BRITISH COLUMBIA

FINANCIAL TIMES

A Journal of Finance, Commerce, Insurance, Real Estate, Timber and Mining

Vol. 1. No. 1. VANCOUVER, MAY 16, 1914 SINGLE COPY 10c THE YEAR $2.00

Has Business Depression Turned the Corner?

Conditions Which Led Up to Present Readjustment---Liquidated State of Business---Belief in a Halt in Downward Trend, and Evidence of Slow Recovery in Progress.

To understand the commercial and financial situation that confronts Vancouver today some attempt must be made to review the causes that have led up to the readjustment in process for the past eighteen months. Following the depression of 1908, which in turn succeeded the credit panic in the United States of 1907, the rebound in the case of the Middle West and the Pacific Coast was particularly rapid. The opportunities offered by the great resources of British Columbia, especially in the timber caught the imagination of the shrewd investor in Eastern Canada, the United States and Great Britain, thus bringing this province to the fore in the financial eye of the world. The consequence was an active timber business, an increasing movement in land and a steady immigration movement.

The concomitants of this movement were a remarkable increase in commerce, in building in the prominent cities of the province, and in developments in the lumber industry. The rise in activity was in the main healthy and thoroughly justified under the circumstances, but like everything human it became overdone. To discount the future is not harmful in itself, but the extent to which it was carried during 1911 and 1912 presented a situation that was unsafe to the sound business structure of both finance and industry. The structure became top-heavy and the first quiver of tightening credit was immediately felt not only by the wildly "optimistic," but also by the conservative business man who sought in the profits of his business to build up a reserve against the time of financial stress.

CONTENTS

Right here it may not be amiss to say that the soundness of the growth, apart from the excrescenses developed, is fully attested by the failure of anything approaching collapse during the period of readjustment which we have been experiencing, and which at times has approached drastic proportions.

Some of the phases of certain unwise growth may be referred to. Vancouver as a distributing centre is far from the sources of supply, i.e., the manufacturing centres of the East, the United States and Great Britain. The heavy consumption of goods such as building materials, iron and steel, supplies of all kinds, clothing, food, etc., was so extraordinary that the wholesaler, jobber and retailer of this city, and out from this city, found it difficult to keep any goods on hand to meet the day to day demand. This condition stimulated the heavier purchase of merchandise, with some effort being made to keep up with consumptive requirements. The consequence was that warehouse space was at a premium and as soon as a warehouse was built it was filled with goods against future demand. This element contributed to an era of speculation in business and to certain abuses that sprung up with it. One of these was that business was being carried on with too little capital on the part of the proprietor and too much bank credit. The margin of safety was steadily being weakened in the commercial structure.

Another element of weakness was developed to a high degree. The business man not only made business ventures on too small capital, but he abused his banking credit by taking profits from turnover out of his business to make realty ventures that were highly speculative, or were vastly in excess of the capital necessary to carry these ventures successfully through the first flurry in credit.

Because of the distance of Vancouver from sources of supply, which as mentioned above, stimulated business speculation, another evil obtained, namely long-term credit. Conditions were over-extended, and insufficient pressure was brought to bear on the debtor. To a considerable extent the banks were responsible for this condition. During the past year the banks were blamed for the tension in credit. On the contrary, they should be censured for having allowed such liberal and long term accommodation.

The excesses in realty speculation on the part of a considerable portion of the citizens cannot be condoned except that they made good for so long. Purchase of land where no improvement is intended, on the principle of a small initial payment and with the balance spread over several years, leaves liabilities for the future, which only the brighest and most prompt fulfillment by way of development can furnish the means of liquidating. When it is considered that the greater proportion of these liabilities have yet to be met, the extent of this drain on the commercial and reproductive enterprise of the city is apparent. Either the properties thus held must be improved and made revenue producing, or it must come out of the holder, taking up what profits from his business or investments he has to spare.

The real situation was forced upon the business community, although signs were apparent for some time previous. The first of these was on the occasion of the outbreak of war in the Balkans, October, 1912. Financialdom appreciated the tension in the diplomatic relations of the powers. Unless skilfully handled they were in danger of embroiling Europe in a general war. Happily this was averted, but the strain of keeping the general peace told on the nerves of finance. In the process of liquidation which resulted, the Dominion was temporarily cut off from the sources of supply for money, so that many improvements in process of completion had to be curtailed. The banks, for self-protection, had to draw in credits and a general call for reduction in loans was made on business. It proved not so easy to get in outstanding obligations, and collections remained a source of concern to the larger wholesale and jobbing houses. The banks were unable to render assistance by extending credits. Then followed a money stringency which brought about curtailment on the one hand, and reduction of liabilities on the other. Prices were cut, goods were dumped out at prices which showed no profits and in many cases showed net losses. Over-buying ceased and business speculation was reduced to a minimum. All during the year 1913 the situation was held in check by the larger financial interests and the banks, giving time to liquidate stocks on hand and gather in outstanding credits. Economy was urged on all sides. In the process of shortening sail it was natural that all should suffer, and some unable to stand the strain were forced out of business. The speculative community dealing in realty found itself without business and those involved were either forced to change their occupations or move to other fields. Building contractors were similarly affected.

The general cut in prices showed that there were too many retailers in business for the community to support, so the weaker of these were forced out. This is particularly noticeable in the outlying districts of the city. In times of stress people purchase the necessities in the cheapest market, which is usually in the more densely settled portion of the city.

Real estate was the heaviest hit in the readjustment, especially that part of subdivision nature, which was purely being held against the time when the community would want it as residence property. Since subdivisions were put on the market to the extent of discounting the growth of the city toward a population of a million, it was natural that in the first attempt to turn these properties into cash or to relieve the holder of future liabilities that they should suffer depreciation and at times find no market whatever. While realty furnishes one of the most valuable sources of wealth to the individual and to the community as bank collateral or as reserve against demand in times of stress, it furnishes one of the poorest forms of value for conversation purposes. Many business men found that realty, instead of being a resource was in reality a liability, making the drain on business more severe.

The process of readjustment and curtailment continued all year. The opening of 1914 found business thoroughly liquidated. Stocks on hand were small, and buying was of the hand-to-mouth variety. Business liabilities has been successively reduced. Shorter credit was the only term on which this could be done.

The money stringency is over, and while money is comparatively plentiful application for credit must show legitimate use, and must be restricted to the smallest possible requirements.

The banks are urging economy, and the savings resulting from a more studious application of business principles and scientific management would be astounding in their total if by any means one could gather the statistics. The lesson has been learned and the city is coming out of the strain with many new ideas of carrying on business, although shorn of the prospective profits that had been so fondly looked upon in the palmier days. The day of pioneer conditions is gone forever. Profits must now be made by superior service, with keener competition, and with due appreciation of the idea that sound growth is dependent on turning back into a business the profits of turnover, with les suse of bank credit in proportion to the business done.

While commerce and industry are expected to be quiet for a considerable period in the future the signs all point to the fact that the readjustment has about reached bottom. The trend is all toward a slow and steady recovery. During the present period of depression, which Vancouver is experiencing along with pretty much all the rest of the Dominion and the United States, a time can never safely be assigned as representing a turn in the tide until a considerable period has elapsed. A period of slack water is always met when the tides are conflicting and the same principle holds true

(Continued on page 6)

Vancouver and Central British Columbia

Difficulty of Houses Here Holding Trade of Great Interior—Competition of Edmonton With the Change on Completion of Pacific and Great Eastern.

VANCOUVER grew rapidly and became a substantial trade centre because it was the terminus of the Canadian Pacific, the first, and until a few weeks ago, the only Canadian transcontinental railway. This inevitably made it the trade centre of British Columbia and gave it almost a monopoly on the trade of the British Columbia territory close to the line of the Canadian Pacific and a great part of the trade along the coast.

In recent years the natural growth of this trade territory caused an important increase in the city trade. The great move in real estate and building operations and the extreme enthusiasm regarding the future of Vancouver as a trade and financial centre, and to a lesser extent as an industrial centre, was based, however, in the main, not upon the excellent future prospects for increased development of existing trade territory, but upon the fact that enormous new areas of varied agricultural, mineral and timber resources in British Columbia were about to be opened by the building of the two new Canadian transcontinentals, the Canadian Northern and the Grand Trunk Pacific. The argument and supposition of course was that Vancouver would profit enormously by the opening and development of these new areas. Now the Pacific & Great Eastern is well started, the Canadian Northern is fast pushing to completion and the Grand Trunk Pacific has driven the last spike. This rapid realization of our expectations in the way of railroad construction naturally causes us to take stock in more detail of the actual and especially of the immediate results to be secured from it.

Vancouver from the first controlled most of the trade of the Cariboo trail country and of the Cariboo mines. This at first was particularly important, because the development of the Cariboo mines took place largely before the Canadian Pacific was finished. The trade was already there and Vancouver inevitably secured it. The relative importance of this trade declined because of the rapid development of trade along the coast and in the territory close to the Canadian Pacific. This decline was not only relative, but was an actual decline in trade because the long and expensive haul from the Canadian Pacific at Ashcroft rendered the working of these mines unprofitable after the richest of them had played out. Freight from Ashcroft to Barkerville, the centre of the mining region, seldom fell below six cents per pound, and in spite of the large amount of known gold there the transportation cost precluded extensive development.

However, since 1909 the trade over the Cariboo trail has been increasing by leaps and bounds because of the rush of people to place themselves advantageously and to take up land in the rich areas that were about to be opened by the building of the Grand Trunk Pacific. This historic trail was again crowded with the outfits of pioneers and with eight and ten horse freight outfits. Without doubt it is the last wagon road trade highway on the North American continent. This year it will continue as an important trade route for about eighty or one hundred miles north of Ashcroft on account of the building of the Pacific & Great Eastern on a location that can be more readily supplied through this trail than elsewhere.

This trade over the Cariboo trail is of course temporary, and without doubt this year marks the last of the Cariboo trail as an important trade route. In fact last year the trade of the Fort George country and thence eastward to Alberta was suddenly shifted from the Cariboo trail and from Vancouver to Edmonton by way of the Grand Trunk to Tete Jaun Cache, thence down the Fraser river by scow. There was no possibility of competition by hauling from Ashcroft 165 miles up the Cariboo trail to Soda Creek, and thence 150 miles by river steamer up the Fraser river to Fort George. It was a matter of approximately six cents per pound from Vancouver to Fort George by way of Ashcroft, as against two cents or less from Edmonton to Fort George by way of Tete Jaune Cache. This discrepancy in rates has of course increased with the completion of the Grand Trunk, making a through haul by rail from Edmonton to Fort George and other points along the Grand Trunk.

With the breaking of ice this spring another large slice of Vancouver's trade territory was appropriated by Edmonton. Supplies are now going from Fort George south along the Fraser river by river steamers and by scow to the Pacific and Great Eastern construction camps to Soda Creek, 150 miles south of Fort George, and thence by the Cariboo trail southward as far as the One Hundred and Fifty Mile House, which is only 137 miles north of Ashcroft. This means that this same region which has so long traded with Vancouver will now draw its supplies from Edmonton by way of Fort George. It includes the old Cariboo mining country, of which Barkerville is the centre and of which Quesnel is the main trading point. It also includes the ranching and farming country between Quesnel and Soda Creek, Soda Creek itself, and the One Hundred and Fifty Mile House. This latter is an old established trading point supplying the Horse Fly mining country to the East and a great part of the Chilcotin ranching country to the West.

The importance of the future trade of interior British Columbia cannot be doubted. The interior region between the Rockies and the Coast range comprises a large part of the total area of British Columbia, and by far the greatest part of the level acreage of the entire Province. The extreme importance of this is increased by the fact that it is a country of ample rain fall. There is a very large area of agricultural land within 150 miles of the Grand Trunk to the south. Although the rain fall in the interior gradually decreases from the line of the Grand Trunk southward, yet irrigation is not necessary even without dry farming methods, until a point well over 100 miles to the southward is reached, and farming has been carried on successfully without irrigation at other points still further southward. However, there can be no doubt but that the greater portion of the agricultural land of the entire Province lies north of the Grand Trunk.

Some globe trotter riding on the Canadian Pacific has stated that British Columbia is a "Sea of Mountains," and while this is a fitting tribute to the magnificent scenery along the Canadian Pacific, it has given many the erroneous idea that there are no fertile valleys tucked amongst these same mountains. It gives an even more erroneous idea of Central British Columbia as this is an enormous basin region containing some mountains, it is true, but containing also vast areas upon which one can travel for days upon a comparatively level or rolling bench country. The rougher parts and especially the mountainous portions of this interior basin were partly prospected at the time of the Cariboo gold rush and later. Royalties were paid to the Province of British Columbia upon $60,000,000 of gold taken from the Cariboo mining region in spite of the handicap of the enormous freight rates. No one who knows this region but will say that it has been barely scratched. The Omineca and Ingineka are also known to be rich in gold. Until the building of the Grand Trunk it was not worth while even to prospect for anything but the richest ore.

Already, however, other metalliferous products are assuming a growing importance to the Hazelton district and the districts immediately north. Two or three of these mines have been opened up and are producing mines. The famous silver lead Standard mine promises to be one of the leaders in production among the silver camps of the country. Other prospects are developing copper deposits, which are known to exist in considerable quantities. The known resources of the interior in coal are enormous, especially the Groundhog districts show extensive deposits of anthracite, and in the Bear River district known high grade bituminous coal has been found in large amounts. In gauging the future development of the central interior the timber resources and the water powers, one of the first of which likely to be developed is the Willow River Canyon, should be kept in mind.

While the present trade is no doubt of small proportions compared with the future trade which such a region will inevitably develop, it is by no means to be made light of now. In fact this trade now amounts to from three to five trains a day from Edmonton into Fort George and from there distributed to railway camps and the population of the country. What this will amount to under more settled conditions, not counting through shipments to Prince Rupert or to Vancouver, is hard to hazard for fear of over-stating the question.

The question of the ability of Vancouver to compete with Edmonton on the score of direct rail transportation, as opposed to the former of part boat and part rail is debatable. Undoubtedly the price of goods at Edmonton as compared with Vancouver as a seaport is in most lines of goods in favor of Vancouver. Many of the larger Vancouver houses have either branches or agents in Prince Rupert and therefore are in a strong position to compete for some of the interior trade in the western extremity. Only an expert of the transportation problem can definitely assign an area or point on the line of the Grand Trunk Pacific where competition would about meet equal terms from east and west, namely Vancouver and Edmonton. On the other hand the personnel of the competition is a strong element in garnering this trade and the question of how hard it is gone after and what profits are expected to be reaped are determining factors. Edmonton is a live enterprising city, and its tradesmen are seeking to keep the largest portion possible of the territory of the Dominion tributary to its location and its enterprise. Western Peace River district is already dominated by its enterprise, and the Eastern section of that district is regarded by Edmonton as peculiarly its own. Vancouver houses cannot hope to get much of that trade as yet. But along the Grand Trunk Pacific from Prince Rupert east the wholesaler and jobber must use unusual efforts to entrench themselves, foregoing for the time being the large profits which pioneer business usually brings.

The solution of the question is the Pacific and Great Eastern. The completion of this route will change the entire trade channels of the province with regard to the interior. If Vancouver business houses cannot capture most of this trade then there will be something lacking in their enterprise and initiative. Edmonton will give up the struggle only after the most strenuous resistance. If there is anything in strategic position Vancouver should after the completion of this railway be able to handle tonnage direct to Edmonton itself. Competition with Edmonton for the trade of the Peace should be to the tdvantage of Vancouver, while the entire trade of Central British Columbia should ultimately fall into the lap of Vancouver. The efforts of the Provincial Government to spare no expense of time or money in the prosecution of this design is manifest. It would be stupid and gross neglect if it displayed less energy.

Effect of Rate Decision

Speculation as to the effect of the reduction in freight rates ordered by the Board of Railroad Commissioners is still going on apace. The reductions range between 5 per cent. as a minimum and 30 per cent. as maximum and affect commodity tariffs west of Winnipeg and Port Arthur. The Canadian Pacific say that they can stand the reductions. Both the Grand Trunk Pacific and the Canadian Northern have not as yet expressed an opinion. The chief beneficiaries are those doing business west of Winnipeg as far as the Lake Districts of British Columbia.

The Commission's order, which becomes effective September 1st next, outlines a comprehensive basis of tolls and a complete rate structure for all the roads in Western Canada. It divides that territory into three sections: the Prairie, the Pacific, and the British Columbia lakes section. A standard maximum scale of rates is fixed for each section. The lowest scale in the West, now known as the Manitoba standard, has been amplified to show rates up to 2,100 miles, and will apply throughout the entire prairie section and on the British Columbia lakes section, abolishing the higher scale now charged in Saskatchewan and Alberta. What will be known as the Pacific scale is on a somewhat higher basis and will govern in the Pacific territory. These changes will result in substantial reductions from the present standard maximum scales in the three Provinces named.

Westbound rates on flour and other grain products are reduced. Other reductions are made on sugar, butter, cheese and eggs, fruit, vegetables, cement and lumber. Evidently the Board of Commissioners in its deliberations took importantly into consideration the cost-of-living problem.

Farm products, under the new arrangement, will be transported from the interior Provinces to points in British Columbia and along the Pacific Coast at a lower cost, thus affording some relief to the people of Vancouver and other cities, who have found cause to complain about the high prices for food products. On the other hand, the people of the interior and producing sections will derive benefit from lower rates on building materials and household necessities, which in a new country always command relatively higher prices than in more settled communities.

BRITISH COLUMBIA FINANCIAL TIMES

A Journal of Finance, Commerce, Insurance, Real Estate, Timber and Mining

Published on the first and third Saturdays of each month at Vancouver, British Columbia, Suite 209, 319 Pender St. West.

Telephone Seymour 4057.

BRADFORD W. HEYER, Editor and Publisher.

Address all communications to British Columbia Financial Times.

Advertising Rates on application.

Annual Subscription: Canada $2.00; Great Britain, 8 shillings; United States and other countries $2.50; single copies 10 cents.

Vol. 1. VANCOUVER, B.C., MAY 16, 1914 No. 1

British Columbia has lacked an organ for the expression of disinterested opinion, comment and judgment on financial matters. The investor both here and abroad has had no organ devoted to his interests. He has had to consult friends or associates in regard to the definite information desired, and to rely on their opinion and advice. Lacking these, the investor failed to be interested, and thus capital for the development of an enterprise or for favorable investment was denied to this Province, which would have ministered to its development and prosperity. On the other hand "investments" were made that would never have been entered into had a financial journal of sound opinion, and conservatism, acquainted with facts and conditions, been in the field. If the investor had made such an "investment" under those conditions he would have done so with his eyes open.

Eastern publications, while doing yeoman service in this connection, must of necessity gather their information second hand.

A financial journal such as we present fills a long felt want. It is the clearing house for ideas, information, opinion and advice. It brings together the man with money and the man with ideas or raw resources.

We approach this task with a keen appreciation of our responsibility. We offer no apology for our existence. We ask for no support that is not warranted in the circumstances.

The value of such a journal to the community and to the investor is obvious.

It is the purpose of this journal to furnish trustworthy information and comment on the financial phases of British Columbia's activities; to assist the business man by presenting disinterested articles and views on trade affairs; to aid the investor by laying before him the necessary facts upon which to pass judgment, and to stimulate the development of the Provincial resources.

The statistical aspect is small as yet, but will be developed as soon as the machinery of gathering accurate data can be put into operation. To some extent we are breaking fresh ground, and time is essential before specific facts and figures can be presented with a sufficient degree of adequacy.

Emphasis will always be placed on valuable subjects from authoritative sources. Every effort will be made editorially to make the information authentic, and, wherever possible, bear an official character.

New departments are planned, but have not been gotten under way. We are establishing a Companies Report department, which will contain revenue and capital statements of companies and corporations doing a public business.

We hope also in the near future to establish a Municipal section which will cover the activities of all the municipalities of the Province, bearing particularly upon their financial affairs. With this issue we present a financial statement of the City of Victoria, such as would enable an investor or banking firm to get a comprehensive idea of the financial position of that city. In the same way we will present in future issues statements of every municipality in the Province.

A Trust Company section will also be instituted in due course, covering the activities and developments of trust business .

Mining statistics will be presented regularly as soon as the sources of information begin to flow to this office.

Timber and the lumbering industry will be given the attention which so important an industry requires.

Anything that this journal can do to foster the development of agriculture will be done. Extraordinary measures should be taken to strengthen the agricultural position of this Province. It is absolutely necessary to get a steadily increasing amount of the farming land under the plow. Until that is done, no large permanent progress can be made toward fixed prosperity. It should unite the entire Province in a propaganda to stimulate an agricultural immigration for the settlement of the land.

Space, from issue to issue, will be devoted to the interests of real estate. It will be treated only from the point of view of investment. City and town developments will be recorded. Special articles of a sound character, and treated in a scientific manner, will be sought. Realty mortgages and their market will be covered adequately.

Insurance—life, fire, marine and accident—is steadily assuming a larger position in financial and industrial affairs. Its importance is being more and more recognized each year. In fact, considering its liabilities, and assets, its ramifications through all industry and commerce, it is now the dominant business of the world.

We believe that with a program thus outlined, an increasingly valuable and interesting publication can be presented from issue to issue.

Of engrossing interest, and of greatest importance to the people, is the Canadian Northern Railway guarantee. The Canadian Northern is hard up, and needs the assistance of the Government to furnish it with sufficient funds to complete the work so nearly ready for operation. The terms exacted will likely be the deposit of securities in escrow sufficient to enable the Government, the guarantor, to take the property in hand in case of default on interest of debt. The price to be paid will also be the consolidation of the property into one company. Now over eighty corporations comprise the Canadian Northern system. The structure that the genius of Z. A. Lash erected seems certain of falling to the ground like a house of cards.

The essential question is not of guarantee, but of finishing the railway. The guarantee has to be made in any event, as only in that way can the railway obtain the funds. A railway nearly completed has to be finished and open to traffic. It is a condition and not a theory that confronts the people of the Dominion. Hon. W. J. Bowser, in defending the Provincial Government on the increase of guarantee of Canadian Northern Pacific Railway, the British Columbia corporation, set this matter plainly before the people in a speech at the time of that legislation passing the Provincial Legislature. The raison d'etre for the Canadian Northern is competition with the Canadian Pacific. If the C. N. R. is not completed for lack of assistance by the Dominion Government, the people of the Dominion may justly be charged with inconsistancy and insincerity, apart from the great loss of the capital invested, and with no reference to the position of the British bondholder who has more or less prodigally supplied the funds. It is up to the Dominion Government and the various Provincial Governments to pay up, whatever be the terms made with those interests that control the Canadian Northern and its subsidiaries, or whatever takes place in the future with regard to this transcontinental.

The Government is to be congratulated on having selected a former bank manager, Mr. Robert Baird, for the position of Inspector of Municipalities. To deal with the problem of Municipal credit requires a man who has had experience in commercial credits, and the services he can render the smaller municipalities is very great. Mr. Baird will be charged with the responsibility of bringing this act into operation, which will require a vast amount of initiative tact and hard work.

If you regard the British Columbia Financial Times as any value to you, the community in general, and investors both here and else_ where, we would appreciate your support in the shape of a year's subscription sent with remittance to this office.

Blank form will be found on page 14.

HAS BUSINESS DEPRESSION TURNED THE CORNER?

(Continued from page 2)

in business. The good and bad signs about counterbalance. Whether we are in this turn of tide or in the back water cannot be accurately decided at this time. The concensus of opinion among those in a position to judge as to their own particular line of endeavor is that more business is now being done than during the fall; that the business now being done is being promptly paid for; that the outbound movement to the Interior, the Upper Coast Country and Vancouver Island is larger than it was last fall; and that the car movement to this centre and from this centre is steadily increasing.

The deep sea tonnage of this port is steadily growing, in fact, during the first week of May the arrival of tonnage to this port was the largest in the history of the city. This is despite the fact that the means of transportation and the advantages offered to this port have not increased materially. The Canadian Northern Railway has not yet effected an entrance to this city, the Panama Canal is not yet open to traffic, and the Kettle Valley Railway, which will bring all the border country of the province into tributary relations with Vancouver is not completed. The loss of trade to Vancouver by the completion of the Grand Trunk Pacific to Fort George, placing Edmonton temporarily in a better strategic position to capture this trade in rapidly developing Central British Columbia, is about counterbalanced by the increasing trade of Vancouver with the west section of that territory, via Prince Rupert. None of the improvements that have been taking place in this province are yet available to this city, and still the consensus of commercial opinion is that business is slowly but surely turning in the direction of increased activity.

Another handicap at present is the dullness of the lumber business. Prices are so low that mills are refusing to compete for some of the large orders that are being offered among the mills of the Province. The export business is poor and the consumptive demands of the prairie, which usually supplies most of the business of both Coast and Interior mills, are much below last year. The money stringency was as drastic there as here, and the curtailment in building has severely affected the most profitable industry of British Columbia. Yet the situation is full of hope for the future, although manufacturers cannot see much increasing demand for months to come, or until the new crop is made. Some improvement exists in the shingle business, as the removal of the United States duty is stimulating the manufacture here and the consumption in the United States of our shingles. Until the tariff is again put on, if that is ever done, this must be a steadily increasing item of export. No effort has been made, or perhaps the market is not yet right, for the invasion of rough lumber into the United States. These hold out much promise for the future of the lumber business of the Province.

The conditions which Vancouver has experienced are the conditions which have been encountered in the chief centres of population throughout the Province. What has been roughly outlined in regard to Vancouver would in the main apply to them all. On the other hand, the unsettled sections have been steadily advancing in development and activity and have been ever acting as a brake in the downward tendency of business. Faith in the province as a whole, and in the position of its chief cities has not been impaired in the least either in the minds of the citizens or in the minds of the outside investors who have such a large stake in this province. The readjustment was inevitable and will prove beneficial.

Immigration to Canada for the year ending March 31 totaled 384,878. Of this amount British Columbia received 37,572. Great Britain supplied 142,622.

Mr. Robert Baird, formerly of Zealandia, Sask., has been appointed Inspector of Municipalities under the new Municipal Act passed at the last session of the Legislature. Mr. O. W. Ross of Fernie, B. C., has been appointed chief clerk.

The Pacific and Great Eastern has let additional contracts between Kelly Lake and Clinton. Moran & Heckman will build ten miles north from Kelly Lake, Welsh & Kennedy four miles adjoining, Rankin & Kellet twenty miles north of that, and Madden Bros. the next six miles.

Trend of Highest Value in Real Estate

By DOUGLAS W. REEVE

Determination of Factors in Value of Central Business Property and Their Application to the Business Districts of the City.

THE rapid rise of prices of Real Estate in Vancouver during the last ten years has led to a suspension of the ordinary rules of arriving at the true present value of a given property. The tendency has been to discount the future, and until the commencement of the present period of depression, this has been done more or less equally by vendor and purchaser, and by borrower and lender in the case of mortgages. It might be said that the values have been substantiated by the fact that high prices have been paid by people who have been here a long time and know all about the conditions. It might be argued that a thing is really worth what it will sell for in an open market, and the assessment of property for purposes of municipal taxation appears in many cases to have been made with this theory in mind. This, however, is only true of a market continuously open, admitting the possibility of fluctuation. Periods of depression in the Real Estate market, however, following a period of inflation are liable to cause a cessation of sales or a drop in prices which is not justified by the fundamental conditions and is the result of unwise speculation. So far, in Vancouver, instances of sales or offerings at greatly reduced prices have been exceptional and have not occurred in the case of high priced property on established thoroughfares, nor in the residential parts of the city which have been free from the pretence of becoming "business streets."

Many owners of property, however, are inclined to reconsider their opinions as to the value of their holdings. In the absence of recent sales in the neighborhood to form a basis of comparison, one naturally reverts to the only reasonable method of valuation, which is based on revenue, actual or potential.

At the present time great care is required in practising this method, because a great many rentals have been reduced to enable tenants to cope with the depression in businesses of all kinds. This we hope, and have a right to assume, is only temporary, because the commercial history of Canada has shown regular fluctuations in the volume of business. It would be fair, therefore, to base values on an average rental which in turn should be based on an average turnover calculated for a period of five or seven years.

In calculating values of land upon the basis of revenue, a good many things have to be taken into consideration. The most important is the rate of interest which it is reasonable to expect, and this depends upon the stability or permanence of the neighborhood. As the security of the investment declines from the position of absolute safety the rate of interest should of course be higher and capital values less, just as in dealing with stocks and bonds.

Then one has to take into account the character of the building erected or proposed, that is to say, whether it is a permanent structure of several storeys or a "taxpayer" of small value in comparison with the land. Even in the highest priced localities an owner does not expect a full rate of interest from a small building. As a result we generally find that the cost of a small building is ignored in valuing a property in the central part of the city, the values being that of the land only. A building which develops the possibilities of the land more or less fully cannot be ignored, and its cost has to be added to the land value. The revenue of a full sized building forms the basis of value of its own site and adjoining sites even if the latter are vacant.

In considering the rentals which it is possible to obtain by full development of a property the probable demand for renting space and the size and character of existing buildings must be reckoned with. When there is a tendency for the supply to exceed the demand by overbuilding, each additional building of full size would tend for the time being to lower the value of all the land in the neighborhood in proportion. The rate of interest required should remain constant and the net possible revenue would be reduced by excess of competition and the consequent lower rentals and enlarged percentage of vacancies. This tendency would be offset in course of time by an increase in the population of the city or by concentration of business in the district.

The concentration of traffic is of course the secret of the safety of an investment in property situated in the heart of a city. This has been emphasized in Vancouver during the recent period of depression, when the merchants of the central business quarter have been able to draw suburban residents away from local shopping, by reductions in the prices of commodities made possible by the greater volume of business. The local merchant is not able to compete on equal terms, and in dull times therefore he is the first to suffer. A landlord may have to reduce his rents in the central district, but may lose his tenant altogether in the suburbs.

It is not always safe to designate any portion of a city as its permanent centre while there is a possibility of geographical development. Substantial office buildings, bank buildings, and to a lesser degree Government buildings, will of course anchor business in a financial district if in sufficient number. A progressive policy on the part of landlords in keeping their buildings up-to-date and attractive will preserve and build up a retail shop district.

The retail or shopping centre of a city is more subject to shifting than the financial centre. Owners who wish to hold the former in the neighborhood where their property is situated must combat this tendency by keeping their buildings up-to-date, especially in the shop front, which is the most important part of a retail store; vacant lots must be built upon; and above all in fixing rents the competition of rival districts must be remembered, because a concerted move on the part of merchants may draw business away to a new locality.

Cordova street was originally the natural centre of Vancouver in its earlier stages, but the rapid increase of population and the demand for more and better shops led to building on Hastings street. The growth of residential districts was to the east and south and west, and Cordova street, with only one thoroughfare between it and the harbor, was therefore the farthest removed from any of these. Hastings street was at that time obviously the most suitable location for retail shopping because it was the nearest through street connecting the east and west ends of the city. In one sense it was the only through street. The street car route on Cordova street instead of going right on to Granville street turned into Hastings street at Cambie street; the old Courthouse at the same point was a powerful magnet; on the south Pender street was obstructed by the Oriental quarter; beyond that is False Creek. Hastings street therefore was, as it were, the neck of a bottle, the only passage.

With this advantage it is not surprising that Hastings street between Carrall street and Granville street established itself very strongly, and perhaps permanently, as the most valuable thoroughfare from a Real Estate point of view. As the connecting link from east to west it has nothing to fear from Cordova or Pender streets. The former is too near the waterfront for high class retail business, and the grade of Pender street prevents it from becoming a serious competitor.

During the last four or five years the development of the residential districts to the south and west has opened up the possibilities of Granville street as a first class retail shopping neighborhood, especially between Hastings and Georgia streets.

In an Easterly direction Main street (formerly Westminster Avenue) has not succeeded as well for several reasons: its distance from the centre, the less desirable nature of the neighborhood as a residential district, and the larger proportion in the east end of "neighborhood stores" and local centres.

No one will deny that the present centre of the city is at the junction of Hastings street and Granville street and that its sphere of influence extends along Hastings street eastward to Carrall street and along Granville street southward to Georgia street. Good evidence of this is found in the fact that the value of land on these streets within the limits named is practically uniform, although if there is a slight variation it is in favor of Hastings street.

The increase in the population of Vancouver and the corresponding growth of its commerce is gradually causing a change in the aspect of the central district. As a city becomes larger the inevitable concentration of business leads to the erection of large office buildings within a small area. This prevents any expansion of retail trade within such an area although it naturally gives increased support to that which is already established there.

Expansion must come, however, and this will lead probably to the development of retail shopping districts along the routes converging towards the financial centre. Granville street south of Georgia street, already fairly well built up, cannot but increase steadily in importance and value because it is the objective point of the west end car lines and is the main thoroughfare to the residential suburbs of Shaughnessy Heights, Kitsilano and Point Grey. Robson street has recently taken on a new aspect as a retail street and Davie street later on may follow suit.

The construction of the viaduct connecting Harris street with Georgia street will to some extent relieve Hastings street from the congestion of traffic between the east end and the centre of the city. If a street car service is established on this new thoroughfare it will probably in a comparatively short time rank with Hastings street as a retail store district. Without a car service its development will of course be slower. In any case it will serve as a feeder for Granville street business and will enhance the value of property at its junction with that street.

It seems possible that there may be in the near future two centres or focal points, with equal values but different characteristics. The indications are that from Cambie street to Howe street Hastings street will become more and more an essentially financial district together with the same section of Pender street, with its centre in the immediate vicinity of the Post Office. The highest class retail shops of the city show a tendency to concentrate on Granville street between Hastings street and Robson street, with the greatest value near its junction with Georgia street.

A. M. Nanton, of Osler, Hammond & Nanton, Winnipeg, was elected May 12 a director of Canadian Pacific Railway, succeeding Sir William White.

The Westminster Trust Company of New Westminster has been appointed liquidator for the Dominion Match Company.

Operation of Amendments to Land Registry Act

By A. F. ARNOLD
Director of Canadian Financiers, Limited

Features of Change and Methods of Registration for Benefit of Investors in Mortgages and Real Estate.

IN this brief article dealing with the 1914 amendments to the Land Registry Act, I will endeavor to draw to your attention a few of the most important clauses, looking at it chiefly from the point of view of an investor in mortgages and real estate, and not from a lawyer's standpoint.

Until the amendment of 1914 came into effect, a barrister or solicitor of the Supreme Court had to have five years' standing to be eligible for the position of Examiner or Examiner of Titles unless he was previously a Registrar, and by section 4 of the amendments, the words "five years" are struck out, thus making it possible for new men in the profession to qualify.

When a Crown grant is registered it must be registered as an indefeasible fee and cannot now be registered as an absolute fee.

The Registrar need not register or receive any application to register any parcel of several, or any portion less than the whole of the land comprised in any unregistered Crown grant or in any unregistered conveyance or other unregistered instrument unless and until registration of the remaining portion of the land comprised in such Crown grant, conveyance or instrument is concurrently duly applied for. Therefore it will now not be possible to put in any documents for registration and apply to register only a portion. This appears to have been enacted for the purpose of getting each transaction on its own individual documents instead of having it mixed with other transactions as was oftimes the case.

No application to register can include subdivided and unsubdivided lands or lots under different subdivision plans, or unsubdivided lands which are not contiguous (a road, dyke, stream, right-of-way or railroad not to be considered as a break in the contiguity) or except in the case of a mortgage and as to applications received prior to the first day of June, 1914, more than two thousand acres of unsubdivided lands. And paragraph (a) of section 11 says: "There shall be no further fees charged or payable by reason of more than one application being required by this section." No certificate of title will be issued for more than fifty lots.

The amendments also state that even if a person is the holder of an indefeasible title, the holder shall be responsible for all Provincial and Municipal taxes, rates, charges, assessments, local improvements or otherwise, imposed at the date of the application for registration, or which may thereafter be imposed or which had theretofore been imposed and which is not then due and payable.

A registered owner holding a certificate of title which covers several parcels of land may deliver this certificate to the Registrar who will, without further registration, issue a separate certificate for each piece of land contained in the old certificate, if requested.

Every application for the registration of a Crown grant of land, mineral claim, placer claim or gold claim, must state the assessment district or municipality in which it is situated.

Applications for registration and all documents presented therewith will in future be examined when presented, and if any are found to be incomplete or not in proper form, or appear to be unfit for registration, record, filing, deposit or cancellation, the Registrar has power to reject the application. The Registrar also has the power to refuse application for registration when the documents are not on sufficiently durable paper, are illegible or are wholly or partly carbon impressions of typewritten documents. In short, this means we will have a superior standard of documents recording these very important transactions.

Instead of describing the various parties to a transaction on the documents as "J. J. Johnson, of the City of Vancouver, in the Province of British Columbia," and "S. S. Smith, of the said City and Province aforesaid," and the witness to these signatures signing his name "W. White," which has been the usual way, it is now compulsory to describe all parties by all their full Christian and surnames and give each person's occupation and full postal address, including the street and number where they can be found. This greatly facili-

(Continued on page 10)

Recent New Timber Legislation

By H. R. MACMILLAN, Chief Forester.

Royalty Fees so Adjusted by Selling Price at Mills that British Columbia Government Participates in Profits of Operator—Practical Partnership Involved.

ROYALTY upon timber is in North America an institution peculiar to Canada. It was early recognized in all the Provinces of Canada, excepting Nova Scotia, that the heavy forest covering the greater part of the land was a most valuable resource which could, under wise management, be made through generations to pay a heavy revenue to the Government and lesson the burden of direct taxation. The first step in the realization of this revenue was the separation of the timber from the land in the issuance of titles. Having made it possible to handle the timber without considering the land, the next thought of the early Canadian legislators was to avoid selling the timber outright at a low price. They desired to encourage manufacturers and others to take up timber for development, and, at the same time, recognizing the certainty that timber would gradually increase in value, they wished to work out an arrangement which would leave the Government free to share in that increase in value. The result was that, after some experimenting a system of leasing or licensing was worked out under which the Government allowed private parties to lease timber lands at a small fee per square mile per year, with the provision that when the timber was cut the purchase price should be paid to the Government on every thousand feet cut. This royalty remained for many years fixed throughout Eastern Canada. As timber became more valuable, the Government advanced another step and announced that the royalty to be paid on timber cut from leases would be revised periodically, the idea being that the Government should share in the increment in the value of the timber. British Columbia timber had not begun to attract the attention of operators and investors until after the policy described above had been evolved in Eastern Canada. It is not surprising, therefore, to find that the policy was adopted, and even improved upon in British Columbia.

Royalty on timber is one of the most important items of public finance in British Columbia. At the present time it turns into the public treasury half a million dollars every year. The present cut of timber is over one and one-half billion board feet per year. A part of this is cut for railway construction purposes, and is royalty free. A part is cut from the 900,000 acres of old land grants and is royalty free. The proportion of timber cut thus which is royalty free will certainly decrease rapidly. At the same time the quantity of timber cut annually must increase as problems affecting the marketing of timber are solved, and British Columbia takes her rightful place in the timber markets of the world, to which she now contributes one and three-quarters per cent. of the annual net timber imports. British Columbia may safely increase her annual timber cut until it is three or four times the present cut. The forest areas of the Province will, if protected from fire, support in perpetuity a total annual cut of five to six billion feet. The timber royalty, which on a small cut in the year 1913, turned in a revenue of $500,000, to a population of 400,000, becomes a most important public asset when considered in connection with a possible annual cut of five billion feet. It is probable that the annual cut of timber in British Columbia will reach the five billion mark. The cut in the State of Washington has already reached this point. It is conceivable that the royaly on timber in British Columbia will by that time reach $2.00 per thousand feet. Higher rates of royalty are now in effect in Eastern Canada. Should these two assumptions become facts the annual financial revenue from timber royalties will be $10,000,000. A royalty revenue of $10,000,000 is not impossible. The forest is capable of sustaining the necessary cut, and timber should before long reach a sufficient value justifying a $2.00 royalty.

An asset capable of producing a revenue of $10,000,000 a year, and supporting a great industry, deserves careful treatment. Fortunately the possibilities of the public timber have been continuously recognized by the Governments of British Columbia. Twenty-seven years ago, on April 7, 1887, the first royalty of fifty cents per thousand was imposed on timber in British Columbia. At the same time the sale of timber land was forbidden by statute. From that time to 1914 the royalty remained at fifty cents. During this time the Government was establishing a partnership with the timber operator, the Government supplying the capital, the enterprise building up a manufacturing industry and creating a demand for timber. The theory of royalty has been that the value of the standing timber is shared between the public, the original owners of the timber, and the manufacturer who supply the money, create the industry and make the standing timber value. The special timber license issued in British Columbia, which left the Government free to vary the rate of royalty and rental at any time was based upon this theory.

It became apparent, however, during the past five years that the uncertainty of the license hampered a large section of the timber industry of the Province in raising the necessary money for development purposes. Without a stable and prosperous timber industry the Government's royalty interest in the timber necessarily suffers. The manufacturing of lumber is one of the most important industries in British Columbia, and cannot be suffered to remain under a serious disability.

It, therefore, became necessary in 1913 to put on a definite basis the loose partnership which had for some time existed between the Government and the timber holders. Important factors necessarily governed any policy adopted. On the one hand, it was necessary to avoid overburdening the greatest industry in the Province, greatest in point of value of yearly product, number of employees, capital invested, and greatest, as a forerunner of agricultural development. On the other hand, it was vital that the public interest in the timber be maintained and no royalty rate be established which did not fairly represent the stumpage which should be paid by the operator for the use of public timber. The financial reasons for fixing a rate of royalty for some years in advance were gradually admitted. The fixing of a flat rate of royalty years in advance was condemned. It could only be a guess at the future stumpage value of timber, a guess which no one acquainted with the course of stumpage this past few years would hazard. Such a guess would be recklessly dangerous. Should a long depression in the lumber industry unexpectedly ensue and the guess consequently prove too high the Province's greatest industry would remain saddled with an unjust burden. Should the growing scarcity of timber result in a rapid increase in the value of timber it would be found that someone had guessed hundreds of millions of dollars from the Provincial Treasury into the pockets of the holders of timber. I say hundreds of millions of dollars advisedly. There are estimated to be one hundred and fifty billion feet now of timber on lands affected by the royalty legislation. A difference of one dollar per thousand royalty is a difference of $150,000,000 to the public revenue. When guessing royalty twenty or more years into the future a difference of one dollar per thousand is easy. Therefore, in fairness to the industry and in justice to the public equity in the timber, the guess was avoided.

It was agreed by the timber owners that the public possessed an equity in any increased stumpage value which might accrue in the future to the timber held under lease or license. It is well known that the stumpage value of the timber cannot well increase unless the selling price of the manufactured product increases. The manufacturer and the logger, who in this Province have put millions into improvements, mills, machinery and industrial organizations must be guaranteed a profit before being threatened with a royalty increase. This was done. An increase of fifty per cent. in royalty was made to take effect on January 1, 1915, and it was at the same time agreed that no further increase should take place until the average selling price of lumber in the Province reached $18.00 per thousand feet.

It is recognized that as the selling price of lumber at the mill increases the value of the standing timber increases. It has already been pointed out that if the value of the standing timber increases a portion of this increment should go to the public in the form of increased royalty on timber. Therefore, it is provided that after January 1, 1920, a proportion of the lumber price over $18.00

(Continued on page 14)

OPERATION OF AMENDMENTS TO LAND REGISTRY ACT

(Continued from page 8)

tates locating those mentioned in the documents, and also acts as an intelligent address for the service of notices.

When any person purchased a piece of land and there were a number of outstanding unregistered agreements for sale, it became quite customary for the last purchaser to apply for registration and put in a number of agreements with the one application and pay one fee, but the amendments make it compulsory to register each agreement for sale separate, and pay one fee for each agreement. The effect is, if you are purchasing any property you should insist that all outstanding papers be registered before you hand over the purchase money, otherwise you may have to pay the extra fees; besides, owing to the numerous changes in the Act, it is quite probable there will be defects in some of the documents to which the Registrar will take exception and disallow you to complete registration until they are rectified. The amended Act states that it shall be the vendor's duty to register his own title in order that any person so buying the land, or any interest therein, may be able to register his title or interest. Therefore the vendor has no choice in the matter if the purchaser insists.

In giving an agreement for sale or a deed to a piece of land where a portion has been acquired by the Crown or any Municipality for a road, street or lane, the remaining portion will be held to be properly described by giving its number on the plan without specifically excepting the part of the lot taken.

If you apply for registration and the description of the property is held by the Registrar to be defective, it is the duty of the seller to provide you with a satisfactory description and supply maps, plans or sketches if required by the Registrar, and in the event that he does not do so within thirty days after you have demanded the same, the purchaser may incur the necessary expense to secure the same and if the vendor refuses to pay, the purchaser may recover in any Court of competent jurisdiction.

No acknowledgment or proof of the execution of any document affecting land within the Province of British Columbia shall be taken unless the party offering to make the acknowledgment or proof shall appear before the officer taking the same, and unless the party shall either be personally known to the officer or his identity be proved by the oath of affirmation of a competent witness personally known to the officer, and the certificate shall recite the date, all names in full, the position occupied, if an officer of any institution, and the place where such party or parties appeared before the officer. The acknowledgement of the witness to the signature of the vendor will be considered sufficient by the Registrar except in the cases of married women, any attorney-in-fact, or secretary or other officer of a corporation. These last named must appear before the officer taking the acknowledgement; and the acknowledgement of an attorney-in-fact must state that he (the attorney-in-fact) subscribed the name of the maker "under authority of a power of attorney which has not been revoked."

Any person subdividing land must provide the Registrar with plans in duplicate within three months from the date of subdivision unless the Registrar agrees to extend the time. This has been put on the statutes to protect purchasers and to allow them to register their title within a reasonable time.

When any person is subdividing a piece of land within a municipality, the council of the municipality may, within thirty days after the plan is submitted for approval, notify the person submitting the plan to furnish a profile of all new streets and roads; a sketch showing the relation of the subdivision to adjacent subdivisions, and if the land is situated that it may in future require to be further subdivided, a sketch showing that the subdivision can be further conveniently subdivided into smaller holdings or town lots. This is a splendid feature and there is very little excuse in future for any municipality to become confronted with the problem of making ugly jogs to connect streets or the expense of having to buy land through which to open blind streets.

Should the Registrar or Examiner of Titles refuse to register a title in indefeasible fee, he must, when requested in writing by the party desiring registration, prepare and furnish to the applicant a report upon the title, and such report must show the state of the registered title and show all charges and encumbrances, and shall specify in detail every reason and the names of the persons adversely interested and such information in regard to them

(Continued on page 14)

LIFE INSURANCE AND BUSINESS

By J. A. JOHNSON

Policies Taken Out With Firms as Beneficiaries Prove Reserve Fund in Times of Panic and Depression.

WHEN a firm is burned out, the invariable question is "Were they covered by fire insurance?" or "How much insurance did they have?" They are all right, they are fully covered; their credit is not affected; they remove the debris and build larger.

It is customary now when a man dies to enquire "How much life insurance did he carry?" He may be the head of a firm or largely interested in some important industry which probably has large credits from a bank, and the reply is: "Oh, that business is all right—he had $100,000 insurance on his life, made payable to the firm, which provided for this very contingency." $100,000 will pay the bank off, and allow the remaining partners to continue the business without any trouble. Their credit is enhanced, because their bankers know that they also have policies on their lives. This is business insurance.

Many a business depends almost altogether on the ability and brains of one individual, and that ability and brains should be insured, so that if they be removed the equivalent in cash takes their place. Another reply might be—"Oh, he did not require any life insurance, he was a rich man." But when his securities came to be realized on, they discovered that it was almost impossible to dispose of them; and while he appeared rich to the public, his family had to vacate the magnificent home they had on Shaughnessy Heights, sell their auto, do away with sundry servants, and undergo what would be considered privations by them, in order to live within their means.

Here's a bright young fellow who is in a good position, large salary, liberal spender, having a good time, and thinking not of the morrow, who makes fun of the life insurance agent who tells him that he should carry sufficient insurance, so that if it be invested it would at least pay the rent on the house that he occupies. But he turns a deaf ear—thinks he is going to live to be an old man, but he steps on one of the trap doors of life, probably pneumonia, and disappears in the great beyond.

Life insurance of today is altogether different from what it was a few years ago. Formerly a life policy had no conditions except that it was payable at death. Now it has cash, loan, and extended insurance values definitely quoted in the contract. Formerly there were many vexatious conditions in the policies. They were limited as to occupation, residence, etc. Now there are no restrictions as to these points.

In the recent panics of 1893 and 1907 many a business was saved by the fact that the owners of that business had large amounts of insurance. Almost the only source of securing money was by borrowing from the life insurance companies on their policies.

There is more ignorance respecting life insurance than probably any other business, and as a rule there is less investigation made than in any other investment. Often the first agent who comes along gets the insurance. If a man starts out to buy an automobile he investigates the merits of the various makes. If he would do the same respecting his life insurance there would not be so many claims made that policies were misrepresented.

Many people cannot understand why the companies must have hundreds of millions of money accumulated. If Vancouver wishes to borrow a million dollars for twenty years, she has to begin to accumulate a sinking fund, so that at the end of twenty years there will be an amount there sufficient to pay off the loan. So likewise there is a sinking fund created on every policy. If it is a twenty year endowment, the reserve must equal the face of the policy at the end of the endowment period; hence the necessity for companies to accumulate a sufficient amount of money to meet the liability under each policy. This is regulated by law, and the companies are compelled by law to have this money. The amount of their assets will depend largely on the amount of insurance they have in force. If at the end of any year it is demonstrated that they have not the proper sinking funds available, they are not allowed to transact business any longer—they become bankrupt.

Profits in life insurance is simply a return of an overcharge. The company that earns the highest rate of interest on its investments, has the lowest mortality, and is carefully managed, is the company which will return the largest profits.

According to the mortality table, if one thousand young men were lined up at age 30, almost as sure as the sun will rise and set before twelve months roll round, eight of these young men will be dead. Suppose one thousand other men faced these with rifles, and they were told that there were 992 blank cartridges and eight real cartridges distributed, and when they were fired there would be eight dead men (but before doing so they gave a life insurance agent a chance to insure their lives), it is fully believed that the insurance agent would have one thousand applications before he got through, and the agent would make a good day's work, as the commissions would amount to considerable.

STARTLING FIRE LOSSES

SOME of the figures compiled by the Fire Prevention Association, covering the first three months of this year, are rather startling. They find that in Canada during the first three months of the year 71 deaths occurred through fires, 42 of these being in the Province of Ontario and 10 in Toronto. There was a fire loss of $10,000 or more for each working day, with one death per day during March. It is found also from the records of the years 1912 and 1913 that the percentage of fires had nearly doubled in the latter year. Some of the figures are: Dwellings, 602 in 1912, against 1,002 in 1913; stores, 241 against 350; factories, 105 against 128; business block, 56 against 109; churches, 19 against 29; apartments, 4 against 8. The causes of the fires show about the same increase. In the last five years 1,200 lives have been lost in Canada as the result of fires, and in the past four years 173 were owing to clothes catching fire, and 453 owing to burning buildings.

The recent Act of the Ontario Legislature for the appointment of a Fire Marshal, which will shortly be put into operation, is expected to have a marked effect in diminishing the number of fires. It was stated by Mr. William Walker, secretary of the Ontario Fire Prevention Association, that this bill will now be the model for other countries to follow, as it is unusually thorough and far-reaching, the Ontario Government having gone further than even the Association and others interested had thought it wise to ask. One most important provision will provide the machinery to force persons who maintain conditions that are dangerous to remove them, or submit to a serious fine. The Fire Marshal will be permitted to call upon the Crown Attorney to issue an order against offenders, and, failing action on the part of these, a fine of $100 a day will be incurred. A further point of value requires that the insurance companies notify the fire marshal as to the amount at which all fires are adjusted.

The National Fire Protection Association met in Chicago on Tuesday, Wednesday and Thursday of last week, and a feature of this year's meeting was a paper from the fire commissioner of New York on the subject of fire prevention. This subject has only come into prominence within the past few years, but it has been considered so important that its effects are seen in the appointment of fire marshals in some forty of the states. The Ontario Association was represented at the meeting by Mr. William Walker, its secretary.

Recent Fire Losses

Recent fire losses reported to Superintendent of Insurance, Victoria:

Nanaimo—Victoria Crescent; owner, Mrs. Aikenhead; occupant, Jas. Georges & Co. store; wood, two story; value of building,

(Continued on page 14)

Corporation of the City of Victoria, B.C.

Financial Statement as of Dec. 31, 1913

DEBENTURES OUTSTANDING.

WATER WORKS	5%	1916	$ 75,000.00
" "	5	1928	20,000.00
" "	4½	1944	150,000.00
" "	4	1916	17,000.00
" "	4	1917	8,000.00
" "	4	1917	5,000.00
" "	4	1958	619,000.00
" "	4	1959	125,000.00
" "	4	1961	150,000.00
" "	4	1962	500,000.00
" "	4	1962	1,000,000.00
" "	4	1962	200,000.00
" "	4½	1962	50,000.00
SEWERS	5	1928	30,000.00
"	4	1940	300,000.00
"	4½	1944	100,000.00
"	4	1952	200,000.00
"	4	1955	100,000.00
"	4	1957	50,000.00
"	4	1958	50,000.00
"	4	1959	50,000.00
"	4	1959	45,000.00
"	4	1960	50,000.00
"	4	1962	300,000.00
"	4	1962	450,000.00
"	4½	1962	700,000.00
DRAINS	4½	1943	125,000.00
"	4½	1958	150,000.00
FIRE PROTECTION	4	1933	70,000.00
" "	4	1933	20,000.00
" "	4	1935	50,000.00
ELECTRIC LIGHTING	4½	1944	55,000.00
" "	4	1915	11,000.00
" "	4	1936	25,000.00
" "	4	1936	50,000.00
SCHOOL PURPOSES	4½	1944	85,000.00
" "	4	1951	30,000.00
" "	4	1932	36,500.00
" "	4	1933	70,000.00
" "	4	1934	65,000.00
" "	4	1935	184,000.00
" "	4	1935	50,000.00
" "	4	1936	150,682.00
" "	4	1937	275,000.00
" "	4	1937	175,000.00
" "	4½	1938	290,000.00
STREETS AND BRIDGES	5	1936	50,000.00
" "	4½	1942	25,000.00
" "	4	1914	5,128.60
" "	4	1951	75,000.00
" "	4	1955	25,000.00
VARIOUS MUNICIPAL PURPOSES	4	1951	150,000.00
" " "	4½	1942	45,000.00
" " "	4½	1942	55,000.00
" " "	5	1917	188,000.00
" " "	4½	1944	35,000.00
" " "	4½	1944	25,000.00
" " "	4	1919	210,000.00
" " "	4	1925	200,000.00
" " "	4	1925	12,000.00
" " "	4	1956	50,000.00
" " "	4	1933	54,000.00
" " "	4	1960	75,000.00
" " "	5	1962	*45,000.00
" " "	4	1935	15,000.00
" " "	4	1935	20,000.00
" " "	4	1962	*160,000.00
" " "	4½	1938	225,000.00
" " "	4½	1923	*85,000.00
" " "	4½	1938	80,000.00

Total Debenture Debt		$9,220,310.60
Less Water Debt	$2,919,000.00	
" Sinking Funds	1,004,449.06	
		3,923,449.06
Net Debt		$5,296,861.54

Assessment Roll, January 1, 1914—

Land	$ 89,330,150.00
Improvements	26,804,240.00
Total	$116,134,390.00

Net Debt to Assessment, 4.56%.
Local Improvements, $4,925,973.77.
Municipal Assets, $6,133,372.11.
Tax Rate, 17.74 mills.
Population, Assessor's estimate, 56,230.

NOTE.—Assessment is based on full valuation of land and 50% on value of improvements.

STOCKS

VANCOUVER STOCK EXCHANGE

May 13, 1914

Listed Stocks—	Bid	Asked
Dominion Trust Co.	$114.00	$117.00
Great West Perm. (A)	127.50	130.00
International Coal & C.	.33	.37
Van'ver Development	11.00	
Alberta Canadian Oil		.02
Alberta Coal & Coke		.02
Nugget Gold Mines		.26
Portland Canal	.01¼	.02¼
Stewart M. & Dev. Co.		.50

Unlisted Stocks—	Bid	Asked
B. C. Copper	1.45	1.95
B. C. Perm. Loan A		134.00
Granby	81.00	83.00
Northern Crown Bank		94.00
National Finance	35.00	55.00
Pacific Coast Fire		120.00
Pacific Loan Co.	18.00	
Canada Cons'd, M. & S.	92.00	
B. C. Life Assur. Co.	105.00	112.00
American Canadian Oil	.02	.03½
Amalgamated Dev.		.00⅝
B. C. Refining Co.		.65
Can. Pac. Oil of B. C.		.05
Coronation Gold		.26
Glacier Creek		.04½
Grand Trunk Lands		.04½
Hudson Bay Fire		101.00
Kootenay Gold		.07
Lucky Jim Zinc		.05
McGillivray Coal	.15	.19
Nicola Valley C. & C.		12.00
Rambler Cariboo	.24	.32
Snowstorm	.25	.31
Standard Lead	1.65	1.85
Red Cliff Min. Co.	.05	
White Island Sulphur	1.15	
Slocan Star	.36	

Sales since May 1—

May 1—	5 Dom. Trust	112
	5 Dom. Trust	114
	5 Great West Perm. "A"	127½
May 6—	15 Dom. Trust	112

VICTORIA STOCK EXCHANGE

Stocks Not Quoted Elsewhere

May 13, 1914

	Bid	Asked
Albion Trust Co. Com.	—	—
Albion Trust Co. Pfd.	—	—
Balfour Patents Pfd.	—	1.00
Blackbird Syndicate	—	75.00
B.C. Per. Loan & S. Co	—	—
Can. Nor. Pac. Fish.	—	.75
Can. P. Sound Lbr. Co.	—	2.00
S.S. Island Creamery	7.50	—
Vict. Phoenix Brewery	100.00	—
Canada West Trust	—	—
Capital Furniture Co.	—	—
Island Investment Co.	—	25.00
North Shore Iron Wks.	—	—
Bakeries Ltd.	—	11.00
Salmon Bear River	—	.05

OUTSIDE MARKETS ON LISTED AND UNLISTED SECURITIES

(By courtesy of Donald M. Macgregor)

Banks and Trust Companies—	Bid	Asked
Bank of Vancouver	32.00	39.00
B.C. Life Assurance Co.	105.00	117.00
B.C. Perm. Loan A.	129.00	135.00
B. C. Trust	100.00	109.00
Califor'an National Life	9.00	—
Canadian Financiers	95.00	106.00
Dominion Trust	112.00	116.00
Great West Perm. A.	127.50	132.00
Hudson Bay Fire	90.00	105.00
National Finance	45.00	55.00
Northern Crown Bank	91.00	95.00
Pacific Coast Fire	119.00	121.00
Continental Trust Co.	—	110.00
Pacific Loan	20.00	30.00
U. S. Cashier Co.	—	2.50

Industrials—	Bid	Asked
Addograph	—	.30
Alaska Steamship	72.00	78.00
B. C. Golf Club	110.00	135.00
B. C. Packers	135.00	142.00
B. C. Refining Co.	.55	.70
Bell Telephone	144.00	145.00
Can. Call Switch (Can.)	—	.15
Can. Call Switch (Am.)	—	.10
Clemmer Theatre	—	130.00
Home Telephone	8.00	10.00
Home Telephone Pfd.	24.50	29.50
Marconi Co. America	3.75	4.50
Marconi Co. Canada	1.50	2.25
Imp. Car & Dry Dock	—	2.00
Ritchie Gravel	—	100.00
Mexican Pacific	22.00	27.00
Tacoma Co.	.08	.12

Mines and Oils—	Bid	Asked
Amalgamated Oil	84.00	87.00
Associated Oil	42.50	42.75
Alaska Pet. & Oil	—	.06½
Alameda	—	.03½
Amalgamated Develop.	.00¼	.00⅝
B. C. Copper Co.	1.75	2.25
Bowena Copper	—	.50
Buckeye Pipe	136.00	139.00
Can. Con. M. & S.	90.00	100.00
Can. Pac. Oil	—	.06
Cameron & Johnson	—	.12
Cliff Min. Co. (Alaska)	—	.40
Alaska Oil & Refining	—	.25
American Canadian Oil	.02	.05
Coronation Gold	—	.30
Cresceus Oil Co.	.08	—
B.C. Coal & Oil Devel.	30.00	50.00
Athabasca Oils L't'd.	—	.85
Athabasca Petroleum	—	.50
Granby Con. M. & S.	81.00	83.00
Grand Trunk B.C. Coal	—	.15
Glaciers	—	.05
Hubbard & Elliott	—	.30
Inter. Coal & Coke	.36	.41
McGillivray Coal	.15	.17
Missoula Copper	—	.17
National Transit	36.00	38.00
Nugget Gold Mines	—	29.00
Portland Canal Mines	.01¼	.03
Pioneer Mining Co.	—	.15
Premier Oil Co.	.15	.16
Peerless Oil of Canada	—	.08
Rambler Cariboo	.28	.35
Red Cliff Mining	.06	.09
Snowshoe	.01¾	.06
Snowstorm	.22	.28
Standard Lead	1.60	1.85
Standard Oil of Calif.	291.00	293.00
Stewart Land	1.25	1.35
Shushanna M. & T.	—	.20
Shus. Gold Mines No. 1	—	.15
Union Tank	80.00	85.00
United Copper	.60	.75
White Is. Sulphur	1.50	1.75
Surf Inlet	.20	.35

A movement is on foot to insert a clause in Second Narrows Bridge contract to provide for fabrication of steel work done in Vancouver.

Title to Ocean Falls Company has passed to Messrs. Fleishhacker Bros. and Johnson of San Francisco, who are pledged to bring this large pulp plant into operation at an early date.

The Trail smelter has milled for the year to May 9, 124,929 tons of ore. Tonnage milled in Nelson, Slocan, Ainsworth and Rossland districts totals 202,344 tons.

Mr. George Kidd, of British Columbia Electric Railway, has been appointed to succeed Mr. R. H. Sperling as general manager, who goes to London as assistant to the chairman of the board.

The Grand Forks Canning Company, Limited, is expected to have its new cannery in operation to handle this season's crop of fruits.

The Britannia Mine, Howe Sound, recently received a consignment of 120 tons of mining machinery for installation of an additional reduction plant.

RECENT FIRE LOSSES

(Continued from page 11)

$3,500; insurance on building, $2,500; value of contents, $6,000; insurance on same, $4,000. Not adjusted yet. Cause unknown.

South Vancouver—1126 36th Ave. E.; owner and occupant, Angus Smith; one and one-half story frame; value of building, $1,300; insurance, $950; value of contents, $500; insurance, $500; damage to building, $650; damage to contents, $398.65. Total loss, $1,048.65.

Nanaimo—Victoria Crescent, owner and occupant, J. B. Nicholson; value of building, $3,500; insurance, $1,000; value of contents, $3,000; insurance, $1,500; damage to building, $260; to contents, $636. Total loss $896. Cause, from adjoining building.

Vancouver—J. Hanbury & Co., dry kiln; value of building, $5,800; insurance, $4,000; value of contents, $1,000; insurance, $1,000. Total loss, $6,800. Cause unknown.

Burnaby—Boundary Ave., owner and occupant, F. J. Tappleton; wooden frame building; value of building, $2,500; insurance on building, $2,500; value of contents, $1,650; insurance on contents, $500. Total loss, $4,150. Cause from kitchen stove.

Burnaby—McGregor Ave. and Alta Vista; owner, Mrs. Alice Dixon; occupant, A. L. Dixon; wooden frame; value of building, $1,700; insurance on building, $1,000; value of contents, $800; insurance on contents, $500. Total loss, $2,500. Cause, defective flue.

Chilliwack—Main street, owner R. G. Rowat; unoccupied; value of building, $2,000; no insurance. Total loss, $2,000. Cause unknown.

Prince Rupert—815 First Ave., owners, Corley & Burgess; occupant, George Budderine; wooden frame building; value of building, $4,000; insurance on building, $3,000; value of contents, $3,000; insurance on contents, $1,000. Loss $210. Cause, defective wiring.

Fernie—Owner and occupant, William Lancaster; wooden building; value of contents, $3,000; insurance, $2,400. Loss on contents, $905. Cause, accident with lamp.

OPERATION OF AMENDMENTS TO LAND REGISTRY ACT.

(Continued from page 10)

and their possible interests as is obtainable from the records of the office.

The Registrar may summons any person having an instrument in his possession in any capacity to produce the instrument in his possession or control affecting any land, mortgage, or encumbrance, or the title thereto, and if to complete any registration, to deposit the same with him.

There are many other vital and interesting points in connection with the 1914 amendments to the Land Registry Act, but in summing up I would say that while some of the amendments appear to the casual observer to be rather stringent, there is no doubt they will do a great deal towards raising the standard of registerable documents as well as materially assist to perfect our system of titles.

RECENT NEW TIMBER LEGISLATION.

(Continued from page 9)

will be taken by the Government in the form of royalty. The proportion is at first small, 20 per cent.; in fifteen years it rises to forty per cent.

The principle of the new royalty legislation is the principle of partnership. The people own the timber; the people are responsible together with the manufacturer for the increment in the value of the standing timber, therefore, the people rightfully share in this increment.

MINING

Mineral Wealth of British Columbia

By F. J. CROSSLAND, M.I.M.E.

Healthy Condition of Mining Industry in the Province—Extent of Mineral Territory—Large Number of Companies in the Market for Mines —Possibility for Iron Production.

BRITISH Columbia is richer in minerals than in any other natural resource. Inclusive of the current year's mineral production, its mines will have produced about $500,000,000, and will have distributed $25,000,000 in dividends.

The value of the annual mineral production of British Columbia is over $30,000,000, or taking the average of the past two years, is about $31,300,000 per annum, being 28 per cent. of the total production for the whole of Canada.

It is a fact worthy of note as indicating the importance of the mining industry and the economic value of increased mineral production, that 40 per cent. of the British Columbia production was made in the last five years, while more than half has been produced in the last eight years.

The mineral industry contributed $754,347 towards the revenue of this Province for 1913. The value of the minerals mined to date amount to $2,300 per head of the population of the Province.

The regular dividend distributions speak more forcibly than anything else of the healthy condition and financial success attending mining in British Columbia. The amount of dividend payments for the first four months of this year total $961,000. This it must be admitted, is a splendid showing when we take into consideration the added profits, but applied to further exploration and improvements in lieu of capital it is comparatively estimated that the mines of the Province are earning profits of at least $5,000,000 a year, and there are indications that other mines now producing will soon be added to the dividend list. The Standard Silver Lead Mining Company has just announced an extra dividend of 2½ per cent., making the total distribution for the month $100,000, or 5 per cent. of the capital stock for this month alone. This company has been steadily distributing yearly dividends at the rate of 30 per cent. on its capital stock. The Granby Consolidated Mining and Smelting Company announces another dividend at the rate of 6 per cent., absorbing $225,000. The Hedley Gold Mining Company pay quarterly dividends with an annual bonus, which makes a distribution of 30 per cent. on the capital stock of the company. The Consolidated Mining & Smelting Company will distribute its usual dividends at the rate of 8 per cent., absorbing $116,000 per quarter. The Marble Bay mine has recently paid a third dividend of $35,000, making a total to date of $105,000.

The improved outlook for metalliferous mining in British Columbia is decidedly encouraging and is emphasized by the fact that a number of representatives of strong mining investment companies are now visiting Vancouver in their search for mining properties of sufficient promise to warrant investment. Such large exploration companies as the following are all in the market for promising mining property: The Mines Finance Company; The United States Mining, Smelting & Refining Co., the Canadian Mining and Exploration Company; the Guggenheim Exploration Company; London Exploration Company; British Venture Corporation; D. C. Jackling Syndicate; Anglo-French Exploration Company; Mines Selection Company, and the Granby Consolidated Mining and Smelting Company of British Columbia.

The latter company has mined and smelted to date more than 10,000,000 tons of copper ore, from which was produced about 200,000,000 lbs. of copper, 3,500,000 ounces of silver and 480,000 ounces of gold. Its gross receipts for the last ten years have been nearly $40,000,000, and the total dividends paid to date amount to $9,012,728. Its smelter at Grand Forks is stated to be the largest copper reduction works in the British Empire. In its new smelter at Anyox (Observatory Inlet), the three furnaces have a capacity of 2,000 tons. This new smelter promises to pay an important part in the future development of the mineral deposits of the coast of British Columbia. When the present plant is in full blast it should produce about 88,000 lbs. of copper a day, or 31,680,000 lbs. of copper per annum on the grade of ore they have so far developed, which averages 2.2 per cent. copper. At 14½ cents per lb. for copper the gross earnings of the smelter are estimated at $4.593,600 per annum, exclusive of the gold and silver values in the ore. The amount of ore developed is estimated at 9,000,000 tons, and the further probable ore in the Hidden Creek mine is estimated at 12,000,000, or seventeen years' supply, the estimated gross value of which is $78,000,000.

Another wealth producer of importance to the Province is the Britannia mine on Howe Sound and situated within twenty miles of Vancouver. It is stated the owners are now reaping the advantage of its extensive development and increase of plant and by the end of the year production should reach 2,500 tons a day. The activities of this company have done much to draw attention to the deposits of low grade copper ores of the coast districts, and the future may see other properties developed to the producing stage to the ultimate benefit of City and Province. When it is understood that this mine employs nearly 800 men. The company has a monthly payroll of $75,000, and the expectation is that it may be doubled, perhaps more than doubled within the next year or two. The ordinary man hardly realizes what this means to a city. As it is not brought to his attention daily he is inclined to forget that Vancouver has a large and active industry so close at hand.

The success of the new oil-flotation process which this company has tried out is now assured and means that low grade ores on this coast can be successfully mined. This copper belt in which the Britannia mine is located is known to be extensive and it would be unreasonable to suppose that the portion that this company has developed should happen to be the only mine existent along its course.

It takes big money to open up and equip properties of this nature, but now it has been successfully demonstrated that they can be profitably mined, much interest is being taken in these rich mineral deposits close to our doors. It is confidently expected in mining circles that the near future will see increased activity with its resultant advantage to Vancouver and the Province.

In reviewing the mining industry and knowing the extensive mineralized areas that have not been scratched, it is reasonable to conclude that the mineral production will be largely increased as a result of the extended railway construction.

Of the 382,000 square miles of territory in British Columbia, approximately 300,000 square miles are known to be mineralized, and today most of this great area remains a virgin field, so that the latent possibilities of the mining industry of the Province are very great. British Columbia's favorable position as part of the great Cordilleran belt has maintained its reputation so far as yet prospected. This belt is recognized from South America up into the Western States and Canada as one of the greatest mining regions of the world, having a length in Canada of 1,300 miles by a width of 400 miles, but a small portion of which has been scratched, and this great British Columbia portion is not only known to be rich in metals, but in coal of excellent quality. Though little prospected this belt has been proved to contain the greatest coal fields, one of the greatest copper mines, one of the greatest silver-lead mines, and two of the greatest placer gold camps in Western America.

Ten years ago Mr. Bernard MacDonald, who was manager of the Rossland mines, read a paper before the Canadian Mining Institute on "Mining Possibilities of the Canadian Rockies" and in that he showed that in Mexico the Rocky Mountains had yielded of the precious metals alone a production of $5,500,000,000 over a length of 1,700 miles, or an average of $3,125,000 a mile; in the United States $4,500,000,000, or $3,462,538 a mile along a length of 1,300 miles, while in Canada the total had reached only $166,000,000, or $103,759 a mile for 1,700 miles, it is fair to assume that the Rockies in Canada will yield a quantity of the precious metals equal to that produced by them in American or Mexican territory—mile for mile of their length—when equally developed. It should be noted that much of the Cordilleran belt is in British Columbia.

(Continued in Next Issue, June 6)