

# BRITISH COLUMBIA FINANCIAL TIMES

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## Recommendations on Municipal Taxation

**Dr. H. L. Brittain Submits for Increasing Vancouver Revenue a Property Tax as at Present, a Share in Provincial Taxes and a Business Tax.**

Doctor Horace L. Brittain, Director of the Citizens' Research Institute of Canada, with headquarters at Toronto, who has been investigating the taxation position of Vancouver on invitation of Mayor Gale and the City Council, has filed a very valuable report on the subject of taxation, with special bearing on the problems of Vancouver. An especial feature of the report is the desirability of the provincial and municipalities co-operating for the mutual handling of the taxation problem.

At the close of Doctor Brittain's report he offers suggestions and recommendations which are worthy of the thoughtful attention of all ratepayers and citizens. His statement is as follows:

While there may be several ways in which Vancouver may get more money from the taxpayers, the writer can recommend but one. This requires reasonable co-operation between the province and the municipalities and can be made effective within a moderate period of time. The main features of the plan, which the writer suggests, are as follows:

1. A Real property tax as at present.
2. A share of a provincial personal income tax on all personal incomes, at increased rates if necessary.
3. A business tax at a flat rate, or, at two separate flat rates according as the business is incorporated or unincorporated; said tax to be administered by the province, and any revenue resulting to be distributed to the municipalities.
4. A minimum income tax or service tax applicable to both sexes, in the event of the province maintaining the principle of flat rate taxation on persons not otherwise taxed, said service tax being substituted for the poll-tax and the proceeds being made available to the municipalities at least to the extent of fifty per cent of the amount raised within their limits.
5. Half the local proceeds of the provincial tax on motor vehicles.
6. Half of the local proceeds of the provincial amusement tax.

7. Increased miscellaneous revenue from special sources other than taxation.

The writer recommends that:

1. The City of Vancouver, along with the other municipalities of the province, request the Government to set aside a share of a personal income tax as above described, or, failing its adoption, a share of the proceeds of the present provincial income tax. The percentage to be made available to the municipalities having been established, after due consideration of such factors as the presence in cities of head offices of companies which do the bulk of their business elsewhere, the resulting municipal share should be divided between the municipalities on the basis of real property assessments, if and when these have been equalized by a provincial board, or, failing this, on the basis of population. The percentage should be placed high enough to yield to the City of Vancouver at least four hundred thousand dollars from this source.

2. The City, along with the other municipalities, memorialize the provincial government to establish a business tax on all businesses whether conducted by individuals, partnerships or incorporations, at a rate of one or two per cent on each of the first two and of two or four per cent on the third, such tax being the sole tax on business as such. The total balance of the profits of the business would be available for provincial income taxes at graduated rates, and might be collected at the source in the case of partnerships and corporations, the balance of profits or dividends being forwarded to the recipients along with receipts for the amounts deducted. On the sending in of personal application with the necessary vouchers, any adjustments required by the provisions of the law with regard to exemptions could be readily made. The revenues from the proposed municipalities which give the bulk of the direct services to business; but a small share of the proceeds could fairly be retained by the province to cover the cost of collection. The writer is unable to obtain the data on which an estimate of the productivity of this tax might be based, but believes that the percentages should be so placed that Vancouver's share of the resulting revenue should not fall short of seventy-five thousand dollars per

### RECOMMENDATIONS ON MUNICIPAL TAXATION.

#### AN EFFORT TO INCREASE SALE OF LOCAL PRODUCTS.

#### GENERAL PRINCIPLES AND REAL ESTATE TAXATION.

#### ENGLISH EXPERIENCE WITH STATE INSURANCE.

#### RECENT ANNUAL REPORTS

#### MINING THROUGHOUT BRITISH COLUMBIA

#### TRUST COMPANY NOTES, COMPANY NOTES, INSURANCE, MUNICIPAL, LUMBER, MINING AND OTHER INFORMATION



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annum. A revenue of one hundred and fifty thousand dollars per annum, or over, would not be unreasonable.

3. That the City, in co-operation with the other municipalities, request the government, failing the abandonment of the whole principle of a flat rate tax on persons, which the writer does not recommend on present conditions, to establish, in place of a poll-tax, a minimum income tax on persons, which the writer does not recommend on present conditions, to establish, in place of a poll-tax, a minimum income tax or service tax to be applicable to both sexes under identical conditions, municipalities in which they are collected, at least to the extent of fifty per cent of the totals. The writer cannot do more than hazard a guess as to the amount which would become available to Vancouver. Perhaps seventy-five thousand dollars per annum would not be too much to expect. Failing the adoption of this tax or the granting by the province of a share in the existing poll tax, the percentage of income tax to be turned over to the municipalities by the province as above suggested, would have to be increased proportionately. If the municipalities know that they would share in the service tax, would not the productivity of the present poll-tax be greatly exceeded?

It is the opinion of the writer that all such taxes as poll-taxes, minimum income, or service taxes should be dispensed with when the province reaches a stage of fiscal development which will make them unnecessary.

4. The City, in co-operation with the other municipalities of the province, request the province to remit to the municipalities at least fifty per cent of the revenue raised in each locality from motor vehicle and amusement taxes. This should increase the city's revenue by two hundred thousand dollars annually.

5. The City make a judicious and careful revision of miscellaneous sources of revenue, existing or possible, with a view to increasing their productivity. It very probably will be found that some existing sources may be somewhat reduced on account of the new sources suggested. On the other hand, some can be rendered more productive. In 1918, on motion of Mayor Church, Finance Commissioner Bradshaw, was requested to report on "New Forms of Revenue" for the City of Toronto. The joint reports of twelve heads of Civic Departments resulted. This report will be an invaluable help in the revision mentioned above. An additional sum of from ten to twenty thousand dollars per

(Continued on Page 8.)



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# An Effort to Increase Sale of Local Products

**Manufacturers in British Columbia to Stimulate Use of Provincial Products by People of Province—Quality and Price to Be a Consideration.**

An effort for the greater use of British Columbia manufactures by the people of the province is the object of a meeting recently held in Vancouver. We have often made editorial mention of the fact that what Canada needs today is the exploitation of our domestic commerce by our own producers and manufacturers, rather than an effort to exploit foreign markets with our products. If we reduce our imports by the use of the domestic article we are in reality increasing our exports by the same amount. Hitherto we all have been urged to buy the Canadian article without regard to quality or price. A different point of view which augurs well for the movement was taken at the meeting, and that takes into consideration quality and price.

A press notice of the meeting is as follows:

Such was the enthusiasm of the hundred manufacturers who gathered at the Hotel Vancouver on December 10th to discuss a "Made in B.C." campaign, that \$6,000 was pledged for the purpose before the meeting adjourned. The movement, now initiated by the manufacturers' bureau of the Board of Trade, in co-operation with the Canadian Manufacturers' Association and B.C. Manufacturers' Association, has for its object a widespread effort to increase the sale of local products in British Columbia and throughout the Canadian West.

The direction of the campaign will be in the hands of a committee acting under the chairmanship of Mr. Frank Parsons, head of the manufacturers' bureau, of the Board of Trade. It is composed of Messrs. J. B. Thomson, J. H. Falconer, A. B. Weeks, D. M. McDonald, J. W. Curran and R. Arnott, who will head the "Made in B.C." week; G. A. Campbell, educational, and A. C. Stewart, finance.

The general committee will continue to function for twelve months. It is proposed to increase sales, stimulate production during the year, and establish the foundations for greater industrial development by means of "Made in B.C. Days," "Made in B.C. Weeks," newspaper advertising, bill-board displays, a magazine devoted to the objects of trades and labor councils, educational talks in schools and at club dinners and gatherings, and by specially conducted parties to different manufacturing plants.

Every industry in Greater Vancouver will be visited and solicited for support for the fund which is to be raised for the purpose of intensive advertising of the province's products. The subscription list was started off with an offer of \$1,000 worth of bill-board advertising by Mr. Harry Duker, and was followed by a contribution of \$500 of publicity space by Mr. J. H. Hamilton. Others expressed a willingness to contribute at least \$120 within the year to the fund, which some preferred lump sum donations. At the conclusion of the meeting, Secretary W. E. Payne, of the Board of Trade, announced that approximately \$6,000 had been subscribed. There are more than 600 manufacturing concerns in and about Vancouver, and to obtain results desired, announced Chairman Frank Parsons, it is hoped to raise from these and from other sources at least \$5,000 monthly.

In the general discussion about the dinner table, the menu of which was composed entirely of "Made in B.C." products, there was some straight-from-the-shoulder talking. Manufacturers agreed that in every way possible British Columbia buyers must be given commodities which would compare favorably with similar articles imported to the local markets in quality, quantity and price.

In opening the meeting Chairman Parsons said that the great object of the campaign was to get the consumers to realize what articles were manufactured in British Columbia

and to have them make use of them. He told of the work already done by the manufacturers' bureau of the Board of Trade, with the assistance of the Canadian Manufacturers' Association and the B.C. Manufacturers' Association, in investigating the possibilities for the initiation of a movement such as was proposed at this time. In doing so he made special mention of the activities of Messrs. Duncan M. McDonald and Robert Arnott in arranging for the meeting of the manufacturers.

Mr. J. P. D. Malkin outlined the scope and benefits of co-operative effort in increasing production of the industries of the province. It was only by increased sales that manufacturing plants could be kept in operation, he said. It was useless to deny that the country was facing hard times. He was not pessimistic but optimism not supported by facts, was worthless. In order to provide work, production must be kept going, and this could not be done if markets were not available. He believed that there was a big market in British Columbia for British Columbia made goods. All that was required was that the consuming public be educated to the fact that as individuals each member of the community was helping himself by using home manufactured goods.

He declared that the majority of the articles produced in British Columbia were equal or superior to those imported, but they had lacked proper advertising. He illustrated his contention by reference to such food products as jams and marmalades, saying that those made in the province were superior to the famous brands of Great Britain, which were formerly imported in large quantities.

The campaign, he advised, must be sustained throughout the whole year. There must be no loss of enthusiasm and all who gave it their support at the start must be prepared to work for its success throughout. He added that in his opinion buyers first considered quality, then price and place of manufacture. British Columbia products must be of such worth that the patriotic appeal to sustain home industry must not be the only selling appeal.

There were, he continued, approximately 600 manufacturing plants in and about Vancouver, employing 20,000 workers and 1,000 in the province giving employment to 30,000 persons. This did not include such industries as lumbering and mining. In making use of home-made goods these workers would be benefitting themselves individually. This fact, he said, must be explained to them. He also declared that many manufacturers were not aware of the fact that commodities used by them were to be obtained from other concerns in British Columbia. They should become acquainted with the products of the other fellow.

Alderman Owen, who represented the city at the meeting, gave an interesting and much applauded address on the value of a "Made in B.C." campaign viewed from the retailers' standpoint. He urged that producers of manufactured articles stamp the name of the maker and the slogan of the movement on their wares in order to aid the merchant in effecting sales of local made goods.

He was sure that the city would co-operate in every way possible in the work of attaining the development of industry in Vancouver, especially as it would provide employment for many citizens, and thus help to build up Vancouver as a great manufacturing centre, which he was certain the city was destined to be.

Mr. J. H. Falconer, president of the B.C. Manufacturers' Association, spoke of the resources of the province, declaring that their development depended largely on the development of manufacturing. Much had been heard of the possibilities of foreign trade. He thought that before embarking to any great extent on such extension of effort, that the home markets should be developed. He advised that every effort be made to secure the fullest co-operation



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HEAD OFFICE—WINNIPEG

Authorized Capital .....	\$15,000,000
Paid Up Capital .....	8,000,000
Reserve .....	5,600,000
Total Assets (Nov., 1919, over) .....	174,000,000

A Western Bank; solicits Western business of all natures, and offers true Western facilities and service. Call on our local officers in your City, Town or District, and you will find them very ready to serve you well, as depositor or other style of client. We have branches at every important point in Canada—220 west of the Great Lakes. Agencies, London, England, and New York, furnish first-class, up-to-date facilities for handling foreign business of all kinds. A prominent Banker has recently stated: "Personality is a very important asset in business, and as regards banking particularly it is the important asset." Our executive officers are instructed and ready to take a special interest in your affairs—if you will consult with them.

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Vancouver Branch: STANDARD BANK BUILDING

Corner Hastings and Richards Streets

of the retail merchants in increasing sales of commodities made in the province. Retail clerks should be instructed regarding the benefits to be derived by them as members of the community in advancing local wares.

"We, as manufacturers," he went on, "must produce at a price and in quality that will compare with any imported competitive article.

Mr. J. B. Thomson, chairman of the B.C. division of the Canadian Manufacturers' Association, said that not only did the people of the province fail to use sufficient British Columbia manufactured goods, but they also failed to buy Canadian products in competition with those imported from foreign countries. This was demonstrated by the trade balance returns which showed that Canadians were buying in increasing quantities from the United States. He urged that British Columbia-made goods be used wherever possible and failing to obtain such that Canadian commodities be demanded, and if these could not be supplied, then merchandise manufactured within the Empire be purchased before foreign-made goods were considered.

"We must see that the public obtains value for its money," he declared. "We must pack, prepare and present our wares on a basis that will compare favorably with the imported article."

Mr. Thomson suggested that an excellent opportunity would present itself in February to demonstrate to those from remote sections of British Columbia that extent and variety of British Columbia manufacturing. This would be during the convention week of the Associated Boards of Trade of B.C. He thought that arrangements should be made to take delegates to the convention through different industries.

Continuing, Mr. Thomson urged the liberal use of display advertising in newspapers. He thought that the manufacturer and the retailer might co-operate in making use of more publicity of this character. He was sure that labor would be quite willing to assist in every way possible to attain the objects of the campaign.

Mr. J. J. Coughlan stated that the buyers of his firm had orders to buy Vancouver-made goods first, then Canadian goods in the event of the local product not being obtainable, and the products of the Empire, if the supplies required could not be secured in Canada.

The long and expensive haul across the continent made it a difficult matter, he said, for manufacturers of British Columbia to place their wares on the Eastern market, and it was essential that they cultivate the sale of their goods in the province and throughout the West. To do this, quality and service were essential, backed by judicious advertising. Once the ordinary purchaser realized that the development of manufacturing in British Columbia meant increased prosperity the objects of the campaign would be accomplished. He thought that it might be possible to have the Board of Trade stamp approved articles, thus guaranteeing the quality to the consumer. The movement would require concentrated attention of a strong organization to carry on advertising for the whole of the manufacturers of the province.

In addition to newspaper and outdoor advertising, he suggested that the manufacturers' bureau of the Board of Trade arrange for speakers to visit different semi-public organization dinners to urge the use by the members of "Made in B.C." products.

(Continued on Page 11.)

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# General Principles and Real Estate Taxation

## Preceding Dr. Brittain Recommendations in His Report He Laid Down Some Principles of Taxation and Their Applicability to Real Estate—Weakness of Present System.

On our front page we presented the suggestions and recommendations of Dr. Brittain with regard to the municipal problems of the City of Vancouver. Preceding his recommendations, Dr. Brittain points out the available taxes for provincial and municipal purposes. In this, he takes up the general principles of the tax and the form of taxation, including that of real estate. In a later issue we will discuss his remarks on business taxes, income taxes, and various forms of incidental taxes which are now being made use of for revenue purposes. On general principles and real estate taxation he says as follows:

"The fundamental purpose of municipal taxation is to raise revenue to cover the cost of those services which the community demands. On account of certain well-known by-products of taxation, such as its effects on social conditions, certain secondary purposes of taxation have been vehemently urged and vigorously debated. But the fundamental purpose is the raising of adequate revenue. It is generally admitted that the necessary taxes must be raised as equally as is humanly possible, with certainty, without undue inconvenience either to the collecting authority or to the contributor, and with as low an overhead of collection expenses as can be obtained. A tax out of proportion to ability to pay, uncertain as to its productivity, leading to great friction in the machinery of collection, or producing too small net returns in proportion to the gross returns exacted from the tax payer is a bad tax to the degree in which it offends. In addition to these general principles of taxation, the following principles should be kept carefully in view by any municipality contemplating changes in its taxation system:

- 1.—If at all possible, new machinery should not be set up.
- 2.—National and provincial taxation, now in existence, must be given due consideration.
- 3.—Any proposals made must be in violent disagreement with public opinion or disregard the stage of development that the taxpayers have reached in their conceptions of taxation reforms.

Any modern organized communities renders three types of service, distinct in principle and essence, though overlapping in their benefits.

These are:—

- 1.—Services to property as property.
- 2.—Services to individuals as human units.
- 3.—Services to business.

It is conceivable that there may be a property in a municipality owned by an individual who neither resides in or does business in the municipality. The property receives benefits as a physical thing, benefits which accrue to the individual whose tax-paying faculty must be levied on to pay for the services rendered to the property.

It is conceivable that an individual may reside in a locality without either having any taxable property or engaging in any business. He receives certain services as a resident of the city, services to the cost of which he must contribute as a person at least according to his ability to pay.

It is conceivable that the city may have to render services to a business although the owner or owners of the business may own no real estate and may reside elsewhere. The business receives benefits, direct and indirect, as a physical entity and going concern, for which it must compensate the municipality which protects and promotes it.

This method of presentation is merely a device for illustrating the essential separateness of the services render-

ed to property as property, persons as persons, and business as business. Whether the persons concerned in all three are the same or different persons does not effect the principle. Because a man's business has paid a business tax if it were just in amount, is no reason that he should not pay a personal tax, say on net income, or because he has paid a personal income tax is no reason his real property should not pay a real property tax or vice versa. Granted the three taxes, there should be no offsetting the payment of one tax against another, though in determining the amount of any income tax, the amount of real property should be one of the items deducted from the gross income in arriving at net income.

The threefold basis of local (and provincial) taxation is sufficiently stated in the "Preliminary Report of the Committee appointed by the National Tax Association to prepare a plan of a model system of State and Local Taxation," of which Prof. Charles A. Bullock was chairman and on which the staffs of two other universities were represented as well as four tax commissioners. The statement reads as follows:—

"That every person should pay a direct tax to the government under which he lives appears to us reasonable and just, that tangible property should be taxed where located, is both reasonable and in every way expedient and that business may be taxed in any jurisdiction where it is carried on, seems to admit of no serious doubt.

Municipalities are but creatures of the Province, set up to discharge certain functions which are within provincial jurisdiction. When and as municipalities are created, along with the burdens imposed, authority for raising the necessary revenues in a just and practicable way must be granted or a sufficient share of provincial revenues must be distributed to make up any deficiencies. The relations between municipalities and provinces are always shifting and the relative fiscal values of various sources of revenue are always changing. As the centre of gravity changes there must be redistribution of burdens, or development of new sources of revenue, or both. Municipalities cannot be considered as units in themselves. They do not live unto themselves alone. Neither can the provincial position be isolated. Municipals and provincial institutions form one organism, between the parts of which there is real community of interest in spite of the often petty and always unreasonable wars between "the belly and the members." Provincial and municipal taxation in their larger features must be treated as a unit. Bearing this in mind, this report will be based on the following position:

1. Every person having taxable ability should pay some sort of direct personal tax to the Governments, provincial or municipal, under which he is domiciled and from which he receives personal benefits.

2. Tangible property, by whomsoever owned, should be taxed by or in the jurisdiction in which it is located, because it there receives protection and other Governmental benefits and services.

3. Business carried on for profits in any locality should be taxed for the benefits it receives as business.

The allocation of the collection from these sources of taxation as between the province and municipalities, and the apportionment of the resulting revenues, where such apportionment is just or necessary, must be determined in a spirit of good will by the jurisdictions concerned on the basis of proved needs, not in the spirit of "what we have we'll hold," and on a basis of relative power in competition for public funds. The important thing is not the so-called separation of the sources of taxation, but the co-ordination of the administration and collection of similar taxes. This is necessary to avoid duplication of machinery, increased



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INCORPORATED 1832

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friction in collection and unnecessarily large costs of collection.

B. The taxation of property.

1. Intangible personal property.

The impossibility of directly taxing intangible personal property equally, certainly, conveniently and cheaply is notorious. The imposition of the same tax-rate as on real property has always resulted in injustice and inequality and the imposition of a lower rate has had the same results in less degree, although in some cases where special devices have been used, the tax has been greatly increased in productivity. The only practicable way to tax intangibles is through the income tax on revenue derived from them. This minimizes evasion and therefore gives more equitable results, besides removing a malign influence on the public morale. A direct tax on intangible personal property is entirely out of the question.

(Continued on Page 17.)

## REAL ESTATE

IF YOU ARE BURDENED WITH THE CHARGE OF PROPERTY BELONGING TO AN ESTATE, YOU MAY FREE YOURSELF FROM THE DETAILS AND DRUDGERY OF ITS CARE BY PLACING ITS MANAGEMENT IN THE HANDS OF THE COMPANY'S REAL ESTATE DEPARTMENT.

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# BRITISH COLUMBIA FINANCIAL TIMES

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We made editorial mention in our last issue of the desirability of discontinuing the government market on Victory Loan Bonds, but took issue with the Finance Minister, Sir Henry Drayton, on its desirability at the present time. The events of the past two weeks have shown that his judgment was sustained in the action he took in discontinuing the pegged prices of the various issues of Victory Bonds. After a slight flurry which took place in the 1934 issue with a temporary depression, the market reacted to the bid prices that had been made by the Victory Loan Committee. In view of the somewhat wide unsettlement of business during the present period of readjustment, we anticipated quite a serious drop in these issues, and we are indeed glad that this has not happened, and that the market is now on a free basis of such extent that anyone wishing to dispose of his holdings may do so without any appreciable fluctuation in price. It is indeed good to see that finance in Canada is in such sound condition that it can do away with government control in this one particular without any appreciable effect on the wide holdings of government bonds by the people of Canada.

Doctor Brittain's report, as a result of his investigations into the taxation problems in Vancouver, has occasioned wide comment in business circles. We print in this issue his suggestions and recommendations and his remarks on principles of taxation with their application to real estate taxation.

One observation from Doctor Brittain's report readily occurs to us. Doctor Brittain is urging close co-operation between the provincial and municipal governments with regard to the whole scheme of taxation. He, in line with the municipal authorities of Vancouver and practically every municipal council in the province, advocate the release of provincial funds received from taxation for the benefit of the various municipalities. It does not seem to occur along this line of argument that the provincial government has use for practically every penny of revenue it raises by way of taxation and that if certain of these forms of taxation are to be returned to the municipalities or shared with them, then the province will not have enough revenue to proceed on and must in consequence either devise new taxes or increase the rates of the present taxes. It seems probable that the only way for the provincial government to increase its revenue is to increase its rate of taxation on personal income, but since the people of the province

have to pay Dominion tax on incomes, the business interests of the province will be adversely effected by any increase in taxation, particularly at a time when business is receding and profits from business operations are becoming less.

We think that while the element of co-operation between the province and the various municipalities is highly desirable and would be beneficial financially, yet a more rigorous collection of taxes by the municipalities would solve many of the difficulties that the municipalities, and particularly Vancouver, have at the present time. The tax on real estate and its importance has not been altogether proved a failure, much as those clamoring for relief from the present onerous burden of real estate taxation claim that it has. If Vancouver could proceed on the present system at its present rate of taxation and collect promptly its taxes, we think that current revenue from year to year of Vancouver could be made to equal expenditures, if reasonable economy would be employed.

Looked at from the point of view of the average business man, the burden of taxation is looming larger to him than it has during the recent past. The average merchant had some vague notions that the cost of the war would have to be paid for out of the pockets of the people. During the latter years of the war and since peace, he has enjoyed an unusual degree of prosperity and has with more or less grumbling met his taxes fairly, but here we find that municipalities are running beyond their revenue in their expenditures. Municipal officials can do little in the way of capital improvements due to financial conditions in the matter of borrowing money and ratepayers are showing a disinclination to authorize additional capital expenditure. Both province and municipalities are inquiring into the nature of taxation and new methods of raising revenue, with the result that it generally comes down to the average business man footing all the bills.

It remains to be seen just what effect increased taxation, if such is finally decided on, will have upon business which during this period of readjustment is more susceptible to change and sensitive to increased burdens than it would be under normal conditions, or when the readjustment has been completed. British and continental business men have frequently raised the question as to the influence of taxation on business and have pointed out to finance ministers and taxing authorities generally that only so much taxation can be laid until business would be adversely affected and in consequence bring in less revenue than under lower rates of taxation. Do not the business interests of Vancouver need to point out that, in view of the onerous Dominion taxes and growing severe provincial taxes, that the City of Vancouver should go slow in devising new forms of taxation without any apparent inquiry as to the effect which these new taxes would have upon the business life of the City.

Sir Vincent Meredith, president of the Bank of Montreal, in his address at the recent annual meeting of shareholders concluded with the following trenchant remarks:

"To sum up, the situation in Canada at present, as I view it, is that while there does not appear to be any cause for apprehension, there is every reason for the exercise of the utmost measure of caution. Canada cannot disassociate herself from world conditions, and world conditions are not satisfactory. On this continent the two years supervening upon the armistice have been marked by unexampled trade activity and prosperity, a circumstance common to the conclusion of all great wars, but the reaction has set in and may not yet be in full play. Happily, Canada is well buttressed on many sides, and the exercise of prudence and sagacity should enable her to meet the shock of falling prices, restricted credits and deflated currency without serious impairment of her commercial and financial vitality.



**RECOMMENDATIONS ON MUNICIPAL TAXATION**

(Continued From Page 2.)

annum might possibly be obtained from miscellaneous revenue. The changes suggested would probably bring into the City from all sources an additional revenue of over seven hundred and fifty thousand dollars per annum. Any advance on this would be a matter of arrangement between the province and the municipalities.

**B. Further considerations.**

1. In the first year after adopting a new revenue basis, the estimated revenues from new sources should be greatly discounted. It is safer to have a large surplus the first year than a large deficit. Experience will enable the City to arrive at accurate revenue estimates.

2. If assessments are not already equitable, as between different properties, the finding of new sources of revenue will not greatly affect a large number of individual grievances.

3. A "gospel of despair" should not dictate Vancouver's policy with regard to either schools or hospitals. The writer believes that the ideal to be reached is home rule in local administration, co-operative financial support, and provincial supervision, in these as in other matters of great importance to the community.

4. The time of passing the estimate and the date of the payment of taxes are very important considerations not only from the standpoint of finance but of community planning.

5. The writer cannot refrain from again suggesting what has so often been suggested in Vancouver, that a metropolitan area would greatly assist in solving the problems of schools and hospitals as well as those of water supply, police and perhaps fire. This should lead to an increase in the effectiveness of administration and possibly to reducing "overhead."

6. Pro-forma illustrations of how statements of estimated expenditure would look under the suggested plan.

It must of course be distinctly understood that the table below is simply for illustrative purposes. Not having made a study of municipal expenditures and have available quite insufficient data on which to base estimates of the proceeds of the suggested taxes, the writer is not in a position to offer even tentative estimates.

**Estimates.**

Providing for about one million dollars per annum more than the 1920 official estimates.

Sources.	Amounts.	Percent- ages.
1. General Taxes .....	\$5,210,000	78.54
2. Share of a Provincial Income Personal Tax .....	400,000	5.01
3. Share of Provincial Business Tax .....	90,000	1.35
4. Service Tax (share) .....	75,000	1.13
5. Share of Motor Vehicle Tax .....	100,000	.....
6. Share of Amusement Tax .....	100,000	3.01
7. Government Grants to Schools....	250,000	3.76
8. Sundry Licenses .....	150,000	2.26
9. Sundry Rentals .....	15,000	0.23
10. Miscellaneous Revenues .....	260,000	3.91
11. Water Rates .....	(a).....	(b)
Total .....	\$6,650,000	100.00

(a) Water revenues should not be given in a statement of general revenues. Such enterprises should stand on their own feet and not serve as supports for the tax-rate to lean on.

(b) If the water revenue were included as in the official 1920 estimates this percentage would be reduced to 71.33%.

7. Close co-operation between the province and the municipalities should make it possible to shorten the interval between the receipt of income report forms and the pay-

(Continued on Page 11.)

# PROVINCE OF BRITISH COLUMBIA

Capital Assets exceed Capital Liabilities by \$13,788,196.

Current Assets exceed Current Liabilities by \$1,038,999.

For the year ending March 31st, 1919, revenue of \$10,931,279 exceeded expenditure of \$9,887,745 on Current Account by \$1,043,534.

**THE PROVINCE HAS UNPLEDGED ASSETS OF**

Agricultural Lands Suitable for Settlement.....50,000,000 Acres.  
 Timber Lands of Saw Material.....349,568,000,000 Board Feet.  
 Coal Lands.....83,828,523,000 Tons.

**PRODUCTION FOR YEAR ENDING DECEMBER 31ST, 1919**

Agricultural .....	\$61,749,719
Mining .....	\$33,421,333
Lumbering .....	\$70,285,094
Fishing .....	\$15,216,297
General Manufacturing and Other Industrial, Approximately.....	\$50,000,000

The Minister of Finance will be pleased to answer any enquiries of a financial nature, and where the enquiry does not directly concern his department he will be pleased to see that it is referred to the proper department and receives prompt attention.

**JOHN HART,**

Parliament Buildings, Victoria, B.C.

Minister of Finance for the Province of British Columbia.



# Recent Annual Reports

Annual Statements Filed with the Registrar of Companies, Victoria, B. C.

## ROYAL FINANCIAL CORPORATION, LIMITED

Registered Office: 470 Granville Street, Vancouver.

Balance Sheet as at June 30th, 1920:

### LIABILITIES—

Capital Authorized, \$5,000,000.	
Capital Paid Up .....	\$592,928.53
Bank Loan .....	52,722.85
Bank Overdraft .....	3,732.19
Bank Loan .....	39,060.00
Bills Payable .....	110,000.00
Accounts Payable .....	36,006.04
Instalment Bonds .....	786.67
Taxes on Land .....	5,780.92
Surplus .....	1,161.06
Contingent Liabilities, \$95,503.95.	

Total .....

### ASSETS—

Investments in Lands and Mortgages .....	\$316,605.67
Bonds, Shares, etc. ....	354,570.97
Furniture .....	5,964.00
Insurance Department .....	21,416.45
Instalments on Shares Sold .....	22,437.59
Canada Realty Syndicate, Less Reserve .....	8,593.20
Sabulite Explosives, Ltd. ....	5,944.16
British Dominion Real Estate Co. ....	2,366.09
Government and Other Bonds .....	43,908.19
Bonds Held for Instalment Bonds Investment .....	867.50
Cash on Hand and in Banks .....	24,367.37
Deferred Charges to Future Operations .....	13,055.28

Total .....

L. E. MAIR, Secretary.

## KLEANZA COMPANY, LIMITED

Registered Office: Usk.

Balance Sheet as at June 30th, 1920:

### LIABILITIES—

A. H. Allen, Fiscal Agent .....	\$ 16,209.93
Sundry Creditors .....	4,453.42
Capital Authorized .....	500,000.00

Total .....

### ASSETS—

Cash on Hand and in Bank .....	\$ 4,011.63
Sundry Debtors .....	350.95
Development .....	26,023.04
Saw Mills .....	23,972.90
Plant .....	5,604.39
Property .....	19,955.15
Logging .....	12,528.91
Furniture and Fixtures .....	270.60
Capital Stock in Treasury .....	177,800.00
Loss and Gain .....	250,145.78

Total .....

JOHN REID, Treasurer.

## DOW FRASER TRUST COMPANY

Trust Companies' Act—Certificate No. 4.

Registered Office: 122 Hastings Street West, Vancouver.

Balance Sheet as at August 31st, 1920:

### LIABILITIES—

Savings Deposits .....	\$264,606.17
Time Deposits .....	9,341.94
Trusts and Estates .....	7,353.00
Insurance Agencies .....	3,708.72
Demand Collections .....	24,546.40
Reserves .....	4,425.36
Capital Authorized, \$250,000.	
Capital Paid Up .....	104,500.00

Total .....

### ASSETS—

Cash on Hand, in Banks and in Transit .....	\$ 45,504.59
War Bonds .....	67,275.91
Stocks and Bonds .....	140,903.75
Real Estate Securities .....	92,369.85
Collateral Loans .....	16,301.25
Accrued Interest .....	24,558.97
Sundry Debtors .....	7,877.85
Furniture and Fixtures .....	13,548.37
Profit and Loss Account .....	10,141.05

Total .....

E. BAESCHLIN, Secretary.

## COQUITLAM TERMINAL COMPANY, LIMITED

510 Hastings Street West, Vancouver.

Balance Sheet as at March 31st, 1920:

### LIABILITIES—

Capital Authorized, \$750,000.	
Capital Paid Up .....	\$538,506.02
First Mortgage 7% Bonds .....	320,402.99
Deferred Liabilities .....	26,886.86
Current Liabilities .....	78,091.60
Reserves .....	193,624.04
Surplus Account .....	161,362.98
Contingent Liability, \$339.08.	

Total .....

### ASSETS—

Property in Good Standing .....	\$336,555.56
Property Sold for Arrears of Taxes .....	492,461.72
Assets Acquired From Mortgagors .....	25,101.44
Equipment .....	18,568.35
Houses and Investments .....	85,520.22
Due Under Agreements for Sale .....	275,876.07
Current Assets .....	25,189.55
Deferred Charges to Profit and Loss .....	9,601.57

Total .....

DENIS CAMPBELL, Secretary.

## PACIFIC COAST COAL MINES, LIMITED (N.P.L.)

Registered Office: Metropolitan Building, Vancouver.

Balance Sheet as at December 31st, 1919:

### LIABILITIES—

Capital Authorized, \$3,000,000.	
Capital Paid Up .....	\$1,962,960.00
Pacific Coast Collieries and Accrued Interest .....	1,868,335.71
L. C. Herdman and Accrued Interest .....	74,512.62
Land Purchases Balances Due .....	78,097.61
Loans and Accrued Interest .....	30,111.79
Bank Advances and Accrued Interest .....	260,958.92
Sundry Creditors .....	132,986.30
Jefferson Judgment .....	145,394.33
Suspense Account .....	3,589.89
Contingent Liability .....	27,095.00

Total .....

### ASSETS—

South Wellington Properties and Plant .....	\$1,793,622.54
Squash Properties and Plant .....	1,625,046.95
Office Furniture .....	796.75
Deferred Charges .....	28,363.90
Arbutnot Suit .....	95,942.75
Current Assets .....	11,399.63
Profit and Loss Account .....	1,001,774.65

Total .....

DOUGLAS D. MUIR, Secretary.

## COAST COPPER COMPANY, LIMITED

Registered Office: Care of Consolidated Mining & Smelting Co. of Canada, Ltd., at Trail.

Balance Sheet as at August 31st, 1920:

### LIABILITIES—

Consolidated Mining & Smelting Co. ....	\$ 44,280.19
Sundry Creditors .....	14,837.30
Ten Year 6% Convertible Bonds .....	504,000.00
Capital Authorized and Issued .....	1,000,000.00

Total .....

### ASSETS—

Cash in Bank .....	\$ 1,318.23
Cash in Payroll Account .....	731.27
Supplies and Camp Provisions .....	8,075.34
Sundry Debtors .....	226.13
Unexpired Insurance .....	36.97
Mining Property .....	1,071,661.25
Buildings and Equipment .....	46,192.05
Development and Mine Exploration .....	401,708.83
Bond Discount .....	30,240.00
Organization .....	2,927.42

Total .....

T. D. BINGAY, Director.



Established 1887

# PEMBERTON & SON

## Bond Dealers

Pacific Building

Vancouver, B.C.

Representatives:

**WOOD, GUNDY & CO., TORONTO**

## The General Administration Society

(OF MONTREAL)

HAVE YOU MADE YOUR WILL? If not, you should do so before it is too late, and appoint This Company as your Executor.

HAVE YOU PROPERTY? We will manage your properties, collect rents, etc. Apartment Blocks and office buildings managed.

INSURANCE OF ALL CLASSES WRITTEN in the strongest of British and Canadian Companies. Full particulars and rates on application.

REAL ESTATE. Have you property to sell? List with us for quick results. Do you wish to buy? We have property to sell in every section of the City.

TO ERR IS HUMAN

When entrusting your affairs to the hands of others you should consider their financial responsibility to make good their mistakes or shortcomings.

Correspondence Solicited.

British Columbia Office: CREDIT FONCIER BLDG.

850 Hastings Street West.  
Robert Cram, Manager.

Vancouver, B.C.  
Phone Seymour 6777

## A "Toronto General" Trust Fund

When you are in a position to do so, set aside a part of your means under the protection of a "Toronto General" Trust Fund to provide a steady income for a definite purpose. To protect his family many a business man adopts this course. All investments of "Toronto General" Trust Funds are "Trustee Securities" made under the strict supervision of the Board of Directors.

Ask for Further Particulars

Advisory Board for B.C.:

A. H. Macneill, K.C.

Eric W. Hamber

R. P. Butchart

F. B. Pemberton

### The Toronto General Trusts Corporation

Branch Office: 407 Seymour St., Vancouver, B.C.

H. M. FORBES, Manager

## Canadian Financiers Trust Company

Incorporated 1907. First Company to Obtain Registration Under the B. C. Trust Companies' Act. (Certificate No. 1).  
Executor, Administrator, Trustee under Wills, Mortgages, Marriage Settlements, Receiver, Liquidator and Assignee.  
Fiscal Agent to B. C. Municipalities. Agent for Real Estate and Collection of Rents, Insurance and Investment.

839 Hastings St. W. Enquiries Invited Vancouver, B.C.

General Manager, LT.-COL. G. H. DORRELL

## Prudential Trust Company, Limited

Head Office, Montreal

Appointed an Authorized Trustee under the Bankruptcy Act for the Province of British Columbia

British Columbia Branch: Vancouver.

456 Seymour Street

A. E. PLUMMER, Manager

### EXTRA-PROVINCIAL COMPANY REGISTERED

"Everett Steel Company"; head office, 3010-20 Smith Avenue, Everett, Washington, U.S.A.; Provincial head office, 806 Board of Trade Building, 402 Pender Street West, Vancouver. Frederick Brammall, merchant, 806 Board of Trade Building, Vancouver, is the attorney for the company .....\$ 30,000

### EXTRA-PROVINCIAL COMPANIES LICENSED

"Puget's Sound Agricultural Society, Limited"; head office, 1 Lime Street, London, England; Provincial head office, 1120 Wharf Street, Victoria. Ernest H. Wilson, Victoria, is the attorney for the company .....£ 14,000

"Deepwater Timber Company, Limited"; head office, 715 Centre Street, Calgary, Alberta; Provincial head office, 622 Standard Bank Building, 510 Hastings Street West, Vancouver. Thomas E. Wilson, barrister, 510 Hastings Street West, Vancouver, is the attorney for the company .....\$600,000

### PROVINCIAL COMPANIES INCORPORATED

Associated Securities, Ltd., Victoria .....	25,000
British Syndicates, Ltd., Vancouver .....	25,000
Christie-Rimmer Sales Co., Ltd., Vancouver .....	10,000
Interior Cattle Co., Ltd., Vancouver .....	50,000
Miners' Club, Ltd., Princeton .....	5,000
Prince George Curling Association, Ltd., Prince George .....	10,000
Victory Club Co., Ltd., Vancouver .....	10,000
B. C. Bonded Attorney, Ltd., Vancouver .....	10,000
J. W. Campbell Co., Ltd., Vancouver .....	25,000
Mission Public Service Co., Ltd., Vancouver .....	150,000
Rossland Velvet Mines, Ltd. (N.P.L.), Rossland....	300,000
Rupert Wine & Liquor Co., Ltd., Prince Rupert....	25,000
Vanderhoof Lumber Co., Ltd., Vancouver .....	10,000
Wilson & Jelliman, Ltd., Victoria .....	10,000

### COMPANY CHANGES OF NAME

B. C. Impermealite Company, Limited, has applied for change of name to "Impermealite Products, Limited."

Vancouver Knitting Company, Limited, has applied for change of name to "Quigley Knitting Mills, Limited."

### WINDING-UP PROCEEDINGS

The court has, by an order, appointed James H. Doyle, Nelson, to be liquidator of the Gibson Mining Company, Limited (N.P.L.).

Notice is given that the annual general meeting of the "Wellington Colliery Railway Company" will be held at the head office of the company, 600 Belmont Building, Victoria, on January 3, 1921.

## MONTREAL TRUST COMPANY

EXECUTOR, TRUSTEE, ADMINISTRATOR,  
GUARDIAN, ASSIGNEE and LIQUIDATOR.

VANCOUVER OFFICE

Phone, Seymour 2941

408 Homer Street

Robert Bone, Manager.

## We Buy and Sell

DOMINION GOVERNMENT AND MUNICIPAL BONDS

## British American Bond Corporation, Ltd.

Successors to

BRITISH AMERICAN TRUST COMPANY

Phones Seymour 7620-7621

Vancouver and Victoria



**INSURANCE NOTICES**

"Union Fire & Casualty Company" has been licensed under "Fire Insurance Act" to transact in British Columbia the business of fire insurance, and under the "Insurance Act" to transact in British Columbia the business of health and accident and automobile insurance. Provincial head office is Vancouver, and Gordon Bell, 1322 Standard Bank Building, 510 Hastings Street West, Vancouver, is the attorney for the company.

**AN EFFORT TO INCREASE SALE OF LOCAL PRODUCTS**

(Continued From Page 4.)

Mr. F. A. Brodie declared that quality was the important essential in industry. Competition had to be met in many imported articles, which, while cheap in price, were of such poor quality as to make them extremely costly.

Mr. J. Storey spoke in a similar strain. He announced the opening of a new industry by his firm early in the new year. His firm was heading a concern to manufacture trunks and valises.

Mr. Harold Leckie thought it would be beneficial to conduct an educational campaign among retailers to fully acquaint them with the products they handled.

Mr. J. H. Hamilton asked every manufacturer to be sure that in his own plant he made use of materials produced in the province. Mr. J. W. Curran supplemented the suggestion made by Mr. Hamilton by advising the publication of a buyers' guide. Mr. D. M. McDonald spoke of the need of continual effort by those present to make the campaign a success.

After further discussion it was unanimously carried that the campaign be started, and that the committee named by the chairman be appointed.

Subscriptions followed, the result being that the total mentioned was secured for the preliminary expenses of the work to be undertaken.

**RECOMMENDATIONS ON MUNICIPAL TAXATION**

(Continued From Page 8.)

ment by individuals and firms of taxes up to the province. Experience has shown that rapidity of collection leads to reduction of those losses which are due to lapse of time. It is possible that the reduction in this shrinkage might offset considerably the proposed provincial contributions to municipal revenues. The provision that partial payments be required on sending in income statements to the province would cut down the loss of taxes from short time residents coming in to Vancouver to use the schools and other municipal services. Reciprocal information would be valuable in this respect.

**British Columbia Land & Investment Agency, Limited**

Registered under the British Columbia Trust Companies' Act.

Capital Paid Up .....	£110,000
Reserves .....	83,500
Assets .....	505,584

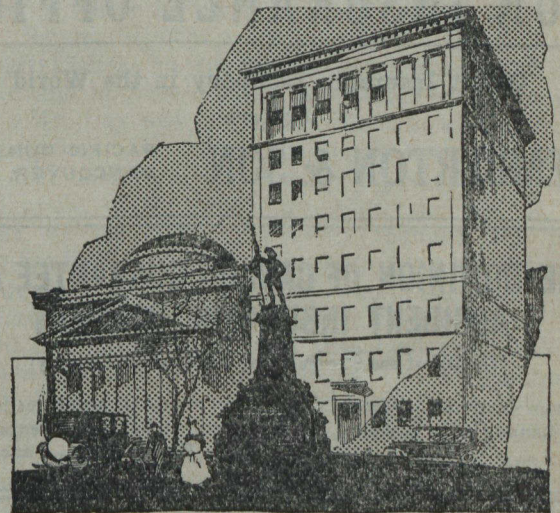
**Executor, Trustee, Administrator, Guardian, Agent, Act as Trustee for Debenture Holders.**

London Office, 20-21 Essex Street, Strand.

Head Office for British Columbia:  
**922 GOVERNMENT ST. VICTORIA, B.C.**  
 C. A. HOLLAND, Resident Managing Director.  
 A. R. WOLFENDEN, Manager

**B**YOND all question, the nomination of a thoroughly solvent, well-equipped Trust Company, as Executor, affords the greatest possible security to Testators. The Corporation is perpetual, and its books are methodically and well kept. Its Directors are men of probity and honor. It does not die. Its charges are reasonable, and its experience in the management of estates, property, and investments is the best guarantee a Testator can have that his estate will be economically managed according to his last wishes."

The above is an extract from "Some Remarks on Wills," a copy of which will be sent upon request.



HEAD OFFICE: MONTREAL

**Vancouver Branch**

W. H. HOGG, Chairman Local Advisory Board

A. M. J. ENGLISH, Manager.

Vancouver Branch—Bank of Montreal, B.N.A. Bldg., Hastings St.

**THE ROYAL TRUST** 

EXECUTORS AND TRUSTEES

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**BELL-IRVING, GREERY & CO. LTD.****INSURANCE**

AND

**Financial Agents**

Represent The Caledonia and British Columbia  
Mortgage Co., Ltd., of Glasgow, Scotland.

322 RICHARDS STREET

VANCOUVER, B. C.

**What More Seasonable?**

at Xmas-time—the time of family reunion, and the strengthening of the old home-ties—than to think over that question so closely connected with all thoughts of home—Life Insurance.

What better Xmas gift to wife and children than a Life Policy—a gift that will be remembered and bring its Xmas message long after the giver has gone?

The Great-West Life Policies provide Insurance on most attractive terms, and full information will gladly be furnished on request.

**The Great-West Life Assurance Co.**

Dept. "D. 4"

Head Office: WINNIPEG

**SUN INSURANCE OFFICE**

Oldest Insurance Company in the World

AGENTS

**PEMBERTON & SON**PACIFIC BUILDING  
VANCOUVER, B. C.**THE DOMINION OF CANADA GUARANTEE AND ACCIDENT INSURANCE COMPANY**

(The Oldest and Strongest Canadian Casualty Company)

British Columbia Branch  
Canada Life Building, VancouverMACAULAY & NICOLLS  
General Agents  
Pacific Bldg., Vancouver**The North West Fire Insurance Company**

OF WINNIPEG

Guaranteed by  
UNION ASSURANCE SOCIETY, LIMITED, OF LONDON,  
ENGLAND.

General Agents:

McGregor, Johnston & Thomas, Limited, Vancouver, B.C.  
C. H. C. Payne, Victoria, B. C.

"A CANADIAN COMPANY FOR CANADIANS"

**The British Colonial Fire Insurance Co.**

Head Office, Montreal

AGENTS FOR B. C.

Agents wanted in unrepresented districts.

**Royal Financial Corporation, Limited**

Seymour 4630

Vancouver, B.C.

**RECENT FIRE LOSSES**

Recent fire losses reported to Superintendent of Insurance, Victoria:

Coalmont, November 21.—Owner, N. McDonald; occupant, Hetty McBride; wood dwelling; value of building \$1,000, insurance on same \$750; value of contents \$600, insurance on same \$250; total loss, \$1,600. Cause, supposed incendiary. Liverpool-Manitoba.

Greenwood, November 5th.—Owner, L. Mansfield; unoccupied; value of building \$200, insurance on same, nil; total loss, \$200. Cause, incendiary.

Aspen Grove, October 23rd.—Bates camp; owner and occupant, John E. Bates; log and lumber camp, six buildings; value of building \$7,000, value of contents unstated; insurance on buildings and contents \$7,300; total loss, not stated. Cause, supposed incendiary. Phoenix of London and London, Liverpool & Globe.

Oak Bay, November 16th.—1238 Hampshire Road; owner and occupant, E. J. Down; wood dwelling; value of buildings \$5,700, insurance on same \$2,800; value of contents \$3,500, insurance on same \$3,000; total loss, \$616.50. Cause, unknown. Royal, Northern.

Stewart, November 10th.—East of Stewart Townsite; owner, Mary Scott; occupant, A. McMillan; value of buildings \$4,000, insurance on same \$1,000; value of contents \$1,500, insurance on same \$500; total loss, \$5,500. Cause, while drunk, Indian guest upsets lamp. McMillan badly burned.

Stewart, November 10.—East of Stewart Townsite; owner, Frances Whalen; unoccupied; wood dwelling; value of building, \$3,000; value of contents \$1,500; insurance on both, \$2,000; total loss, \$3,030. Cause, adjoining. National, Queen.

Vancouver, November 29th.—85 Pender Street West; owner, Estate of John Burns; occupants, North Coast Welding Co.; two storey brick and frame welding shop; value of building \$15,000, insurance on same \$5,000; value of contents \$5,000, insurance on same \$1,600; total loss, \$501.13. Cause, spark from acetylene torch. Royal Exchange, Union of London, Queens.

Vancouver, November 20.—425 Dufferin Street West; owner, R. A. Aves; occupants, Imperial Casket Co.; two storey frame casket factory; value of building \$5,000, insurance on same \$1,000; value of contents \$25,000, insurance on same \$6,500; total loss, \$11,300; cause, unprotected chimney. Merchants, Fire Association of Philadelphia, Century, N. W. National.

Vancouver, November 12th.—1000 Homer Street; owner, R. Beaumont; occupants, Standard Furniture Co., Goodyear Rubber Co., Bogardus, Wickens, Coca Cola Co.; four storey brick mill construction warehouse; value of building \$125,000, insurance on same \$100,000; value of contents \$377,000, insurance on same, \$431,500; total loss, \$100; cause, unprotected stove. National, Acadia, Mount Royal and blanket policy.

Vancouver, November 3rd.—1374 Robson Street; owner and occupant, Dr. J. H. Jones; wood dwelling; value of building \$5,500, insurance on same, not stated; value of contents \$6,500, insurance on same \$5,000; total loss, \$2,575; cause, defective fireplace. Northern.

Trail, November 20.—East Trail; owner and occupant, A. McLeod; wood dwelling; value of building \$800, insurance on same \$500; value of contents \$1,800, insurance on same \$1,000; total loss, \$2,600; cause, Queen Heater. London & Lancashire, London.

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## English Experience with State Insurance

### A. W. Wamsley of the Royal Exchange Explains Why It Is Not Recommended There—British Decision of Far-Reaching Significance.

Mr. A. W. Wamsley of the Royal Exchange of England, who is a visitor in the United States, was a guest at the convention of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents at White Sulphur Springs, West Virginia, the latter part of September.

Mr. Wamsley gave some first-hand information to the convention concerning England's experience with "State" compensation. It is especially interesting for the reason that advocates of state insurance in this country frequently declare in their arguments for it that England "finds state insurance much more satisfactory than that provided by stock and mutual companies." He said:

"About a year ago the British Government decided that it was necessary to pass a new Workmen's Compensation Act, but before bringing it before parliament it was thought necessary to appoint a committee to inquire, among other things, into the desirability of creating a monopolistic state fund to undertake the insurance of employers. This committee included among its members representatives of the Home Department of the Government, employers of labor and trades unions. The committee had many sessions and interviewed hundreds of witnesses who gave evidence on behalf of the various interests concerned. The interests of the casualty insurance companies were taken care of by the "Accident Offices Association," which is a conference of all the leading casualty companies, commonly called the "tariff companies." This association fixes rates of premium, commissions and also the policy conditions of the companies, and generally regulates the conduct of the various principal classes of casualty insurance.

"At first it seemed likely that there would be great difficulty in combating the idea of state insurance, and the gentlemen who were delegated to act on behalf of the accident offices association were very active in getting together witnesses whose evidence would go to prove that a system of state insurance was both undesired and unnecessary.

"In the course of the inquiry it was soon evident that employers of labor were unanimously opposed to any form of state interference with insurance, in fact every important employer who was called before the committee, and all the representatives of the big federations of employers, gave evidence without exception, that the insurance companies had in the past done the business promptly, efficiently and generously, and that they, the employers, did not see how the business could possibly be done with equal efficiency and with so much satisfaction to employers and workmen by any government department.

"Fortunately the trades' union representatives also testified to the fact that they were satisfied with the methods of the companies, and that workmen had no cause for complaint as to the way in which the stock companies had handled their claims. The result was that the committee, with practical unanimity, resolved to recommend to the Government to leave the workmen's compensation in the hands of the companies—stock and mutual—as hitherto. One outcome of the deliberations of the committee was that an agreement was made between the committee and the "Accident Offices Association" to the effect that if the Government decided to adopt the recommendations of the committee the companies would submit to certain limitations and regulations more particularly as to the profits they were to be allowed to make out of the business. It is true that this agreement involves an entirely new principle

so far as British insurance is concerned, but on the whole it was considered by all concerned to be fair and reasonable. It was a big fight, and at times the issue seemed to be in the balance, but the opposition of employers, combined with the fact that state insurance of workmen's compensation in other countries could not be considered by any means an unqualified success, was the deciding factor.

"In their efforts to establish the fact that state insurance in America was satisfactory to no one—least of all the workmen—the representatives of the Accident Offices Association received invaluable help from Mr. G. C. Sone of Boston, who came to England specially to appear before the committee and gave very complete and convincing evidence on the subject. It is hoped and believed that the British Government will adopt the recommendations of the committee and that this far-reaching decision will help to check the tendency in other parts of the world in favor of state insurance, and give food for serious thought to those who are inclined to believe that the state can satisfactorily undertake important commercial functions which in fact can only be efficiently carried out by those who have made a lifelong study of the problems involved."

### DEATH OF ROBERT SCOTT DAY

Mr. Robert Scott Day, of Victoria, died on Sunday, December 5th, following a severe accident which he sustained just outside of the Empress Hotel, where he was to attend the annual ball of the Jubilee Hospital, of which he was chairman of the board of directors. In parking his car at the entrance of the hotel, he accidentally fell over the parapet where he lay for nearly an hour before he was found. Severe injuries were sustained. He was taken to the hospital where he was rapidly recovering when a relapse occurred and he passed away eight days after the accident. The late Mr. Day was one of the best known insurance men in the province. His loss to the profession comes as a shock and he will be severely missed for a prolonged period. As general agent of the Guardian Assurance Co. of London, England, he travelled extensively through the province, visiting his local agents and keeping in personal touch with the large insurance business he controlled. On the recent amalgamation of the Mainland Fire Underwriters' Association and the Vancouver Island Fire Underwriters' Association, such was the general confidence in his judgment and common sense that he was unanimously selected president of the combined boards under the name of the British Columbia Fire Underwriters' Association, with headquarters in Vancouver. It was a further tribute to him in this election since he was one of those most prominent in the amalgamation.

The late Mr. Day was born in 1858 in Cork, Ireland. He was educated at Queen's College and later was graduated as a civil engineer. He spent three years in the development of the Kimberley mines in South Africa, and in 1891 arrived in Victoria, where he has continuously made his residence. A man of broad sympathies and high ideals of the responsibilities of citizenship, he has been a potent factor in the development of his adopted home. He took especial interest in the development of the Jubilee Hospital in Victoria, of which he was the chairman for several years. His innate kindness and broad sympathies brought him in contact with practically all public movements of the day in Victoria and Vancouver Island, and his influence was felt along special lines throughout the Province. He was beloved by a large circle of personal friends, a great many of whom are in the insurance profession and who held him in the highest esteem and will long treasure his memory.



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### MR. H. H. LAMBERT, OF GUARDIAN ASSURANCE, ON TRIP

Mr. H. M. Lambert, of Montreal, Canadian manager of the Guardian Assurance Co. of London, England, has arrived in the province in connection with business of the company which will need some re-arrangement due to the death of his friend and general agent, the late Mr. R. S. Day. Mr. Lambert tried to be on hand to pay his last respects at the time of Mr. Day's funeral, which was held in Victoria on December 9th, but could not arrive in time. He spoke very highly of Mr. Day and the close association they have had together for the last two decades, and paid a warm tribute to his sterling character.

Mr. Lambert, in discussing conditions in the insurance world, was very pleased with the progress which the insurance business had made during the year. While the business during 1920 was very good, he expected some slackening off with the new year on account of the period of readjustment the country was at present going through, which he considered healthy and sound, and from it would rise more stable and better conditions. He expects to leave early in the week for Montreal.

### MR. T. W. GREER ELECTED INSURANCE HEAD

At a meeting of the British Columbia Fire Underwriters' Association held shortly after the funeral of Mr. Day, the late president, Mr. T. W. Greer, general manager of the Pacific Coast Fire Insurance Co., and Canadian

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manager of the Century Insurance Co. of Edinburgh, Scotland, and the Vulcan Fire Insurance Co., of San Francisco, California, was elected president in succession to the late Mr. Day. Mr. William Thompson, British Columbia manager of the London & Lancashire Fire Insurance Co., was elected vice-president, succeeding Mr. Greer on his advancement to the presidency.

#### DOMINION DEBT INCREASED LAST MONTH

In spite of higher revenues, there was again last month an increase in the net national debt. Heavy payment of interest on war loans were chiefly responsible for the higher expenditures, total interest payments last month amounting to nearly \$35,000,000, as compared with less than \$23,000,000 in November, 1919. Both for the month and for the eight months ended November 30, ordinary revenue shows a heavy increase over last year. In November, 1920, ordinary revenue totalled \$39,517,313; in November, 1919, \$31,618,701. During the eight months ended November 30 ordinary revenue totalled: 1920, \$296,099,281; 1919, \$218,027,495.

The greatest individual increase was in inland revenue—inclusive of the new luxury and sales taxes, etc. Last month it was nearly \$10,000,000, rather more than the inland revenue for the whole eight months of last year. Inland revenue during the eight months of this year has yielded \$48,967,363; in the corresponding months of last year it yielded \$9,967,127. Business profits tax for the same period shows an increase of about \$60,000 over last year. Income tax for the eight months of this year was \$9,142,990, a very satisfactory increase over the \$2,343,957 collected in the corresponding period of 1919.

Ordinary expenditures during the two eight-month period preceding was: 1920, \$238,348,909; 1919, \$202,536,128. Capital expenditure, 1920, \$27,012,947; 1919, \$251,119,990. The heavy decrease in capital expenditure was of course due to reduced war expenditure.

Net debt increased during November by \$26,012,297. The net debt now stands at \$2,299,903,103. No credit is taken for non-active assets.

#### RECENT DEBENTURE BY-LAWS APPROVED

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:

November 18, 1920—The Corporation of the District of Saanich—"Saanich War Memorial Health Centre By-law," No. 207, \$25,000.00, payable March 1st, 1930, with interest at 5½%, payable half-yearly.

December 2, 1920—City of Armstrong—"Fire Protection Loan By-law, 1920," No. 81, \$10,000.00, payable September 1st, 1940, with interest at 6%, payable half-yearly.

December 3, 1920—The Corporation of the District of Summerland—"School Loan By-law, 1920," No. 125, \$3,000.00, payable November 1st, 1930, with interest at 6%, payable half-yearly.

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By Order of the Board,

WILLIAM HARVEY,  
Managing Director.

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## MR. SMELLIE RESIGNS AS HEAD OF ASSOCIATION

At a meeting of the Mortgage & Trusts Association of British Columbia, held in Vancouver on November 27th, the president, Mr. George L. Smellie, manager for British Columbia of the Canada Permanent Mortgage Corporation, placed his resignation before the meeting. Mr. Smellie was requested to reconsider his resignation until the next annual meeting which will be held in April, 1921. He pointed out that, since he was retiring from business on February 1st, 1921, he thought that it would be the wisest thing to have the meeting accept his resignation at the present time. In deference to his wishes, the meeting accepted his resignation with regret.

Mr. R. Kerr Houlgate, general manager of Vancouver Financial Corporation, was elected to succeed Mr. Smellie for the unexpired term. Mr. Smellie's absence in councils will be much missed by this important Association. His common sense and strong grasp of principles involved, was heavily relied on by the Association. In the person of Mr. R. Kerr Houlgate, the Association has a strong leader who will ably carry on the unfinished term of Mr. Smellie.

Mr. John B. Woodthorpe, resident partner in Vancouver of the firm of Woodthorpe, Bevan & Co., chartered accountants, has been appointed an authorized trustee under the Bankruptcy Act by the Governor-General-in-Council, Ottawa.

Mr. George Rorie, of the firm of Rorie & Small, chartered accountants and auditors, 208 London Building, Vancouver, has opened a branch of the firm in Prince Rupert, where for the present he will be the resident partner of the firm.

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## GENERAL PRINCIPLES AND REAL ESTATE TAXATION

(Continued From Page 6.)

### 2. Taxation of tangible personal property.

Everywhere the direct taxation of tangible personal property has disappeared, is disappearing or is doomed to disappear. The business tax, one of its several bases, or the income tax or both is surely replacing it.

The first report of the B. C. Board of Taxation, April, 1918, contains the following in its section on the personal property tax:

"The inequality of the value of the personal property used in the different lines of production to produce equal values is too well known to need pointing out, and as it is the value of the things produced and not the value of the means used in the production that gives the ability to pay; it is the former and not the latter which should be the basis of taxation in order to make it equitable.

"And it is equally well known that the movement of goods from the producers or manufacturers to the merchants and traders and through them to the consumers, is as different as between one kind of goods and another that to tax the producer or manufacturer or the merchant or trader on the value of the goods the assessor may happen to find in his possession at one period in each year is so manifestly unfair that to pursue it is an offence to all sense of justice, and points out to the taxation of profits made by those engaged in the production and distribution of the goods as the most equitable system of taxation." Prof. Edwin R. A. Seligman in his presidential address before the ninth annual conference of the National Tax Association, said, "It is obvious that it would be every way desirable to abolish entirely the taxation of personal property and to have the income tax serve as a substitute therefore."

Professor Haig in his report to the Board states with regard to the provincial personal property tax that "exemptions have been granted so liberally as to reduce the tax on personal property from a general tax to what is practically mainly a tax on stock in trade," i.e., a very inequitable business tax. Its status as an alternative to a tax on net income does not remove the inequity of the tax. It is evident that the municipality cannot look to an extension of taxation on personal property, either through taxation of categories exempted by the province, or an additional levy on those already taxed. This would only be adding insult to injury. At the same time, the services rendered to personal property by city services such as fire and police are very real. Business should therefore pay the municipality some equitable substitute for a personal property tax. The basis of this tax should be net income. If a business has not net income, it will soon cease to be a business. But, if it is felt that some payment should be made even by unproductive or dying concerns, a minimum payment can be established for the business tax. This would be much fairer than the existing tax on personal property used in business.

### 3. Taxation of real estate.

#### A. Real estate the mainstay of civic finance.

As the report of the Manitoba Assessment and Taxation Commission (1919) tersely states: "Both abstract reasoning and historical experience justify the conclusion that the mainstay of the local revenue system must be the real property tax." In his address on municipal taxation of intangible wealth before the National Conference on State and Local Taxation, 1907, Prof. Hollander of Johns Hopkins University, stated: "In so far as property means real estate, that is, land and improvements, there is no serious divergence between the experience of practical administrators of municipal affairs and the opinion of careful students of municipal economics. The sentiment of both is—that the equitable assessment of real estate is the very foundation of the city's credit and the basis of the economic welfare."

It is the opinion of the writer that inasmuch as real property taxation has a purely local basis, is best administered locally and is the sheet anchor of the security for local indebtedness, it is and will continue to be the main reliance of municipal finance.

#### (b) Rental values vs. capital values as the tax base.

As to the substitution of rental values for capital values as a basis for taxing real property, the writer can best state his views by quoting the following extract from a communication of Professor Bullock to Chairman Wood, of the Manitoba Commission: "Your levy is on the value of the land and not on the annual rentals, and this is by far the best method of taxing land and buildings in such countries as Canada and the United States." The Manitoba Commission states that it "cannot in view of the fiscal history, existing conditions and prevailing ideas of the Canadian people, advise a departure from the present system under which real estate is assessed for taxation on its capital value."

#### (c) Exemptions on assessed value of improvements

As to the reduction of the exemption on improvements, the writer believes that, at least under existing conditions, this would be a mistake and would work injustices in certain cases inasmuch as many properties were erected under a condition of complete exemption of improvements, a condition which quite excusably builders and purchasers regarded as permanent. In such cases, the buyer of property would not have the full benefit of the theoretical reduction in the purchase price due to the capitalization of prospective taxes and he would have to bear not only that part of the taxes which he had anticipated and provided for in the purchase price, but that part of the taxes which he did not anticipate and made no allowance for. It is beside the mark to say that there was no contract that the base of taxation would not be changed. There is an element of moral obligation in the matter which can not safely be lightly set aside. To any bad guesses as to the increase in tax rate on the basis of assessment existing at the time of purchase, the rule "caveat emptor" applies.

The argument for increase or non-reduction of the exemption based on the "penalization" argument has not the weight that is sometimes given to it. A similar argument can be applied to business taxation, excess profit taxes and even income taxes. The argument has been overworked. It is, of course, true that taxation should be equal and just but to the degree that real estate taxes are "beneficial" taxes, the question of penalization of enterprise which leads to general municipal benefits should not be raised. Insofar as they are "onerous" and in proportion to faculty, there is no just basis for the demand for further exemption. A man is not penalized, even if he has done much for his city, when he pays a just price for food or clothing. He is not penalized when he pays a just proportion of taxes to keep up city services. Every citizen contributes to the building up of a city—or at least he should—and has no just claim to partial exemption from taxation on that account. The city has done as much for him as he has done for the city—always granted normal conditions. If the city were to stop taxing everyone who contributes to its well-being, municipal revenue would disappear.

Neither should a contemplated broadening of the tax base be put on the basis of sympathy for or justice to the property owner, but on broad grounds of public policy. Not what is good for the property owner, but what is good for the body politic should be the deciding factor. The same argument is applicable to any object to taxation. The undue consideration of personal, sectional or special interests can only obscure the real issue and militate against the just and efficient solution of local taxation problems.

Some legislative remedy should be found by which Government property in a municipality—Dominion or provincial—should not remain entirely free from taxation. There does not seem any sufficient reason why a post office building should entirely escape paying for such services as



police and fire while an express company building is assessed for these and other services. This is of course a nation-wide and even world-wide condition. A little consideration will show that the taxation of Government property does not involve simply changing money from one pocket to another.

It should be borne in mind that a joint provincial-municipal income tax, insofar as this would effect the net income real estate, would tend to compensate for the exemption of a part of the assessed capital value of improvements from taxation.

(d) The injustice of inequitable assessment of real property.

Whatever the local experience in the matter, the most common general complaint everywhere is not so much that real estate as a whole is unfairly taxed but that assessments are frequently unequal as between different properties.

The complete equalization of assessments would, in many cities, remove a large percentage of the justifiable complaints of property owners, entirely apart from a reduction in the tax rate. It should go without saying that Courts of Revision should be entirely independent of the city administration as far as this can be effected.

In general, taking the country as a whole, local assessment departments are handicapped by insufficient expert staff or by inadequate salaries or by both. It is the conviction of the writer that entirely satisfactory conditions will not be universally attained until each province establishes a permanent commission of assessment and taxation made up of full-time specialists, entirely removed from politics, said commission being given the necessary machinery to act in an advisory and supervisory capacity to local assessment departments. As will be set forth later, these commissions would also be the executive department of the provincial Governments for the administration of their revenue producing machinery and their advisors as to reforms in taxation and assessment.

(e) The shifting and incidence of real property taxation.

An excellent summary discussion of the shifting and incidence of taxation is to be found in the report of the Manitoba Assessment and Taxation Commission (1919). The whole problem is complicated and impossible of adequate treatment in this report, but is so important that references must be made to the opinions of those having the best right to have opinions. The basis of the references herein contained is the Manitoba report. It will be necessary to quote from it to illustrate also what is meant by "beneficial and onerous" taxation. "The services which our municipal Governments are called on to perform, fall, broadly speaking, into two distinct classes or groups: specific and general services, respectively."

The first class includes those services which mainly concern the inhabitants of the locality, and which confer on the local taxpayers as a whole a direct and peculiar benefit to the groups who benefit from the expenditure on water supply, fire, protection, public lighting, cleaning, drainage, provision and maintenance of streets and sidewalks or public parks."

"The chief gain of local expenditures accrues to those who own property in the district. Some advantages may be more evident in their effects than others, but in a broad general way, the advantage of a locality means an advance in the rent of its area."

"But other classes, as well as real estate owners, share the benefits of local expenditures. Next to the owners of land and houses in this respect are those engaged in permanent occupations in the locality. The real estate tax should, therefore, be supplemented by a business tax, in the shape of a real tax, rather than a personal tax."

"When we turn to the second class of services rendered by the municipal Government those of a general or national character, such as education, poor relief, police protection, public health administration and the administration of jus-

tice—the doctrine of taxation in proportion to service becomes wholly inapplicable—services of this class are not primarily of an economic character and the benefit accruing from them is not confined to the residents of the municipality that furnishes them, but is more or less diffused throughout the nation. They must, therefore, be provided for by the imposition of taxes in their nature onerous to the local taxpayer; and for the equitable distribution of such burdens taxation in proportion to faculty or ability to pay is the recognized ideal."

In general in distributing the burden of even "beneficial rates" between individuals, recourse must be had to the fundamental principle enunciated by Adam Smith's famous Canon of Equality—the principle of taxation in proportion to faculty or ability to pay.

"The present holders of real property have bought it subject to the tax burden, and in the price paid for it, they have doubtless taken into account not merely the actual value of the tax at the time of purchase, but the discounted value of any expectation of a rise in the rate. To that extent they do not bear the burden of the tax, and are merely paying in installments as taxes what they would otherwise have to pay in the shape of a higher price for the property.

"That part of the real property tax which fall as an onerous tax on building value, as distinct from the value of the site, and which is really a tax on the ordinary profits of the building, will if balanced, be a corresponding tax on other species of income, tend to rest on building profits.

"On the other hand, a tax on building values not so balanced is a tax on a particular species of property or income and will tend through the withdrawal of capital from building to be shifted in the form of a rise in rent to the tenant and occupier of the dwelling-house on business premises; and in the latter case, ultimately to the purchasers of goods or services supplied, through a rise in their price.

"But insofar as the real property tax is an onerous tax on land value, apart from improvements, it rests on the owner of the land. It cannot be shifted to the tenant or occupier by raising the rent, so far as this is determined by competition. The competitive rent paid by the tenant for the rise of the land is the measure of the differential advantage he thereby obtains, and an onerous tax can have no tendency to increase the advantage.

"Nor could owner and occupier together, in the case of business premises, shift the tax on site value to the consumer of commodities or services supplied, for that would mean that they could make a monopoly price, in which case they would have done so before.

"Insofar, however, as the tax on land value is a beneficial or remunerative rate, the expenditure of the revenue it yields enhances the differential advantage of the site, and the tax is thus ultimately paid by the occupier, but is no real burden to him.

"It follows (on the above principles, applied to recent conditions in Canada) that the tendency has been for the tax on building value to be borne by the occupier. So far as the rate is beneficial, it is again no real burden on the occupier, but it is otherwise so far as the rate is onerous."

In any event, "the extent to which the burden of the tax can be shifted to the tenant at any given time, depends on the demand for, compared with the supply of buildings."

It may be said, that even granted that the occupier pays a large part of the tax through his rent, a relative decrease of this tax through the imposition of personal income and business taxes, will tend to decrease the amount of tax the tenant pays through his rent as the amount of his direct income and business taxes increases. It represents the conversion of a portion of indirect taxation to the direct form and constitutes insofar as a direct benefit to the body politic through the resulting psychological and educational effects.



**ANNUAL MEETING OF THE BANK OF MONTREAL.**

The 103rd Annual General Meeting of the Shareholders of the Bank of Montreal was held on Monday, December 6th, at the Bank's headquarters. The President, Sir Vincent Meredith, Bart., occupied the chair and presented the annual report of the Directors. This showed that the profits for the year ended 30th October, 1920, after deducting charges of management and making full provision for all bad and doubtful debts, amounted to \$4,033,995.60. To this was added a balance of profit and loss account, brought forward from the previous year, of \$1,812,854.43, and \$1,000,000.00 premium on new stock, making a total of \$6,846,850.03. Dividend disbursements at the rate of 12% per annum, together with a bonus of 2%, amounted to \$2,960,000.00. To this was added \$2,000,000.00 credited to rest account; \$210,000.00 war tax on bank note circulation; and \$425,000.00 reservation for bank premiums; making a total deduction of \$5,595,000.00, and leaving a balance of profit and loss to be carried forward of \$1,251,850.13. During the year 16 new branches had been opened and one branch closed.

Before moving the adoption of the report, Sir Vincent Meredith gave a comprehensive review of the economic situation. During the year, he said, an overwhelming demand for credit had taxed resources to the utmost. It had been difficult to make men who had grown accustomed to high prices recognize the fact that economic conditions, which no artificial means can alter, alone are the cause of price decline. "The demand for intervention through Government control is still insistent in some quarters," he said. "Canada alone cannot control world-wide conditions, and it is idle to turn to the Government for relief from falling prices. This applies to wheat as well as to other commodities."

Summing up, he said: "The situation in Canada at present, as I view it, is that while there does not appear to be any cause for apprehension, there is every reason for the exercise of the utmost measure of caution. Canada cannot disassociate herself from world conditions, and world conditions are not satisfactory. On this continent the two years supervening upon the Armistice have been marked by unexampled trade activity and prosperity, a circumstance common to the conclusion of all great wars, but the reaction has set in and may not yet be in full play. Happily, Canada is well buttressed on many sides, and the exercise of prudence and sagacity should enable her to meet the shock of falling prices, restricted credits and deflated currency, without serious impairment of her commercial and financial vitality."

**Expansion of Business in Canada**

The general manager, Sir Frederick Williams-Taylor, in reviewing the operations of the bank during the year, said the payment of a bonus of 2% to the shareholders was not the outcome of higher rates of interest on current loans in Canada but a reflection of the increase in current loans and of high interest rates on call loans in New York, the volume of which was governed by the bank's requirements in liquid reserves. One anomaly which attracted attention was that with credit restriction as acute here as it was across the line, the price of money was materially lower in the Dominion. This condition, he said, was regarded as a tribute to Canada's good banking system.

Dealing with the growth of the bank's operations, he said: "It is noteworthy that the greatest expansion of the bank during the past few years has been in our own country. This is revealed in our greatly increased loans and deposits in Canada and in the number of branches opened during the period.

	Loans in Canada	Deposits in Canada	Branches in Canada
1914 .....	\$123,147,000	\$168,557,000	173
1920 .....	240,725,000	358,878,000	302

The annual report was unanimously adopted and the retiring directors were re-elected. The shareholders gave approval to the motion by Lord Shaughnessy to increase the number of directors from 16 to 18 and to the two new positions on the Board were elected Sir Lomer Gouin and General Sir Arthur Currie.

At a subsequent meeting of directors, Sir Vincent Meredith, Bart., was re-elected president, and Sir Charles Gordon, G.B.E., was re-elected vice-president.

**UNION STEAMSHIP COMPANY ABSORBS TERMINAL**

Announcement is made of the sale of the Terminal Steam Navigation Co. to the Union Steamship Co. of B.C. No official statement has been made of the figure that is the basis of the sale, but it is understood to be well into the hundreds of thousands of dollars.

The deal is the largest in shipping affairs in Vancouver this year. It has been pending for some weeks. On Wednesday of last week Captain J. A. Cates made his last trip to Howe Sound as head of his own steamship business.

Not only is his line of steamers included in the sale, but the entire park and farm property at Bowen Island now goes to the Union S.S. Co. The Terminal Co.'s outfit it, in fact, disposed of, lock, stock and barrel. Even the blooded Holsteins, with which Captain Cates has been making dairy history on his farm, are included in the deal.

The Union Steamship Co. of B.C., through General Manager John Barnsley, announced that it had arranged to take over the steamers and plant of the Terminal Steam Navigation Co., and the necessary papers will be signed on December 15. About \$250,000 is involved.

A new steel steamer to carry 1,200 passengers, and with a speed of 14 knots, is to be built at a cost of \$200,000 to \$225,000, and preference will be given to British Columbia shipyards, all things being equal. This vessel, however, cannot be ready before 1922, so next year the Howe Sound run will be catered to by the Bowena and the Capilano, with the assistance of a freight steamer.



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### B.C.E.R. TO TAKE OVER WESTERN POWER

In a deal by way of debenture guarantees representing between \$7,000,000 and \$8,000,000, the British Columbia Electric Railway is acquiring control of the Western Canada Power Co. In New York City, on December 23rd, the Western Canada directorate will resign, to be replaced by administrative officers of the B.C.E.R., headed by Mr. George Kidd, general manager.

In a statement Mr. Kidd said: "I suppose there is no particular secrecy now regarding this matter. We have acquired the control of the Western Canada Power Co. and arrangements for the transfer are practically settled. The Western Canada Power holdings are to be paid for by the B.C.E.R. guaranteeing the debentures of the other company."

"This does not necessarily mean that there will be new installations or extra development, but it is realized that we are getting to the point where there must be conservation of power facilities. Mr. Surveyor, an hydro-electric engineer and expert, was here for quite a while before my departure for the East, investigating the Western Canada Power Co.'s holdings and opportunities. His report was favorable, that economic, satisfactory development could be made. His report also was favorable with regard to the possibilities of the 'second development.' By the 'second development,' I mean the proposal that the water used in Stave River at the present time may be again used in the run-off on the river's lower reaches.

"This 'second development' would cost about \$8,000,000 and would take two or three years to prepare. It is a question of finance which makes this development out of the question at the present time. Financing new development by the B.C. Electric Railway is an utter impossibility, so long as the question of street car fares is so unsettled and unstable. Until the fare is settled by the authorities large developments can not be considered. We have been criticized freely by various commissions also for not having more power reserves, but to have built within the past two or three years, under the excessive costs, would have been entirely out of the question. The unstable fare and the inability to secure English capital both for this reason and the prevailing rate of exchange and the fact that English money is drawing good interest in England, make our development out of the question for the present."

### LABOR STATISTICS IN BRITISH COLUMBIA

For the week ending November 20th employment returns were tabulated from 551 firms in British Columbia with a combined payroll of 61,269 persons, showing that since the end of the preceding week they had reduced their staffs by 539 employees or nine-tenths of one per cent. In this comparison there were increases in 9 industrial groups amounting to 557 workers, while firms in 17 groups had reductions aggregating 1,096 persons. A reduction for the week under review had been anticipated on the returns for November 13, but the statements for this week indicate a somewhat smaller decline than that expected. For the following week, however, a further and larger decrease in employment was expected.

As compared with the statements for January 17 there were increases in 20 industrial groups amounting to 4,603 workers. As firms in 6 groups, however, had reduced their staffs by 4,141 employees, the net increase in the number of employed by these 551 concerns was 462 persons, or eight-tenths of one per cent.

Important increases as compared with the returns for November 13 occurred in retail trade and water transportation, that of 363 persons in the latter being the larger. For the following week a further though slight increase was expected in this group, while firms in retail trade



anticipated that, on the whole, their staffs would remain stationary.

As compared with their statements for the preceding week large increases in employment were registered by firms in logging, lumber and its products and metallic ores, that of 389 persons in the first named being the largest. The decreases in logging and lumber and its products may be attributed to the market conditions prevailing at the present time in British Columbia. In metallic ores, most of the reductions were reported by two firms in the mining and smelting sub-group.

For the week ending November 27 some recovery from the losses of the week under review was expected in logging, but in lumber and its products and metallic ores further decreases were anticipated. With the exception of a proposed reduction of nearly 500 persons in railway construction, due to seasonal causes, the changes in the remaining minus groups, both actual and estimated, were slight.

As compared with returns from identical concerns for January 17 increases in staffs ranging from 100 to 1,200 persons were recorded in railway and building construction, clay, glass and stone products, nonferrous metal products, pulp and paper, coal mining, metallic ores, telephone operation, retail and wholesale trade, railway and water transportation, that in the first named being the largest.

The most pronounced decline as compared with the January 17 figures occurred in iron and steel products, where 2,362 persons were released from employment, largely in the vehicle sub-group. In logging, lumber and its products and edible plant products there were declines in this comparison ranging from 100 to 1,000 persons.

#### PAPER OPERATORS TO MANAGE WHALEN PROPERTIES

Mr. A. E. McMaster, acting manager of the Whalen Pulp & Paper Co., has issued the following announcement:

"At a meeting of the special committee of the directors of the Whalen Pulp & Paper Mills, Ltd., at Toronto, yesterday, it was decided to engage the services of the Reliance Mill & Trading Corporation of New York to take charge of the manufacturing end of the business.

"Recently Messrs. McGarry, Ross and Whalen, directors of the company, visited the plant and their visit was followed by a careful inspection by special sulphite experts. As a result the directors have decided upon the course mentioned above. At the head of the Reliance Mill & Trading Corporation is Mr. John Ball, president, who was formerly with Price Bros. & Co., of Quebec, and who has an international reputation as a prominent pulp and paper manufacturer. The vice-president of the corporation is Mr. U. M. Waite, who was for some years pulp mill manager of the International Paper Co. and also of the Great Northern Paper Co. Both men are to take personal charge of the operations in British Columbia and will be assisted by Mr. Carrigan, who has had a number of years' experience in the manufacture of sulphite, and who is considered one of the most expert sulphite men in America.

"The Whalen Pulp & Paper Mills, Ltd., own three different plants, one located at Swanson Bay, one at Port Alice and one on Howe Sound. All are situated at tide-water and are capable together of a production of 70,000 tons per annum. It is the policy of the new management to manufacture up to the limit of capacity. Mr. T. W. McGarry, president of the company, is on his way to Vancouver to take personal charge, which will take place immediately. The prospects of the Whalen Co. are exceedingly bright, and it is expected that further announcements of importance will be made shortly after Mr. McGarry's arrival at the Coast."



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# Mining Throughout British Columbia

Receipts at Trail Smelter—Dr. Collins Heads Geological Survey—A Recent Bond—Phoenix Smelter Position—Alice Arm Notes.

The following is a list of the ore received at Trail smelter during the week ending December 7th, 1920:

Mine.	Location.	Net Tons
Bluebell, Riondel .....		203
Canada Copper, Allenby .....		80
Horn Silver, Chopaka .....		53
Josie, Rossland .....		281
Knob Hill, Republic .....		56
North Star, Kimberley .....		173
Silver Cup, Gerrard .....		14
Velvet, Velvet .....		28
Company Mines .....		11,614
Total .....		12,502

Dr. W. H. Collins has recently been appointed director of the Geological Survey of Canada, succeeding William McInnes, who has held that position since 1914.

Dr. Collins is an alumnus of Toronto University, and received his post-graduate training at the University of Wisconsin, from which he obtained the degree of doctor of philosophy. He has been a member of the staff of the geological survey since 1902, and has done his field work exclusively in Northern Ontario, where he made a specialty of pre-Cambrian geology. He is one of the foremost Canadian authorities on the geology of the great Laurentian Shield, that enormous V-shaped area of pre-Cambrian rocks, some of them the most ancient of the globe, which surrounds Hudson Bay. The location in this area of such world-famous deposits as those of Sudbury, Cobalt and Porcupine, not to mention the new discoveries in Northern Manitoba, is a sufficient index of its importance as a future producer of mineral wealth.

Although Dr. Collins has not done any field work in British Columbia he visited this province as a member of the International Geological Congress of 1913, and is familiar with the problems presented by the complicated geology of this Cordilleran region, not only from first hand information gained at that time, but from frequent discussions with the members of the staff working in British Columbia.

Among his fellow geologists of the survey Dr. Collins is known as a quiet, earnest, thorough investigator, with a broad knowledge of his science, and a sympathetic interest in the work of his associates. His promotion is a most popular one.

A lease has been taken by a group of six Ainsworth men on the No. 1 mine, of that camp, owned by the Consolidated Mining & Smelting Co. of Canada, and the work was recommenced on the property recently, according to arrivals from Ainsworth, says the Nelson News. The group of leasers consists of Thomas Haws, George McPherson, Joseph Haws, Glenn McLeod, E. McLellan, and D. McLellan. This mine was formerly an important producer, and some great stopes were chambered out. It is situated high up the mountain, back of Ainsworth, about eight miles by the wagon road, and is equipped with a tram to the landing at Cedar Creek. Both tram and compressor are included in the lease. It has been the property of the Consolidated for about eight years.

Directors of the Consolidated Mining & Smelting Company, Ltd., at their quarterly meeting held December 7th, decided to defer action on the dividend for the last quarter of 1920, which terminates the fiscal year of the enterprise, until the inventories are taken and valued at the end of the period.

Mr. P. B. Freeland, District Mining Engineer for the Province, writing in the Grand Forks Gazette with regard to the Phoenix operations of Granby as follows:

"If I may be permitted to take up valuable space in your paper, I think that the following explanation of the Granby Company's operations and tonnage estimates at Phoenix may be of interest to some of your readers.

"The total amount was 16,400,422 tons, out of which 15,391,910 tons represented the average grade and 1,008,512 tons the low grade ore. The total amount shipped to the smelter until June 18th, 1919, was 13,886,785, which left 2,513,637 tons of ore in the mine. From this 2,513,637 tons, 207,685 tons must be deducted, representing the remainder of the low grade ore which can only be mined under extraordinary conditions such as those brought about by the war. This deduction leaves a total of 2,305,952 tons of average grade ore, whether recoverable or not. In all mining operations there is a stoping loss, especially in the larger mines where pillars are used to hold the ground. It is impossible to set any definite percentage for this loss, until a mine is entirely worked out, but the accepted figure is between 10% and 12% of the total tonnage available. In the case of the Granby Co's. mines at Phoenix, 10% was taken, which gives a stoping loss of 1,640,042 tons.

"This amount deducted from 2,305,952 leaves 665,912 tons of available ore in the mine.

"It is estimated by the company, that this ore could not be mined and smelted profitably for any length of time when the production costs were so high, and the mining of this ore which was distributed in comparative small amounts over a large area required the upkeep of an expensive overhead. The necessity of this overhead may be explained in the following way: The original outlay of the plant, track, hoists, etc., was planned to operate large tonnage. To put this plant on a small tonnage basis necessitated a considerable alteration which was too costly to be entertained.

"The widely distributed small ore bodies remaining in the mine prohibited breaking any large tonnage at the same time, which meant that only a comparatively small tonnage could be shipped to the smelter daily.

"The cost of operating the smelter on a reduced scale, built on a large tonnage basis, would be almost prohibitive for the same reasons that apply to the mine at Phoenix.

"The concentration of the 665,912 tons of ore remaining in the mine was considered by the company and after an outlay of \$70,000 for a new 75 ton per day plant plus the cost of moving crushers, etc., from the old plant to the new, it was estimated that the total cost of mining and treatment would be about 18.70 cents per pound of copper produced. As the price of copper was, at that time, between 18 cents and 19 cents, there was no margin of profit. Since then copper prices have dropped to a figure between 14 cents and 15 cents, and the prices of materials, etc., still remain high.

"Thanks are due to Mr. C. M. Campbell, Supt. of the Granby Co's. mines at Phoenix, for the figures used in this article.

"Trusting that the above will assist those who have entertained any doubts regarding the amount of ore left in the Phoenix Mines, and will also lay before those interested the viewpoint of the stockholders which is so often overlooked."

The Canada Copper Corporation closed their mine at Copper Mountain on Thursday, December 9, and the mill at Allenby will close down as soon as the work of cleaning up can be properly carried out. Already nearly all the men have left the mine, and those who remain are engaged in the work of putting it into such shape that everything will be in proper condition when the time comes for operations to be resumed.

An official announcement by the company states that it was necessary to close down owing to the drop in the price of copper. It is expected, however, that operations will be resumed in the spring.



Most of the single men employed at the mine have already gone away, but the married men appear to be undecided yet as to what they will do.

The Prince Rupert News says: High grade silver ore running 300 ounces to the ton was struck at the North Star mine, Alice Arm, a few days ago, according to D. Zarelli, who arrived from the Arm. This rich ore is the general run and specially picked stuff runs to far greater values than this.

Mr. Zarelli states that he and James McAleenan, the owners, are going to have 15 men working on this mine all winter instead of the present staff of six. Ten horses are to be taken up to the mine and these will be used throughout the winter in taking the ore from the North Star down to the grade of the Dolly Varden Railroad. The ore will lie there all winter and by spring they expect to have 15,000 or 20,000 tons ready for shipment down the railroad to the wharf and thence to Granby smelter.

Recent heavy snows in the hills prevents further surface prospecting this year in the Alice Arm district. Work underground will continue on a large number of claims during the winter months. It is understood the Dolly Varden will keep about eighty men employed, while good sized forces will work at the Moose, Wolf and Bellevue properties.

Boyle Bros., who have been running diamond drills on the Dolly Varden property for several weeks, will complete their work soon.

The excellent showing made in developing the Bellevue property has created considerable outside interest in the Alliance section of the district. Negotiations are now pending with the view to the bonding of several claims.

Miles Donald, Manager of the La Rose, reports that work has been discontinued on that property for the season.

Shipments of ore from the Dolly Varden mine to the Granby smelter continue at the rate of about two hundred tons per day. In addition to these shipments, periodical shipments of sacked high grade ore are forwarded to the Tacoma Smelter. The total output for 1920 from this mine alone will place the Alice Arm mining section at the head of the list of silver producing camps on the Pacific Coast.

Arrangements are being completed for the annual meeting of the British Columbia division of the Canadian Institute of Mining and Metallurgy to be held in Vancouver during three days, commencing February 9. The executive committee, which is preparing the programme, consists of Vancouver men interested in the affairs of the institute. They are Messrs. H. Mortimer Lamb, chairman; R. W. Brock, E. A. Hagger, J. D. MacKenzie, F. E. Payson, P. W. Racey, S. J. Schofield and Nicol Thompson.

It is expected that the record of the meeting held in November, 1919, one of the most successful mining conventions ever held in British Columbia, will be exceeded by the February gathering.

The programme for this meeting will differ to some extent from these previous meetings, in that an effort will be made to have general discussion of certain subjects instead of the reading of dry, technical papers. Such papers, while most necessary and valuable, have their place rather in the ages of the volume of transactions of the institute, where they can be studied with the deliberation they deserve, than in being presented at a popular meeting.

Work on the Silver Crest group of claims in the Salmon River district has been carried on all summer. This resulted in the exposing of some good grade ore which includes one quite wide body of milling grade ore near the southern portion of the property. Some high assays were secured from various points, but no persistency was proved. Practically all the claims have been surveyed and steps are now being taken to crown grant at an early date.

Development on the Moose group of claims in the Alice Arm district is progressing favorably where work is continuing and will in all probability continue all during the winter. A drift has been driven on the upper vein for a period of 30 feet and is now 6½ feet wide with neither assaying showing. Assays on this face range from 17 to 71 ounces of silver.

Mr. Glenville A. Collins, mining and general consulting engineer of Seattle, has opened an office in the Credit Foncier Building, Vancouver, where he will carry on his profession as a consulting engineer. Mr. Collins will be recalled to a large number of those in the mining industry as president of the last International Mining Convention which was held in Seattle in March.

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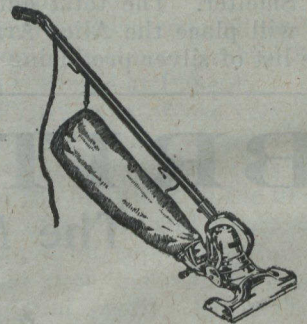
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