration of municipal credit will depend. It is this aspect of the question that is not very well understood. The Local Government Board is now in the very important position of being the arbiter of the situation. It is in its power to reconstruct muncipal credit or to let it drift without a rudder, and thus create a condition that may for some generations leave on the municipal and school districts the burden of interest rates higher than would be the case if the bondholders' confidence could be restored.

The Provincial Savings and Trust Co., of Winnipeg, is applying to the Manitoba government for permission to adopt the name "Netherlands Trust Co. of Canada."

WAYAGAMACK PULP AND PAPER COMPANY, LIMITED

NOTICE

Notice is hereby given that a Special General Meeting of the Shareholders of **Wayagamack Pulp and Paper Company, Limited,** will be held at the Company's office in the City of Three Rivers on Thursday, the 9th day of December next, at the hour of one o'clock in the afternoon, for the following purposes, namely:—

(a) To consider, and, if deemed advisable, to pass a resolution authorizing the Directors of the Company to apply to the Secretary of State of Canada for Supplementary Letters Patent amending and varying the provisions of the Letters Patent incorporating the Company relative to its capital stock by converting the present outstanding capital stock of the Company, namely, 50,000 Common shares of the par value of $100 each into 100,000 Common shares without nominal or par value;

(b) To consider, and, if deemed advisable, to pass a resolution ratifying and confirming the following By-law enacted by the Directors of the Company:—

"By-Law No. 21"

"A By-law to increase the capital stock of the Company.

"Whereas it has been decided to make application to the Secretary of State of Canada for Supplementary Letters Patent converting the present outstanding Common capital stock of the Company, namely, 50,000 shares of the par value of $100 each into 100,000 Common shares without nominal or par value;

"**And whereas,** for the due carrying out of the objects of the Company it has been deemed requisite to increase the Common capital stock of the Company when converted as aforesaid by an additional 150,000 Common shares without nominal or par value, thereby making the total authorized capital stock of the Company 250,000 Common shares without nominal or par value;

"**Now, therefore, be it,** and it is hereby enacted as By-law No. 21 of the By-laws of **Wayagamack Pulp and Paper Company, Limited:**—

"That the Common capital stock of the Company, when converted from 50,000 shares of the par value of $100 each into 100,000 Common shares without nominal or par value, be then increased from 100,000 Common shares without nominal or par value to 250,000 Common shares without nominal or par value."

(c) To consider, and, if deemed advisable, to pass a resolution ratifying and confirming By-law No. 22 enacted by the Directors of the Company changing the head office of the Company from the City of Montreal to the City of Three Rivers.

By Order of the Board.

E. L. WILSON,
Secretary.

Three Rivers, Que., 28th October, 1920. 285

RECENT FIRES

Black Donald Mine Co. at Calabogie, Ont., $30,000—Icehouse in Montreal Destroyed, $20,000—Barn at Carberry, Man., Suffered Loss of $10,000

Bridgeport, N.S.—November 6—Barn owned by Archie McLennan was destroyed by fire.

Calabogie, Ont.—November 10—The large warehouse and packing-room belonging to the Black Donald Mine Co. was destroyed by fire. The loss is about $30,000, partly covered by insurance.

Carberry, Man.—November 1—The large barn on the farm of John Graham was destroyed by fire. The loss is estimated at $10,000, partly covered by insurance.

Glace Bay, N.S.—November 1—A tenement building on Victoria Street, owned by Duncan Morrison, was considerably damaged by fire. The loss is $2,000, partly covered by insurance. A building, owned by Rod Morrison, was damaged by fire. The loss is placed at $3,000.

Kaladar, Ont.—November 3—Residence of James Young was destroyed by fire. One fatality.

Kitchener, Ont.—November 5—A small frame building on Joseph Street, occupied by Fred Walters, was destroyed by fire.

Montreal, Que.—November 5—Icehouse, belonging to Joseph Malo, between Grant Lane and Joachim Lane, off Dufresne Street, was destroyed by fire. The loss is estimated at $20,000.

November 8—G.N.W. Telegraph Chamber, 6 St. Sacrament Street, was damaged by fire.

Mount Vernon, Ont.—November 4—The barns of Jack McKenzie were totally destroyed by fire, following a spark from a threshing engine. The loss is partly covered by insurance.

Oakwood, Ont.—November 9—Pedwell's lumber yard and the residence of Mr. Pedwell were destroyed by fire. The total loss is $50,000, with insurance of $20,000.

Quebec, Que.—November 5—Damage estimated at $2,000 was caused by fire to a two-story brick building owned by Mr. Drolet at the corner of St. Valier and St. Germain Streets. The fire is believed to have been caused by a cigarette butt.

St. Anne de Beaupre, Que.—November 9—Barn, owned by Augustin Pare, was destroyed by fire. One fatality.

Smithville, Ont.—November 4—Residence of William Jennings, a farmer residing in Caistor township, was destroyed by fire. Three fatalities.

Toronto, Ont.—November 5—Fire of unknown origin at the rear of 8 and 10 Hanson Street destroyed the garage belonging to Kilner and Barber. The loss is $3,000.

ADDITIONAL INFORMATION CONCERNING FIRES

Cobalt, Ont.—October 23—Shaft-house and head-frame of the La Rose Mines was damaged by fire. The loss was $3,000, and there was insurance in the following companies: Norwich Union Fire, Guardian Assurance Co., Liverpool and London and Globe.

Doon, Ont.—September 22—Warehouse and contents of the Doon Twines, Ltd., and the Floradale flax mills were destroyed by fire. The loss is $30,000, with insurance in the following companies: British General, Caledonian, Springfield, Sun, Union of Canton, Union Assurance Society, British Crown, Century, Delaware Underwriters, General, Guardian, Home, New York Underwriters, Northern, Phenix of Paris, Queen, Rochester Underwriters, Yorkshire.

The total on the building of Doon Twines was $4,000 on schedule. On the stock there was $3,000 on schedule and the following specific amounts placed with the first six of the companies mentioned above, respectively: $1,500, $2,000, $2,500, $4,000, $3,000, $2,500, a total of $15,500. There was also $1,500 on the stock of the flax mill, making a total of $24,000 in all.

FIRE INSURANCE AGENTS TO HOLD MEETING

Proposals of Provincial Superintendents Arouse Interest at Coast—Organizations in British Columbia Developing Rapidly

(Special to *The Monetary Times.*)

Vancouver, November 6, 1920.

THE report of the conference of provincial insurance superintendents which appeared in *The Monetary Times* has been read with wide interest by the insurance men in this province, and has been the chief topic for comment at all insurance meetings of late, and as a consequence, deferred action in the direction of seeking protection for insurance agents has been stimulated.

The report referred to was partly, at least, responsible for the Fire Insurance Agents Association's decision to hold a conference of all insurance agents in the province, probably in January, for the purpose of discussing questions of general interest to British Columbia Fire Insurance Agents. The agenda will be a long one, and one of the principal questions will be the advisability of asking the provincial legislature, on behalf of the fire insurance agents of this province for special legislation in their interests.

Must Regard Agents' Interests

As Geo. L. Schetky, president of the Vancouver Fire Insurance Agents' Association expressed it in his address to the members at their regular monthly meeting, "It is the duty of the government to protect the interests of the assured, the company and the agents, and the association should strive to see that, while the first two were protected, the interests of the third party in the transaction was not neglected."

Mr. Schetky, who might be said to be the father of the conference movement, desired to have the same set of by-laws and constitution for all insurance agents' associations in the province. There are now associations in Vancouver, Victoria, New Westminster, Kamloops and Nelson. It is desired that all other important centres in the province will also fall in line, that the fire agents of the province may speak when the time comes as one organization.

In Vancouver the association is very strong, there being 107 volunteer members out of 109 first and second agents in the city. (The city agents are to be eliminated.) In Victoria and New Westminster the proportion of association to non-association members is almost as marked.

The agents of companies who are not members of the board, that is, the British Columbia Fire Underwriters' Association, are, of course, not eligible, and at present no intercourse is held with them in insurance transactions. Whether this rule will be eliminated, time alone will show; in any event, as before stated, it is altogether likely that in a few months at least, the same rules and regulations for fire agents representing board companies will prevail throughout the province.

Automobile Underwriters' Association

J. B. Laidlaw, president of the Canadian Automobile Underwriters' Association was in Vancouver this week and took occasion to visit the officers and many of the members of the British Columbia Automobile Underwriters' Association. A number of companies have recently joined this association, and it now has 63 on its mailing list.

In British Columbia the rates have been fixed so low as to give little encouragement to non-board companies. On the other hand the only hazard which appears to be becoming more hazardous is theft as the city increases in size, the curse of "joy-riding" falls more and more heavily upon it. The police, however, have promised to do all in their power to check the evil while the police magistrates of late have been handing out some pretty stiff sentences to venturesome youths and booze runners who are proven guilty of borrowing other people's machines without the owners' consent.