

The Monetary Times

Trade Review and Insurance Chronicle
OF CANADA

ESTABLISHED
1867

TORONTO, MARCH 1, 1918

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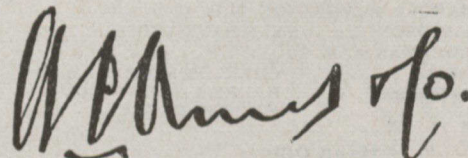
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Old as Confederation

JAS. J. SALMOND
President and General Manager

FRED. W. FIELD
Editor

A. E. JENNINGS
Assistant General Manager

Control of Quebec's Municipal Affairs

Provincial Government Will Create New Department with Wide Powers—Municipalities Will Not be Allowed to do Acts Which Will Harm Their Credit in Money Markets—Reports to be Made to Provincial Treasurer—Supervision of Loans for Public Works.

THE Department of Municipal Affairs, which is being created by the Quebec government, will have a wide field of operations. As the new system of controlling municipalities is found to meet with success, the ultimate result, according to what has been said in the Quebec legislative assembly, will mean that it will no longer be possible for a municipality, civic or scholastic, to commit acts that affect it badly in the money market. An almost complete control of civic finance is provided in the new bill, or rather series of bills on the same subject, that were taken up in the course of a protracted sitting. The manner in which municipalities are to issue their loans, obligations on the municipalities to provide sinking funds each year, and a number of other matters very directly affecting all matters of municipal finance, even to the control of the bookkeeping, are included in the new legislation.

It will be the aim of the government to see that the municipalities issue serial bonds for obligations. Each year the coupons, when paid, will pay not only the interest, but also the year's proportion of the capital, so that at the end of the term on which the bonds are issued, the principal and interest will both be extinguished.

There is to be created a department of municipal affairs, under the direction of a "minister of municipal affairs." This department will be added to one of the already existing departments for the present, but it will have its own deputy minister and own staff. The minister to whom is assigned the supervision of this department will bear the title of two departments, as for example, Mr. Mitchell might be styled "provincial treasurer and minister of municipal affairs."

One of the bills presented in the Quebec legislature, regarding the new department, deals with the deposit in certain cases of moneys intended for the sinking funds of municipal and school corporations, and to amend what is necessary in the statutes in regard thereto. Mr. Mitchell explained in the provincial house that by virtue of this bill municipalities and school corporations are obliged to create a sinking fund for the time of the loan made. This will do away with perpetual demands to the legislature each year for special favors in that regard. The law provides that when the capital of a loan contracted, or of bonds issued, by a municipality incorporated by special act, or under the provisions of the general law, is repayable by annual instalments, or by a series of consecutive and yearly instalments covering the whole term of the loan or of the bond issue, the moneys set aside each year for the sinking fund shall be deposited every year in the office of the provincial treasurer at Quebec, and so much of said deposit as may be required shall be used to meet instalments, if any, at the dates on which they respectively fall due. However, there is a provision to the effect that if a municipality can satisfy the minister of municipal affairs that it is advisable and in the interest of the municipality that the sinking fund be deposited elsewhere than in the office of the provincial treasurer, or be otherwise invested, authorization may be given to use the money otherwise than to turn it over yearly to the provincial government.

The government will allow the municipalities interest at the rate of 3½ per cent. on the yearly moneys thus entrusted to it for what is practically safekeeping, that is, to prevent the municipalities from being tempted to spend it otherwise than to meet debentures.

The government will compound the interest yearly, which will be a considerable item. When the municipality has made the yearly payments to the government to look after the loans at maturity, and when the loans are due, and consequently the government has the municipality's funds needed to meet the loan, it is enacted that the government shall turn the money over to the municipality so that it may pay back the loan, but—still greater precaution against a municipality that is apt to be careless—the government itself will pay the money over to the bank where the bonds are to be paid. The government is simply taking no chances of collecting, say, a million dollars in the course of the term of a loan and then handing the money over to the debtor to pay to the creditor.

The moneys deposited by the government to meet municipal loans are unseizable, save and except in execution of a final judgment from a competent court rendered in favor of the lender, or of one or more of the bondholders, for whose benefit the sinking fund has been created. The moneys, if seized, must be distributed rateably amongst all the holders of the bonds.

The moneys which the municipalities are required to deposit with the provincial treasurer may be invested in Dominion or provincial stock or bonds in public securities of the United Kingdom, or of the United States of America, or in the stock or bonds of any municipal or school corporation in the province.

Provision is made whereby a tariff of fees and duties shall be paid by the interested corporations in connection with deposits and reimbursement. The purpose of this clause is evidently that the cost of the municipal department in regard to receiving municipal money and paying it out to meet municipal obligations shall not be a charge on the province; also the government by paying 3½ per cent. to the municipalities on their own money is liable to benefit by the fact that it has the option of investing such money where it wishes, and naturally at considerably higher than 3½ per cent.

Another clause provides that a municipal or school corporation which has effected a loan for which a sinking fund must be created under the laws governing the same, or which has issued bonds, shall, within the 30 days immediately following the completion of the loan, or the delivery of the bonds, make to the provincial treasurer a report, under oath, of the particulars of the by-law or resolution under which the loan was contracted or the bonds were issued; the amount of the loan or of the bonds, the amount of each instalment, if any, the maturity dates and the places of payment of the principal; the date of the completion of the loan, the name of the purchaser, and the net amount received by the corporation out of the money borrowed or out of the sale of the bonds, together with a certified copy of the by-law or resolution.

Provisions are made whereby municipal officers are forced to comply with these provisions, and whereby any trustee,

bondholder, ratepayer or other interested party may, by an action-in-law, force the municipality to make the deposit of the sinking fund with the provincial government, and there is a fine for officers giving false information. The act is to come into force by proclamation.

Another bill dealing with the new department is to the effect that all municipalities must keep proper accounts. Such accounts must be rendered to the minister of municipal affairs two months after the end of the fiscal year, and if the accounts are correctly kept that matters end there, but if not correct, in the opinion of the minister, the latter is authorized to have a proper audit and report, for any period of time, made of the affairs of the municipality, and at the expense of the municipality, using inspectors of his department for that purpose, or outside accountants. Provisions are made to force the municipal officers to give all facilities to the officers of the government, with a penalty for refusal. If the inspector reports that a change in the bookkeeping is needed, the minister is to have power to order such change, and to compel compliance.

The bill deals with the question of borrowing money, and the terms. These clauses are particularly important, applying as they do, to every municipality.

It is provided that the term of a loan for establishing, purchasing, extending or enlarging a system of sewers or a system of supplying water, or acquiring land for waterworks for developments of or for improvement to public parks or playgrounds shall be for 40 years.

Loans on Works.

For works undertaken by municipalities for gas or electric light plants and system, for improvement of highways, of streets and sidewalks, if the pavements or sidewalks are of stone, block brick, concrete or other material of similar lasting character, or for the construction of bridges when of similar solid construction, the term of the loan shall be for 30 years.

For acquiring land for development, construction or extension or improvement of highways, streets and sidewalks, if the pavements or sidewalks are of macadam or asphalt, or other materials of similar lasting character, or for the acquisition and construction of wooden bridges, or material expected to last as long as wood, for acquiring necessary lands, therefore, the term of the loan shall be 20 years.

For acquiring land for development, construction, extension and improvement of highways, streets or sidewalks, if the pavements or sidewalks are not of material of a lasting kind, or for loans for aid, bonus or encouragement, the term of the loan is to be for 10 years.

Loans contracted for any purposes not specified, if the minister of municipal affairs considers that such works are of a lasting character, the loan may be of 30 years, if not so considered, the loan is limited to 10 years.

Money and Purpose.

It is made obligatory to apply all moneys borrowed for a certain purpose to such purpose only, but if there is a surplus, if such should happen, the excess may be used for other purposes. Every member of the council, who either verbally, or in writing, by his vote or tacitly, authorizes the misappropriation of money, shall be personally responsible for all sums thus illegally diverted from the use for which they were intended, and such money may be recovered by action-in-law, and enforceable by coercive imprisonment against the member or the members of the council who are guilty. Such responsibility shall be joint and several, and shall apply to the secretary-treasurer or other officer who participates in such illegal diversion of such moneys or who causes the same. The action to recover the money may be taken by the municipality itself, by a ratepayer, and even by the minister of municipal affairs.

Changes are made as to the voting on by-laws. At present money by-laws before coming into force have to be approved by the proprietors. They will have to be approved also by the lieutenant-governor-in-council, which means the new minister of municipal affairs. Every loan must be provided for with a sufficient sinking fund to meet it at maturity instead of the 1 per cent. now provided for, which would only meet a 40-year loan at maturity. There are a number of provisions as to loans, insuring greater safeguards to bondholders.

Mr. A. E. Warren, formerly a Canadian Northern Railway official in the West, has joined the Railway War Board as a representative on the administrative committee of the government railways.

LAND VALUES IN SASKATCHEWAN

Evidence at Canadian Northern Railway Stock Inquiry— Influx of Settlers

The land holdings of the Canadian Northern Railway and the colonization of lands earned by the company through government grants, were discussed before the Arbitration Board inquiring into the value of the company's stock, at Osgoode Hall, Toronto, this week. Mr. Lorne W. Mitchell submitted a statement showing that the company still held 873,961 acres of land as yet unsold out of the parcels granted under land subsidies for the construction of various lines.

Mr. Edward A. Field, general manager of the company's land department, submitted statements showing the progressive advance in the values of Canadian Northern Railway lands, and declared that the average value of the lands now held by the company stood, at a low estimate, at \$15.65 per acre. The average price was brought down by the lower values of lands situated in Manitoba, but the bulk of the company's holdings, he pointed out, were located in Saskatchewan, where values averaged \$38 per acre, estimated on the prices secured from recent sales. The company had sold no lands at less than \$20 per acre recently, and prices were steadily increasing because of the lively demand from settlers for extensions to their holdings.

Brought in Settlers.

Mr. Field pointed out that the first large influx of settlers from the prairies of the Western States had been coincident with the opening of the Saskatchewan Valley by the Canadian Northern Railway. There had been a noticeable increase in the numbers of American settlers coming to Canada since the United States entered the war, he said, and the prosperity enjoyed by the western farmers because of the high levels of wheat prices had also tended to put land prices forward. Mr. Field thought that prices would continue to increase even after the war, as the remaining unoccupied lands available for purchase were in settled districts, where the productive values represented greater net profits owing to the development of marketing facilities.

Enhancement of Land Values.

Mr. Howard Everitt, president of the Luse Land and Development Company of Minneapolis and Regina, also testified as to the causes which are working for the enhancement of land values in Saskatchewan. He looked forward to a large increase in the numbers of settlers from the United States after the war, owing to the removal of sentimental barriers which had prevailed to some extent against the colonization of the west prior to the entry of the United States as Canada's ally in the European conflict.

American settlers were attracted to the Saskatchewan Valley because of the comparatively low price and evident high productivity of the lands, and were also directed north of the international boundary because of the difficulty of securing new land holdings in the States, where the only available unoccupied lands were the government reclamation projects and the cut-over timber lands of Minnesota, Michigan and Wisconsin, which involved a clearing of from \$12.50 to \$75 per acre in addition to the purchase price. Similar evidence was also submitted by Mr. John Martin, of Minneapolis, who for the last 17 years has been active as a colonizer of Western Canada lands.

SASKATCHEWAN FARM LOANS ACT

Three amendments have been made to the Saskatchewan farm loans act. Section 14 has been amended by the addition of a clause providing that no member of the legislative assembly may be granted a loan under the act. The next, and most important, amendment, provides that the provincial treasurer may raise by way of loan the sum of ten million dollars instead of five million as before for the purposes of the act.

The last amendment is the redrawing of Section 25 so as to make it possible for the provincial treasurer to advance any sum up to the total amount of the mortgages before the mortgages are deposited with him. Formerly it was the securities which were limited to the amount of the mortgages, but now the advances are so limited. In future it will be possible to take advantage of a favorable opportunity to sell enough securities in anticipation of the demand, so that there may always be enough on hand to make the required advances.

INVESTMENTS AND THE MARKET

News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions, Dividends and Future Plans

Canadian Locomotive Company.—The company has completed delivery of ten Mikado type locomotives for the Grand Trunk Railway, and ten more of these locomotives are on order for use in freight service.

Wayagamack Pulp and Paper Company.—At the annual meeting the full board of directors was re-elected as follows: C. R. Whitehead, president and general manager; Alex. Pringle and Jas. W. Pyke, vice-presidents; G. H. Duggan, J. N. Greenshields, K.C.; Henning Helin, Hugh Mackay, K.C.; Alex. Maclaren and Sir Wm. Price.

Asbestos Corporation of Canada, Limited.—Profits, including income from the investments, amounted to \$563,069 in 1917, as against \$537,938 in 1916. As the gain of about \$27,000 or 5 per cent., followed one of \$151,500, or 40 per cent., in 1916, the showing may be considered highly satisfactory. After deductions for renewals and betterments, \$159,280, and bond interest, \$150,000, the surplus profit for the year was \$253,789, equal to 6.3 per cent. earned on the preferred stock, as against \$215,476, or 5.4 per cent., earned the previous year, and \$93,594, or 2.3 per cent. in 1915.

Provincial Paper Mills Company.—The annual meeting of the company was held in Toronto on February 20th. There were no changes made in the board of directors or management, and the financial reports were adopted by the shareholders with little discussion. According to the report, after paying all bond interest and other charges, the net profits for the year were \$458,338. The sum of \$119,000 was paid in dividends on preferred stock and \$80,000 on common stock. The surplus at end of year amounted to \$184,333. The report indicated the total assets \$5,552,278 as compared with \$5,124,466 at the end of the previous year.

Laurentide Power Company, Limited.—Gross earnings of the company in 1917, the first full year of operation, amounted to \$663,858, the net earnings from operation to \$579,795, and the surplus after fixed charges to \$204,795. The latter represented earnings at the rate of 2 per cent. on the outstanding capital stock. From the year's surplus there was transferred to depreciation reserve \$100,000. There was \$45,558 transferred to reserve for contingencies, and \$2,240 set aside for income tax. That left \$56,986 to be carried forward.

The feature of the annual statement of the president, Mr. J. E. Aldred, is the announcement that an increase in the capacity of the plant up to the 180,000 horse-power for which it was designed, by the installation of three new units of 20,000 horse-power each, is an early possibility.

Dominion Power and Transmission Company.—Gross earnings of the company for the year ended 1917, amounted to \$2,967,273, while operating expenses totalled \$1,733,759. Net profits were \$726,219, which added to the previous balance of \$536,065, made the total profit and loss surplus at the end of the past year \$1,262,284. The directors announced at the annual meeting that the company would continue the 7 per cent. dividend on the preferred and the 4 per cent. dividend on the common stock. It was also stated that, owing to the strong financial position of the company a bonus might be paid during the year.

British Columbia Fishing and Packing Company, Limited.—The British Columbia Packers' Association, owned by the British Columbia Fishing and Packing Company, Limited, reports profits of \$548,231 for 1917, an increase of \$290,423, or about 113 per cent. over the return for the previous year. After allowing \$95,151 for depreciation, the balance of \$453,080 remaining, represented earnings at the rate of 21 per cent. on the company's total capital stock, common and preferred, both of which are on an 8 per cent. dividend basis. The total surplus, \$1,347,945, is \$366,668 higher than at the end of 1916, and is equivalent to more than 60 per cent. of the par value of the capital stock outstanding. The balance sheet

shows current assets of \$1,086,792, against current liabilities of \$109,605, leaving a working capital surplus of \$927,187, against \$678,720 a year ago.

Toronto Street Railway Company.—No additional directors were elected at the special meeting of the company held on February 26th. Mr. Hermann H. Pitts, of Ottawa, refused to produce his proxies, and as a result an adjournment of the meeting had to be made until April 4 at noon. The dividend for the present quarter was declared at 4 per cent. This is a cut of 50 per cent. of what was expected. Increase of wages paid employees of the company, amounting to \$630,000, last year is given as the reason for the cut. Sir Henry Pellatt stated that higher wages paid to men cut into the revenue to the extent that the company finds itself unable to pay high wages and the usual dividend, too. Consequently, the dividend suffered.

Tretheway Silver Cobalt Mine, Limited.—The company's ore reserves at the end of 1917 show a decrease of 2,670 tons as compared with 1916. The ore blocked out increased 1,438 tons, while the ore broken decreased 4,108 tons, the net decrease in tonnage being 13 per cent. The estimated ounces of silver in the ore reserves decreased from 361,482 to 264,044, a net decrease of 27 per cent. Of course 1918 operations might reasonably be expected to deplete very materially the present ore reserves. During the year a total of 34,722 tons of ore were milled, averaging 13.3 ounces per ton, from which 341,278.23 ounces of silver were obtained. The net value of ore produced was \$263,016.86, with an operating profit of \$114,934.67, out of which dividend No. 15, amounting to \$50,000, was paid to shareholders on August 31st last. The company subscribed for \$25,000 of the Victory loan.

Southern Canada Power Company, Limited.—The following are the gross and net earnings of the company and its subsidiaries for the month of January, and for the four months ended January 31, 1918, as compared with the same period of last year:—

	Jan., 1918.	1917.	Increase.
Gross	\$ 42,886	\$ 32,741	\$10,145
Operating expenses and purchased power	22,796	15,997	6,799
Net earnings	\$ 20,090	\$ 16,743	\$ 3,347

Four months ended January 31, 1918:

	Jan., 1918.	1917.	Increase.
Gross	\$155,481	\$120,384	\$35,097
Operating expenses and purchased power	85,600	58,418	27,182
Net earnings	\$ 69,881	\$ 61,966	\$ 7,915

Maritime Telephone and Telegraph Company.—The sale of a block of shares of the Prince Edward Island and Telephone Company, valued at \$88,993, by the owners, the Maritime Telephone and Telegraph Company, was the subject of animated controversy at the annual meeting of the latter company at Halifax. The transaction was opposed by Hon. F. B. McCurdy, M.P., on behalf of his firm, which had been active in the marketing of the company's securities, and he was supported by others, but S. M. Brookfield, the president, and his board were supported by 77,726 shares against 28,810 for Mr. McCurdy and his friends.

Mr. C. F. Sise, Jr., who, with Mr. L. B. McFarlane, president of the Bell Telephone Company of Canada, represents that company's interest in the Maritime Company, suggested that as the sale of the stock was apparently not understood by the shareholders, a special meeting be held in March to discuss and act on the matter, which was eventually agreed to. A counter-proposal, that the election of directors be delayed until the special meeting, precipitated a showdown, with the result that the management was sustained by 77,726 to 28,810 shares. Mr. McCurdy's objection was that the shareholders should have been informed of the transaction, and that

the directors had exceeded their legal authority in making the sale, to which Mr. Brookfield dissented.

Montreal Light, Heat and Power Company.—Now that legislative sanction has been secured for Civic Investment and Industrial Company to change its name back to the old style of "Montreal Light, Heat and Power Company," application is being made to the Montreal Stock Exchange to quote the company's capital stock under the old name.

Mr. J. S. Norris, vice-president of the company, states that it was not the present intention of the company to call in the stock certificates issued in the name of Civic, and replace them by a new issue bearing the old name of Montreal Light, Heat and Power Company. The company was the same, whichever the name, and there was no change in capitalization. To call in the \$63,700,000 Civic certificates and issue new Power certificates, would entail a lot of unnecessary trouble and inconvenience for both the company and the shareholders. The probable course, at least for the present, will be to replace the old certificates by new ones whenever the old come in for transfer involving change of ownership. When the change goes into effect Civic certificates will cease to be issued and the outstanding number will be continually reduced by transfers in the ordinary course of buying and selling.

Canada Steamships Lines.—The annual statement of Canada Steamships Lines, issued recently, shows that while there was a large increase in the gross revenue of the company, there was also a large gain in expenses, with the result that the net shows a slight decrease compared with the previous year. After the deduction of bond and debenture interest and all other charges, there was a profit for the year of \$2,178,401. This compares with \$2,391,027 the previous year, making a decrease of \$212,626. The surplus account shows that, after adding the balance from last year and allowing for the \$2,417,166 paid on account of current and deferred preferred, there was a surplus of \$2,374,754, an increase of \$547,411.

The president, James Carruthers, in his report to the shareholders, says that the tonnage of the company was much greater than last year, despite the losses that had occurred, and that the future could only be considered a promising field for development and expansion on the high seas. In speaking of dividends, Mr. Carruthers stated that the deferred dividends on the preference shares of the company had been paid, and it has been decided to resume them quarterly. Altogether, the situation of the company could be summed up as highly satisfactory.

Lake of the Woods Milling Company.—The directors, in placing the common stock on a 10 per cent. per annum dividend basis on February 23rd, against the 8 per cent. rate which has prevailed since 1909, announced that the earnings of the Sunset Company, a subsidiary, constituted the basis for the increase. The Sunset Company manufactures jute and cotton bags, and the balance sheet of the Lake of the Woods Company shows among investments the \$50,000 capital stock of the company. The increase in the dividend from 8 to 10 per cent. was expected, but a bonus of 2½ per cent. declared along with the 2½ per cent. quarterly dividend, came as a surprise. Like the increase in the dividend, the bonus is stated to originate in the earnings of the Sunset Company. The bonus is made up of 2 per cent. from the Sunset Company's earnings for the year ended August 31st last, and ½ of 1 per cent. for the quarter ended November 30th last. As ½ of 1 per cent. of the present quarterly dividend of the Lake of the Woods is stated to come from the Sunset Company's earnings, the latter will be the source of the 2 per cent. per annum extra which Lake of the Woods shareholders will now receive.

Shawinigan Water and Power Company.—The announcement that the company was to erect and operate a plant for the manufacture of acetic acid for the United States government, the whole enterprise to be financed by the United States government itself, was the feature of the annual meeting of Shawinigan shareholders held recently. The agreement in regard to the new enterprise was reached only on Monday, and the announcement provided an interesting variation for the routine of the annual meeting. In making the announcement, Mr. J. E. Aldred, the president, stated that the Shawinigan Company was approached as the only company on the continent with sufficient resources to undertake the manufacture of acetic acid in large quantities, and he considered the fact that the United States government was willing to

send all the necessary funds to finance the enterprise to Canada as significant. It reinforced the Shawinigan claim to being the premier power enterprise on the continent.

Work will start immediately on the new plant, which will be a duplicate of the plant presently owned and operated by Shawinigan through its subsidiary, the Canadian Electro Products Company. As the new plant will be financed by the United States government and its affairs will, therefore, be separate from those of Canadian Electro Products, it is probable that the new company will be incorporated immediately. The capital expenditure on Canadian Electro Products plant was in the neighborhood of \$2,000,000, and the new construction will take approximately as much. The financial statement of the Shawinigan Company was in line with forecasts. Gross earnings were at \$2,902,210, showing an expansion of \$576,338, or 25 per cent., while net revenue, after charges and depreciation reserve, amounted to \$1,350,864, an increase of \$97,128, or slightly less than 8 per cent. The lower ratio of gain in net as compared with gross is to be explained chiefly by a rise of over \$200,000 in expenditure under the head of "power purchased," and of upwards of \$150,000 in interest charges. The former increase refers to the increased amount of power taken from Laurentide, a purchase which went to swell gross revenues, while the latter was due to enlargement of subsidiary plants, the full benefit of which had not yet been reflected in the company's revenues. Net revenue as stated in the foregoing represented earnings of 9 per cent. on the capital stock outstanding, against 8.3 per cent. the previous year.

Brazilian Traction, Light and Power Company.—For the third month in succession, and for the fifth time during the year, the net earnings of the company showed a decrease in December, due to a continuance of high operating costs, which conspire to offset the advantages indicated by an expanding revenue. The figures for the month of December compare as follows:—

	1917. Milreis.	1916. Milreis.	Increase. Milreis.
Total gross earnings	8,069,000	7,312,000	757,000
Operating expenses	4,372,000	3,372,000	1,000,000
Net earnings	3,697,000	3,940,000	*243,000
Aggregate gross earnings from January 1	92,200,000	84,885,000	7,315,000
Aggregate net earnings from January 1	47,073,000	46,595,000	478,000

*Decrease.

Comparisons for the whole of last year are as follow:—

1917.	Gross. Milreis.	Net. Milreis.	Net increase. Milreis.
January	7,236,000	4,002,000	161,000
February	6,872,000	3,885,000	366,000
March	7,549,000	4,151,000	368,000
April	7,453,000	4,053,000	213,000
May	7,864,000	4,289,000	181,000
June	7,642,000	4,022,000	92,000
July	7,795,000	2,849,000	*292,000
August	8,064,000	4,017,000	*36,000
September	7,925,000	3,900,000	122,000
October	8,000,000	3,716,000	*184,000
November	7,695,000	3,492,000	*270,000
December	8,069,000	3,697,000	*243,000

*Decrease.

Mackay Company.—The announcement that the trustees of the company have been buying in the preferred shares of the Mackay Companies in the open market is one of the interesting features of the Mackay report for the year ended December 31st last. After stating that the reserves of the system had been increased during the past year and that in their investment the trustees had confined themselves to government securities of the highest class, namely securities of the United States, British, Canadian and French governments, the report remarks:—

"During the year your trustees have also invested in preferred shares of the Mackay Companies by purchase in the market. It is considered that this is a very opportune time to make such purchases of the preferred shares of the Mackay Companies when all high-grade securities are quoted below

(Continued on page 50.)

Monetary Times

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IMPORTING LUXURIES

Our imports from the United States are considerably larger than our exports to that country. This is partly due to the importation of a large quantity of raw materials for the manufacture of war supplies. At the same time, the purchase of articles which may be regarded as luxuries, continues to a marked extent. According to trade statistics of the United States, there has been a notable decline in the quantities imported by that country of food, clothing and personal adornment which may properly be classed as luxuries. This may be due partly to the lack of transportation and to the reduction of available supplies in the countries at war. According to Mr. O. P. Austin, statistician of the National City Bank of New York, despite these considerations, the reduction in the quantities imported has been so general as to indicate a growing disposition to minimize unnecessary expenditures in the classes of articles of that character brought into the United States.

Among the imports which have declined are diamonds, pearls, laces, plushes, ribbons, hats, bonnets, feathers, jewelry, fruits, olives, olive oil, cheese, macaroni, cream and confectionery. Cheese was previously purchased from France, Italy, and Switzerland and cream from Canada. The olives came from Italy and Spain. The foreign product of macaroni, imported, for example, from Italy, is classed as a luxury in the United States in view of the fact that that country now turns out \$12,000,000 worth per annum.

An analysis of Canadian imports points to opportunities for the reduction of the purchase of luxuries. This is a work which the new War Trade Board of Canada will undoubtedly take up. Their action will be supported by the people of the Dominion who are ready for all proper and reasonable regulation with a view to the successful conclusion of the war as speedily as possible.

CANADA AND EMPIRE

For all practical commonsense purposes, Canada now has all the constitutional powers she requires in conducting her own affairs. This statement was made by Mr. Z. A. Lash, K.C., LL.D., in an instructive and logical address to the Ontario Bar Association last week. He pointed out that the additional thing which the Dominion would acquire by independence, but which would be of no benefit to her, would be the national status enabling her to declare war against another nation and to have war declared against her by another nation. He did not lose sight of the fact or argument that Canada might, in connection with her relations with other nations, bring the whole Empire into war; so might any of the other Dominions, or even colonies, bring the Empire, including Canada, into war; so also might Great Britain herself, in reference to her relations with other nations.

Mr. Lash agreed that the present position should not be maintained, under which Canada might be involved in war by the action of the government of Great Britain or of another unit of the Empire, in connection with matters over which she has no control, or in respect of which she has not even been consulted; but the remedy for this, he thought, could be afforded, not by independence, but by an agreement under which Canada would have the right to take part in those affairs which involve the issues of peace and war.

He made the definite statement, after analyzing the matter in detail, that neither constitutionally, financially, nor in importance as a factor in the world's advancement would Canada advance her present position or her prospects for the future by becoming independent.

"Should Canada become an independent nation," he said, "and should war arise with a foreign nation prepared for war, while Canada was unprepared, what would

be the result? If that nation were not the United States of America, Canada would have to appeal to the United States for protection or agree to such terms as the enemy might dictate. If that nation were the United States, prepared for war, while Canada was unprepared, there would be none to appeal to and Canada would have to submit. What would be her ultimate destiny in either case?"

There is not space in these columns to print the address of Mr. Lash in full, but a considerable part of it is published on another page. In his concluding remarks, he stated that the war has shown us that Canada as a unit of the great British Empire is far safer and better able to take part in the world's affairs than she could possibly be as an independent nation. "She will never disrupt the British Empire by leaving it," said Mr. Lash, a sentiment which has the unqualified approval of the people of the Dominion.

BRITISH COLUMBIA'S FINANCES

The balance sheet of the province of British Columbia for the year ended March 31st, 1917, was presented to the provincial House by the finance minister last month. An examination shows it to be much more businesslike than has been the custom in the past. It reflects the good work of Mr. A. N. Mouat, who was appointed comptroller-general of the province in August last. In giving consideration to the necessary reorganization of provincial finances, the fact was not overlooked that when British Columbia entered Confederation the province retained the ownership and control of the natural resources of the country. A more comprehensive system of supervision over revenues and expenditures is therefore required in British Columbia than is the case in other provinces of the Dominion, which do not own, nor are entrusted with the administration of lands, forest, water rights, minerals and fisheries.

The system which it is proposed to instal at the commencement of the ensuing fiscal year will provide a complete check over all expenditures by audit in the "Controlling and Audit Branch," as follows: (1) Before liability is incurred, or expenditures authorized to be made against the appropriations sanctioned by the legislature; (2) before payment is made; (3) after payment to ensure that expenditures are charged to the proper account.

Under such a system, all expenditures will be duly authorized, and a stop put to the practice of incurring liability irrespective of the appropriation and holding over the accounts in relation thereto when the appropriation is exhausted and without such indebtedness being disclosed in the public accounts of the province.

The pre-audit system was referred to in *The Monetary Times* of July 27th last. The fact that it materially assisted in bringing about the reduction of \$1,209,716 in the operating expenses of the city of Edmonton for the years 1915 and 1916, has clearly demonstrated the superiority of "counting the cost in advance of liability being incurred" over the usual custom of counting it when it is too late. It is further proof that the conduct of public affairs can be placed on the same efficient basis usually obtaining in the management of a progressive business corporation.

LOAN TO CANADA?

Sir Robert Borden, premier, and Hon. A. K. Maclean, acting minister of finance, have gone to Washington to confer with the government there in regard to the exchange situation and the adjustment of purchases and payments for supplies needed by Canada, Great Britain and the United States.

Our representatives will probably confer with Mr. McAdoo, United States secretary of the treasury, and with Lord Reading, who is representing the United Kingdom on a special mission in America. The position between Canada and the United States in regard to trade and securities, their relation to the Anglo-Canadian position and also to the winning of the war, are matters for the serious consideration of the authorities. We have against us, so far as trade with the United States is concerned, a rapidly increasing trade balance which, by the end of this month, will be between \$400,000,000 and \$500,000,000. Owing to war finance requirements in the United States, we are unable to sell securities there to help offset the adverse trade balance. In addition, we are compelled to finance at home obligations maturing in the United States this year. We have a favorable trade balance in regard to United Kingdom trade but the Imperial authorities are not in a position, after the financial tasks of nearly four years of war, to pay cash for all their purchases.

In view of the facts that we are actively co-operating with the United Kingdom and the United States in the prosecution of the war, that we have raised very substantial sums in Canada for that purpose and are prepared to continue, and in view of the fact that we are one of the best customers of the United States, it is reasonable, we think, that the neighboring republic should give more intimate consideration to the position. Possibly a scheme of reciprocal credits can be worked out, as suggested in Ottawa despatches. We think in any event a substantial loan by the United States government to Canada, such as the loans made to other Allies, would be a businesslike and proper arrangement.

UNFAIR TO INVESTORS

The Vancouver Daily Sun reports a case under the War Relief Act which shows how unjust the operation of that act is to outsiders who have money invested in British Columbia. It appears that a Scottish mortgagee loaned about £1,000 upon a house at Kitsilano, and, upon payments not being forthcoming and being unable to foreclose, applied to a judge for an order for the collection of rent at the rate of \$30 per month. Counsel for the mortgagor pleaded that he was on service as a guard of railway property and received his \$1.10 a day and the separation allowance for the family, and was paying hospital fees for a sick daughter. The circumstances of the mortgagor were unquestionably of a character that would appeal to public sympathy, but it is obviously unfair that any part of the cost of maintaining His Majesty's soldiers in the service of the Dominion of Canada should be imposed upon an individual investor of Scotland, except to the extent he is called upon to pay taxes imposed equitably.

It is now well known that in Scotland itself, if any citizen is taken into military service and is unable to meet

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THE MANAGER, BOND DEPARTMENT,
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his civil liabilities corresponding to those of the Kitsilano mortgagor, the Imperial government makes a grant for the express purpose of providing for rent, mortgage interest, insurance, taxes, school fees, and the like. This Scottish mortgagee is therefore called upon to pay his equitable share in providing for the civil liabilities of the gallant Scots, and is also subject to having his savings exploited by British Columbia legislation for the maintenance of the family of a soldier in the service of the Dominion of Canada. Similar conditions are tolerated by the public of Manitoba and Alberta. It is excused by the politicians on the ground of war conditions, but it must

be obvious to those who give the matter any consideration whatever that the Scottish and other mortgagees, whether resident in the Dominion or abroad, are being dealt with in a manner which is akin to confiscation.

It is proper and desirable that to a reasonable extent the civil liabilities of a soldier on active service should be taken care of, but the expense should be borne by the general public, not of the provinces, but of the Dominion as a whole. This is the principle adopted in the United Kingdom, and corresponds to that being followed in Germany, according to a statement made by a member of ex-Ambassador Gerard's staff.

ONTARIO'S FIRE LOSS

Last Year It Totalled \$10,365,539; There Were 9,601 Fires

The following is a statement of the causes of fires in Ontario during December last, issued by the office of the Ontario Fire Marshal:—

Cause.	No. of fires.	Amount of loss. \$	Insurance loss. \$	Loss not covered by insurance. \$
Chimneys, flues, cupolas and stacks, overheated or defective	42	33,194	20,264	12,930
Electricity	24	20,104	15,131	4,973
Explosions	34	3,787	3,677	110
Exposure	69	185,008	155,647	29,361
Friction	2	10,920	8,920	2,000
Gas—natural and artificial.	26	36,989	35,579	1,410
Hot ashes and coals	20	12,735	12,635	100
Hot grease, oil, tar, wax, asphalt, ignition of	4	260	258	2
Hot or molten metal	5	138	138	.....
Incendiarism	8	29,945	19,489	10,456
Lightning—buildings not rodded	13	218	216	2
Matches	94	30,032	28,320	1,712
Miscellaneous—cause known but not classified	8	324	324	.....
Open fires	25	9,882	5,867	4,015
Open lights	68	12,668	10,675	1,993
Petroleum and its products.	26	5,390	3,383	2,007
Rubbish and litter	1	5	5	.....
Smoking (cigars, cigarettes, pipes, etc.)	21	15,097	13,167	1,930
Sparks arising from combustion	15	1,331	781	550
Sparks on roofs, from whatever source	12	786	536	250
Spontaneous combustion	9	36,804	8,034	28,860
Stoves, furnaces, boilers and their pipes	126	244,238	169,162	75,076
Unknown	94	100,042	65,148	34,894
Unclassified (temporarily)	149	340,998	323,587	17,411
Total	895	1,130,985	900,943	230,042

Fires Last Year.

The following is a summary of fires in Ontario last year:—

Month.	No. of fires.	Loss. \$	Insurance loss. \$	Loss not covered by insurance. \$
January	798	808,419	566,589	241,830
February	1,020	1,329,369	1,072,959	256,410
March	765	1,144,373	886,126	258,247
April	666	896,461	603,484	292,977
May	908	1,242,486	953,312	289,174
June	682	515,936	310,742	205,194
July	852	512,391	407,908	104,483
August	931	605,115	394,010	211,105
September	767	651,138	467,783	183,355
October	772	821,862	620,841	201,021
November	625	707,004	613,750	93,254
December	895	1,130,985	900,943	230,042
Total	9,601	\$10,365,539	\$7,897,447	\$2,468,092

NOTE.—These figures must not be considered as a final report for the year owing to the fact that some losses are still outstanding and in other cases adjustments are not completed by the insurance companies involved.

Properties Destroyed or Damaged.

The following is a classification of properties destroyed or damaged by fire in Ontario in December last:—

Class of property.	No. of fires.	Amount of loss. \$	Insurance loss. \$	Loss not covered by insurance. \$
Apartment houses, rooming houses, flats	13	3,695	3,650	45
Barns (farm only)	23	34,493	19,165	15,328
Buildings in course of construction	1	300	.....	300
Churches	1	10	10	.....
Club houses	2	505	503	2
Coal, coal and wood yards, trestles	4	43,000	14,160	28,840
Dwellings	572	142,629	116,592	26,037
Elevators and grain warehouses	2	11,800	9,400	2,400
Garages	10	18,436	18,436	.....
Automobiles, motor cars, motor trucks	8	2,050	1,800	250
Halls, lodge rooms, assembly halls, fire halls	8	13,950	13,575	375
Hotels and boarding houses	12	11,080	9,580	1,500
Lumber in mill yards and wholesale and retail yards.	2	8,481	4,781	3,700
Mercantile stores	117	418,888	303,587	115,301
Office and bank buildings..	8	1,570	1,445	125
Manufacturing and special hazards	44	356,008	331,101	24,907
Railway risks—steam and electric	16	17,037	17,007	30
Schools, colleges, hospitals, libraries	9	20,933	12,569	8,364
Steamers, tugs, vessels, dredges, yachts	3	14,243	14,143	100
Stables, sheds, outhouses (not farm risks)	39	11,847	9,400	2,438
Theatres, moving picture houses	1	30	30	.....
Total	895	1,130,985	900,943	230,042

BRITISH BILLS AT 6 PER CENT.

Messrs. J. P. Morgan and Company, of New York City, have announced that this week's offering of 90-day British treasury bills will be made at 6 per cent. discount, which is an advance of $\frac{1}{2}$ of 1 per cent. over the rate quoted during the last two weeks. Previous to that the bills had been offered at 6 per cent. and at $5\frac{3}{4}$ per cent. The advance in the rate is ascribed to the fact that Secretary McAdoo has raised the rate on United States treasury certificates of indebtedness from 4 to $4\frac{1}{2}$ per cent. The total amount of British bills outstanding is less than \$100,000,000, and while the weekly offerings have been restricted to \$15,000,000, the sales in recent weeks have been considerably less than that, the bankers not making any special effort to dispose of the maximum amount.

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Reserve Funds - \$3,017,333

Statement to the Dominion Government
(Condensed) 31st January, 1918

LIABILITIES TO THE PUBLIC

Notes in Circulation	\$ 5,312,540
Deposits	56,732,358
Due to Other Banks	884,788
Bills Payable (Acceptances by London Office)	1,366,843
Acceptances under Letters of Credit (as per Contra)	1,113,404
	<u>\$65,409,933</u>

ASSETS

Cash on Hand and in Banks	\$13,156,263
Deposit with Government o/a Note Circulation	245,822
Deposits in Central Gold Reserve	1,970,000
Government, Municipal and other Securities	12,591,380
Call and Short Loans	7,521,447
Current Loans and Discounts and other Assets	36,410,840
Liabilities of Customers under Letters of Credit (as per contra)	1,113,404
Bank Premises	2,409,292
	<u>\$75,418,448</u>



THE BANK OF NOVA SCOTIA

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Bonne Bay Carbonear Grand Bank Twillingate
Wesleyville

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Havana, Cuba, San Juan, Porto Rico.
Jamaica—Black River, Kingston, Mandeville, Montego Bay,
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THE MOLSONS BANK

Capital Paid-Up, \$4,000,000 Reserve Fund, \$4,800,000
Incorporated by Act of Parliament 1855.

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BRITISH COL- UMBIA	Iroquois	Williamsburg	" St. Lawrence
Revelstoke	Kingsville	Woodstock	" Boulevard
Vancouver	Kirkton	Zurich	" Cote St. Paul
" East End	Kitchener	QUEBEC	" Park & Bernard
MANITOBA	Lambton Mills	Arthabaska	" Montreal, West
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ONTARIO	Meaford	Cowansville	Quebec
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Brockville	Owen Sound	Loup Station	Sutton St. Cesaire
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Chesterville	Ridgetown	Lachine	St. Theresè de
Clinton Delhi	Simcoe	Lachute Matane	Blainville
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AGENTS IN GREAT BRITAIN AND COLONIES—London and Liverpool—Parr's Bank, Limited. Ireland—Munster & Leinster Bank, Limited. Australia and New Zealand—The Union Bank of Australia, Limited. South Africa—The Standard Bank of South Africa, Limited.

FOREIGN AGENTS—France—Societe Generale. Belgium—Antwerp—La Banque d'Anvers. China and Japan—Hong Kong and Shanghai Banking Corporation. Cuba—Banco Nacional de Cuba.

AGENTS IN UNITED STATES—Agents and Correspondents in all the principal cities.

Collections made in all Parts of the Dominion, and returns promptly remitted at lowest rates of exchange. Commercial letters of Credit and Travellers' Circular Letters issued available in all parts of the world.

CANADA AS PART OF EMPIRE

We Are Better Off Than if an Independent State—Trade and Revenue Important Matters

A thoughtful address on the difficulties in changing the basis of the Canadian constitution was given at the annual meeting of the Ontario Bar Association last week by Mr. Z. A. Lash, K.C., LL.D. After briefly outlining the constitution of the British Empire and of Canada, Mr. Lash stated that innumerable questions would arise should it be decided by Canada to change the basis of her constitution by leaving the Empire, whether this change would be by application to the Imperial parliament for an act granting a new constitution, or by the action of Canada herself without reference to the Imperial government or parliament. Mr. Lash assumed, for the purposes of illustration, that Canada had broken away from the Empire without an act of the Imperial parliament providing a new constitution. In that case, she would have no constitution at all. To prevent chaos pending the settlement of a permanent constitution by the people, executive and legislative power would have to be assumed by bodies of some kind.

Remain as One Nation?

The first question would probably be whether the present form of Federal Union would be maintained or something different created, and in this connection there might be difficulty in deciding whether Canada would remain as one nation covering the territory from the Atlantic to the Pacific, and from the United States border to the Arctic Ocean, divided into provinces or states more or less in harmony with the present divisions, or whether claims for the division of Canada into two or more separate nations would not arise, or whether the right to negotiate for the admission of some part or parts into the American Union would not be set up.

After discussing in detail the many difficulties which would be encountered, Mr. Lash inquired whether the supposed advantages of independence would compensate for the disadvantages and warrant taking the risks involved.

Speaking generally, it is only in connection with other nations that Canada has not now full self-government or full legislative autonomy. Canada is a unit or part only of the British Empire, and cannot speak or act for the Empire as a whole, or for the other units or parts.

He then discussed this phase of the subject, stating that it was sufficient to say that of late years the wisdom of consulting Great Britain and inviting her co-operation has been admitted and Canada has benefited thereby.

Trade and Revenue.

He next considered the claim (of those few who propose that Canada should declare her independence) that her position would be improved were such a result attained. In this connection the most important matters were trade and revenue. Mr. Lash said:—

"Wherein would independence improve her position with respect to trade? It would not affect her home production or her home trade. Would it affect her foreign trade? If a foreign nation decided not to trade with Canada, Canada could not make her do so whether she remained a Dominion of the Empire or were an independent nation. It would be the same whether the refusal were open and absolute or veiled under a high tariff or other hindrance. It is not likely that Canada's position as a Dominion of the Empire would alone account for a decision not to trade with her, and it is not likely that had she been independent such decision would not have been come to. The chances of Canada's being benefited by independence in such an unlikely event, would be too remote to warrant so serious a step as separation from the Empire on that account.

"In what way would her foreign trade be benefited? As already explained Canada has full power now to make trade conventions or arrangements with any foreign nation willing to make them with her. Great Britain would not make them for her without her consent. To do so would be to interfere with the autonomy which the British North America Act has conferred—therefore a trade convention or arrangement made by Canada, as a Dominion, without the intervention of Great Britain, would be as beneficial to her as if it were made by her as an independent state. If made by Great Britain for her, at her request, it would be equally beneficial.

"The chances that a foreign nation might decline to negotiate with Great Britain, or that Great Britain might decline

to intervene, are remote. In any event, until such a case arises so that its relative importance could be considered, would it be wise for Canada to make the possibility of such a case arising, the cause for separation from the Empire?

"Next, take the case of the revenue. How could independence benefit Canada in relation to that? She has now as full power over taxation, direct and indirect, and over every mode of raising a revenue as she could have if she were an independent state. She is autonomous with respect to all matters which could affect her revenue one way or the other—ex. gr. Customs and excise, export and import duties, trade and commerce, emigration and immigration, naturalization and aliens, navigation and shipping her postal service and all other matters affecting her revenue even though they might affect foreign nations, and independence would not add to that autonomy.

"Take the case of expenditure. Wherein would Canada's expenditure as an independent nation be less than her expenditure as a Dominion of the Empire? Certainly not with regard to her internal or domestic affairs and the development of her resources or her trade and commerce. I am at a loss to suggest anything resulting from independence in respect of which her expenditure would be reduced, but independence would cause enormous additional expenditure.

"So-Called Small State."

"Listen to what a German (Lasson) has written about a small state:—

"A so-called small state is not a state at all, but only a tolerated community which absurdly pretends to be a state.

There may be greater and lesser states. The lesser states have rights only in so far as they possess a power of resistance that must be taken into account in so far as they are desirable allies or respectable adversaries. The little state, however, that is obliged to base its hope of existence on the belief that it will not be attacked for fear that another state will intervene, is no state at all, but the vassal of the state to which it looks for protection, and by whose magnanimity it lives."

"To take her proper place among nations, including Great Britain, which would then be a foreign nation, Canada would have to organize a diplomatic and consular service and be represented by ambassadors at the various courts of the world—old and new—and by consuls, vice-consuls and other officials in places without number. As an independent nation she would lose the protection of Great Britain's navy and army, and would have to create and maintain a navy and army of her own, and be prepared to defend and to uphold her rights against foreign aggression.

"Can it be doubted that the expenditure of Canada as an independent nation would far exceed her expenditure as a Dominion of the Empire?

"The Few Who Advocate."

"The few who advocate independence say that Canada would thereby escape being embroiled in the troubles of Great Britain and the other parts of the Empire, especially in the quarrels and disputes in Europe, and they point to the war with Germany as an illustration. Before the war and before the truth about Germany's plans and intentions became known, such a contention might have had reasons to support it, but the world knows now that, had Canada been a numerically small and weak independent nation (and she would have been that) and, had she remained neutral, her future from the beginning would have been in peril, and, instead of escaping the entanglements of European affairs, she might and probably would have become involved in them without being as well able to take her part as she has proved herself to be as a Dominion of the Empire. If, however, her neutrality had been maintained; if she had not sent to the war the men and munitions and food and supplies which have been sent; if she had not helped in financing for munitions, food and supplies procured on this side of the Atlantic; if the glorious successes of the Canadians in Flanders and France had not been accomplished, who could have said how near Germany would now be to victory, if victory were not already hers, and with Germany victorious Canada would, in her eyes, have been but one of those states who 'have rights only in so far as they possess a power of resistance that must be taken into account.'

"This war has opened our eyes, it has shown us that no part of the world can go on without reference to the other part, and that no distance, by land or water, between nations, can be relied on as a protection. It has shown us that the definition of a small state which I have quoted has been

THE Merchants Bank OF CANADA

ESTABLISHED IN 1864

Capital Paid-up - \$7,000,000
Reserve Fund and Undivided Profits 7,421,292
Head Office, MONTREAL

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" 1866 St. Lawrence Blvd.	Napierville	St. Jerome
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Notre Dame de Grace	Quebec	St. Jovite
Beauharnois	Chateauguay Bsn.	St. Sauveur
Bury	Grand Mere	Verdun
	Quyon	

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Acton Almonte	Gananoque	Manitowaning	Tara
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Brantford	" East End	New Toronto	" Dundas St.
Bronte	Hanover	Niagara Falls	Dupont and
Chatham	Hespeler	Oakville	Christie Sts.
Chatsworth	Ingersoll	Orillia Ottawa	Wallaceburg
Chesley	Kincardine	Owen Sound	Walkerton
Clarkson	Kingston	Parkdale	Walkerville
Collingwood	Kitchener	Pembroke Perth	Waterford
Creemore Delta	Lancaster	Prescott	Watford
Douglas	Lansdowne	Preston	West Lorne
Eganville	Leamington	Renfrew Sarnia	Westport
Elgin Elora	Little Current	Stratford	Wheatley
Pinch Ford	London	St. Eugene	Williamstown
Fort William	London East	St. George	Windsor
Galt	Lucan Lyn	St. Thomas	Yarker

MANITOBA

Brandon	Macgregor	Oak Lake	Starbuck
Carberry	Morris	Petit Cote	Winnipeg
Gladstone	Napinka	Portage la Prairie	" Banner-
Hartney	Neepawa	Russell | Souris	man Av.

SASKATCHEWAN

Antler | Arcola	Humboldt	Melville	Regina
Carnduff	Kisbey	Moose Jaw	Saskatoon
Profisher	Limerick	Oxbow	Shaunavon
Gainsborough	Maple Creek	Prelate	Unity
Gull Lake	Meacham	Prussia	Whitewood

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Acme	Daysland	Lacombe	Red Deer
Alliance	Delburne	Leduc	Rimbey
Brooks	Donalda	Lethbridge	Sedgewick
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Camrose	Edmonton	Medicine Hat	Tofield
Carstairs	" Namayo Av.	Monarch	Trochu
Castor | Chauvin	Forestburg	Munson	Vegreville
Chipman	Hughenden	Nobleford	Viking
Coronation	Irma Islay	Okotoks Olds	Wainwright
Czar	Killam	Ponoka	Wetaskiwin

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Nanaimo	Oak Bay	Vancouver	" Hastings St.

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NOVA SCOTIA Halifax Sydney

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SAVINGS DEPARTMENT AT ALL BRANCHES.
NEW YORK AGENCY—63 and 65 Wall Street

BANKERS IN GREAT BRITAIN—The London Joint Stock Bank, Limited
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The Dominion Bank

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The London, England, Branch

Of the Dominion Bank at 73 Cornhill, E.C.

Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada. 347

The Standard Bank of Canada

Established 1873 130 Branches
Capital (Authorized by Act of Parliament) \$5,000,000.00
Capital Paid-up 3,381,270.00
Reserve Fund and Undivided Profits 4,534,863.63

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SAVINGS BANK DEPARTMENT AT ALL BRANCHES

THE BANK OF OTTAWA

Established 1874

94 Branches in Canada

Capital paid up - \$4,000,000
Rest - \$4,750,000

A BANK WELL EQUIPPED TO SERVE THE PUBLIC

Drafts, Money Orders and Letters of Credit issued

Interest added half-yearly to Savings Balances

Toronto Branches: Cor. King East & Victoria Sts., Cor. Broadview Ave. & Gerrard St., Cor. Queen St. & Pape Ave.

1

The Home Bank of Canada

Head Office and Eight Branches in Toronto



8-10 King Street West, Head Office and Toronto Branch.
78 Church Street.
Cor. Queen West and Bathurst.
Cor. Queen East and Ontario.
1220 Yonge Street Subway, Cor. Alcorn Ave.
Cor. Bloor West and Bathurst.
236 Broadview, Cor. Dundas St. East.
1871 Dundas St., Cor. High Park Ave.

BRANCHES AND CONNECTIONS THROUGHOUT CANADA

only too true, and that its truth will be perpetuated should Germany win the war; and it has shown us that Canada as a unit of the great British Empire is far safer, and better able to take part in the world's affairs than she could possibly be as an independent nation. She has proven her ability and earned her right to take that part. She will never disrupt the British Empire by leaving it. She will maintain her present splendid part and advance to a more splendid future as the foremost Dominion in that great aggregate of nations. She will take her part as of right in the control of the foreign affairs of the Empire and of the Empire's army and navy, and she will assume the corresponding obligation to contribute to the expense. She cannot remain as she is and submit without representation, as of right, in the control of foreign affairs. She cannot accept the protection of Great Britain's navy and army without joining in the expense. She cannot allow Great Britain to fight the wars of the Empire without taking part, except voluntarily, if it suits her convenience or the ideas of her government at the time. Canada and the Dominions voluntarily co-ordinated in this war because the very existence of the Empire was at stake because their liberties in common with the liberties of the peoples of the world were threatened, and because they could not stand by and see the Mother Country in great peril without going to her aid. This war has shown us that something more than co-ordination is required to solidify the Empire in her relations to foreign nations, that the self-governing parts of the Empire should have rights in these relations, and corresponding duties and obligations, and that nothing short of an agreement providing for these rights and duties and obligations will suffice."

JANUARY BANK STATEMENT

The statement of the chartered banks for January shows a substantial decrease in deposits payable after notice, deposits abroad and note circulation. Current loans also declined during the month. There was an increase in call loans in Canada and in current loans abroad. The following table shows the standing of the principal accounts in January last and the changes during the month and the past year:—

	January, 1918.	Changes during Jan., 1918.	Changes during year ending Jan., 1918.
Reserve fund.	\$ 114,161,223	+ \$ 60,530	+ \$ 823,348
Note circulation	171,674,464	— 21,249,360	+ 38,316,277
Demand deposits	559,777,237	— 9,664,634	+ 132,468,711
Notice deposits	900,314,256	— 95,663,757	+ 36,150,912
Total deposits in Canada	1,460,091,493	— 105,328,391	+ 168,619,623
Deposits outside Canada	169,581,106	— 5,198,898	+ 10,087,058
Current coin.	82,443,367	+ 410,504	+ 13,321,917
Dominion notes	184,940,958	+ 17,440,837	+ 41,450,705
Deposits, central gold reserve	75,750,000	— 21,520,000	+ 43,700,000
Call loans in Canada	76,239,201	+ 4,460,181	— 3,497,863
Call loans outside	132,687,066	— 1,796,416	— 23,060,410
Current loans in Canada	855,506,506	— 3,026,792	+ 49,027,359
Current loans outside	116,220,343	+ 4,639,245	+ 30,230,832
Total liabilities	1,993,179,080	— 148,554,313	+ 302,141,906
Total assets	2,237,867,216	— 85,206,567	+ 304,350,860

Demand deposits decreased \$10,000,000 as compared with the figures of December, when they increased over November by \$31,000,000. That increase indicated preparation by large subscribers to make heavy Victory Loan payments. Presumably those payments, in part, account for last month's decrease in the account. Deposits usually show a tendency to decrease at this period of the year, business being generally quiet. The statement will be printed in detail in *The Monetary Times* next week.

NEW INCORPORATIONS

Tractor and Shipbuilding Companies, Each With One Million Capital, Obtain Charters

The largest companies incorporated during the past week were: Leonard Tractor Company of Canada, Limited, Montreal, Que., \$1,000,000; British American Shipbuilding and Engineering Company, Limited, Vancouver, B.C., \$1,000,000.

The following is a partial list of charters granted during the past week in Canada. The head office of the company is situated in the town or city mentioned at the beginning of each paragraph. The amount noted is the authorized capital, and the persons named are provisional directors:—

Canford Mill, B.C.—Nicola Pine Mills, Limited, \$300,000.

Warton, Ont.—Boat Lake Telephone Company, Limited, \$750. W. A. Shier, F. Buckland, W. Bonesteel.

Strathroy, Ont.—The Mihell and Gill Company, Limited, \$18,000. J. H. Case, A. I. McCubbin, A. M. Mihell.

Ottawa, Ont.—Civilian Publishing Company, Limited, \$25,000. A. C. Campbell, W. J. Cantwell, T. H. Burns.

Virden, Man.—Scales, Carscadden, Rothnie, Limited, \$50,000. E. J. Scales, S. S. Carscadden, G. A. Carscadden.

Brantford, Ont.—The Flax Harvester Company, Limited, \$1,000. T. H. Tombyll, J. B. Pickering, W. D. Christianson.

Kincardine, Ont.—The J. B. Watson Furniture Company, Limited, \$50,000. J. B. Watson, C. A. Watson, W. J. Rooney.

Parry Sound, Ont.—The North Star Publishing Company, Limited, \$40,000. J. Ludgate, M. H. Limbert, E. E. Armstrong.

Village of St. Jean Baptiste, Man.—Farmers' St. Jean Baptiste Elevator, Limited, \$10,000. A. Ayotte, R. Comeault, N. Dery.

Portage la Prairie, Man.—Armstrong Independent Fisheries, Limited, \$500,000. D. D. McCallum, J. R. Colwill, J. Young.

Montreal, Que.—The American News Company, Limited, \$500,000. L. A. David, L. P. Crepeau, S. H. Bush; Glovers-Craft, Limited, \$100,000. E. Jasmin, R. Poisson and Rene de la Durantaye; Leonard Tractor Company of Canada, Limited, \$1,000,000. W. W. Skinner, W. G. Pugsley, G. G. Hyde.

Vancouver, B.C.—Cawston Machinery Company, Limited, \$10,000; Port Edward Fisheries, Limited, \$40,000; Alaska and British Columbia Fisheries, Limited, \$100,000; Adels-Ripley Sales Company, Limited, \$9,000; British-American Shipbuilding & Engineering Company, Limited, \$1,000,000; Central Athletic Club, Limited, \$10,000.

Winnipeg, Man.—International Silver Black Fox Company, Limited, \$150,000. C. P. Ellis, B. S. Evans, S. R. Flanders; Carrot River Colonization Company, Limited, \$150,000. J. A. Joseph, S. Lawler, J. H. Brett; the Western Paint Company, \$200,000. J. E. Guertin, L. P. Guertin, L. Guertin; Peaker Brothers and Company, Limited, \$250,000. J. E. Peaker, C. A. Peaker, J. Gordon.

Toronto, Ont.—Oxford Securities Corporation, Limited, \$100,000. G. H. Gilday, H. H. Polley, R. L. Webster; the Ohio Tuec Vacuum Cleaner Company, Limited, \$50,000. J. M. Bullen, H. L. Steele, W. Osborne; Commonwealth Steamship Company, Limited, \$750,000. J. M. Bullen, H. L. Steele, W. Levy; Acme Engineering Company, Limited, \$125,000. E. R. Lynch, D. B. Coleman, F. A. Campbell; Pearson Brothers, Limited, \$40,000. J. I. Sutcliffe, F. W. Anderson, E. S. Mathews; Peerless Carbon and Ribbon Company, Limited, \$250,000. F. J. Hughes, L. J. Phelan, V. Stewart.

"It is hardly likely that I would be guilty of making such a silly proposition," was the comment of Lord Shaughnessy, president of the Canadian Pacific Railway, when his attention was directed to rumors which announced that the company would dispose of the railroad to the government. The rumors intimated that the shareholders would retain the hotels, steamships and land of the company and expect a guaranteed dividend of 7 per cent.

THE STERLING BANK

OF CANADA

Intelligent and careful attention to the details of our patrons' banking business is the practical expression of Sterling Bank service ideals.

Head Office
King and Bay Streets, Toronto 61

The National Bank of Scotland

Limited

Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825

Capital Subscribed.....	£5,000,000	\$25,000,000
Paid up	1,000,000	5,000,000
Uncalled	4,000,000	20,000,000
Reserve Fund	800,000	3,500,000

Head Office **EDINBURGH**

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.
LONDON OFFICE—37 NICHOLAS LANE, LOMBARD ST., E.C. 4
JOHN FERGUSON, Manager. DUGALD SMITH, Assistant Manager.

The agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies domiciled in London, are retired on terms which will be furnished on application.

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)
AUSTRALIA and NEW ZEALAND

PAID UP CAPITAL -
RESERVE FUND -
RESERVE LIABILITY OF PROPRIETORS



	\$ 18,526,600.00
	13,625,000.00
	18,526,600.00
	<u>\$ 50,678,200.00</u>
AGGREGATE ASSETS 30th SEPT., 1916	\$277,488,871.00

J. RUSSELL FRENCH, General Manager
338 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London. The Bank transacts every description of Australian Banking Business. Wool and other Produce Credits arranged.
HEAD OFFICE: GEORGE STREET, SYDNEY. LONDON OFFICE: 29 THREADNEEDLE STREET, E.C.
AGENTS: BANK OF MONTREAL, ROYAL BANK OF CANADA, BANK OF BRITISH NORTH AMERICA

Union Bank of Canada

ESTABLISHED 1865

Head Office - WINNIPEG

Paid-up Capital -	\$ 5,000,000
Reserve -	3,400,000
Total Assets (Over) -	140,000,000

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Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London, England, New York and Montreal Offices, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureaus established at these Branches.

London, Eng., Branches, 6 Princes Street, E.C., and West End Branch, Haymarket, S.W.

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GEO. WILSON, Agent.

The Bank, having over 305 Branches in Canada, extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of Banking business. It has Correspondents in all Cities of importance throughout Canada, the United States, the United Kingdom, the Continent of Europe, and the British Colonies.

Collections made in all parts of the Dominion and returns promptly remitted at lowest rates of exchange. Letters of Credit and Travellers' Cheques issued available in all parts of the world.

BANK OF HAMILTON

HEAD OFFICE, HAMILTON

CAPITAL AUTHORIZED	\$5,000,000
CAPITAL PAID UP	3,000,000
SURPLUS	3,500,000

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Delhi	Jarvis	Owen Sound	" Ossington
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SHOULD INVESTIGATE FUEL RESOURCES

Further Comments of the Press Regarding Important National Problem

Nova Scotia has more than 10,500,000,000 tons of bituminous coal, New Brunswick 161,000,000 tons, Ontario has a small quantity of lignite, Quebec and Prince Edward Island have none. The western provinces have many billion tons of lignite, and Alberta has in addition to lignite 845,900,000 tons of semi-anthracite, 218,000,000 tons of bituminous and well up to 1,000,000,000,000 of sub-bituminous. British Columbia has nearly 80,000,000,000 tons of bituminous coal. Besides lignite and sub-bituminous coal there are reserves in Canada of 313,000,000 tons of bituminous and 845,900,000 semi-anthracite coal, although a small part of this lying in remote and frigid regions may not prove available. The peat bogs of Canada are estimated to produce 28,000,000,000 tons equal in fuel properties to 16,000,000,000 tons of good coal. With these resources, can we not by investigation and application solve our fuel problem in Canada? Mr. Arthur V. White, the consulting engineer, who has made a study of this subject and who has contributed several valuable articles to *The Monetary Times* regarding it, said in our issue of January 4th last;—

"Canadians need never expect to have electrical energy replace coal and other fuel for heating purposes except to a relatively limited extent. We must direct ourselves to the development of our coal resources."

No Abuse of Assets

"By intelligent and thrifty use, the natural resources of Canada may beneficently serve the needs of a large population," says the *Daily Record*, Niagara Falls. "If, however, Canadians become really dependent upon necessary commodities supplied them by other countries, they must be prepared to accept the circumstances in which they may suddenly find themselves if the supply of such commodities is cut off. Such circumstances will be aggravated by any abuse of our assets."

Commenting upon Mr. White's statement that the supply of coal is far from being inexhaustible in the United States and that we may naturally expect to be obliged in the near future to depend on our own resources, the *Electrical News*, of Toronto, says:—"In other words, the temporary crisis of the past month will become a permanent condition, the solution of which must rest with ourselves. In that sense our troubles might prove to have been a blessing in disguise if they succeeded in impressing upon us the necessity of getting ready for that inevitable event of which we can now, from our recent experience, form some reasonable estimate. How soon that may be is problematical. Our neighbors to the south have been tremendously 'white' during the crisis just passed, but let us not forget that their resources are limited, and that charity begins at home. The necessity to withhold export to Canada may arise sooner than they, or we, expect. For a permanent crisis, such as we have just had a taste of, and which may come to-morrow, shall the people of Canada not do well to hold themselves in readiness, so far as is humanly possible, by conserving for our own people the heritage Providence has willed us?"

Demands National Action

"When coal is so scarce and heat becomes so dear, would it not be possible for inventive genius and enterprise to utilize our waste, our refuse, and make it a benefit, instead of a costly nuisance to remove?" asks the Peterborough *Evening Examiner*. "The whole fuel problem of Canada demands national action, and the more so that the problem can be solved," it adds. "This is shown by the conclusions of an article contributed to *The Monetary Times* by Mr. A. V. White. This war has worked revolutionary conditions in all arenas of national, domestic, and individual life, and necessity compels us to face new conditions with adequate measures for meeting them."

"The lesson of the present fuel shortage will be lost upon us if it does not at once stir us into action to guard ourselves against such a state of affairs in future winters," is the reminder given by the *Toronto Mail and Empire*, which continues:—"It is not enough that it steels us to bear the cold with more stoicism, that it drives us to makeshifts to warm ourselves, or even to panicky measures to obtain coal. It ought to have the effect of stimulating us to immediate and untiring activity to lay in an adequate fuel supply for next winter. Once we get out of the clutches of zero weather and

feel the genial warmth of a forward spring, we tend to forget our worries about fuel and to give rein to the old happy-go-lucky propensity. Governments are not freer from this weakness than is the average citizen. It is necessary to make the utmost out of the pains and privations and haunting experience of others' miseries the present coal shortage is bringing us. That ought to be enough to impel public opinion and public authority upon a strong campaign to solve next winter's fuel problem in advance.

"The task of government is to devise the policy and make the transportation arrangements for distributing the fuel, and in this task Mr. White considers the provincial governments should co-operate with the federal government. When the season of navigation opens none of the vessels coming up the St. Lawrence should lack cargo. Now that the government has control of the Canadian Northern Railway it can supply the railway connection that may be necessary to forward Nova Scotia coal into the heart of Ontario. Many of the smaller vessels can come right into the lakes from Cape Breton ports, and there will be no trouble finding cargo to carry back. There is still a large reserve of fuel in the woods of Old Ontario. Labor can be got by co-operation among neighbors to cut up into cordwood or stove lengths the fallen and dead trees that are a fire risk to the forest. These are matters which the government should give immediate and thorough attention, and plan to direct the carriers and the workers accordingly."

Government Has Information

Quoting Mr. White's statement that there is no need to start again learning the A.B.C. of this fuel problem, the *London (Ont.) Advertiser* reminds us that "full information is in possession of the government. To carry out measures of relief and to place Canada in a reasonably independent position will take time, but under proper direction the country can be relieved of a menace which threatens not only her economic life, but the physical life and well-being of a large proportion of her population."

The *Vancouver Daily Sun* says:—"There is plenty of peat and lignite on the prairie districts as well as in the east. Mr. White points to his moral by calling attention to the price of coal in France and Italy, where it is \$50 a ton, and he remarks that an advance of even ten dollars a ton over present prices in this country would cost the people an extra \$50,000,000 of yearly outlay. From this, he draws the conclusion that a million dollars, or even a few millions of dollars if necessary, placed at the disposal of technical officers assisted by men of sound commercial judgment, in order to get Canada's lignite and peat resources under national development 'constitutes so intrinsically small a sum in comparison to the results as to be practically unworthy of debate.' No doubt Mr. White is entirely in the right. The subject is one with which the Dominion government should busy itself without delay. The amount of money required is insignificant in comparison with the benefits to be obtained."

Must Furnish Solution

"It is scarcely necessary at the present time to emphasize the importance of the fuel problem," says the *Woodstock Sentinel-Review*, "but the lessons of the present winter, severe as they are, will be lost unless they lead to some definite action to furnish a solution. It is for the purpose of drawing public attention to the real nature of the problem and of pointing the way to a solution that Mr. White's article has been written. The conclusion of the whole matter is that there is no need for Canada with her vast resources of fuel and water-power to go cold, or to have her industries checked by lack of power; but she may expect serious times ahead unless every effort possible is put forth, without too much delay, to deal with the situation in a comprehensive way. Mr. White has rendered a valuable public service by drawing attention to this problem at this time."

WHEAT VIA PANAMA CANAL

Vancouver's first bulk shipment of grain has arrived safely at a British port. A steamer which was loaded at the government elevator in Vancouver early in November with 100,000 bushels of wheat from the prairies made the journey safely to the United Kingdom, via the Panama Canal, and now word is awaited anxiously as to the condition in which the grain in this test shipment reached its destination.

The shipment was accompanied by Mr. A. W. Alcock, of Winnipeg, grain expert and assistant chemist of the Canadian Board of Grain Commissioners, who is to observe the condition of the grain at all stages of the voyage.

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PROVINCIAL GOVERNMENT BONDS

Issues Amounting to \$6,630,000 Sold This Year to Date— Ontario's Loan Explained

The sale of \$3,000,000 6 per cent. 10-year bonds of Ontario province makes the fourth provincial government issue of the year. The first provincial borrower was Saskatchewan, which marketed \$630,000 5 per cent. 15-year bonds with little publicity. The four provincial government issues to date are as follow:—

1918	Government	Amount	Securities	Rate %	Term years	Offered to Yield Investors %
Jan.	Saskatchewan	\$ 630,000	Gold bonds	5	15	6½
(Jan.	Manitoba	1,000,000	Gold bonds	5	2	6½
Jan.	Manitoba	1,000,000	Gold bonds	6	10	6½
Feb.	New Brunswick	1,000,000	Coupon gold bonds	6	10	6½
Feb.	Ontario	3,000,000	Coupon gold bonds	6	10	6
		\$6,630,000				

In all cases, the issues were approved by the Priority Board of the Department of Finance, Ottawa. The Saskatchewan issue was offered privately by a syndicate of bond houses and was taken in a few hours. The Manitoba issue quickly followed. The 2-year bonds were offered at 96.97 and the 10-year bonds at 98.16, both "and interest." The New Brunswick issue was made at 99.08 and accrued interest, while the Ontario bonds were offered at par. The four provincial government issues this year to date total \$6,630,000, compared with \$6,382,500 for the entire twelve months of 1917.

Impossible in New York.

Explaining the loan of \$3,000,000 last month, Hon. T. W. McGarry, provincial treasurer of Ontario, said that a loan in New York would have been impossible at less than 8 per cent. The bond brokers in Toronto at first would not guarantee to purchase bonds at 6½, but they were willing to take an option on them. He then saw Sir Thomas White, finance minister, and made arrangements for money at 6½ per cent. On February 4th, Sir Thomas White asked him to feel out the market in Toronto, and place a loan in Ontario, if possible.

"We had in mind that the Dominion government must go into the market this year for \$400,000,000 at least," said Mr. McGarry. When he commenced negotiations with the Toronto brokers he specified that the loan should be at better terms than 6½ per cent., and he gave three companies: Messrs. A. E. Ames and Company, Messrs. Wood, Gundy and Company and the Dominion Securities Corporation, authority to place \$2,000,000 of Ontario bonds at 6 per cent., provided they could place these bonds where they would not interfere with Dominion financing, and on the understanding that the investors who bought them undertook that the bonds would not be placed on the market. What the bond dealers got was the right to feel out the market. No sale took place and no communication came from them between February 4 and February 18, when Mr. Wood intimated that they had succeeded in placing the \$2,000,000 in such a way that they would not come into competition with Dominion bonds. Later, Mr. Wood said they could place another \$1,000,000. The province would probably require \$8,000,000 for capital expenditures this year, most of it for the Hydro-Electric. The money will cost 6.3166 per cent. The loan was not finally put through until last week.

Average Sale Price, 97.66.

Mr. McGarry said that in his judgment no government in Canada had placed a loan recently on such favorable terms. "It would have been unfortunate if the province had not been able to place the loan, and consequently no announcement was made in the papers," said Mr. McGarry. "There has been no commission paid by the province. The \$2,000,000 issue was sold at 97 and the \$1,000,000 at 99, the average being 97.66."

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended February 22nd, 1918:—

Kerr Lake Mines, 59,408; McKinley-Darragh-Savage Mines, 86,592; O'Brien Mine, 64,320; Dominion Reduction Company, 82,000; Buffalo Mine, 240,965. Total, 533,285 pounds, or 266 tons.

The total shipments since January 1st, 1918, now amount to 1,392,459.8 pounds, or 6,962 tons.

SASKATCHEWAN FIRE LOSSES

Mr. A. E. Fisher, fire commissioner and superintendent of insurance for Saskatchewan, in an address at a recent meeting of the Moose Jaw Fire Agents' Association, stated that during the past year in Saskatchewan there was sufficient wheat destroyed by fire to feed all the cities of the province for a period of twenty months. Fire caused the loss of twenty-three lives in the province and the serious injury of fifteen other persons, and the financial toll of fire in Saskatchewan last year totalled \$2,750,000.

LONDON MUTUAL FIRE INSURANCE COMPANY

Judging by the balance sheet of the London Mutual Fire Insurance Company for 1917, the corporation has not only made a substantial profit on its operations for the year, but has also improved its position and increased its reserve strength. The result of the year's business was a profit of \$40,656 after providing for all bad and doubtful debts and outstanding liabilities. Of this amount, \$15,000 has been set aside as a reserve for possible future losses on investments, and the balance (\$25,656) has been added to the surplus. The net premium income for the year was \$399,923, an increase of \$36,239, while both the loss and expense ratios have been satisfactory.

The reinsurance reserve (full government standard) stood at \$279,095, an increase of \$6,763; the cash surplus, \$141,559, an increase of \$25,656; and the capital stock paid up at \$19,250, an increase of \$1,750. The total cash security for policyholders was \$502,417, an increase of \$31,301, in addition to which there is the unassessed portion of premium notes, which amounts to \$250,999, an increase of \$3,507, making the total security to policyholders \$753,417, an increase of \$34,808, and a total surplus to policyholders of \$411,808, an increase of \$30,913.

The company held its annual meeting last week, when a very satisfactory financial statement was presented. Mr. A. H. C. Carson is president of the company, devoting his entire time to the promotion of its interests. Mr. F. D. Williams, the manager, is attached to the Royal Flying Corps, but is able to give a part of his time to the company's affairs. The directorate comprises Messrs. A. H. C. Carson, president; R. Home Smith, vice-president; directors, F. D. Williams, A. C. McMaster, W. T. Kernaham and H. M. Cowan.

IMPORTANT VISIT TO WASHINGTON

Ottawa despatches, discussing the visit of Sir Robert Borden, premier, and Hon. A. K. MacLean, acting finance minister, to Washington, point out that at the present time Canada is buying at the rate of about four hundred million dollars more per year from the United States than the United States buys from Canada. Iron and steel supplies, coal, etc., are needed by Canada from across the border in larger quantities than ever before. Much of the raw materials brought in are afterwards sent in the form of munitions, etc., to Britain, which asks Canada to finance her credits for all war supplies purchased here. Canada has to pay the United States for goods imported, and the adverse trade balance must be taken up in gold or credit. Great Britain's adverse balance with Canada has so far been taken up with credits furnished by the Canadian treasury through domestic loans. Great Britain can still get loans from the United States, but Canada is asked to raise all necessary cash within her own resources.

In consequence of the adverse trade balance with the United States and the gold scarcity, rates of exchange between Canada and the United States are such as to prohibit further purchases by Canada unless credits are continued.

While nothing official is obtainable as to the proposals in view to remedy the situation, it is understood that what the Canadian ministers hope to secure is an agreement with the British and United States governments for reciprocal credits, balancing Canada's payments due across the border with Britain's payments due here. This, it is said, will be done through the medium of a new British credit established with the United States government, against which Canada might draw in liquidation of the amount owed by Britain to Canada. This system of cross-balancing would remedy the exchange situation, and provide for a continuance of the flow of supplies from the United States to Canada and from Canada to Britain.

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RAILROAD RATES INCREASE

Arguments of the Railroad Companies Presented to Board

The Canadian Pacific Railway, the Grand Trunk, the Grand Trunk Pacific and the Canadian Northern, have submitted their replies to the government on the appeal against increased passenger rates. The Railway Commission had authorized a general increase of 15 per cent. Against this decision there was an appeal to the Governor-in-Council by the province of Manitoba, the Winnipeg Board of Trade, the United Farmers of Ontario, the Western Retail Lumbermen's Association, the Canadian Credit Men's Trust Association, and the Canadian Council of Agriculture. After the hearing of argument, the cabinet adjourned the hearing till March 1. At the same time it was announced that the increase would be suspended till March 15. The appeal against the increase was supported by a number of other organizations.

All the railway companies ask that the appeal shall be dismissed. The Canadian Pacific Railway takes up the allegation that the increase would impose an additional burden of \$40,000,000 a year on the people of Canada, and that of this, \$20,000,000 would go to the Canadian Pacific Railway. The Canadian Pacific Railway, in replying, said: "The most careful estimate made by the traffic, operating and financial officers of the railway is that, had the rates become effective on the date fixed by the order of the Board of Railway Commissioners, the increase in gross revenue to the Canadian Pacific Railway during the calendar year 1918, based upon the tonnage of 1917, would be approximately \$13,000,000."

The estimated increase is made up as follows: Estimated freight increase, \$11,446,000; passenger traffic manager estimates that by ignoring British Columbia local business, military, coolies and interline will be \$2,500,000; total, \$13,946,000. If the board's order had been effective on February 1, the 11 months would have equalled \$13,016,000. If the rates are made applicable from March 15, the increase this year will be \$12,622,000.

"It must not be forgotten," the Canadian Pacific Railway memorandum proceeds, "that this increase is based entirely upon the continuance of the gross business of the company at the high level of 1917, when the company's gross earnings were the largest in its history."

Due to Low Capitalization.

The company's surpluses are due entirely to its low capitalization and not to excessive earnings. The position of the company is such that its revenues do not reflect the actual return on its capital investment, due to the fact that large amounts have been invested in cash in its properties, which are not represented by outstanding securities.

The memo adds that cash investment in the Canadian Pacific Railway exceeds \$800,000,000. The par value of bonds, debenture stock, preference stock, common stock and equipment obligations is given as \$570,000,000, leaving \$230,000,000 invested in cash, not represented by securities of any kind. Net earnings of the company for the calendar year 1917 are declared to be about \$46,000,000, or 5½ per cent. on cash invested. "At the present time," the memo continues, "the return on the amount invested is less than the actual value of money in the open market."

"The petitioners suggest the taking over as a war measure by the government of the organization and financial control of the railways as a fighting unit under one system."

"It is difficult to characterize the suggestion in moderate terms. Even if the facts were as the petitioners state them to be the solution would amount to confiscation and destruction of the property, credit and organization of the Canadian Pacific Railway Company."

Would not Mean Efficiency.

"The petitioners assume that under government administration or control, more efficiency could be developed and more service received from the property of the Canadian Pacific Railway than under its present administration. With proper deference to the views of the adherents of government ownership and operation, it is contended that neither theory or experience justifies such an expectation. The suggestion made would not bring about co-ordination, co-operation and efficiency, but would be a temporary seizure by the government of the property and assets of the shareholders of the Canadian Pacific Railway in order that money belonging to

them might be devoted to the maintenance and financial assistance of the unproductive railways to which the country has fallen heir."

The memo adds that there is nothing in the war measures act to authorize any such step.

The memoranda of the Grand Trunk, the Grand Trunk Pacific and the Canadian Northern take up in turn the points advanced by the petitioners and argue that there should be no interference with the ruling of the Dominion Railway Board.

SASKATCHEWAN COMPANIES ACT

Some minor amendments have been made to the companies act of Saskatchewan. Incorporation may now be refused to any company whose name or part of whose name includes any of the following words: "Imperial," "Crown," "Kings," "Queens," "Empire," "Royal," "Dominion," "Saskatchewan," or words of similar import. In future building and contracting companies and agencies will be liable to a tax on their authorized capital, similar to any mercantile company.

A penalty is now provided to be enforced against any company which fails to make returns, giving certain particulars as to their business, which are called for under this act. The penalty is \$5 per day for every day during which the default continues. An alteration in the schedule now provides that the annual meeting of a company shall take place not more than eighteen months after the last annual meeting.

NORTHWESTERN LIFE ASSURANCE COMPANY

A satisfactory statement was presented at the recent annual meeting of the Northwestern Life Assurance Company. The company's assets, which amount to \$78,542, show an increase of \$36,747, or 90 per cent., during the year. Occasionally the younger life insurance companies include in their statement of assets stock notes and balances owing by shareholders, omitting the paid-up capital from the liabilities. Some of the companies reporting to the Dominion insurance department include the total of their Victory bond purchases in their assets while showing the balance to be paid on the liabilities side. Had this company followed these practices in the preparation of the present report, total assets of \$286,634 would have been shown, and a surplus to policyholders of \$128,402. The company has preferred the more conservative method.

Despite the fact that the company wrote more than \$500,000 of business last year, it was possible to increase the surplus by over \$3,000. This company has reached, comparatively early in its career, the point at which it is earning surplus. The total life assurance premium income was \$30,282, while total expenses of management, including all commissions to agents, represented only \$17,251. So far as we know, this is the first Canadian company to show an excess of premium income over management expenses in the second year of operation. The total revenue was \$42,623.

"These results have been accomplished," said an officer of the company to *The Monetary Times*, "in the face of the fact that we are putting up reserves greatly in excess of the requirements of the Dominion Insurance Act. There is only one other Canadian company that places all its reserves on the same basis as ours, but, as we treat all whole life and twenty payment policies as endowments maturing at age 85, the reserve which we would provide on such policies would be greater than theirs, thus justifying our claim that our reserves are on the highest basis yet reached by any Canadian life company." Not a single death claim has as yet been reported. Mr. H. R. S. McCabe, who has had considerable experience in the life insurance business, is the managing director of the company. Mr. F. O. Maber is secretary and Mr. W. J. Bright, treasurer; Mr. W. R. Milton, president, and Mr. J. F. C. Menlove, vice-president. Dr. J. A. Gunn, M.D., and Dr. W. A. Clark, M.D., constitute the medical board.

The company wrote \$200,000 of new business in connection with its offer to give purchasers ten years to pay for their Victory bonds. This enabled many people to purchase bonds for amounts much larger than would have been otherwise possible. Judging by its financial statement, the company is making good progress.

The Hamilton Provident and Loan Society

Notice is hereby given that the Forty-sixth General Annual Meeting of the Shareholders of this Society will be held at the Society's Office, in Hamilton, on Monday, Fourth day of March next, at twelve o'clock noon, for the purpose of electing Directors to serve for the ensuing year, and for all other general purposes relating to the management of the Society.

A full statement of the Society's affairs for the year ending December 31st, 1917, will also be submitted to the Meeting.

D. M. CAMERON, Treasurer.

"INVESTMENTS" A MUCH MISUSED TERM

Many who should be, and think they are laying up money for their old age, are misled into so-called "investments," where their hard-earned money is jeopardized, and frequently lost, though it is of the utmost importance to them and to those who may be dependent upon them that its absolute safety should be beyond peradventure.

To those who should invest safely and with caution, not speculate, the bonds of the Canada Permanent Mortgage Corporation can be confidently recommended. This Corporation is most conservative in the investment of the funds entrusted to it. For more than sixty years it has held a leading position among Canada's financial institutions, and its bonds are a LEGAL INVESTMENT FOR TRUST FUNDS. They are issued for one hundred dollars and upwards. Write for full particulars.

Canada Permanent Mortgage Corporation
Toronto Street - - - Toronto
Paid-up Capital and Reserve Fund \$11,000,000.00
ESTABLISHED 1855

"Older than the Dominion of Canada."

THE HURON & ERIE MORTGAGE CORPORATION

Head Offices - - - - - LONDON, Can.

Paid-Up Capital and Reserve Fund
total over \$5,500,000.00

T. G. MEREDITH, K.C., President
HUME CRONYN, M.P., General Manager

THE ONTARIO LOAN & DEBENTURE CO.

LONDON INCORPORATED 1870 Canada
CAPITAL AND UNDIVIDED PROFITS .. \$3,750,000

5¹/₂% SHORT TERM (3 TO 5 YEARS)
DEBENTURES
YIELD INVESTORS 5¹/₂%

JOHN McCLARY, President A. M. SMART, Manager

Six per cent. Debentures

Interest payable half yearly at par at any bank in Canada.
Particulars on application.

The Canada Standard Loan Company
520 McIntyre Block, Winnipeg

One of the best AUTHORIZED investments for TRUST FUNDS is our
5% DEBENTURE

Ask for Booklet "About Debentures."

Paid-up Capital\$2,410,925.31
Reserve 685,902.02
Assets 7,426,971.18

The Great West Permanent Loan Company

WINNIPEG, TORONTO, REGINA, CALGARY,
EDMONTON, SASKATOON, VANCOUVER, VICTORIA,
LONDON, ENG. EDINBURGH, Scot.

WRITE FOR BOOKLET ON "PROFITS FROM SAVING"
STANDARD RELIANCE MORTGAGE CORPORATION
Head Office, 82-88 King St. E. Toronto



THE DOMINION SAVINGS AND INVESTMENT SOCIETY

Masonic Temple Building, London, Canada

Interest at 4 per cent. payable half-yearly on Debentures

T. H. PURDOM, K.C., President NATHANIEL MILLS, Manager

London & Canadian Loan & Agency Co., Ltd.

ESTABLISHED 1873 51 YONGE ST., TORONTO
Paid-up Capital, \$1,250,000 Rest, \$800,000 Total Assets, \$4,968,953
Debentures issued, one hundred dollars and upwards, one to five years.
Best current rates. Interest payable half-yearly. These Debentures are an Authorized Trustee Investment. Mortgage Loans made in Ontario, Manitoba and Saskatchewan.

W. WEDD, JNR., Secretary. V. B. WADSWORTH, Manager

Manual of Canadian Banking

Orders for the new issue of H. M. P. Eckardt's

are now being received - \$2.50
Postpaid anywhere

The Monetary Times Printing Company, Toronto, Ont.

THE TORONTO MORTGAGE COMPANY

Office, No. 13 Toronto Street
Capital Account, \$724,550.00 Reserve Fund, \$590,000.00
Total Assets, \$3,141,401.68
President, WELLINGTON FRANCIS, Esq., K.C.
Vice-President, HERBERT LANGLOIS, Esq.
Debentures issued to pay 5%, a Legal Investment for Trust Funds.
Deposits received at 4% interest, withdrawable by cheque.
Loans made on improved Real Estate on favorable terms.
WALTER GILLESPIE, Manager

FARM PRODUCTS, \$607,828,465

LIFE COMPANIES' WAR INVESTMENTS

That was Saskatchewan's Record in 1917—Farming as a Profitable Business

The statistics branch of the Saskatchewan Department of Agriculture have issued their final report of the grain crops and live stock of the province. These statistics were prepared in co-operation with the Census and Statistics Office of the Dominion government, and it is, therefore, considered that the estimates given are more accurate than ever have been presented before.

In addition to the crop report, an estimate of the revenue to Saskatchewan farmers during 1917 has also been prepared which shows that, although the grain crop of last year was below the average, the price obtained made farming a most profitable occupation.

The statement of the acreage prepared for crop for this year is most gratifying, as it indicates that with average weather conditions during the seeding time the land under crop will show a marked increase.

Revenue to Saskatchewan Farmers.

The following statement shows the estimated value of the products of Saskatchewan exported during the season of 1917:—

	Bushels.	Price.	Value.
Wheat	94,000,000	\$1.95	\$183,300,000
Oats	25,000,000	.62	15,500,000
Barley	2,500,000	1.00	2,500,000
Flax	4,500,000	2.60	11,700,000
Butter			500,000
Wool clip			334,400
Furs, game			1,750,000
Poultry			3,290,525
Horses	443		77,525
Cattle	110,926		7,764,820
Sheep	5,711		79,954
Swine	140,095		2,801,900
Total			\$229,599,124

Yield and Value of Products.

The following is the final estimate of the acreage, yield and value of the products of Saskatchewan to the farmer in 1917:—

	Acreage.	Production.	Yield per acre.	Price.	Value to producer.
Wheat	8,273,253	117,921,300	14.2	\$ 1.95	\$229,966,900
Oats	4,521,642	123,213,600	27.2	.62	76,392,400
Barley	669,927	14,067,900	21.0	1.00	14,067,900
Flax	753,700	4,710,600	6.2	2.60	12,247,600
Rye	53,269	1,118,000	21.0	1.70	1,900,600
Potatoes	67,700	9,010,000	133.0	.85	7,659,000
Roots	11,104	1,727,000	155.5	.91	1,572,000
			Tons.		
Hay, fodder.	260,275	369,600	1.4	10.12	3,740,000
Alfalfa	9,500	15,300	1.6	13.40	205,400
Fodder corn.	15,658	31,300	2.0	8.00	250,400
Butter, milk, cream, ice cream					8,600,000
Wool clip					334,400
Game furs					1,750,000
Garden products					1,250,000
Poultry and products					4,465,525

Value of Live Stock.

Horses, mules	888,673	\$142,187,680
Cows (milk)	354,403	35,440,300
Cattle {		
Bulls	17,077	
Calves	283,371	
Steers	129,787	52,401,220
Others	426,452	
Sheep	127,892	1,918,380
Swine	573,938	11,478,760

Total value of products to the farmer.. \$607,828,465
 Total value of live stock 243,426,340

Actual Total of Conversions Probably Was Over \$20,000,000

Commenting upon the table compiled by *The Monetary Times* and printed in the issue of February 15th, regarding the investments of life insurance companies in our four war loans, The Toronto Globe says:—

"The table of *The Monetary Times* shows that the insurance companies converted over \$18,000,000 of old loans into the Victory bonds. As details of conversions made by two or three companies (one of them being the Sun Life) were not included in the table, it is to be presumed that the actual total of life insurance conversions exceeded \$20,000,000. On analyzing the conversions it is seen that a comparatively small amount of the old bonds converted were eligible for taking up the five-year Victory bonds.

Gives Highest Yield.

"A section of the expert investment public has held that the five-year issue of the Victory Loan represented the best buy, because it gives the highest yield, and because, being short-dated, it is not likely to decline as much as the others in an unfavorable market. The opposite theory is that the 20-year Victory bonds are the best, because they insure to holders an abnormally high return for a long term of years, and because they can rise to much higher levels if the war ends shortly and the heavy government borrowings cease. The life companies in the list above referred to were allotted about \$12,000,000 of the 1925 war loan, which was the only one eligible for conversion into the 1922 maturity of the Victory Loan.

Open Market Purchases.

"One large United States company which was allotted \$1,000,000 of the first war loan converted it into Victory bonds, and a Canadian company which received \$500,000 of the 1925 loan, subsequently purchased \$325,000 of the same, and turned in the whole amount to the Victory bonds. In both cases these old bonds would be eligible for taking up the new five-year bonds. Another Canadian company which originally received \$500,000 of the 1925 issue bought \$335,000 more, and then changed the whole lot into the second war loan, which, of course, could be used only for taking up the 20-year Victory bonds. Still another large Canadian company was allotted \$1,500,000 of the first war loan and changed the whole investment later into the third war loan.

"In various cases there were recorded substantial purchases by the insurance companies of first, second and third war loans. It will be remembered that there was an active market at rising prices for the first two loans after the subscription lists closed, and purchases made on these occasions would likely be at prices above the net cost to subscribers.

"After flotation of the third loan, however, the insurance companies and other investors had the opportunity of buying all three of the war issues several points below the issue price; and doubtless some of them then made substantial purchases.

Will not Buy Heavily.

"In view of the large amounts of the Victory issue now held by them it is scarcely expected that the life companies will be extensive buyers of those bonds under the present arrangement whereby the price is fixed at 98%. The instances quoted here are interesting in that they throw a side light on the investment policies of the great insurance companies."

SASKATCHEWAN WORKMEN'S COMPENSATION ACT

An entirely new section has been added to the Workmen's Compensation Act of Saskatchewan to the effect that when an accident results in death, and when the deceased's executor, acting on behalf of the dependants of the deceased, arrives at a settlement of the claim with the person against whom the claim is laid, either party may apply to a judge of the district court, or if any of the dependants are minors, to the official guardian, for an order confirming the settlement. If it is confirmed, then the party against whom the claim is made shall be discharged from all further claims thereunder.

Mr. John Paris Bickell, the new president of the Temiskaming Mines, Limited, is also president of the McIntyre Mines, Limited, and of Consolidated Arizona Superstition Mines, Limited. He is a financial broker and has been prominent in the market in Toronto for some years.

NEW ISSUE

Offering of

\$6,900,000

Five Year 6⁰/₀ Refunding Gold Bonds

CITY OF MONTREAL

DATED 1st DECEMBER, 1917 DUE 1st DECEMBER, 1922

Interest payable half-yearly—1st June and December.

Principal and Interest payable in Gold at the City Treasurer's Office, Montreal, or at the Agency of the Bank of Montreal, New York.

Bonds issued in Coupon form in denominations of \$100, \$500 and \$1,000.

ISSUE PRICE—PAR.

A full half year's interest will be paid 1st June, 1918.

The bonds therefore give a net yield to the investor of about 6¹/₂%

THE BANK OF MONTREAL, Fiscal Agent of the City of Montreal, is authorized to offer the above-named bonds for public sale on behalf of the City, at par, without accrued interest, payment to be made in full on 8th April, 1918, against delivery of the bonds at any Branch, in Canada, of the BANK OF MONTREAL, or of any bank the applicant may specify, or at the Agency of the BANK OF MONTREAL, New York or Chicago.

The issue is made to refund a like amount of Montreal Three-Year 5% Notes, the original issue having been made for public works, in anticipation of a permanent loan.

Beginning 25th February, 1918, applications for the bonds will be received by the BANK OF MONTREAL, MONTREAL, or any of its branches, from whom application forms and copies of the prospectus giving full particulars of the issue may be obtained on request. The offering is subject to withdrawal on or before the 18th March, 1918.

Applications should be addressed to the

BANK OF MONTREAL, MONTREAL

and should contain full instructions as to place of delivery and payment suitable to the applicant, and the denominations of bonds required.

The issue is made with the approval of the Minister of Finance, Ottawa.

THE STANDARD BANK OF CANADA

The Forty-Third Annual Meeting of the Shareholders of the Standard Bank of Canada was held at the Head Office of the Bank, 15 King Street West, Toronto, on Wednesday, the 27th of February, 1918, at 12 o'clock noon.

Amongst those present were the following:—H. T. Carswell (Oshawa), W. F. Allen, J. P. Owens (Oshawa), J. S. Turner (Winnipeg), W. F. Cowan, Jesse Ashbridge, F. W. Cowan, C. H. Meredith, Jas. Hardy, N. L. McLeod (Calgary), N. C. Stephens, Wellington Francis, K.C., A. A. Drummond, John Elliott, Dr. Chas. O'Reilly, H. Langlois, C. M. Gripton, F. Biette (Chatham), W. J. Martin (Penetanguishene), Wm. Crocker, T. H. Wood, R. H. Cosbie, E. A. Bog, David Kidd (New York), H. R. Playter, M. McDonald, Ven. Archdeacon Warren, J. K. Niven, G. N. Brown, W. Gillespie, J. C. Black, Henry Swan, W. C. Boddy, F. Russell, J. W. McLaughlin (Oshawa), C. H. Easson, Lieut.-Col. C. A. Denison, J. R. Howard, F. LeM. Grasset, M.B., Geo. Blaikie, Jas. E. Baillie, Wm. Harvey, H. C. Boomer, J. K. Fisker, H. S. Loudon, H. T. McMillan, W. C. Noxon, H. Gooderham, N. Gash, R. C. Babbitt, F. H. Gray, Lewis A. Howard, E. C. Green, Stephen Noxon, Richard Tew, J. S. Loudon, Dr. T. E. Kaiser (Oshawa).

The chair was occupied by the President, Mr. W. F. Cowan, and Mr. E. A. Bog, Chief Inspector, acted as Secretary to the meeting and read the following report:—

The Directors beg to present to the Shareholders the Forty-third Annual Report and Statement of the affairs of the Bank for the year ending 31st January, 1918.

The Net Profits, after making provision for bad and doubtful debts, rebate of interest on unmatured bills under discount, exchange, cost of management, etc., amount to \$649,546.44. This amount, together with the balance forward from last year and \$120,047.86 for premium on new stock issued, makes the sum of \$923,187.93.

This has been appropriated as follows:—

Four quarterly dividends at the rate of 13% per annum	\$442,782.77
Contributed to Officers' Pension Fund	20,000.00
Contributed to Patriotic Funds	31,250.00
War Tax on Bank Note Circulation to 31st of December, 1917	33,891.48
Transferred to Reserve Fund from Premium on New Stock	120,047.86
Reserved for estimated depreciation in securities.	100,000.00
Balance of Profit and Loss Account carried forward	175,215.82

Your Directors deeply regret to record the sudden death, in March last, of our late general manager, Mr. George P. Scholfield, who entered the service of the Bank as a junior clerk in 1883; becoming general manager in 1905, and a director in 1912, under whose management the Bank made marked progress. Your Directors appointed as his successor, Mr. Chas. H. Easson, formerly of the Bank of Nova Scotia.

We also regret having to record the death of Mr. T. H. McMillan, who became a director of this Bank in 1909, when the Western Bank of Canada, of which he had been general manager, was amalgamated with this Bank. The vacancies in the Board have been filled by the appointment of Mr. T. B. Greening and Mr. James Hardy, F.C.A.

During the year, Branches and Sub-Branches of the Bank have been opened at Lethbridge, Alta.; Orion, Alta.; Richlea, Sask. (sub. to Eston); and Westerham, Sask. (sub. to Estuary). The Sub-Branch at Cherry Valley and the Branch at Schumacher, Ontario, were closed.

The usual inspection of the Head Office and Branches has been made, and the duties of the staff have been faithfully and efficiently discharged.

The regular audit of the Bank's affairs has also been made by Mr. G. T. Clarkson, F.C.A., whose report is appended herewith. Mr. Clarkson's name will be again submitted at the Annual Meeting for reappointment as Auditor for the ensuing year.

W. F. COWAN,
President.

Toronto, 31st January, 1918.

GENERAL STATEMENT

LIABILITIES.

Notes of the Bank in circulation	\$ 5,484,383.00
Deposits bearing interest (including interest accrued to date)	\$40,301,688.95
Deposits not bearing interest	17,779,014.95
	<hr/>
Dividend No. 109, payable 1st February, 1918..	58,080,703.90
Balances due to other Banks in Canada	112,094.17
Balances due to Banks and Banking Correspondents elsewhere than in Canada	1,160,942.63
Acceptances under Letters of Credit	1,000,951.10
Capital paid up	70,036.80
Reserve Fund	3,453,290.00
Balance of Profit and Loss Account carried forward	4,453,290.00
	<hr/>
	175,215.82
	<hr/>
	\$73,990,907.42

ASSETS.

Current coin held by the Bank..	\$ 1,557,333.80
Dominion Notes held	10,065,781.00
Deposit in the Central Gold Reserves	2,500,000.00
	<hr/>
	\$14,123,114.80
Notes of other Banks	\$ 265,096.00
Cheques on other Banks	2,822,442.85
Balances due by Banks and Banking Correspondents elsewhere than in Canada	1,051,210.57
Dominion and Provincial Government Securities not exceeding market value	3,063,591.66
Canadian Municipal Securities and British, foreign and colonial public securities other than Canadian	7,192,950.65
Railway and other bonds, debentures and stocks not exceeding market value	892,843.09
Call and Short (not exceeding thirty days) Loans in Canada on bonds, debentures and stocks	2,037,525.70
	<hr/>
	18,225,660.52
	<hr/>
	\$32,348,775.32
Other Current Loans and discounts in Canada (less rebate of interest)	39,853,677.77
Liabilities of Customers under Letters of Credit as per contra	70,036.80
Real Estate other than Bank Premises	16,000.00
Overdue debts, estimated loss provided for	111,067.11
Bank Premises, at not more than cost, less amounts written off	1,324,298.44
Deposit with the Minister for the purposes of the Circulation Fund	175,000.00
Other Assets not included in the foregoing	92,051.98
	<hr/>
	\$73,990,907.42

W. F. COWAN,
President.

C. H. EASSON,
General Manager.

AUDITOR'S REPORT TO THE SHAREHOLDERS.

I have compared the above Balance Sheet with the books and accounts at the chief office of The Standard Bank of Canada, and the certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on January 31st, 1918, I certify that in my opinion such Balance Sheet

exhibits a true and correct view of the state of the Bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and verified by me at another time during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.,
of Clarkson, Gordon & Dilworth, Toronto, Canada.

Toronto, February 18th, 1918.

The President referred to the satisfactory progress made during the year, and the Vice-President, Mr. Wellington Francis, K.C., and the General Manager, Mr. C. H. Easson, also addressed the meeting.

The usual motions were passed and the following Directors were elected for the ensuing year:—W. F. Cowan, W. Francis, K.C., H. Langlois, W. F. Allen, F. W. Cowan, T. H. Wood, T. B. Greening and James Hardy, F.C.A.

At a subsequent meeting of the Directors, W. F. Cowan was elected President, and W. Francis, K.C., Vice-President.

C. H. EASSON,
General Manager.

RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Brantford, Ont.—February 25—Building, occupied by Joseph Telos, on Ann Street, was damaged. Caused by overheated stovepipe. Estimated loss, \$500.

Burlington, Ont.—February 22—Residence of Stewart Bruce at Filman's Corners was destroyed. Estimated loss on building, \$7,000; on contents, \$3,000.

Cobourg, Ont.—February 22—The Breslin clothing store and stock of Field and Brother was damaged. Estimated loss, \$2,000.

East Toronto, Ont.—February 24—The Scarboro' divisional barns of the Toronto and York Radial Railway Company on the Kingston Road were destroyed. Caused by grounded power wire. Estimated loss, \$25,000.

Edmonton, Alta.—February 21—Unoccupied building on Jasper Avenue, owned by the McInnis Lumber Company, was damaged. Cause is thought to be incendiarism. Estimated loss, \$3,000.

February 24—The Maryland Hotel, formerly the Empire, and the Drake garage adjoining, containing 100 autos, were destroyed. Estimated loss, \$250,000. Insurance carried, \$98,000.

London, Ont.—February 19—Mr. Laughton's garage on Wellington Street was damaged. Estimated loss, \$1,500.

February 22—Engraving plant of Thomas Knowles, 40 Weston Street, was destroyed. Estimated loss, \$18,000.

Moncton, N.B.—February 19—A building, occupied by Roy Spence's grocery store, a Chinese laundry and two families, was destroyed. Estimated loss, \$3,000. Insurance carried was \$3,000.

New Liskeard, Ont.—February 19—The Wismer block on Armstrong Street was destroyed. Post-office, drug store and Canadian Express office were destroyed.

Newmarket, Ont.—February 20—The King George Hotel, conducted by George Brown, was damaged. Caused by accidental dropping of match in washroom. Estimated loss, \$500.

Peterboro', Ont.—February 23—The Peterboro' Planing Mill was destroyed. Estimated loss, \$10,000.

Port Huron, Ont.—February 24—Buildings owned by Robert Walsh were destroyed. The following are the occupants: Meise Company, dry goods; Londy and Company, cloaks and suits; McElroy Shoe Company, Mahar Shoe Company, Henson Clothing Company, Athenian Candy Company and the Millinery Stores Company. The estimated loss is \$75,000.

St. Amable de Vercheres, Que.—February 21—House of Louis Beauchemin was destroyed.

South Hill, Sask.—February 22—Home of C. J. Lambertus, 212 Riverside Street, was damaged. Estimated loss, \$200.

Toronto, Ont.—February 22—Building of Gunn's abattoir on St. Clair Avenue was damaged. Caused by overheated kiln. Estimated loss, \$200.

February 26—The Hunter-Rose building, 12 Sheppard Street, was damaged. Estimated loss on building, \$3,000. A loss of \$17,000 is divided among the following companies: Thermos Bottle Company, Mark Cross, Limited, G. W. Shook Optical Company and the Hygienic Containers, Limited.

Winnipeg, Man.—February 19—House of P. Pinchuk, 710 Magnus Avenue, was damaged. Caused by overheated stovepipe. Estimated loss, \$1,000.

ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

Moose Jaw, Sask.—February 3—Household goods and furniture of M. A. Hutchins were destroyed. Caused by head flying off match on to carpet recently cleaned with gasoline. Estimated loss, \$1,300. The insurance of \$1,000 was carried in the Glens Falls Insurance Company.

MONEY MARKETS

Mr. John Seath, Jr., reports the following sterling exchange rates to *The Monetary Times*:—

	Between banks.		
	Buyers.	Sellers.	Counter.
N.Y. funds	7/8 pre.	15-16 pre.	.....
Mont. funds	5c. dis.	par	1/8 to 1/4
Sterling—			
Demand	\$4.79.60	\$4.79.80	\$4.82
Cable transfers	\$4.80.85	\$4.81.10	\$4.83
Rates in New York, sterling, demand, \$4.75.25; cables, \$4.76 7-16. Francs in New York, demand, \$5.72 3/4; cables, \$5.70 5/8. Bank of England rate, 5 per cent.			

MONTREAL LIFE UNDERWRITERS HOLD MEETING

The Montreal Life Underwriters' Association took the occasion of the mid-year meeting in Montreal of the members of the executive council of the Life Underwriters' Association of Canada to hold their monthly luncheon at the Queen's Hotel recently. The gathering was one of the largest of the season, and was presided over by Mr. J. P. Rowley, president of the local association.

The guests were: Mr. Lawrence Priddy, of New York, president of the National Association of Life Underwriters of the United States; Mr. Neil D. Sills, of Richmond, Virginia, ex-president of the National Association; and the following officers and members of the executive council of the Life Underwriters of Canada: President, J. T. Wilson, Halifax; vice-president, T. J. Parkes, Sherbrooke; honorary secretary, Geo. H. Hunt, Toronto; general secretary and treasurer, J. H. Castle Graham, Toronto; chairman of executive, Geo. Williams, Montreal; past presidents, W. Lyle Reid, Ottawa; Homer Vipond and A. J. Meiklejohn, Montreal; also the following: J. B. Hall, Toronto; M. G. Bingeman, Toronto; C. E. Bissell, Brockville; T. B. Parkinson, London; W. J. Fair, Kingston; Geo. Alexander, Richmond; W. G. Keddie, Ottawa; A. S. Wickware, Ottawa; C. A. Butler and Chas. C. Gauvin, Montreal.

The meeting was addressed briefly by Mr. J. T. Wilson, of Halifax, president of the Canadian Association, and at greater length by Mr. Lawrence Priddy, of New York, president of the National Association. He said that the entry of the United States in the war on the side of the Allies had obliterated the imaginary line between the two countries, and that the insurance men, who had always been on the friendliest terms, were to come more closely together by holding a joint convention in New York City on September 4, 5 and 6 next. From the plans worked out at the meeting of the two executives this coming convention promises to be one of the largest and most representative gatherings of insurance men held on this continent.

The Canada National Fire Insurance Co.

HEAD OFFICE, WINNIPEG, MAN.

Seventh Annual Report of the Directors:

To the Shareholders:

Your Directors have pleasure in submitting for your consideration their Seventh Annual Report of the Company's affairs, also the Statement of Assets and Liabilities, and Revenue and Expense Accounts for the year ended December 31st, 1917, duly certified by the Company's Auditors.

The year 1917 opened up with practically the same conditions prevailing throughout the country as were experienced in the previous year. While the Dominion was enjoying a large measure of prosperity, due to bountiful crops and abnormally high prices, and the industrial life of our country was unusually active, being greatly stimulated by the war, yet the flourishing conditions in general business which maintained prior to the war, had not been restored to any great extent in some of our leading industries.

Take, for example, building operations which were proceeding a few years ago on such a large scale. While there has naturally been a certain amount of building going on in the ordinary course of events, the proportion, as compared with that of (say) four or five years ago, is relatively very small.

It is well for the shareholders to keep this point in mind when reviewing the progress made by this Company, as new buildings constitute a valuable and important source of business for a Fire Insurance Company.

Our Company had just got nicely started in business when war broke out, accompanied by a general business and financial depression, and a decided falling off in building operations, resulting in a greatly decreased volume of fire insurance, as compared with that available in normal times. In view of this situation, it will be interesting to review the amount of fire insurance written by this Company during the last four years:—

1914	\$22,152,139.00
1915	23,223,662.00
1916	21,892,153.00
1917	20,002,346.00

While it is difficult to predict at this early date what will be the results of the present year's operations, your Directors confidently expect that the record of the last few years as regards business written, will be fully maintained and possibly excelled.

The premiums on the gross insurance written in 1917 amounted to \$240,824.04, while re-insurance premiums were \$82,884.27. The gross amount of insurance in force at December 31st, 1917, was \$31,076,730.00, the premiums thereon amounting to \$431,604.36.

Total amount of re-insurance in force at the same date was \$8,384,803.00, on which the premiums amounted to \$108,204.20. The net amount of insurance in force at the close of the year was \$22,691,927.00, on which the premiums amounted to \$323,400.16.

Notwithstanding the fact that the aggregate fire losses in Canada and the United States were unusually high in 1917, the losses in Canada, exclusive of the Halifax disaster, being about \$1,000,000.00 more than in the previous year, the fire loss ratio of this Company was 46.65 per cent. as compared with 67.18 per cent. in 1916.

This is a very gratifying feature of the year's operations, and indicates unusual care exercised by the Underwriting Department of the Company. It is generally understood that war conditions have a material bearing and influence on the number of fires which have occurred during the past three years or more, and special precautions have been taken to counteract this as far as possible.

Regarding the Company's investments, it will be noted that they consist very largely of first mortgages on improved real estate; this item amounting to \$1,625,236.20, an increase of \$180,872.03 over the previous year. Considering the abnormal times due to the war and other causes, the payments of interest and principal have been reasonably well met. With the margin of security with respect to our mortgage loans, it is not anticipated that the Company will sustain any loss either on our loans or on properties foreclosed by the Company.

With the view, however, of providing for any contingencies arising out of possible depreciation in mortgages, stocks and

other securities of the Company, your Directors have deemed it advisable, and in the best interests of the Company, to create a Contingent Reserve Fund, and have, accordingly, set aside to this Fund, the sum of \$75,000.00.

In the matter of Stocks, Bonds and Debentures, these amounted to \$164,906.11, including some \$76,000.00 paid on account of Dominion Government War Bonds. These investments are of a high order and yield a satisfactory rate of interest.

During the year, the Company adhered to its policy of maintaining large cash reserves; the amount in banks and on hand at the end of the year being \$223,487.16.

Dominion Government Reserve, which is the Reserve set aside for unearned premiums, amounted to \$124,525.92. Re-insurance premiums held on deposit amounted to \$56,777.61, practically the same as last year.

Profits from Mortgage investments, stocks, bonds, debentures and other sources amounted to \$148,205.93, an increase over the previous year of \$4,022.87. Net fire premiums, after the usual deductions for cancellations, rebates and re-insurance, were \$157,939.77, while the net fire losses amounted to \$73,657.87, as compared with \$117,571.07 for 1916, showing a substantial reduction of \$43,913.20.

The Expenses for the year showed a falling off of \$5,774.58. It will probably be recalled that, in the last Annual Report, attention was drawn to the fact that the Expense Ratio in the Underwriting Department had then reached the low level of 32.80 per cent., which, for a young Company, was considered very satisfactory. Your Directors are doing all in their power to keep the expenses down as low as possible.

Dividends on Capital Stock at the usual rate of six per cent. per annum, amounted to \$105,193.59, an increase over last year of \$5,957.69. During the year there was paid on account of Capital Stock \$53,887.93, the paid-up Capital now amounting to \$1,762,048.65.

With respect to Surplus to Policyholders, this item now stands at \$2,000,017.06. The Shareholders will be pleased to learn that this Company still maintains the premier position among Canadian Fire Companies as regards Surplus to Policyholders.

In view of its strong financial standing, your Directors feel that this Company, being a purely Canadian one, should receive the liberal support and patronage of the Canadian people.

Due precaution has been taken in the selection of risks, as is evidenced by the low loss ratio maintained from year to year, notwithstanding the unusually large fire losses throughout the Dominion during the past four years.

While the war continues, it is unreasonable to expect the Company to make the material progress which might be anticipated in normal times, nevertheless, every possible effort will be put forth during the present year, and your Directors feel confident that, if the Shareholders will continue to extend their patronage and co-operation, as they have done in the past, the Company will experience another successful year.

In this connection, your Directors wish to cordially thank all those shareholders who have contributed to the success and progress of the Company, and can assure the Shareholders in general, that if they will only heartily co-operate with the Directors and the Management, they will render a great service to their own Company and contribute in no small measure, to its material welfare.

Your Directors wish to express their appreciation of the services rendered by the Officers and Staff as well as the numerous agents of the Company.

J. H. G. RUSSELL, President.

Winnipeg, February 16th, 1918.

The election of Directors for the current year resulted as follows: J. H. G. Russell, W. T. Alexander, D. E. Sprague, J. G. Hargrave, F. H. Alexander, Dr. A. D. Carscallen, E. L. Taylor, S. D. Lazier, R. G. Affleck, Hon. A. C. Rutherford, Edmonton, Alta.; F. N. Darke, Regina, Sask.; Thos. S. McPherson, Victoria, B.C.; Andrew Gray, Victoria, B.C.

At a subsequent meeting of the new Board of Directors, J. H. G. Russell was elected President; Major D. E. Sprague and F. H. Alexander, Vice-Presidents; and W. T. Alexander, Managing-Director.

Financial Statement, 31st December, 1917

ASSETS.		LIABILITIES.	
Mortgage Loans on Real Estate and Accrued Interest	\$1,625,236.20	Government Reserve for Unearned Premiums..	\$ 124,525.92
Stocks and Bonds (at Cost) and Accrued Interest	164,906.11	Losses Unpaid (in course of Adjustment).....	16,492.00
Real Estate—Head Office Property..	\$163,752.07	Accounts Payable	9,627.96
Real Estate other than Head Office Property	141,540.56	Reinsurance Premiums (held as Reserves on Deposit)	56,777.61
Office Furniture and Fixtures, Maps and Plans, less depreciation	305,292.63	Dividend for Year Ending 31st December, 1917..	105,193.59
Accounts Receivable	19,053.84	Contingent Reserve Fund	75,000.00
Agents' Balances	8,758.77	Capital Stock Subscribed	\$2,050,400.00
Cash in Banks and on hand:	40,899.43	Paid Up	\$1,762,048.65
Imperial Bank	\$158,249.31	Net Surplus	237,968.41
Northern Crown	42,414.90	Surplus to Policyholders	2,000,017.06
Royal Bank	11,184.85		
Cash on Hand	11,638.10		
	223,487.16		
	<u>\$2,387,634.14</u>		<u>\$2,387,634.14</u>
REVENUE.		EXPENDITURE.	
Balance Brought Forward from 1916	\$ 406,262.58	General Expenses, Salaries, Commissions, etc.:	
Profits from Mortgages, Stocks and other Sources	148,205.93	Loan and Investment Department	\$ 43,255.90
Fire Insurance Premiums for 1917..	\$240,824.04	Fire Department	50,689.50
Less—Reinsurance thereon	82,884.27	Losses and Loss Adjustment Expenses	\$125,839.04
	157,939.77	Less—Reinsurance Recoveries..	52,181.17
		Depreciation Written off Furniture and Maps...	73,657.87
		Dividend for Year ending 31st December, 1917..	2,117.09
		Contingent Reserve Fund	105,193.59
		Reserve for Unearned Premiums..	75,000.00
		Net Surplus	\$124,525.92
		Balance	237,968.41
	<u>\$ 712,408.28</u>		362,494.33
			<u>\$ 712,408.28</u>

AUDITORS' REPORT.

To the Shareholders:—

We beg to report that we have audited the Books and Accounts of The Canada National Fire Insurance Company for the year ending 31st December, 1917, and have found them properly stated and sufficiently vouched. We have verified the Cash on Hand and in Banks and the Mortgages and

other Securities. In our opinion the Balance Sheet presents a correct view of the state of the Company's affairs as at 31st December, 1917, according to the best of our information and the explanations given us, and as shown by the Books of the Company.

(Signed) D. A. PENDER, COOPER, SLASOR & CO., C.A.
Winnipeg, 16th February, 1918.

BANK CLEARINGS

The following are the bank clearings for the weeks of February 22nd, 1917, and February 23rd, 1918, respectively, with changes:—

	Week ended Feb. 23, '18.	Week ended Feb. 22, '17.	Changes.
Montreal	\$ 74,315,203	\$ 65,139,044	+ \$ 9,176,159
Toronto	51,601,982	48,556,682	+ 3,045,300
Winnipeg	39,670,456	30,706,142	+ 8,964,314
Vancouver	8,465,966	6,414,372	+ 2,051,594
Ottawa	5,483,775	4,701,999	+ 781,776
Calgary	5,908,875	4,244,308	+ 1,664,567
Hamilton	4,752,320	3,791,429	+ 960,891
Quebec	3,384,808	2,896,020	+ 488,788
Edmonton	3,017,538	2,165,776	+ 851,762
Halifax	2,951,268	2,837,784	+ 113,484
London	1,916,525	1,816,332	+ 100,193
Regina	2,536,724	1,915,701	+ 621,023
St. John	1,852,628	1,675,802	+ 176,826
Victoria	1,662,158	1,390,736	+ 271,422
Saskatoon	1,390,756	1,210,318	+ 180,438
Moose Jaw	1,107,162	1,118,278	— 11,116
Brandon	490,333	408,168	+ 82,165
Brantford	741,391	760,693	— 19,302
Fort William	595,796	476,758	+ 119,038
Lethbridge	541,552	528,279	+ 13,273
Medicine Hat	491,435	402,557	+ 88,878
New Westminster ..	292,102	266,372	+ 25,730
Peterboro	582,934	533,857	+ 49,077
Sherbrooke	840,188	710,125	+ 130,063
Kitchener	537,571	528,551	+ 9,020
Totals	<u>\$215,131,446</u>	<u>\$185,196,083</u>	+ <u>\$29,935,363</u>

SALE OF SHARES ACT IN SASKATCHEWAN

A number of minor amendments have been made to the Sale of Shares Act of Saskatchewan. The provisions of the act will not in future apply to companies incorporated under Section 22 of the Companies Act. These are companies for promoting art, science, religion, charity, etc. A number of amendments have been made to Section 6, detailing the material which has to be filed before the shares are permitted to be sold. Section 9, detailing the conditions under which a certificate permitting the sale of shares may be granted, has been redrawn, but not materially altered.

Without first notifying the local government board, it is not permissible for a company to alter its charter, memorandum of association or incorporation, its constitution or by-laws. If the board is not notified of such a change, the company's certificate may be revoked, and no business may then be transacted until a new certificate has been obtained. The principal amendment, however, relates to the granting of certificates to mining companies in the province. It is, of course, impossible to say, until the mine is developed, whether a fair return upon the shares can be promised, and a special certificate in respect to the sale of shares of such companies is provided for.

The clause dealing with prosecutions and penalties has been redrawn. A person doing anything forbidden by the act, or who fails to observe the conditions or restrictions under which the certificate regarding mining companies is issued, may be fined from \$50 to \$500, and in default may be imprisoned for a term not exceeding six months, but if the accused was the holder of an agent's license, and was not aware of the revocation of that license, or that his company had forfeited its rights, he shall not be convicted of the offence of selling shares contrary to the act.

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

The offering of \$6,900,000 five-year 6 per cent. refunding gold bonds of the city of Montreal is the outstanding feature of the municipal bond market. The subscription lists for these bonds opened on Monday and will close on or before March 18th. Undoubtedly, the desirable changes which are being brought into force in regard to the government of the city of Montreal will materially assist the sale of the bonds. The Bank of Montreal, acting as the city's fiscal agent, is making the offer by public sale. The bank will not conduct a selling campaign in the sense of circularizing investors. It is prepared to receive at any of its branches applications that investors may wish to file for participation in the loan. The actual selling campaign in the sense of a general canvass will be conducted through stock exchange firms, bond companies, trust companies, etc., much as in the case of the Victory Loan. These selling agencies will be allowed a commission on the bonds they sell, but their participation in the canvass involves no liability, as would be the case if they were asked to underwrite the bonds. As they secure buyers for the bonds they will turn in their clients' applications and will be granted commissions for the bonds thus placed. They may apply for bonds in their own names, with a view to subsequent sale to clients, but the issue differs from the average loan of the kind, in that it is not being sold in the first place to a syndicate of underwriters, to be distributed by them among investors.

The bonds are being offered at par and are dated December 1st, 1917. As a full half-year's interest will be paid on June 1st, although subscriptions for the issue will not be due until April 8th, the privilege of the first coupon makes the net yield of the bonds about 6½ per cent. The bonds will be issued in coupon form in denominations of \$100, \$500 and \$1,000, with principal and interest payable in gold at the city treasurer's office at Montreal, or at the agency of the Bank of Montreal in New York. The interest dates are June 1st and December 1st. The issue is being made to refund \$6,900,000 three-year 5 per cent. notes of the city which fell due in New York last December, temporary arrangements having been made through the Bank of Montreal at the time to finance the maturity. Since 1914 the city has been maintaining a sinking fund at the rate of 4½ per cent. per annum against the ultimate redemption of a permanent loan which was in view when the three-year note issue was sold to New York bankers. The present issue is made with the approval of the minister of finance.

Edmonton, Alta.—As the city has a heavy amount of short-date liabilities maturing this year it must raise about \$3,500,000.

Sandwich, Ont.—A block of \$72,216.79 10, 15, 20 and 25-year 6 per cent. bonds has been awarded to Messrs. C. H. Burgess and Company, Toronto.

Hamilton, Ont.—On February 18th, the board of control made reductions amounting to \$75,000 in the estimates, and the members now believe that they will be able to get along on a 27-mill rate, an increase of 4 mills over last year.

Toronto, Ont.—The total amount of assessment for the year 1918 as returned by assessors is \$605,107,430, as compared with the assessment of \$588,420,313 in 1917, as finally revised. This makes an increase in 1918 of \$16,687,117 which is made up as follows: Land, \$2,579,285; buildings, \$7,092,708; business assessment, \$2,167,859; income, \$4,847,265.

Greater Winnipeg, Man.—Over \$1,000,000 worth of bonds of the Greater Winnipeg Water District have been sold for further work of constructing the pipe line which is to bring Winnipeg's water supply from Shoal Lake, according to Commissioner Waugh. In view of the success which has attended the issue of small denominations of \$100, an arrangement has been made to divide several of the \$1,000 bonds into the smaller denomination.

Port Moody, B.C.—The annual financial statement and report has been submitted to the city council for 1917. The general income for the year ended December 31, totalled \$30,306, and the general expen-

diture \$19,246, leaving a credit surplus of \$11,059. The school accounts also showed an excess of income over expenditure of \$1,044. The total land taxes assessed for the year was \$36,913, of which \$18,024 was outstanding at December 31. The balance sheet showed total assets \$265,060 and liabilities \$208,141, giving a surplus of assets \$56,918. There is a contingent liability of \$100,000 secured by the site, buildings and plant of the steel works.

New Westminster, B.C.—Assessment Commissioner Broad has this year placed the total valuation of the city for taxation purposes at \$12,191,500. Of this amount \$12,115,500 is the assessed land value, and \$76,000 is of taxable improvements, mainly buildings on leased waterfront property outside of the improved area. The total is approximately 10 per cent. lower than 1917, which in turn was about 10 per cent. lower than in 1916. The figures for the three years are as follows: 1918—Land, \$12,115,500; taxable improvements, \$76,000. 1917—Land, \$13,458,395; taxable improvements, \$81,900. 1916—Land, \$14,953,825; taxable improvements, \$81,900.

London, Ont.—An offering of \$1,346,000 5 and 10-year 6 per cent. gold bonds is being made by a syndicate comprising Messrs. Wood, Gundy and Company, Dominion Securities Corporation and A. E. Ames and Company, of Toronto; 99.47 and interest for 1923 maturity, and 99.08 and interest for 1928 maturity. London is well and favorably known as the financial, wholesale and distributing centre of western Ontario. It is a manufacturing centre of great importance, is situated in one of the best farming centres of Canada, and is substantial in every respect. Probably never before have London bonds been offered on so favorable a basis.

Alberta.—Messrs. W. Ross Alger and Company, Edmonton, have purchased the following Alberta school district debentures: Sutherland S.D., \$450 7 per cent. debenture, payable in ten serials; Tipperary S.D., \$500 7 per cent. debenture, payable in ten serials; Adshad S.D., \$1,200 7 per cent. debenture, payable in ten serials; Donaldson S.D., \$1,200 7 per cent. debentures, payable in ten serials; Village of Spirit River, \$2,000 6 per cent. debenture, payable in ten serials; Duchess S.D., \$2,500 7 per cent. debenture, payable in ten serials; Grande Prairie S.D., \$3,000 7 per cent. debenture, payable in twenty serials; Gladys S.D., \$2,000 7 per cent. debenture, payable in five serials; Cereal S.D., \$3,500 7 per cent. debenture, payable in ten serials; Bow Island S.D., \$16,000 6½ per cent. debenture, payable in twenty serials.

Saskatchewan.—The following is a list of authorizations granted by the Local Government Board from February 11th to February 15th, 1918:—

School Districts.—Runnymede, \$2,000 10-years not ex. 8 per cent. instalment; J. H. Mather, Winthorpe. Grafton, \$2,000 10-years not ex. 8 per cent. annuity; A. W. Ellery, Calderbank.

The following is a list of debentures reported sold from February 11th to February 15th, 1918:—

School Districts.—Twin Hill, \$2,000, Warcop, \$1,800; Great-West Life Assurance Company, Winnipeg.

Rural Telephone Companies.—South Forget, \$1,100; E. M. Blain, Forget. Kaiser, \$1,000; R. J. Hill, Kaiser. Friedland, \$3,900; Regina Public School Sinking Fund. Ruddell, \$15,300, South Churchbridge, \$2,700, Alida, \$3,800, Fillmore, \$1,300, Storthoaks, \$2,400; W. L. McKinnon and Company, Regina.

Village.—Harris, \$5,000; C. W. Dickey, Harris.

Toronto, Ont.—City Treasurer Bradshaw submitted a statement to the board of control on Tuesday showing that the gross debenture debt of the city now amounts to \$107,217,793, involving an annual charge for interest and sinking fund of \$8,901,655. On these annual charges \$5,086,565 is raised from sources other than taxation, and \$3,815,090 by direct taxation. Debentures to the amount of \$100,323,433 have been issued and sold, while the balance of \$6,894,360 are still unnegotiated. Attention was directed to the fact that the gross school debt, that is for public, high, commerce, technical, industrial and separate schools, amounted to \$14,769,919, necessitating the raising of \$883,994 annually. The local improvement debt is \$24,920,234, upon which the annual charges for interest and sinking fund are \$3,092,315. Of the latter amount \$1,183,566 is taken out of the taxes and \$1,908,749 is paid by the property owners benefited, and is an

Ottawa Light, Heat & Power Co., Limited

Operating The Ottawa Electric Co. and The Ottawa Gas Co.

OTTAWA, ONTARIO

Twelfth Annual Report of the Directors

To the Shareholders:

The Directors now submit their Annual Report accompanied by Financial Statements covering the operation of The Ottawa Electric Company and The Ottawa Gas Company for the fiscal year ending December 31st, 1917.

The Ottawa Electric Company has overcome the reductions in rates which were brought into effect early in 1916, and has further overcome the loss in revenue due to the changing of flat rate commercial accounts to the meter system.

The Ottawa Gas Company, early in the summer of 1917, was face to face with the abnormal rise in the cost of coal. To meet this, it was necessary to increase the price of gas from \$1.10 gross to \$1.25, with the usual 10% discount for prompt payment. While this increase in rate may not be sufficient to fully cover the higher cost of production, the company has, due to

new business, and an increased consumption on the part of customers, been able to show substantial increases in gross and net revenue.

The revenues from all sources aggregate \$957,300.39, an increase of \$123,108.19 over last year.

The expenses of management, operation and maintenance, together with bond and bank interest, amount to \$711,159.61, an increase of \$108,829.04. This is satisfactory, when it is considered that the extra cost of coal for generating purposes was alone over \$70,000.

After deducting from the gross revenue the gross expenditure, which includes bond and bank interest, the net surplus for the year is \$246,140.78.

The sum of \$109,563.23 has been expended upon Capital Account.

The balance at the credit of Profit and Loss Account with the addition of this year's surplus is \$305,017.68. From this four quarterly dividends at the rate of 6% per annum have been paid, amounting in all to \$209,945.20. After making provision for bad and doubtful debts, there remains \$85,499.48 at the credit of Profit and Loss Account, and \$720,000 at the credit of Reserve Account.

All of which is respectfully submitted.

T. AHEARN, President.

OTTAWA, February 18th, 1918.

BALANCE SHEET, December 31st, 1917

ASSETS		LIABILITIES	
Cash on hand.....	\$ 400.00	Bonds:—	
Accounts Current:—		(a) The Ottawa Electric Co., First Mortgage Bonds	\$500,000.00
(a) Electricity and Gas Supply for light, heat and power, residuals, etc.....	\$296,547.38	(b) The Ottawa Electric Co., Refunding and 1st Mortgage Bonds	625,000.00
(b) Merchandise.....	54,964.57	(c) The Ottawa Gas Company Consolidated Bonds.....	150,000.00
(c) Bills Receivable	10,928.78		1,275,000.00
(d) Sundry Accts. Receivable	54,337.86	Accounts Payable:—	
(e) Less amount set aside to provide for bad and doubtful debts	416,778.59	(a) Banks	278,531.89
	29,066.44	(b) Trade	215,957.45
Merchandise and stores	387,712.15	(c) Bills Payable	300,000.00
Property, Plant and Equipment.....	148,187.35		794,489.34
Supplies on hand at date of Dec. 31st, 1917.....	5,761,485.87	Total to the Public	2,069,489.34
	60,723.45	Capital paid in	3,483,520.00
		Reserve Account	720,000.00
		Profit and Loss.....	85,499.48
		Total to Shareholders	4,289,019.48
			\$6,358,508.82
	6,358,508.82		

PROFIT AND LOSS ACCOUNT from Jan. 1st, 1917, to December 31st, 1917

CR.		DR.	
Balance at Credit Dec. 31st, 1916.....	\$ 58,876.90	Dividends for the year 1917.....	\$209,945.20
Surplus of Revenue over Expenditure for year ending Dec. 31st, 1917.....	246,140.78	Amount set aside for Bad Debts.....	9,573.00
	\$305,017.68	Balance at Credit Dec. 31st, 1917.....	85,499.48
			\$305,017.68

REVENUE AND EXPENDITURE for Fiscal Year ending Dec. 31st, 1917

REVENUE		EXPENDITURE	
Gross Revenue from all sources, viz:—		Gross cost of Management, Operation and Maintenance.....	\$611,909.64
Electricity and gas supply for light, heat and power, including sales of Coke, Tar and other residuals.....	\$357,300.39	Showing a Gross Credit Balance of.....	\$345,390.75
		To the Expenses above the following charges are added:—	
		Interest on Bonds.....	63,862.50
		Interest on Current Liabilities	35,387.47
		Making the Gross Expenditure.....	711,159.61
		Leaving a Surplus of Revenue over Expenditure	246,140.78
	\$ 957,300.39		\$ 957,300.39

DIRECTORS

Ottawa Light, Heat & Power Co., Ltd.

T. AHEARN, Esq., President
 HON. E. H. BRONSON, Vice-President
 JAMES MANUEL, Esq. C. J. MCGUAIG, Esq.
 WARREN Y. SOPER, Esq. D. R. STREET, Esq.
 A. A. DION, Esq. F. W. FEE, Esq.
 D. R. STREET, Secretary-Treasurer

Ottawa Electric Co.

T. AHEARN, Esq., President
 HON. E. H. BRONSON, Vice-President
 W. J. BASKERVILLE, Esq. WARREN Y. SOPER, Esq.
 L. CRANNELL, Esq. THOMAS WORKMAN, Esq.
 JAMES MANUEL, Esq. A. A. DION, Esq.
 D. R. STREET, Secretary-Treasurer

Ottawa Gas Co.

T. AHEARN, Esq., President
 JAMES MANUEL, Esq., Vice-President
 J. ROBERTS ALLAN, Esq. WARREN Y. SOPER, Esq.
 A. A. DION, Esq. R. H. HAYCOCK, Esq.
 D. R. STREET, Secretary-Treasurer

extra tax upon their properties. No cognizance is taken of this in the tax notices sent out to the ordinary citizens, consequently only those directly affected know what an additional burden this really is.

Burnaby, B. C.—A comparative statement has been prepared by the treasurer of the municipality, showing that in 1913 the city's collection of taxes stood at \$379,106, including arrears, against a levy of \$586,600. In 1914 the collection was \$300,228, with a levy of \$467,000. In 1915 the total collection dropped to the lowest point, being only \$244,995, while the levy for that year was \$408,900. The increase on receipts commenced in 1916 with the total collection \$273,327, while the levy dropped still lower than the previous year, coming down to \$386,500. Last year collections were even better than in 1916, standing at \$290,912, the levy coming down to \$372,100. Since 1913 the levy for taxes has dropped to \$214,500. The assessment has also been lowered proportionately, going from \$21,000,000 in 1913 to \$16,000,000 at the present time. The mill rate for 1918, although not confirmed by the council, has been set at 20 on improved land and 40 on wild land, which is an increase of two mills in each case over last year's levy. In 1916 in the conversion of the bonds \$716,000 of the bonded debt was dropped. In 1917 the interest on the serial bonds was met and \$31,000 of the principal paid off the debt, and when making the arrangements with the bank for the annual loan to carry the municipality for the first six months, the council is making provision for taking care of the 1918 payment on this debt, which will be \$32,000. Each year the interest is being reduced, and the principal being paid off is increased. When the June payment is made the debt of the corporation will have been reduced from \$3,003,150 in 1916 to \$2,224,150. Under the serial bond system adopted in 1916 the debt of the corporation will be reduced this year again by \$32,000. Burnaby's debt in 1916 was \$3,003,150 under the system of sinking fund debentures. Reeve Fraser and Clerk Moore devised the scheme of converting these bonds into 20-year serial bond debentures, each year paying off a proportion of the bonded indebtedness of the municipality by paying off a part of the principal. In this way the interest for the next year was reduced, and that interest added to the capital paid off the following year.

YIELDS ON INVESTMENTS IN STOCKS AND BONDS

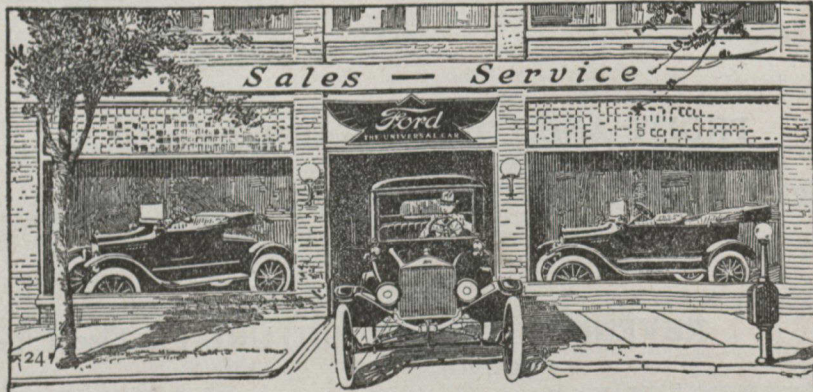
The following table of investment yields of stocks and bonds has been compiled for *The Monetary Times* by Messrs. MORROW & JELLETT, Members, Toronto Stock Exchange, 103 Bay Street Toronto:—

	Div. Rate	Price about	Yield about
Preferred:			
Canada Cement	7	90	7.77
Canada Steamships	7	77	9.09
Canadian Locomotive	7	83	8.43
Mackay Companies	4	63	6.34
Maple Leaf Milling	7	94	7.44
Penmans	6	82	7.31
Steel of Canada	7	88	7.95
Common:			
Bell Telephone	8	130	6.15
B. C. Fishing and Packing	4	41	9.75
Canada Cement	6	59	10.17
Canadian Locomotive	6	58	10.34
Canadian General Electric	8	104	7.69
Consumers' Gas	10	147	6.80
Canadian Pacific Railway	10	147	6.80
Consolidated Mining and Smelting	2½	25	10.00
Dominion Foundry & Steel	8	61	13.11
Dominion Steel Corporation	5	61	13.11
Mackay Companies	6	78	7.67
Maple Leaf Milling	10	98	10.20
Penmans	4	74	5.40
Steel Co. of Canada	6	54	11.11
Toronto Railway	4	58	6.89
Twin City	6	63	9.52
Bonds:			
Canada Bread	6	90	6.66
Canada Cement	6	97	6.18
Canada Steamships	6	80	7.50
Canadian Locomotive	6	88	6.81
Penmans	6	87	5.74
Steel of Canada	6	89	6.74
*First War Loan, 1925	5	94½	5.26
*Second War Loan, 1931	5	93½	5.34
*Third War Loan, 1937	5	93	5.37
Victory Loan	5½	98½	5.55

*Yield on stock basis.

Hon. W. J. Hanna, K.C., has been appointed president of the Imperial Oil Company of Canada in succession to Mr. Walter C. Teagle, now president-elect of the Standard Oil Company of New Jersey.

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Ford Motor Company of Canada, Limited Ford, Ontario

FIFTY-EIGHTH ANNUAL REPORT

THE LONDON MUTUAL FIRE INSURANCE CO. OF CANADA

DIRECTORS' REPORT.

To the Shareholders and Members of the London Mutual Fire Insurance Company of Canada

Your Directors herewith submit the Fifty-eighth Annual Statement and Balance Sheet, duly certified by the Auditor, showing the receipts and expenditures for the year, as well as the Assets and Liabilities of the Company as at December 31st, 1917.

The operations of the Company for the year 1917 resulted in a profit of \$40,656.06, after providing for all bad and doubtful debts and outstanding liabilities. Of this amount \$15,000 has been set aside as a reserve for possible future losses on investments, and the balance \$25,656.06 has been added to the surplus.

The net premium income for the year was \$399,923.15, an increase of \$36,239.26, while both the loss and expense ratios have been satisfactory.

The reinsurance reserve, full Government Standard, stood at \$279,095.52, an increase of \$6,763.07; the Cash Surplus \$141,559.57, an increase of \$25,656.06, and the Capital Stock paid up at \$19,250.00, an increase of \$1,750.00. The total

Cash Security for Policyholders was \$502,417.97, an increase of \$31,301.14, in addition to which there is the unassessed portion of premium notes, which amounts to \$250,999.09, an increase of \$3,507.16, making the total Security to Policyholders \$753,417.06, an increase of \$34,808.30, and a total Surplus to Policyholders of \$411,808.66, an increase of \$30,913.22.

The retiring Directors are A. H. C. Carson, R. Home Smith, and A. C. McMaster, all of whom are eligible for re-election.

Your Directors desire to thank the Agents of the Company for their support, and they also wish to express their appreciation of the work of the field and office staffs during the past year.

All of which is respectfully submitted.

A. H. C. CARSON,

President.

Toronto, 23rd of February, 1918.

FINANCIAL STATEMENT AS AT DECEMBER 31st, 1917.

Assets.	
Bonds, Debentures and Shares with Accrued Interest	\$238,844.96
Mortgages Receivable with Accrued Interest	14,893.78
Call Loan	700.00
Rents Accrued	420.00
Due by Reinsurers	685.08
Agents' Balances	54,828.52
Cash on hand and on deposit.....	58,529.49
Office Furniture and Goad's Plans	\$ 27,218.92
Less Reserve for Depreciation	17,218.92
	\$ 10,000.00
Real Estate and Buildings	\$166,576.22
Less Reserve for Depreciation	4,849.14
	\$161,727.08
Less Mortgage Payable and Accrued Interest	38,210.94
	123,516.14
Unassessed Portion of Premium Notes	133,516.14
	250,999.09
	<u>\$753,417.06</u>

Liabilities.	
Unadjusted Fire Losses	\$ 27,810.56
Government Taxes Accruing	5,566.94
Due for Reinsurance	9,480.11
Sundry Accounts Payable	1,155.27
Provision for Agents' Bonuses	3,500.00
	\$ 47,512.88
Reserves:—	
For Investments	\$ 15,000.00
For Reinsurance, Full Government Standard	279,095.52
	294,095.52
Capital Stock Paid Up	\$ 19,250.00
Surplus Account	141,559.57
Unassessed Portion of Premium Notes	250,999.09
Surplus to Policyholders	411,808.66
	<u>\$753,417.06</u>

INCOME AND EXPENDITURE ACCOUNT YEAR ENDING DECEMBER 31ST, 1917.

Expenditure.	
To Losses	\$345,547.12
Less Salvage and Reinsurance Recovered	135,790.53
	\$209,756.59
To Commissions, Agency and Management Expenses, etc.	163,262.91
To Increase in Reinsurance Reserve	6,763.07
To Securities Written Down.....	2,858.50
To Appropriations, Reserves:	
Real Estate and Buildings.....	\$1,147.63
Office Furniture and Goad's Plans	3,622.15
	4,769.78
Balance, Net Profit, Transferred to Surplus Account	40,656.06
	<u>\$428,066.91</u>

Income.	
By Gross Premiums	\$698,948.53
Less Cancellations and Rebates	\$ 87,687.30
Less Reinsurance Premiums	211,338.08
	299,025.38
By Transfer Fees	\$399,923.15
By Income from—	
Sale of Securities	\$ 280.46
Interest, Dividends and Rents....	7,479.34
	7,759.80
By Proportion of Profit due on Canada Hail Shares	20,250.00
	<u>\$428,066.91</u>

CERTIFICATE.

We have audited the books of the London Mutual Fire Insurance Company for the year ending December 31st, 1917. We find the books to be in order and all the information asked for has been cheerfully given.

Our examination has included the Cash and Bank Books, Premium Registers, Agents and Branch Balances and the securities held by the Company.

We certify that the above Balance Sheet is in accord with the books and in our opinion is a full and fair statement of the position of the Company on that date.

Toronto, February 16th, 1918.

EDWARDS, MORGAN & COMPANY, Chartered Accountants.

MANITOBA'S COMPENSATION ACT

Principle of the Measure is Sound But Operation is Criticized

The report of a commission of inquiry regarding the operation of the Workmen's Compensation Act of Manitoba, finds that the principle of the Manitoba measure is sound. The commission (consisting of W. S. Fallis, A. R. D. Patterson and A. W. Puttee) strongly criticizes the board's action (since cancelled) in raising premium rates without any hearings or investigation as to inadequacy of old rates, and finds no justification for the move. It further finds a lack of organizing ability on the part of the administration; that the staff was unduly large, that salaries were out of proportion to the work performed and that the assistant commissioner (Wm. Neill) was unnecessary, as the work entrusted to him rightly belonged to the commissioner (Herbert G. Wilson). Other work could have been done by a secretary. The statistician was unnecessary. One inspector only was necessary in place of two, and the full-time employment of a medical officer was not needed.

The space now under lease for offices of the commission is double what is necessary. A great saving could have been effected by renting smaller offices in less valuable property. Portions of the premises leased and under option, but not necessary, should be sublet. Economy was not practised in purchasing the equipment; the quantity and quality of office furniture and other appliances are much in advance of present requirements.

Reserve Fund Advocated.

The commission finds that the income of the board at present is above normal and that a reserve fund should be established out of it to avoid calling on the revenues of the province during periods of industrial depression, when the premium income would be necessarily much lower than it is to-day.

The administration revenue will be seriously impaired by the Dominion government taking over the Canadian Northern Railway, as the estimated premium income from the Canadian Northern Railway is about one-quarter of the whole income of the board.

To check arbitrary action and to check expenditures and adjustments of claims, the commission recommends that the Workmen's Compensation Board should consist of two directors and a commissioner, the two directors to act in an advisory capacity and to pass in meeting on all acts of the commissioner. The commission recommends that remuneration of \$1,000 a year be paid to directors.

An estimate of what is considered necessary to efficiently administer the compensation act follows: Two directors, \$2,000; one commissioner, \$6,000; one secretary, \$3,000; one inspector, \$2,100; one medical officer, part time, \$1,500; accountant, claims clerk and general office staff, \$6,640; rent, etc., \$4,760; total, \$26,000.

This is a reduction on the present estimate, minimum \$55,000, maximum \$75,000, made up by the present administration. The income receivable for the coming year is considerably larger than would cover the royal commission's estimate and sufficiently large to allow for creation of reserve fund suggested.

The commission recommends that guarantee bonds should be given by the commissioner, secretary and accountant.

Want Higher Compensation.

A delegation of labor men interviewed the members of the Manitoba cabinet recently and made several requests. They asked that the Workmen's Compensation Act be amended so as to make 75 per cent. of the wages of a workman injured the basis of compensation instead of 55 per cent. It was also asked that the compensation payable to the widow and children of an injured man be double of the present rates of \$20 a month for the widow and \$5 a month for the children; also to provide the sum of \$125 for funeral expenses and to provide for the medical and hospital bills to an unlimited amount—a provision that would tend to serious abuses. It was also asked that payment commence immediately upon injury.

PACIFIC GREAT EASTERN PASSES TO GOVERNMENT

The negotiations between the government of British Columbia and the Pacific Great Eastern Railway have been concluded, and the government will take over and finish the line. The company is to pay the government \$1,100,000, of which \$750,000 will be in cash and the balance due after the war. The government will resume the operation of trains, which was recently suspended by the company, and will construct the line from Clinton to Williams Lake, a distance of 100 miles, during the present year.

The present settlement is the result of long-continued negotiations, and puts an end to the civil suits which the province had taken against the railway. The company retains its land development enterprises.

The payment to the government of the sum of \$1,100,000 releases the members of the company of their pledge to finish the line.

The decision was reached in a conference between Hon. John Oliver, provincial minister of railways, and R. C. Crombie, of the railway. No difficulty is expected in securing the necessary legislation, and it is learned that the tentative agreement provides that the company will join the government in applying to Ottawa for validation of charter rights, in regard to which certain doubts were raised by the company in its statement of defence in the suits filed by the government.

The company hands over all its assets except the lands and holdings of the Pacific Great Eastern Development Company. The company is to pay the government \$500,000 cash and \$250,000 within four months. The remaining amount may be paid at any time up to five years after the end of the war.

REAL ESTATE LOAN COMPANY OF CANADA

Not without special significance was the statement of Dr. M. H. Aikins, president of the Real Estate Loan Company of Canada, at the recent annual meeting, regarding the securities owned by the company. "Our debentures owned," he said, "are all either government or municipal bonds. They are a readily realizable asset, and, having been carefully purchased, bring a remunerative interest yield. We do not touch railway or industrial securities." The company has \$95,175 of municipal debentures and Canadian war loans. There is due by bankers the sum of \$29,359, in addition to a small amount due by agents and cash on hand. The loans on stock at the end of the year were small, amounting to only \$4,689. This class of business is largely used by the company as employment for surplus funds temporarily accumulated. The loans are made only on securities allowed under the Dominion government act.

The statement of assets shows loans on mortgage of \$1,206,757. This is made up of 850 first mortgages, or an average of \$1,500 each. Dr. Aikins, the president, explained at the annual meeting that the directors' policy of making small loans with maturing principal instalments, is proving a source of strength both to lender and borrower. The valuation placed on these mortgage securities shows a margin in excess of 50 per cent., and they yield a very satisfactory return.

The real estate foreclosed stands in the balance sheet at \$89,445. Owing to war conditions and legislation in the West, real estate on hand has been increased. This amount covers income producing properties which are of such a size as should have a wide market on the return of normal business conditions, and in the directors' opinion is amply secured. Meanwhile there is rental surplus above carrying charges.

Dealing with the results of the past year, it is found that after providing for all expenses, interest on money borrowed and dividend at the rate of 7 per cent., there remained a balance at the credit of profit and loss of \$22,754. From this the sum of \$10,000 was carried to the credit of the company's rest, a similar amount to contingent fund, and the balance, \$2,754, was carried forward. The company's debentures were increased during the year.

The annual statement of the Real Estate Loan Company of Canada is very satisfactory, reflecting good management, careful direction, and a strong position. Mr. E. L. Morton has managed the company for many years with conspicuous success. The directors, who are actively interested in the welfare of the corporation, are as follow: M. H. Aikins, M.D., president; E. Douglas Armour, K.C., vice-president; Edmund Wragge, M.I.C.E., William A. Cooke and H. W. Mickle.

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MOUNT ROYAL ASSURANCE COMPANY

The Mount Royal Assurance Company, Montreal, reports a net premium revenue of \$503,285 for the year 1917, an increase of \$3,679 over 1916, and a total net revenue, including interest on investments, etc., of \$563,559. The losses paid amounted to \$246,374, representing a loss ratio of 48.9 per cent. on the premium income.

The net earnings of the company amounted to \$142,634, of which \$39,118 was added to the reinsurance reserve fund and \$103,515 carried to profit and loss. The company's reinsurance reserve now amounts to \$307,998 and the amount at credit of profit and loss is \$412,501. The total assets of the company are \$1,199,903.

CANADA FOUNDRIES AND FORGINGS

The financial position of the Canada Foundries and Forgings Company shown by the annual statement presented to the shareholders at the annual meeting in Brockville on February 15th, indicates profits for the year amounting to \$695,586, compared with \$659,852 for 1916; \$832,056 in 1915, and \$46,231 in 1914. Deductions included bond interest of \$10,478, while taxes and expenses amounted to \$99,234, a total of \$109,712, leaving the net surplus for dividends at \$585,874 equal to earnings on the common stock after preferred dividends of 54 per cent. The latter called for a distribution of \$67,200 and the common stock payments amounted to \$144,000, leaving a surplus balance for the year of \$374,674 which, added to the previous balance, made the total profit and loss surplus at the end of 1917 equal to \$1,128,282.

BRITISH COLUMBIA PERMANENT LOAN COMPANY

The earnings of the British Columbia Permanent Loan Company, Vancouver, during the past year amounted to \$204,957. The interest charges on public liabilities, expenses, etc., amounted to \$159,729. To the contingent fund was transferred \$10,000 to make provision for losses which may be incurred in connection with loans, and the balance, \$35,227, was carried forward unappropriated to 1918. Interest accrued, but not yet received by the company, amounting to \$80,310, was not taken into the profit and loss account. The auditors, in their certificate, specially mention this fact. All items of interest considered uncollectable were eliminated altogether.

The directors were successful in making a debenture issue in the United States amounting to \$300,000, and with part of the proceeds repaid in full to the Canadian Bankers' Association the balance due on first mortgage bonds. The total expenses attending this issue of debentures were written off the profits of the year.

An analysis of the financial statement shows that the company has maintained its conservative policy and strengthened its financial position. In referring to the fact that the directors again decided to pass the dividend, Dr. D. H. Wilson, president, stated at the annual meeting that it must be remembered that a great portion of the company's working capital had been loaned to the company on sterling debentures held in the Old Country. "The conditions incident to the war," he continued, "make the tenure of these investments very uncertain. The directors deemed it wise and prudent to conserve and mobilize our resources so as to enable us to meet any exigency that may possibly arise during the continuance of the war. In Great Britain, government bonds are yielding to the investor 5½ per cent. with a bonus at maturity, which, from a financial standpoint, makes them very attractive. Added to this is the fact that persistent and continuous pressure is being exerted by the treasury department upon the holders of colonial securities to induce them to realize on the latter, with a view to investment in home securities. At the same time, the individual investor, from patriotic motives, is disposed to do the same thing. While this is all commendable from a patriotic standpoint, it imposes on the directorates of all Canadian loan companies drawing capital from this source the necessity of being extremely conservative, or, in the language of the day, of standing, financially speaking, on a war footing."

The company's general manager is Mr. T. D. MacDonald, and the directors are as follow: David H. Wilson, Esq., M.D., Vancouver, president, Pacific Coast Fire Insurance Company;

Wm. H. Malkin, Esq., Vancouver, president, W. H. Malkin Company, Limited, director Union Bank of Canada; C. Spencer, Esq., Vancouver and Victoria, director David Spencer, Limited; George Martin, Esq., Vancouver, Martin and Shannon, brokers; A. H. Douglas, Esq., Vancouver, barrister; R. J. Robertson, Esq., Victoria; Robert Gelletly, Esq., Vancouver, Colquhoun and Gelletly, brokers.

SOCKEYE SALMON IN BRITISH COLUMBIA

Editor, *The Monetary Times*:

Sir,—I would like you to lay before the public, through your paper, a few facts regarding the sockeye salmon question on the Fraser River. Various gentlemen have given their opinions on this subject through the press. I shall deal with this question from points of facts in order that the truth may be freely grasped by each reader. There is no doubt but what the sockeyes are being diminished, and there is no doubt that there is some reason for this condition. Let us carefully find out the cause.

My first point will be concerning fishing with seines in the Puget Sound. To make this point still clearer, a seine is only a fish exterminator and should be strictly forbidden. But we must not lose sight of the fact that a seine can be used on the high seas or outside of the three-mile limit, where the government has no jurisdiction. Now, the cannerymen on the Fraser River want a closed season for four years in order to replenish the fish. Such a suggestion is folly. I notice that one gentleman states through the press that "it is quite possible to have too many sockeyes get to the spawning-beds." This statement is also incorrect. Now, I must point out to the public that seines and hatcheries should have never been allowed. Let us carefully consider the hatchery question. The average hatchery report for ten years of young salmon liberated has been 77,597,850 fish per year. Now, if that number of salmon had returned and hatched ten fish to one (which is a very small average), you would have had 775,978,500 fish. If these fish had come back four years later and increased accordingly ten times, we would have had 7,759,785,000 fish. Instead of that we have only a few thousands.

Now, the public will ask, Why are the hatcheries a failure? Well, the hatcheries produce nothing but tame fish, without any natural instinct whatever (which has been proven by the writer), and, therefore, become a prey for trout, squaw fish and other small species of fish which inhabit the Fraser River by the millions. Where the hatcheries hatch one fish, I may truthfully say ten are destroyed.

Now, my next point is, if the Fraser River is closed—we will say for ten years—can we expect the river to be replenished? In the first place, it has taken hundreds of thousands of years for this fish to accumulate in the Fraser River, and such fish as trout, squaw fish, suckers, etc., have multiplied accordingly with the sockeyes. The above-mentioned fish have been eating the eggs of the sockeyes in order to counterbalance the over-production of sockeyes. Now, the sockeyes have been caught out, whereas the other mentioned fish have not been caught out, and they are to-day eating the eggs of the sockeyes and other salmon just as fast as the sockeyes and other salmon can lay them.

Therefore, if we want our salmon replenished, we must do away, first, with the hatcheries; secondly, with the seines; and thirdly, with the fish that destroy the salmon eggs, such as trout, squaw fish, suckers and other small fish, which are at present protected; if not, they are bound to exterminate the sockeyes and other salmon. If these natural destroyers are not destroyed, there is only one thing to do, and that is, let the fishermen fish it out, and I cannot see anything better than to fish it out, on the ground that the fish on the high seas cannot be protected.

We should carefully deal with another point, and that is, we should have men of practical experience in the positions, whose business it is to advise the minister of fisheries. These men should have a thorough experience along fishery lines, as the fishery industry is one of our best assets. Surely, experienced men are needed, as inexperienced men cannot figure out what is needed to run the fishery industry. It must be proved by practical, experienced men in order that it may be a benefit to the public, as we can ill afford to lose such a grand asset.

Port Alberni, B.C.,
February 11th, 1918.

J. A. Kendall.

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WOULD RE-ASSESS VICTORIA'S LANDS

Appointment of Commission Would Place New Value on Property—Committee Submits Report

In submitting the report of Victoria's tax situation to the streets committee, the joint committee of the city council, said that in view of the substantial relief which it is suggested should be given to those who owe taxes which accrued previous to 1918, the committee recommends that a tax sale should be held as soon as practicable after June 30th next of all property the taxes on which are unpaid for the years 1913 and 1914. The city council, however, does not approve of this and there will be further discussion on that matter later.

"In considering the important matter referred to," said the committee, "your committee has had its attention called to the serious condition arising from the fact that almost the entire revenue of the city has to be obtained from land, much of which is, at present, bringing in no income whatever, even though improved. In 1917 nearly 95 per cent. of the revenue of the city was obtained from land, not including the revenue from the waterworks and \$75,000 received from the provincial government for school purposes. In the opinion of your committee a greater burden is now laid on land in the city of Victoria than it can bear with safety and your committee considers it is imperative that strong representations should be made to the provincial government urging the transfer to the municipalities of at least some of the taxes now retained by the province, especially those which arise through the activities of the municipalities and generally involving expenditures by the municipalities for administration, etc., such as the following:—

"Income tax, amusement tax, motor licence fee, insurance companies' tax, registration fees covering property within the municipalities.

"In Ontario the income tax is a municipal tax which materially relieves the municipality in respect to the revenue to be obtained from land. From time to time additional obligations are placed on municipalities, such as those arising from the prohibition act, in which case it may be noted the revenue from licences is no longer received. It is not denied that the province requires revenue, but this will be dearly secured if in the process the financial future of the municipalities of the province is to be imperiled. Meanwhile, the province, in addition to the taxes mentioned above, has important sources of revenue in the forests, mines, fisheries, lands in unorganized districts, fees on the incorporation of companies, etc.

"Your committee begs to make the following recommendations, which it believes, if adopted in their entirety, will go a long way toward solving our present difficulties:—

Appointment of Two Commissions.

"1. One, or at the discretion of the corporation, two commissions, shall be appointed by the corporation for the following purpose:—

"(a) To revalue for the purpose of the assessment roll all property within the city subject to municipal taxation in accordance with the provisions of this act.

"(b) To decide what portion of the cost of expropriations should be assessed against the property owners directly affected in accordance with this act.

"(c) To draw up a fair and equitable settlement binding on all parties in respect to local improvement undertakings for which no by-laws have yet been passed owing to disputes between the corporation and the owners affected.

"(d) To consider and to decide what reduction, if any, should be made in the assessment for work done under a local improvement by-law, which may be referred to the commission by the corporation for this purpose.

"2. No member of said commission or commissions shall be any person who is or who has been either mayor or alderman of the corporation; nor personally delinquent.

"3. The expense of the commission or commissions shall be paid by the corporation and such fees shall be paid to the commissioners as shall be agreed between them and the corporation.

"4. The commission or commissions shall each consist of three members and the decision of a majority of the commission shall be final.

"5. The commission appointed for that purpose in accordance with this act shall proceed to value all the land with-

in the city subject to municipal taxation, providing, however, that the basis of the valuation of all the land shall be such that the aggregate valuations of all the land within the city subject to municipal taxation shall not be more than \$55,000,000 nor less than \$45,000,000. The valuation made by the commission shall form the assessment roll for the years 1918 and 1919 so far as land is concerned, and at their discretion the council may adopt the said roll for the year 1920.

"6. The commission shall consider assessments made to cover cost of expropriations and it shall have power to reduce these assessments and in deciding whether the assessment should be reduced or not the commission shall take into consideration all the circumstances bearing on the case.

"7. Where in any case it seems to the commission more equitable, the commission shall have power to assess the cost of the improvement on a frontage basis.

"8. If any of the assessments, or any portion thereof, already made in respect to local improvements by-laws, or any of them, are referred to the commission by the corporation for consideration by the commission, of the charges made for work done in carrying out the by-law, the commission may reduce the assessment for such work, taking into consideration the benefits derived from the improvement by the properties assessed and the fair and reasonable charge for the work and other expenses incurred in connection with the work.

"9. The commission shall have power to reduce the assessment on one or more lots without altering the assessment as it affects other properties included in the by-law.

"10. The interest and sinking fund charges in respect to any reductions made in assessments shall be paid out of the general revenue of the corporation.

"11. Upon application by the corporation, the commission shall settle the terms of a fair and equitable settlement binding on all parties in respect to work of local improvement, in respect to which assessment by-laws have not yet been passed because of disputes between the corporation and the owners of properties affected.

Arrears of Municipal Taxes.

"12. That on or before June 30th, 1918, one-tenth of the aggregate amount of all the said taxes, with interest, due on December 31st, 1917, less one-tenth of the taxes originally levied, with interest thereon to December 31st, 1917, other than taxes for local improvement, shall be paid in cash to the corporation with interest thereon at the rate of 7 per cent. per annum from January 1st, 1918, to June 30th, 1918.

"13. Providing, further, that on or before June 30th in each and every following year there shall be paid one-tenth of the aggregate taxes and interest due on December 31st, 1917, less one-tenth of the taxes originally levied, with interest thereon to December 31st, 1917, other than taxes for local improvement, with interest at the rate of 7 per cent. per annum from June 30th in one year to June 30th in the following year, on the amount of the principal then unpaid, together with the previous year's taxes.

"14. Providing, further, that if in any year, or previously, to apply to that year, there shall not have been paid previous to June 30th one-tenth of the principal sum and interest as aforesaid, the said property shall forthwith be subject to sale by the corporation on and after September 30th of that year, such sale to include the current year's taxes whether due or not.

"15. Providing, further, that any time previous to the sale of the properties the instalments on which are in default the owner may pay the instalment or instalments in default with the addition of 10 per cent. of the amount if the instalments in default and any expense incurred by the corporation to the date of the payment of the instalment or instalments in default, and thereupon he shall be in the same position as if the instalments had been paid when due.

The Purchaser's Benefits.

"16. The purchaser at a tax sale on paying the instalments in default shall be entitled to the benefits of the preceding provisions subject to the right of the owner to redeem within one year from the date of the tax sale.

"17. Provided, further, that if in respect to any property the taxes on which were unpaid on December 31st, 1917, payment of the taxes is made in full not later than June 30th, 1918, the following deductions shall be made in consideration of such payment in full of all taxes unpaid: There shall be deducted from the total amount of taxes and interest thereon due on December 31st, 1917, one-half of the amount so charged for interest and one-tenth of the taxes originally

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levied other than local improvement taxes, and no interest shall be charged from January 1st to June 30th, 1918.

"18. Provided, further, that if after June 30th, 1918, and before January, 1923, payment is made on the unpaid portion of the taxes due December 31st, 1917, with interest thereon to date of payment, less the deductions set forth in clause 17 of this report, then there shall be deducted 5 per cent. from the amount of such unpaid portion of the taxes so reduced, due on December 31st, 1917, but no deduction shall be made from the amount due for interest since January 1st, 1917.

"19. In the case of persons protected by the war relief act, like relief shall be given, to date six months after the termination of the war.

Credits Allowed Taxpayers.

"20. If the amount assessed against any property for local improvements, either for work done or for the cost of expropriations, is reduced by the commission, any person who has paid the whole or any portion of the local improvement tax levied on the basis of the original assessment shall receive a voucher representing the excess of the payments over the amount payable on the basis of the reduced assessment, and this excess voucher shall thereupon be applied in payment of any further amounts due by him in respect to the assessment which has been reduced, or if there are no further payments due by him in respect to the assessment which has been reduced, then it may be used in payment of taxes, including the current year's taxes, due by him on other property within the city of Victoria subject to municipal taxation, or if he has

no other such property then the voucher may be transferred to another person who may use it in payment of taxes due by him to the city."

COAL IN DUFFERIN COUNTY?

Editor, *The Monetary Times*:

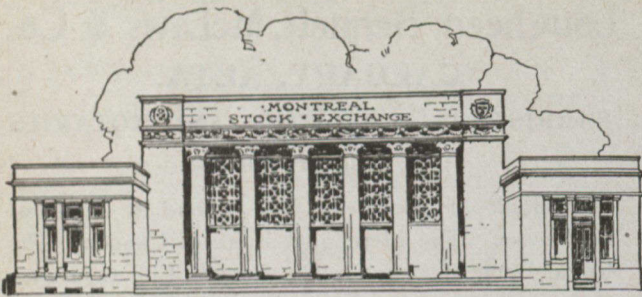
Sir,—Some years ago I noticed an article in *The Monetary Times* to the effect that there was coal in the township of Mulmur, in the county of Dufferin. Has the matter been attended to and investigated? And if not, why not?

The fuel question is very serious for Ontario, as you, no doubt, are aware. We will, I believe, pull through this winter, but what about next? It is useless to talk about using hardwood, as has been suggested by some writers in the newspapers, because there is very little hardwood in this part of Ontario for use by anyone without stripping the country of all trees, and it is no use relying on the United States much longer, because they will have enough to do to look after themselves. Something will have to be done before next winter, and done quickly. Why not exploit the township of Mulmur and get the coal out if there is any?

Yours, etc.,

E. J. Beaumont.

Kitchener, Ont.,
February 25th, 1918.



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Address the Secretary Room 433, Stock Exchange Building, Montreal.

Montreal Stock Exchange

FINANCIAL STATEMENT OF The Real Estate Loan Company of Canada

LIMITED

For the Year Ending 31st December, 1917

Assets.

Loans on Mortgage	\$1,206,757.34	
Loans on Stocks	4,689.72	
Municipal Debentures and Canadian War Loan, Book Value.	95,175.81	
		\$1,306,622.87
Real Estate foreclosed		89,445.36
Due by Bankers		29,359.92
Due by Agents and Cash on hand.....		449.57
		<u>\$1,425,877.72</u>

Liabilities.

To Shareholders—		
Capital Stock fully paid	\$ 500,000.00	
Reserve including—		
Rest	\$220,000.00	
Contingent Fund	40,000.00	
		260,000.00
Dividends Unclaimed		176.00
Dividend No. 62, payable 2nd January, 1918.		17,500.00
Due to Shareholders on Stock Conversion...		60.00
Profit and Loss		2,754.52
To the Public—		
Open Accounts and Accrued Taxes	\$ 1,689.23	
Currency Debentures and Interest Accrued thereon	50,713.16	
Sterling Debentures and Interest Accrued thereon	592,984.81	
		645,387.20
		<u>\$1,425,877.72</u>

PROFIT AND LOSS.

DR.

To Interest Paid and Accrued on Money Borrowed	\$ 30,890.42
To Expenses of Money Borrowed	853.64
To Cost of Management, Inspections and Subscription to British Red Cross	10,723.60
To War, Government and Business Taxes.....	3,123.23
To Dividends Nos. 61 and 62	35,000.00
To Transferred to Reserve—	
Rest	\$10,000.00
Contingent Fund	10,000.00
	20,000.00
Balance carried forward	2,754.52
	<u>\$103,345.41</u>

CR.

By Balance on 31st December, 1916....	\$ 5,375.64
Less vote at Annual Meeting to President and Vice-President.	1,200.00
	\$ 4,175.64
By Income from Interest on Investments.....	99,169.77
	<u>\$103,345.41</u>

E. L. MORTON, Manager.

We have audited the Books and Accounts of The Real Estate Loan Company of Canada, Limited, together with the Vouchers and Securities relating thereto. We hereby certify that the above statement is a correct exhibit of the affairs of the company as on 31st December, 1917.

H. D. LOCKHART-GORDON, F.C.A., Can., } Auditors.
S. W. BLACK.

Toronto, 17th January, 1917.

DIVIDENDS AND NOTICES

**CANADA PERMANENT MORTGAGE CORPORATION
QUARTERLY DIVIDEND**

Notice is hereby given that a Dividend of **Two and One-half Per Cent.** for the current quarter, being at the rate of

Ten Per Cent. Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Tuesday, the Second Day of April

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

By Order of the Board.

GEO. H. SMITH,
Secretary.

Toronto, February 27th, 1918.

**THE CANADA LANDED AND NATIONAL INVESTMENT
COMPANY, LIMITED**

DIVIDEND No. 124

Notice is hereby given that a **Dividend of Two and One-quarter Per Cent.** (being at the rate of nine per cent. per annum) on the amount paid up on the Capital Stock of this Company has been declared for the quarter-year to the thirty-first day of March, 1918, and that the same will be payable at the office of the company, 23 Toronto Street, Toronto, on and after the **second day of April, 1918**, to Shareholders of record at the close of business on the fifteenth day of March, 1918.

By Order of the Board,
EDWARD SAUNDERS,
Managing Director.

Toronto, 27th February, 1918.

VANCOUVER LIFE UNDERWRITERS MEET

The annual general meeting of the Vancouver Life Underwriters' Association was attended by the managers of the various companies doing business in British Columbia and by a number of field men. President J. H. Campbell, provincial manager of the Equitable Life Assurance Society, was chairman.

Tentative plans were outlined for the holding of periodical luncheons to be called at stated periods. At these luncheons the life insurance men will seek to have address them important men in the various walks of life, who will point out life insurance as it appeals to the various speakers.

The following officers were elected for the ensuing year: Mr. F. W. Marsh, provincial manager of the Canada Life, president; Mr. J. T. Fahay, provincial manager Metropolitan Life, vice-president; Mr. F. W. Renworth, provincial manager of the Manufacturers Life, secretary-treasurer. The executive committee elected were as follows: Mr. J. A. Birmingham, of the Mutual Life of Canada; Mr. J. H. Poff, provincial manager of the Sun Life; and Mr. C. A. Crysdale, provincial manager of the Monarch Life.

The new certificates of the St. Lawrence Flour Mills Company, which have been delayed for some considerable time by the engravers, are being issued to shareholders of the company, and it is expected that they will be listed on the Montreal Exchange towards the end of the week.

In 1917, for the first time, the total value of farm livestock in Canada exceeded one billion dollars. This is shown in the annual estimate by the Census and Statistics Office of farm values as compiled from reports received at the end of January, 1918. The estimate puts the farm values at a grand total of \$1,102,261,000.

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ELECTRICITY WILL NOT REPLACE COAL

Interesting Explanation of a Statement Which Has Caused Considerable Comment

On various occasions Mr. Arthur V. White has drawn public attention to the fact that the amount of heat in electrical energy does not afford an adequate substitute for coal in providing heat for the citizens of Canada.

In his article in *The Monetary Times Annual* of January 4th, Mr. White stated: "Let it be appreciated that Canadians need never expect to have electrical energy replace coal and other fuel for heating purposes except to a relatively limited extent." This statement has caused considerable comment.

Recently, when addressing the important fuel conference held by municipalities in Galt on February 11th, Mr. White again emphasized his contention that, as a general proposition, electrical energy is most serviceably employed for strictly power purposes, while fuel, such as coal, oil, etc., is more profitably employed for heating. The underlying principles involved are so simple that they should be well understood and their force appreciated by all interested in the fuel problem. The following statement contributed by Mr. White will assist to make this subject clear:—

Editor, *The Monetary Times*.

Sir,—Respecting my statement—"Let it be appreciated that Canadians need never expect to have electrical energy replace coal and other fuel for heating purposes except to a relatively limited extent"; would briefly remark as follows:—

Mechanical Equivalent of Heat

In order to determine what is technically termed the *mechanical equivalent of heat*, J. P. Joule, an Englishman, about 1850,—and subsequently a number of other experimenters,—ascertained the number of foot pounds of energy required to raise one pound of water one degree Fahrenheit. In their simplest form, the experiments consist of confining a known quantity of water in an insulated vessel and transmitting to the water by means of agitated vanes—like a churn—the energy developed by a known weight falling through a given distance. Taking into consideration the results of various experiments, this equivalent may be taken at 778 foot pounds. It may be stated, for example, that 778 pounds falling through one foot will develop energy sufficient to raise one pound of water one degree Fahrenheit. This heat unit is termed a *British thermal unit*, or *B.t.u.*

Now, by definition, a horsepower is 33,000 foot pounds per minute or 33,000 x 60 foot pounds per hour. If, therefore, we divide 33,000 x 60 by 778, we obtain 2545 as the heat units derivable from one horsepower-hour of energy. Correspondingly, the heat units derivable from one kilowatt-hour are 3412.

It makes no difference, of course, what prime agency has resulted in the development of the power. Consequently, it may be stated that a horsepower-hour of electrical energy can only yield approximately 2545 heat units.

Coal and Heat Units

Considering next coal, it may be stated that a fairly good grade of bituminous coal will average 13,500 heat units per pound. The amount of coal required to produce by means of steam plant, one horsepower-hour, varies greatly, depending upon the size of the plant, as well as the character and general efficiency of the whole power-house equipment. Central station, steam-electric, generating plants which operate during the twenty-four hours, obtain a greater efficiency from their fuel than do the individual plants ordinarily used in manufacturing establishments.

Considering central station plants, the coal consumption ranges all the way from about 1½ to 2 lbs. per horsepower-hour for large installations of from 100,000 to 200,000 horsepower, up to 5 or 6 lbs. per horsepower-hour for plants ranging in size, say, from 50 to 1,000 horsepower.

If, by way of illustration, we assume 4 pounds of coal per horsepower-hour, we then have 4 x 13,500 = 54,000 heat units in 4 pounds of coal. Now, in the form of power this would only yield 2545 heat units per horsepower-hour. So we have an efficiency of 2545 ÷ 54,000, or less than 5 per cent. If we assume 2 lbs. of coal per horsepower-hour, we have less than 10 per cent. efficiency.

The significance of the above facts must be evident. Thus, for example, if the 4½ million tons of anthracite coal imported yearly from the United States into Canada, were

used for the development of electrical energy, and this energy were then converted into heat—recoverable even on the basis of 100 per cent. efficiency—the resulting heat would, under the more favorable conditions above indicated, be only an amount corresponding to the heat units in about half a million tons of coal. That is, ninety per cent. of the heat in the original amount of coal would be lost. Based upon reasonable assumptions, Canada's share of Niagara power, if all possible were developed, would not provide for the fuel needs of the city of Toronto. If it is to be used wholesale, then electrical energy is more efficiently employed for power than for heating purposes.

Yours, etc.,

ARTHUR V. WHITE.

Toronto, February 26th, 1918.

CANADA NATIONAL FIRE INSURANCE COMPANY

While the fire losses on this continent last year, exclusive of the Halifax disaster, were more than in 1916, the fire loss ratio of the Canada National Fire Insurance Company was only 46.65 per cent., as compared with 67.18 per cent. in the previous year. This improvement reflects credit upon the company's underwriting department, which is, the directors report, taking special precautions to counteract the relation of war conditions to the number of fires. The company commenced business seven years ago, and, therefore, had comparatively little time to become well established before the war started. The decline in building operations, following the general business and financial depression, adversely affected the volume of fire insurance generally. New buildings are an important source of business for fire insurance companies. Despite these facts, the Canada National has written a substantial volume of business during the past few years. The business during 1917 was \$20,002,346. The premiums on the gross insurance in that year amounted to \$240,824, while reinsurance premiums were \$82,884. The gross amount of insurance in force on December 31st, 1917, was \$31,076,730, the premiums thereon amounting to \$431,604. The total amount of reinsurance in force at the same date was \$8,384,803, on which the premiums amounted to \$108,204. The net amount of insurance in force at the close of the year was \$22,691,927, on which the premiums amounted to \$323,400.

Commenting upon the company's investments, Mr. J. H. G. Russell, the president, pointed out at the annual meeting that they consist very largely of first mortgages on improved real estate, this item amounting to \$1,625,236, an increase of \$180,872 over the previous year. Considering the abnormal times due to the war and other causes, the payments of interest and principal have been reasonably well met. With the margin of security with respect to the company's mortgage loans, it is not anticipated by the directors that the company will sustain any loss, either on our loans or on properties foreclosed.

In the matter of stocks, bonds and debentures, these amounted to \$164,906, including \$76,000 paid on account of Dominion government war bonds. "These investments," says the directors' report, "are of a high order and yield a satisfactory rate of interest." There is a considerable decrease in this item as compared with \$433,000 a year ago. If this decrease represents in part the abolition of the interlocking of interests with other companies, and the addition of Dominion war loans instead, it would naturally mean that a considerable strengthening of the company's position had occurred.

With the view of providing for any contingencies arising from possible depreciation in mortgages, stocks and other securities of the company, the directors deemed it advisable, and in the best interests of the company, to create a contingent reserve fund, and have accordingly set aside to this fund the sum of \$75,000. This is a commendable policy. During the year the company adhered to its policy of maintaining large cash reserves, the amount in banks and on hand at the end of the year being \$223,487. Judging by the financial statement, the company is in a sound position and is making satisfactory progress.

The average value of farm land for the whole of Canada, including land improved and unimproved, together with dwelling-houses, barns, stables, and other farm buildings, is approximately \$44 per acre, as compared with \$41 in 1916.

ANNUAL REPORT

THE NORTHWESTERN LIFE

ASSURANCE COMPANY

HEAD OFFICE . . . WINNIPEG

A YEAR OF SPLENDID PROGRESS

**NOTE THESE SALIENT FEATURES OF THE ANNUAL REPORT
GROWTH OF COMPANY**

	1914	1915	1916	1917	Increase
Total Assets of all kinds.....	\$28,258.91	\$50,505.84	\$56,026.78	\$135,359.95	140% since Dec. 31, 1916
Total Cash Assets.....	14,932.56	32,936.81	41,895.13	78,542.15	89%
Total Investments.....	7,304.60	25,569.44	32,947.12	54,094.73	64%
Paid-Up Capital.....	10,457.50	25,523.50	33,773.00	44,302.65	31%
Premium Income.....			2,932.28	30,282.04	900%
Surplus.....			6,208.36	9,282.38	46%
Total Life Assurance Premium Income.....					\$30,282.04
Total Expenses of Management (including Agents' Commissions).....					17,251.82

DIRECTORS' REPORT

The Directors have pleasure in submitting their report for the year ending December 1st, 1917.

New Business.—Applications received amounted to \$578,800, of which \$506,100 was issued. The total business in force at the end of the year amounted to \$535,350.

Assets.—The assets of the Company show an increase of \$36,747.02 and now amount to \$78,542.15, an increase of 90%. These figures do not include a net total of \$56,817.80 stock notes and balances due and accruing from shareholders.

Liabilities.—Special attention is drawn to the fact that our Paid-Up Capital has been included in the statement of liabilities. This is not always done, hence our reason for mentioning it. The amount set aside to cover reserve liability, to which reference is made hereunder, should also be noted.

Investments.—The Company's investments now amount to \$54,094.73 - an increase of \$21,147.61. These investments are limited
(Signed) W. R. MILTON, President.

to the very safest classes of securities, such as Dominion of Canada War Loan Bonds, Municipal, School and Telephone Debentures, and First Mortgages on improved farm lands. The investments in mortgages do not exceed 30% of a conservative valuation of the lands. These investments yield an average interest income of 5.78 per cent.

Income.—The Life Assurance Premiums amounted to \$30,282.04. Interest on Investments, \$3,319.34, and Payments on Stock, \$19,573.85 net.

Expenses.—The total expenses of management (including commissions to Agents) amounted to only \$17,251.82.

Mortality.—No claims have as yet been made upon the Company for the payment of death losses, which the Directors consider a remarkable feature of this year's report, showing the caution exercised in the selection of risks by our Agents, Medical Examiners, Medical Board and Officers.
(Signed) H. R. S. McCABE, Managing Director.

Reserves.—The reserves provided for the protection of policyholders are in excess of the Om. (5) Table of Mortality and an assumed interest rate of 3%. THIS IS THE HIGHEST RESERVE BASIS YET REACHED BY ANY CANADIAN LIFE COMPANY. These reserves now amount to \$23,935.13, representing a sum very much greater than required under the Dominion Insurance Act.

Audit.—A continuous audit of the Company's books has been made by W. G. Sanburn, C.A.

Directors.—All your Directors are serving without remuneration, and will continue to do so until the Company pays its first dividend. The Directors retire annually and are eligible for re-election.

Representatives and Employees.—The Directors desire to express their recognition of the efficient manner in which the representatives and employees have taken care of their various duties.
(Signed) F. O. MABER, Secretary.

BALANCE SHEET

ASSETS		LIABILITIES	
Cash on hand and in banks.....	\$ 11,316.27	Reserves, Full Om. (5) 3%.....	\$23,935.13
Cash invested in Dominion of Canada Victory and other War Bonds, Town, Municipal, School and Telephone Debentures.....	43,981.17	Special Reserves.....	334.58
First Mortgages on improved farm lands (less than 30% of conservative valuation.).....	9,262.60	Premiums paid in Advance, etc.....	486.27
Interest earned and accrued.....	2,428.56	Other Liabilities.....	201.14
Outstanding and deferred premiums, less commissions. (Reserve included in liabilities).....	2,370.04	Capital Stock paid up.....	44,302.65
Office Furniture, Advances to Agents and other Assets.....	9,183.51	SURPLUS	9,282.38
Total Assets	\$78,542.15		\$78,542.15
Share Premiums in course of collection, less commission thereon (not included in assets).....			\$26,120.45
Certified correct, subject to my report.		(Signed) W. G. SANBURN,	Chartered Accountant.
Surplus to Policyholders		Total Resources for Protection of Policyholders.	
Assets.....	\$78,542.15	Uncalled Capital.....	\$525,000.00
Reserve Liability to Policyholders.....	\$ 23,935.13	Called Capital (in course of collection).....	30,697.35
Other Liabilities, excluding Capital.....	687.41	Paid-up Capital.....	44,302.65
	24,622.54	Reserves and Special Funds.....	24,269.71
Policyholders' Surplus.....	\$53,919.61	Surplus.....	9,282.38
			\$633,552.09

Canada's Only Scientific Life Company

Demonstrates its Ability to Make Good

Montreal and Toronto Stock Transactions

Stock Prices for Week ended Feb. 27th, 1918, and Sales.

Montreal figures supplied to *The Monetary Times* by Messrs Burnett & Co., St. Sacramento St., Montreal. Toronto quotations "and interest."

Montreal Stocks	—	Asked	Bid	Sales
Abitibi.....com.	.....	.....	.....	.....
Ames-Holden.....com.	.....	.....	.....	.....
Canada Cement.....pref.	.....	47	.....	.....
Asbestos Corporation.....pref.	.....	.....	.....	15
Bell Telephone.....com.	.....	.....	.....	35
British Columbia Fishing & Packing.....com.	.....	.....	.....	180
Brompton.....com.	.....	.....	.....	27
Brazilian.....com.	.....	56½	36	451
Canada Car.....com.	.....	.....	.....	190
Canada Cement.....pref.	.....	57	56½	320
Canadian Converters.....com.	.....	59½	59	658
Canada Cement.....pref.	.....	.....	.....	37
Canada Cottons.....pref.	.....	49½	49½	70
Canadian Con. Rubber.....pref.	.....	.....	.....	1
Canadian Pacific Railway.....pref.	.....	.....	.....	5
Canadian General Electric.....com.	.....	105	103½	10
Canadian Locomotive.....com.	.....	60	.....	53
Canada Steamship Lines.....com.	.....	40½	.....	200
Civic Power.....com.	.....	.....	76	169
Cons. Mining and Smelting.....com.	.....	74½	74	402
Consumers Gas.....com.	.....	20½	.....	355
Dominion Bridge.....com.	.....	.....	.....	.....
Dominion Coal.....pref.	.....	94½	92	.....
Dominion Iron.....pref.	.....	60½	60½	1992
Dominion Steel Corporation.....com.	.....	85	84½	1
Dominion Textile.....pref.	.....	100	.....	30
Howard Smith.....com.	.....	.....	.....	35
Illinois Traction.....pref.	.....	80	.....	10
Intercolonial Coal.....com.	.....	.....	.....	110
Lake of the Woods Milling.....com.	.....	134	154½	208
Laurentide Co.....com.	.....	155	65½	100
Lyall Const.....com.	.....	68	15	442
Macdonald.....com.	.....	154	.....	10
Mackay Cqs.....com.	.....	.....	61½	.....
Maple Leaf Milling.....com.	.....	99	.....	80
Montreal Tramway.....com.	.....	80	76	9900
Montreal Cotton.....deb.	.....	.....	.....	245
Nova Scotia Steel.....pref.	.....	.....	.....	253
Ogilvie Flour Mills.....com.	.....	.....	152	15
Ottawa Steel.....com.	.....	25	2½	.....
Ottawa Light, Heat & Power.....com.	.....	.....	.....	5
Penmans.....pref.	.....	74	200	1
Price Bros.....com.	.....	120	.....	876
Riordan Paper.....pref.	.....	120½	120	5
Quebec Railway, Light, Heat & Power.....com.	.....	18	17½	265
Shawinigan Water & Power.....rights	.....	14	13	40
Sherwin-Williams.....com.	.....	.....	.....	14229
Spanish River.....com.	.....	14½	.....	80
Smart Woods.....com.	.....	60	53	25
Steel Co. of Canada.....pref.	.....	53½	87	462
Toronto Railway.....com.	.....	60	.....	162
Wabasso Cotton.....com.	.....	.....	.....	.....
Winnipeg Railway.....com.	.....	.....	.....	.....
Wayagamack.....com.	.....	.....	.....	.....
Bank of British North America.....com.	.....	.....	.....	2
Bank of Commerce.....com.	.....	185	.....	.....
Bank of Montreal.....com.	.....	210	.....	.....
Bank of Ottawa.....com.	.....	201	.....	.....
Bank of Toronto.....com.	.....	140	.....	.....
Bank d'Hochelega.....com.	.....	.....	.....	1
Banque Nationale.....com.	.....	.....	.....	.....
Bank of Nova Scotia.....com.	.....	.....	.....	.....
Dominion Bank.....com.	.....	167	.....	3
Merchants Bank.....com.	.....	.....	.....	.....
Molsons Bank.....com.	.....	.....	.....	.....
Quebec Bank.....com.	.....	.....	.....	.....
Royal Bank.....com.	.....	34	208	.....
Standard Bank.....com.	.....	.....	.....	10
Union Bank.....com.	.....	.....	.....	.....
Montreal Bonds	Last Sale	.....	.....	.....
Asbestos.....com.	72½	.....	.....	5000
Bell Telephone.....com.	98½	.....	.....	.....
Canada Car.....com.	96½	97	.....	.....
Canada Cement.....com.	.....	.....	.....	.....
Canada Consolidated Rubber.....com.	.....	.....	.....	1000
Canada Felt.....com.	90	.....	.....	22000
Cedars Rapids.....com.	94½	85	.....	2000
Dominion Coal.....com.	90	.....	.....	2000
Dominion Cotton.....com.	97	86½	84	.....
Dominion Iron and Steel.....com.	97½	.....	.....	.....
Dominion Textile.....com.	97	.....	.....	.....
" " " ".....com.	97	.....	.....	.....
" " " ".....com.	97	.....	.....	.....
" " " ".....com.	96½	.....	.....	.....
" " " ".....com.	103	.....	.....	.....
Lake of Woods Milling.....com.	101	101	.....	.....
Laurentide.....com.	83½	.....	.....	.....
Lyall Construction Co.....com.	101	.....	.....	.....
Montreal Light, Heat & Power.....com.	91½	.....	.....	.....
Montreal Tramways.....com.	90	.....	.....	.....
National Breweries.....com.	90	.....	.....	.....
Nova Scotia Steel.....com.	10	.....	.....	.....
Ogilvie.....com.	103	.....	.....	.....
" " " ".....com.	103	.....	.....	.....
Penmans.....com.	.....	.....	.....	.....
Price Bros.....com.	.....	.....	.....	.....

Montreal Bonds (Continued)	—	Asked	Bid	Sales
Quebec Railway, Light and Power.....com.	67	60	.....	.....
Riordan Paper.....com.	.....	.....	.....	.....
Sherwin-Williams.....com.	.....	.....	.....	.....
First Dominion War Loan.....com.	98½	.....	91½	14000
Second Dominion War Loan.....com.	98½	.....	97½	5800
Third Dominion War Loan.....com.	.....	92½	92	5800
Wabasso Cotton.....com.	.....	84	.....	.....
Wayagamack.....com.	84	78	77	2300

Toronto Stocks	—	Asked	Bid	Sales
Ames-Holden.....pref.	.....	14½	.....	.....
American Cynamid.....com.	.....	.....	32	.....
B. & L. (Landed).....com.	.....	.....	52	.....
Barcelona.....com.	.....	10½	9½	.....
British Columbia Fish.....com.	.....	.....	.....	2
Brazilian.....com.	.....	36	35½	319
Canada Bread.....com.	.....	17	16	.....
Canadian Car & Foundry.....com.	.....	24	22½	10
Canadian Canners.....pref.	.....	57	55	.....
Canadian General Electric.....com.	.....	104½	103	20
Canada Landed & National Investment.....com.	.....	.....	.....	61
Canadian Locomotive.....com.	.....	.....	.....	.....
Canada Steamship.....com.	.....	.....	82½	5
Canadian Pacific Railway.....com.	.....	148	147	15
Canada Permanent.....com.	.....	.....	.....	20
Canada Steamship.....pref.	.....	40½	40½	448
" " " " (voting trust).....com.	.....	77	76½	69
Cement.....com.	.....	59½	58½	76
City Dairy.....com.	.....	.....	90	.....
Colonial Loan.....pref.	.....	.....	60	.....
Coniagas.....com.	.....	.....	.....	.....
Confederation Life.....com.	.....	375	.....	.....
Consumers Gas.....com.	.....	146½	.....	8
Crow's Nest Pass.....com.	.....	50	.....	.....
Detroit.....com.	.....	875	850	250
Dome.....com.	.....	.....	.....	.....
Dominion Canners.....com.	.....	5	.....	.....
Dominion Iron.....com.	.....	.....	.....	.....
Dominion Steel Company.....pref.	.....	60½	60	465
Duluth Sup.....com.	.....	41	.....	.....
F. N. Burt.....pref.	.....	.....	.....	17
Hamilton Provident.....com.	.....	.....	.....	.....
Huron & Erie.....com.	.....	.....	.....	.....
Lake of the Woods.....com.	.....	.....	.....	.....
La Rose.....com.	.....	.....	.....	.....
Mackay Companies.....pref.	.....	78½	78	265
Mackinley Darragh.....com.	.....	62½	61½	50
Maple Leaf Milling.....com.	.....	98	95	35
Monarch.....pref.	.....	95	93½	.....
Nat. S. Car.....pref.	.....	.....	30	83
Nipissing.....com.	.....	.....	9	5
Nova Scotia Steel.....rights	.....	840	810	35
Pacific Burt.....com.	.....	67	66	25
Penmans.....pref.	.....	.....	.....	.....
Petroleum.....com.	.....	75	74	.....
Riordan.....com.	.....	1350	1300	.....
Rogers.....pref.	.....	.....	.....	.....
Russell Motor.....pref.	.....	70	.....	.....
Sawyer-Massey.....pref.	.....	41	.....	.....
Shredded Wheat.....com.	.....	.....	.....	.....
Spanish River.....pref.	.....	50	.....	.....
Cons. Smelters.....com.	.....	25½	24½	.....
Standard Chemical.....com.	.....	50	.....	.....
Steel Company of Canada.....pref.	.....	57	52½	111
Toronto General Trust.....pref.	.....	53½	52½	8
Toronto Paper.....com.	.....	88	87	.....
Toronto Railway.....com.	.....	72	65	.....
Trethewey S. Mines.....com.	.....	58	.....	39
Tuckets.....com.	.....	15½	14	300
Winnipeg Electric.....pref.	.....	19	.....	.....
Winnipeg Electric.....pref.	.....	1½	.....	.....
Twin City.....com.	.....	48	.....	10
Bank of Commerce.....com.	.....	63	62	17
Bank of Ottawa.....com.	.....	185	.....	.....
Bank of Hamilton.....com.	.....	201	.....	.....
Bank of Montreal.....com.	.....	.....	184	.....
Bank of Nova Scotia.....com.	.....	210	.....	.....
Bank of Toronto.....com.	.....	.....	.....	.....
Dominion Bank.....com.	.....	187	.....	.....
Imperial Bank.....com.	.....	202	.....	1
Merchants Bank.....com.	.....	.....	.....	7
Molsons Bank.....com.	.....	2½	167	.....
Royal Bank.....com.	.....	179½	.....	.....
Standard Bank.....com.	.....	208	.....	.....
Union Bank.....com.	.....	200	.....	5
Toronto Bonds	Last Sale	.....	.....	.....
Canada Bread.....com.	92½	.....	.....	.....
Canada Locomotive.....com.	95	.....	.....	.....
Penmans.....com.	89	.....	80	.....
Riordan.....com.	.....	.....	.....	.....
Sao Paulo, 1929.....com.	84	.....	.....	.....
Steel Company of Canada.....com.	96½	.....	98½	1000
First War Loan.....com.	98	94½	94½	10500
Second War Loan.....com.	98½	93½	93½	8500
Third War Loan.....com.	98	92½	92½	5600

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 Auditor Accountant Liquidator Trustee
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A. A. M. DALE
 CHARTERED ACCOUNTANT
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 AND
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 705 Electric Railway Chambers, Notre Dame Avenue WINNIPEG, Man.
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OTTAWA LIGHT, HEAT AND POWER COMPANY.

The extra cost of coal to the Ottawa Light, Heat and Power Company last year for generating purposes was over \$70,000. This was one item in expenses, management, operation and maintenance, together with bond and bank interest, amounting to \$711,159. The expenses increased \$108,829 during the year, coal accounting for considerably more than half that amount. Despite this fact, the company's revenues from all sources were \$957,300, a substantial increase of \$123,108 over the previous year. This satisfactory result, in face of many obstacles, is due to the good work of the management and operating departments and to the active interest of the directors in the company's progress. The Ottawa Light, Heat and Power Company is giving a good service to the public and is operated efficiently as a public utility corporation.

After deducting from the gross revenue the gross expenditure, which includes bond and bank interest, the net surplus for the year is \$246,140. The sum of \$109,563 has been expended upon capital account. The balance at the credit of profit and loss account, with the addition of this year's surplus, is \$305,018. From this, four quarterly dividends at the rate of 6 per cent. per annum have been paid, amounting, in all, to \$209,945. After making provision for bad and doubtful debts, there remains \$85,499 at the credit of profit and loss account and \$720,000 at the credit of reserve account.

The directors' report points out that the Ottawa Electric Company has overcome the reduction in rates which was

brought into effect early in 1916, and has further overcome the loss in revenue due to the changing of flat rate commercial accounts to the meter system.

The Ottawa Gas Company, early in the summer of 1917, was face to face with the abnormal rise in the cost of coal. To meet this it was necessary to increase the price of gas from \$1.10 gross to \$1.25, with the usual 10 per cent. discount for prompt payment. While this increase in rate may not be sufficient to cover fully the higher cost of production, the company has, due to new business and an increased consumption on the part of customers, been able to show substantial increases in gross and net revenue.

The directorate, headed by Mr. T. Ahearn as president, is as follows: Hon. E. H. Bronson, vice-president; Messrs. James Manuel, Warren U. Soper, A. A. Dion, C. J. McCuaig, D. R. Street and F. W. Fee. Mr. D. R. Street is secretary-treasurer.

Mr. J. A. Wilson, one of the best-known life underwriters in the west, who for some years has been with the Canada Life Assurance Company as manager of the Brandon branch, has been appointed city manager in Winnipeg of the Manufacturers Life Assurance Company. Mr. Wilson last year was president of the Brandon Life Underwriters Association, which won the handsome Totum Pole at the Life Underwriters' Association Convention in Winnipeg for the largest increase in membership during the year.

WAR TRADES BOARD ACTIVITIES

Organization Being Completed—Work of Many Departments Now Under One Authority

Members of the recently appointed War Trades Board of Canada are completing their organization for carrying on the work assigned to them and are taking over duties which have hitherto been performed through departments of the government. Already private telegraph wire connection has been provided between the offices of the board in the Bank Street Chambers in Ottawa and the headquarters of the Canadian War Mission in Washington. This will be employed to facilitate the handling of applications of Canadian industries for materials which can be imported from the United States to Canada only under licenses from the government of the former country. Such applications have in the past been taken up by the department of trade and commerce with the United States Priority Committee and Federal Trade Commission. They will henceforth be received by the Canadian War Trade Board, which will carry on the negotiations for the necessary licenses through the Canadian War Mission in the United States.

One Authority Now.

The appointment of the board will bring under one authority powers which have been exercised by several departments of the government. In addition to dealing with applications for licenses from the United States government permitting the bringing of shipments of raw materials to Canada, the board will have direction of the issue of licenses to ex-

port goods from Canada. It will thus have a general oversight over both importation and exportation.

Board Has Many Duties.

The board is already taking steps to secure information which it will require in the exercise of its duty to undertake such supervision as may be necessary of industrial and commercial enterprises. It is called upon to keep record of the country's stock of raw materials, partially finished products and finished products, and is required to direct priority in the distribution of raw material, partially finished products, fuel and electric power, and it is called upon to recommend measures for the maintenance of the more essential as distinguished from the less essential industries. The board will make a classification of industries based upon the use to which the output of those industries is to be put. For instance, it would likely place munition manufacturing plants and shipyards in the first class.

Four members of the board, Messrs. Frank P. Jones, the vice-chairman, and John W. McConnell, of Montreal, and James H. Gundy and Charles B. McNaught, of Toronto, will give their whole attention to the work of that body.

Ald. J. J. Gibbons, of Toronto, the representative of organized labor, will give as much as possible of his time to the board and so, likewise, will C. A. Magrath, the fuel controller, and Hon. H. Laporte, chairman of the War Purchasing Commission. W. S. Hodgins, of Toronto, has been appointed secretary.

The Brompton Paper Company's production for the three months ended January 31 is: News mill, 3,722 tons; kraft mill, 1,243 tons; board mill, 1,778; sulphite, 5,750; ground wood, 10,788; and saw mill, 668,790 feet.

DOMINION SAVINGS BANKS

BANK	Deposits for Dec. 1917	Total Deposits	Withdrawals for Dec. 1917	Balance on Dec. 31st, 1917.
Manitoba:—				
Winnipeg	\$ 1,988.00	\$ 549,567.47	\$ 10,502.84	\$ 539,064.63
British Columbia:—				
Victoria	21,613.71	1,197,367.32	30,002.88	1,167,364.44
Prince Edward Island:—				
Charlottetown	36,202.00	2,049,342.29	61,016.22	1,988,326.07
New Brunswick:—				
Newcastle	487.00	268,559.25	7,871.96	260,687.29
St. John	33,914.77	6,211,915.83	158,774.98	6,052,240.85
Nova Scotia				
Amherst	77.00	107,014.14	2,346.59	104,667.55
Barrington	592.00	110,261.06	9,346.52	100,914.54
Guysboro'	25,292.25	2,475,916.28	80,015.79	2,395,900.49
Halifax	3,964.16	248,841.33	3,639.27	245,202.06
Kentville	11,500.00	446,632.26	7,050.12	439,582.14
Lunenburg				
Pictou		79,379.88	4,210.72	75,169.16
Port Hood		239,014.95	14,917.09	224,097.86
Sherburne	4,189.91	96,557.69	2,054.70	91,302.99
Shelbrooke	282.00	111,746.44	5,297.35	91,649.09
Wallace				
Totals	140,102.80	13,185,216.19	415,087.63	12,770,129.16

POST OFFICE SAVINGS BANKS

NOVEMBER, 1917		CR.
BALANCE in hands of the Minister of Finance on 31st Oct. 1917...	\$ 43,211,824.69	\$ 2,539,872.45
DEPOSITS in the Post Office Savings Bank during month.....	850,125.97	
TRANSFERS from Dominion Government Savings Bank during month:—		
PRINCIPAL.....		
INTEREST accrued from 1st April to date of transfer...		
DEPOSITS transferred from the Post Office Savings Bank of the United Kingdom to the Post Office Savings Bank of Canada	4,706.18	
INTEREST accrued on Depositors accounts and made principal on 31st March, 1917 (estimate)		
INTEREST allowed to Depositors on accounts closed during month.....	25,516.96	
	44,092,173.80	44,092,173.80
BALANCE at the credit of Depositors' accounts on 30th Nov., 1917.....		41,552,301.35

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto (Week ended Feb. 27th, 1918.)

UNLISTED SECURITIES

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power.....com.	40	47	Can. Oil.....com.	35	...	Goodyear Tire.....	175	200	North Ont. L. & P.....6's	75	82
Alberta Pac. Grain.....	97	...	.....pref.	85	95	Imperial Oil.....	290	310	Ont. Pulp Bonds.....	78.50	81.50
Amer. Sales Book.....6's	92.50	...	Can Salt.....6's	92.50	...	Imper. Trust Co. Toronto	...	38	Peoples Loan.....	81	90
Atlantic Sugar.....com.	7	13.50	.....com.	20	35	Inter. Mill.....pref.	81	87	Rosedale Golf Club.....	340	375
.....pref.	23	28.50	Collingwood Ship.....	100	118	Lambton Golf Club..	340	380	South Can. Power.....com.	12.50	17
British Amer. Assur.....	7	...	Can. Westinghouse.....	70	...	London Loan & Savings.	100	115	Sovereign Life.....	15	20.50
Black Lake.....6's	21	27.50	Carter Crume.....pref.	75	...	Maritime Coal & Ry.com.	17	21	Stan. Reliance... (par 50)	...	45
.....pref.	3	6	Crown Life.....	18.50	21	Milwaukee Coal.....5's	67	71	Sterling Coal.....com.	9.50	11
Belding Paul.....pref.	73.50	78	Dom. Fire.....	80	88	Massey Harris.....	112	128	.....bonds	70	72
.....5's	74	80	Dom. F'dry & Steel 8% pf.	80	88	Matthew-Blackwell.com.	43	50	St. Lawrence Sugar...6's	90	95
Brand-Henderson 6's	93	98.50	Dominion Glass.....com.	24	28.50	Matthew Laing.....6's	93	96.50	Trust & Guarantee.....	80	90
Can. Cons. Felt.....pref.	25	...	Dom. Iron & Steel 5's.1939	74.50	79	M'Donald.....pref.	77.50	82.50	Toronto Paper.....6's	85	90
Can. Fairbanks.....pref.	85	90	Dom. Linseed Oil.....	70	...	Morrow Screw.....6's	85.50	92	Toronto Y'k Rad. 5's.1919	90	96
Can. L. & P.....5's	40	45.50	D. Po'er & Trans.....5's	80	85.50	Milton Pressed Brick...	25	...	West. Assurance.....com.	5	96
Can. Marconi.....	1.75	2.50	Dunlop Tire.....pref.	89	95	National Life.....	30	...	Wt. Can. Flour. 6's (1931)	92	96
Canada Machinery.com.	10	12.75	.....6's	96.50	100.50	National Telephone...5's	49	55	.....(1928)	94	98.50
.....pref.	45	50	Eastern Car.....6's	90	94.50	North. Crown Bank.....	72	83			
			Ford Motor of Canada..	210	...						

Statistics relating to Dominion Savings Banks, Post Office Savings Banks, National Debt, Building Permits Compared, Index Numbers of Commodities, Trade of Canada by Countries, and Preliminary Monthly Statement of Canada's Trade appear once a month as issued by the various Government departments.

THE EMPLOYERS'
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 IMPERIAL PROTECTION

Guarantee Insurance, Accident Insurance, Sickness
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 A STRONG CANADIAN COMPANY

Paid up Capital	-	-	\$200,000.00.
Authorized Capital	-	-	\$1,000,000.00.
Subscribed Capital	-	-	\$1,000,000.00.
Government Deposits	-	-	\$111,000.

THE DOMINION OF CANADA
GUARANTEE & ACCIDENT INS. CO.

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 Burglary Insurance Automobile Insurance Guarantee Bonds
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TRADE AFTER THE WAR

The following statement relative to foreign trade organization by industries after the close of the war was embodied in a communication to the United States Bureau of Foreign and Domestic Commerce from the secretary of commerce:—

"It seems that there are two abnormal stages through which we must go before what we may call the normal ebb and flow of international trade will, after the war, resume its movement.

"First, the current condition is deliberately abnormal. All the great exporting nations are directly interfering with the progress of their export and import trade and treating it as a war measure on a strictly and avowedly different basis from that of peace.

"Second, another abnormal state must follow immediately after the war, which may be described as like the process of settlement to rest of particles suspended in a fluid in order that the fluid may become clear. In other words, there will be a long period of international industrial reconstructions.

"It will take the form at the beginning of excessive demands for raw materials of many kinds, and probably for finished lumber and machinery and certain kinds of equipment. The whole object during this time will be restoration toward a normal economic manufacturing and productive basis. This period must be gone through fully before the third period, which I speak of as the normal condition, shall arise."

CAPABLE OFFICE ASSISTANT DESIRES POSITION.

—An office assistant, lady, desires position in Toronto. Experienced; is careful and accurate; a good writer; can be trusted with confidential or secretarial work, and can furnish first-class references. Box 147, care of *The Monetary Times*, Toronto.

OFFICE MANAGER, wide experience accounting and

correspondence, formerly employed in executive capacities by manufacturing and wholesale corporations. Capable of training and disciplining staff. Accustomed to preparing analytical statements and operating cost systems. Thoroughly posted in improved office methods and equipment. Present engagement will shortly be terminated by necessity of closing branch to reduce expenses until after war. Age 38; married. References as to character and qualifications upon request. Address, Box 153, *The Monetary Times*, Toronto.

At the closing meeting of the convention of the Mutual Fire Underwriters' Association of Ontario, held at Toronto this week, the election of officers resulted in the following selections: President, Mr. James Ross, Waterford; vice-president, Mr. W. A. Galbraith, Dutton; 2nd vice-president, Mr. George V. Webster, St. Mary's; secretary-treasurer, Mr. J. I. Stewart; executive, J. C. Dance, Kingsmill; Wm. Purvis, Columbus; Thomas Harkness, Owen Sound; George L. Millar, Jarvis; James Carl; auditors, R. W. Brink, Woodstock; and A. P. McDougall, Melbourne.

CANADA'S SHIPBUILDING ACTIVITIES

Contracts Placed Since March, 1917, Represent a Tonnage of 339,300, Worth \$64,500,000

Shipbuilding contracts placed in Canada by the Imperial Munitions Board since March 1st, 1917, constitute the biggest year in shipbuilding this country has ever seen. Contracts have been let in the last twelve months for 46 wooden ships with a total tonnage of 128,000, representing \$24,500,000, and for 43 steel ships, totalling 211,300 tons, worth \$40,000,000, or a total value of \$64,500,000. Four steel ships aggregating 13,900 tons, the individual boats having a tonnage of 4,200, 3,400, 4,500 and 1,800, have been completed. Four wooden ships have already been launched and several others are ready to take the water. New yards were opened during the year at Welland, Vancouver, and Toronto. All yards for the construction of wooden ships are new or have been added to.

The value of the contracts let in the different provinces is as follows:—Nova Scotia, \$1,340,000; New Brunswick, \$1,000,000; Quebec, \$11,600,000; Ontario, \$19,240,000; British Columbia, \$31,434,000.

Contracts in Provinces.

In British Columbia nine steel ships, each of 8,800 tons, worth \$14,750,000; two of 4,600 tons, worth \$1,679,000, and one of 4,500 tons, worth \$95,651, or a total of \$17,334,651, have been contracted for, along with 27 wooden ships, worth \$14,100,000.

In Ontario 25 steel ships were contracted for. These comprise 13 of 3,500 tons, nine of 3,400 tons, one of 4,300 tons, and two of 2,900 tons, a total tonnage of 86,200 tons, representing \$17,240,000. In addition to this four wooden ships, totalling 11,200 tons, worth \$2,000,000, have been contracted for.

In Quebec four steel ships of 7,000 tons each, valued at \$5,600,000, and twelve wooden ships of 2,800 tons worth \$6,000,000, representing a total value of \$11,600,000, have been contracted for.

In New Brunswick two wooden ships, each of 2,800 tons, worth \$1,000,000, are contracted for.

In Nova Scotia two steel ships of 1,800 and 2,400 tons, worth \$840,000, and one wooden ship at \$500,000, are contracted for.

In 1918 Tonnage Will be 400,000.

According to a report of the Imperial Munitions Board it is reasonable to suppose that the approximate total tonnage for 1918 will be about 400,000. The approximate tonnage of wooden vessels being built by the Imperial Board on the two coasts, the Great Lakes and the St. Lawrence River is about 146,000. Figures as to the exact number of men employed in this programme are not available, but assuming an average labor cost per ton it is stated it will not be far from the equivalent of 25,000 men continuously employed.

In view of the foregoing, the figures with respect to the tonnage constructed in Canada in past years is of interest. For instance, 190,756 tons were constructed in 1874 when wooden ship construction was at its height, and each year since then has shown less activity until the war years. In 1880 the tonnage constructed was 65,441; in 1885, 41,179; in 1890, 52,378; in 1895, 16,270; in 1900, 22,326; in 1905, 19,781; in 1910, 22,283, and in 1914, 43,346.

For Imperial Munitions Board.

At present practically every shipbuilding plant in Canada that is equipped for building steel ships is making ships for the Imperial Munitions Board. Just as soon as each berth becomes vacant it is being taken up by the Dominion government in connection with the large shipbuilding programme announced by Hon. C. C. Ballantyne, minister of marine and fisheries, early in the year. Following are the details of conditions in the different shipbuilding plants of Canada:—

Two berths are vacant at Canadian Vickers, Limited, Montreal, with whom the government has entered into contract to fill the berths at once. Arrangements have also been made to fill berths becoming vacant in May, August and September with 8,200-ton ships.

Arrangements have been made with the Collingwood Shipbuilding Company to fill one berth now vacant with a 3,800-ton ship as rapidly as men can be found. It is also expected two 3,000-ton ships will be started, one in April and one in May.

The Wallace Ship Yard, Vancouver, will commence building a 4,350-ton ship early in May. They also propose building a 5,000-ton standard ship at an early date.

The government has made arrangements with the Port Arthur Shipbuilding Company to fill two berths vacant before July with two 3,000-ton ships, canal size boats.

The Polson Iron Works, Toronto, will fill four berths vacant in October with four 3,000-ton ships.

Get Steel from United States.

The Canadian Allis-Chalmers, Toronto, say they can build six ships before June, 1919, and will start as soon as berths become vacant.

Messrs. Coughlan & Sons, Vancouver, find it impossible to commence further work this year. They are building ships for the Imperial Munitions Board.

The Davie Shipbuilding Company, Quebec, will fill a berth as soon as vacant with a 5,000-ton ship.

In the meantime the department of marine and fisheries has made arrangements with the United States to secure the necessary steel to take care of shipbuilding, and at the same price as the plants across the border are paying. This steel is to be delivered to the various factories as required up to June, 1919.

It is pointed out that the establishment of new yards would only draw off men from the other yards because there are only a certain number of men available for this work. Therefore, the more the men were spread the fewer ships would be got into the water. Under existing conditions it is more important to get a few ships into service than have a large number under construction and none available.

NEW SASKATCHEWAN TRUST COMPANIES ACT

In introducing the second reading of the Trust Companies Act of Saskatchewan at the recent session, Hon. Mr. Turgeon stated that the old procedure in the matter of trust companies was by way of a private bill to a committee and thence to the assembly. The interest of the legislature was to see that these corporations were placed on such a footing that they would be subject to such requirements as would be a protection in every sense of the word. The question became so acute that a few sessions ago the government was asked to introduce general regulations in the matter. The new act is designed to meet those wishes. Companies, however, will not be able to secure incorporation merely by applying to the department, but will, as before, have to come to the legislature with a private bill, which is a model bill included in the act. Each and every company will have to conform to the general provisions of the act.

The act prescribes in a very definite manner, and much more comprehensively than in the old act respecting trust companies, the constitution, management and powers of trust companies. Every detail of incorporation and organization is provided for, as well as internal regulations, by-laws, capital stock and calls thereon, preferred stock, and how to increase the capital stock. A lengthy section prescribes the method of issuing share warrants; the books to be kept by a company are defined; the procedure regarding meetings and voting is laid down; provisions for auditing and the powers of the auditor are included; the powers of a trust company and the investments it may make, the borrowing powers and limitations thereof, and several other similar matters are all carefully stated. All of these provisions are designed so as to insure full protection to the public and at the same time to afford to the trust companies ample power to handle to the best advantage all estates committed to their care for administration.

One section in particular may be mentioned, as a certain part of it was the occasion for some debate and received very careful consideration by the members of the House. This is Section 13, which governs the requirements necessary before a certificate allowing a company to commence business can be issued. The sub-sections in question read as follows: It must be shown that "not less than two hundred and fifty thousand dollars of capital stock has been bona fide subscribed," and that "a company has at its credit in a chartered bank at least one hundred thousand dollars paid in by subscribers on account of their subscriptions in excess of any and all liabilities of the company in connection with incorporation, procuring of subscriptions, organization or otherwise howsoever."

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The year 1918 promises to be bigger and better than any heretofore. Some agency openings offer you an opportunity at this time.

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North American Life Assurance Co.
"SOLID AS THE CONTINENT"
HEAD OFFICE TORONTO, CANADA

AGENTS' ATTENTION

The Western Life Assurance Company
have made the following increases for the quarter ending March 31st, over the corresponding period of last year:

NEW BUSINESS.....	280%
CASH RECEIPTS	140%
— and —	
INVESTED ASSETS have increased during the quarter by	83%

Work for a PROGRESSIVE COMPANY. We want two more District Agents for the West. If you are an up-to-date Agent, write at once to the Head Office of the Company,

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Many Policyholders fear that a time will come when, owing to permanent disability from illness or accident, they will be disqualified from earning an income and paying their premiums. The Mutual Life of Canada issues a Policy which not only waives further payment of premiums but provides a monthly income of \$10.00 per thousand of insurance, should such a condition develop and be clearly proven. This is a Policy which affords protection to the full amount of the policy at death for the beneficiary and protection for the assured while helpless—Write for full particulars.

One of the most perfect Insurance Policies issued.

The Mutual Life Assurance Co. of Canada
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The Standard Life Assurance Co. of Edinburgh
Established 1825. Head Office for Canada: MONTREAL, Que.

Invested Funds.....\$ 66,500,000	Investments under Canadian Branch, over...\$ 16,000,000
Deposited with Canadian Government and Government Trustees, over..... 7,000,000	Revenue, over..... 7,900,000
D. M. McGOUN, Mgr.	Bonus declared..... 40,850,000
	Claims paid..... 151,000,000

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TO PROVIDE PROTECTION
for dependents is by no means the only function of a Life Insurance Policy. Some of the other uses to which the Great-West Policies may be put are:

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INVESTMENTS AND THE MARKET

News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions Dividends and Future Plans

(Continued from page 8.)

their intrinsic values. The reserves of your system are represented only by securities such as would be invested in by the highest class of fiduciary institutions. The desire of your trustees is to constantly maintain the stability and strength of your investment, so that when periods of stagnation in business arrive the shareholders may be reasonably assured that the income from their investment in the Mackay Companies will not be lessened."

No details are given as to the amount of the preferred that has been bought in. The balance sheet shows merely the usual \$50,000,000 issued. Dividend payments on both preferred and common, too, are lumped. If, however, the 6 per cent. dividend on the common is deducted from the total dividend payments, it would appear that \$1,942,374 was distributed in preferred dividends in 1917, instead of \$2,000,000 as in the previous year.

The statement of the year's results shows a slight falling off in income from investments in other companies, and, after paying dividends, only \$6,108 remained as a surplus to be carried forward by a company with an issued capital of upwards of \$91,000,000. The actual results of the year's operations, however, are obscured, because of a situation again explained in the following extract from the report: "The income of the subordinate companies of the Mackay Companies is greater than is required to pay the dividends of the Mackay Companies, but its policy is to obtain from these companies only sufficient funds to meet those dividends." Profit and loss figures for two years are as follow:—

	1917.	1916.
Income	\$ 4,519,364	\$ 4,683,265
Less:		
Expenses	89,058	56,700
Dividends	4,425,198	4,069,020
Balance	\$ 5,108	\$ 557,448

The balance sheets of 1917 and 1916 compare as follows:—

	1917.	1916.
Assets:		
Investments	\$92,417,778	\$92,005,444
Cash	881,074	1,228,299
Total	\$93,298,852	\$93,293,744
Liabilities:		
Preferred stock	50,000,000	50,000,000
Common stock	41,380,400	41,380,400
Surplus	1,918,452	1,913,344
Total	\$93,298,852	\$93,293,744

The report draws attention to the fact that it is now 13 years since the outstanding common shares have been increased and 11 years since the outstanding preferred shares have been increased. Meantime, no notes or bonds have been issued or debts incurred. The dividends on the common shares were increased on April 1st, 1917, from the basis of 5 per cent. to 6 per cent., payable quarterly. The confidence reposed in the management is shown in the ever increasing number of employees who are becoming shareholders in the Mackay Companies.

Shredded Wheat Company.—The annual report for the year 1917 shows satisfactory results. Gross income amounted to \$1,249,981, a decrease from the previous year of \$126,000. The amount appropriated for reserve was less, but the war tax reserve took much more, with the result that net income, at \$1,046,111, was \$129,000 less than in 1916. The surplus left for dividends, after adding what was carried forward from the previous year, was \$1,389,939, as against \$1,606,357 before, and after paying the regular dividends, the balance brought forward into the current year was \$614,939. As the large sum of \$575,000 was credited to "good will," a year ago, the amount brought forward on the books was only

\$343,827 that year. The profit and loss account, compared, follows:—

Income Statement:

	1917.	1916.
Gross income, less operating expenses	\$ 1,249,981	\$ 1,375,839
Reserved for depreciation ..	54,000	57,548
Reserved for income and war taxes	149,869	45,730
Net income for year ..	\$ 1,046,111	\$ 1,175,759
Reserve for wheat price protection		96,800
At January 1	346,827	430,597
Net income	1,046,111	1,175,759
Dividends declared	775,000	575,000
Credited to goodwill		575,000
Balance at December 31 ..	614,939	343,827

Assets:

	1917.	1916.
Cash on hand and in banks \$	348,182	\$ 541,896
Invested in bonds	246,443	196,348
Accounts, products and materials	1,638,605	1,473,260
Land, buildings and equipments	2,454,099	2,921,183
Invested in subsidiary companies	1,251,000	
Patents, copyrights, trade marks and goodwill ..	5,000,000	5,500,000
Held in reserve for dividend declared		237,000
Liabilities:		
Current—to all creditors ..	202,937	146,326
Dividends declared December 13, 1917	237,500	237,500
Surplus	377,944	343,827
Reserves	120,039	142,530
Capital stock	10,000,000	10,000,000

Carriage Factories, Limited.—Total profits from subsidiaries, after providing \$27,000 for depreciation, together with income from rental charges, etc., amounted in 1917 to only \$34,666, according to preliminary figures from the statement to be submitted to shareholders at the annual meeting. That compared with \$46,334 in 1916, and \$309,263 in 1915, when the company earned the equivalent of 22 per cent. on its preferred stock and 15.3 on its common.

In 1916 profits covered head office expenses, bond interest and other charges with a small balance to spare. In 1917, after deducting \$16,195 for head office expenses and discount on bonds, only \$18,471 remained against bond interest of \$28,620. So far from any profit resulting to shareholders from the year's operations, therefore, the payment of fixed charges reduced the balance in profit and loss account from \$315,978 to \$305,830. Comparisons of profit and loss figures are as follow:—

	1917.	1916.
Profits	\$ 23,151	\$ 34,789
Rents, etc.	11,515	11,545
Total profits	\$ 34,666	\$ 46,334
Expenses, etc.	16,195	12,879
Net profit	\$ 18,471	\$ 33,454
Bond interest	28,620	29,310
Balance	*\$10,149	\$ 4,144
Preferred dividend		
Balance	*\$10,149	\$ 4,144
Previous balance	315,978	311,833
Total profit and loss	\$305,830	\$315,978

*Deficit.

The balance sheet shows minor changes. Loans are slightly higher at \$1,175,476, but accounts payable have been reduced about \$66,000 to \$237,495. Inventories at \$1,342,734 are about \$48,000 higher, but accounts and bills receivable are some \$74,000 lower at \$871,370. The aggregate of current assets is \$2,228,122, against current liabilities of \$1,441,618;

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CROWN LIFE

GAINS IN ALL DEPARTMENTS

	1916	1917
Net Ledger Assets - -	\$ 1,684,592.78	\$ 1,966,854.13
Policyholders Reserve -	1,721,057.00	1,952,271.00
Surplus Fund - -	179,273.71	192,356.48
Insurance in Force - -	14,452,966.00	15,874,283.00

Crown Life Insurance Co., Toronto

Agents wanted in unrepresented districts 56



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 offers excellent opportunities to young men desirous of permanently connecting themselves with a thoroughly reliable life company.

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the corresponding figures a year ago were \$2,263,342 and \$1,455,003. That is, the working capital surplus at the end of November, 1917, was \$786,504, against \$808,339 a year before.

Assets:

	1917.	1916.
Plant, etc.	\$2,615,441	\$2,610,566
Investments	158,880	138,556
Inventories	1,342,734	1,295,284
Accounts receivable	871,379	945,689
Cash	14,008	22,367
Deferred charges	37,500	39,166
Insurance, etc.	12,074	13,920
Totals	\$5,052,017	\$5,065,550

Liabilities:

Preferred stock	\$1,200,800	\$1,200,800
Common stock	1,200,000	1,200,000

Capital surplus	\$ 220,268	\$ 220,268
Bonds	477,000	488,500
Due Orillia	32,500	35,000
Bank loans	1,134,476	1,122,455
Other loans	41,000	.....
Accounts payable	237,495	303,032
Wages, etc.	23,876	24,629
Bond interest	4,770	4,885
Depreciation reserve	174,000	150,000
Profit and loss balance	305,830	315,978
Totals	\$5,052,017	\$5,065,550

The Canada Food Board has extended from March 1 to March 15 the time within which bakers using five barrels of flour or more per month for the manufacture of bread, cake or other bakery products for sale, must obtain a license from the Food Boards.

RAILWAY EARNINGS

The following are the earnings of Canada's transcontinental lines for the first three weeks in February:—

Canadian Pacific Railway.			
	1917.	1918.	Inc. or dec.
February 7	\$1,890,000	\$2,096,000	+ \$206,000
February 14	2,180,000	2,306,000	+ 126,000
February 21	2,225,000	2,435,000	+ 210,000
Grand Trunk Railway.			
February 7	\$ 928,462	\$ 675,115	— \$253,347
February 14	828,671	752,861	— 75,810
February 21	956,487	980,013	+ 23,526
Canadian Northern Railway			
February 7	\$ 493,600	\$ 634,600	+ \$141,000
February 14	602,000	688,000	+ 86,000
February 21	598,700	652,800	+ 54,100

FARM LOANS TO COST MORE

Farmers who borrow money from the British Columbia Land Settlement Board will hereafter have to pay a substantial increase in interest charges. By order-in-council recently passed by the executive council the rate hitherto prevailing—6½ per cent.—has been increased to 7½ per cent., the increase to be effective as from September 15th last. On loans approved by the board prior to that date the old rate of 6½ per cent. will remain in force.

When the system of farm loans was first made effective under the legislation passed by the late administration by which the now defunct Agricultural Credits Commission was inaugurated, the plan of financing loans was by means of bond issues by the province. The Agricultural Credits Commission, after its work was initiated, sold \$1,000,000 bonds, the greater part of which was loaned or ear-marked before the commission was abolished by the present government, which, under the Land Settlement Act, named a Land Settlement Board, by which the farm loan system was carried on. A change was made in the system of financing whereby the principle of bond issues to raise money for loans was removed and funds required were taken from consolidated revenue.

The new board has not loaned much money, contenting itself with passing upon loans made by the former commission and disbursing the balance of the \$1,000,000 loan left when the old board went out of existence.

CANADA'S TRADE HAS INCREASED

Canada's trade for the ten months of the fiscal year ending on January 31st reached a total of \$2,229,493,276, according to the monthly statement issued from the customs department. This constitutes an increase of \$351,208,579 over the same period last year, when the total trade amounted to \$1,878,284,697. Domestic merchandise exported reached a total of \$1,353,811,184 during the ten months of this year as against \$960,736,072 during 1917. The exports of domestic merchandise during the month of January, this year, however, were lower than a year ago. They totalled \$96,216,284 as against \$99,106,259 a year ago.

Merchandise entered for consumption during the ten months this year reached a total of \$823,059,701 as compared with \$674,964,548 a year ago. During the month of January the total of this class was \$60,677,414, which was lower than in January, 1917, when it reached \$72,323,074. Foreign merchandise exported during the ten months of the fiscal year totalled \$38,874,724 as against \$20,470,769 for a similar period in 1917, and coin and bullion exported was \$2,972,822 as compared with \$196,190,607 a year ago.

The total of dutiable goods entered for consumption during the ten months ending January 31st was \$460,976,255. Last year this class of goods totalled \$370,646,468. Free goods during the ten months amounted to \$362,082,846 as against \$304,318,080 in 1917. Duty collected during the ten months of 1917 totalled \$136,339,474, which was a substantial increase over the same period a year ago, when it reached \$119,141,351.

CROWN LIFE INSURANCE COMPANY

Among the outstanding features of the annual statement for the past year of the Crown Life Insurance Company, Toronto, are the increase of cash income and the decrease of the operating cost. The cash premium income totalled \$551,869 in 1917, compared with \$461,342 in 1916. The total cash income, less expenditure, was \$281,532, which was nearly double the previous year's figure of \$144,658. The expense ratio, according to the 10 and 1 basis of calculation, was reduced to 12.6 per cent. Death claims resulting from the war constitute about one-half of the total number.

The amount of new business issued and reinstated was \$4,343,768, and the amount of insurance in force at December 31st, 1917, was \$15,874,283. The company is making substantial progress in all departments, and is steadily increasing its policyholders' surplus fund in spite of war conditions.

In discussing with *The Monetary Times* the company's outlook, Mr. H. R. Stephenson, F.A.S., assistant manager and actuary, said: "We are confident that a substantial increase in the scale of dividends to policyholders will be justified immediately upon the termination of the war." Mr. G. T. Somers is president of the company.

STANDARD BANK OF CANADA

The forty-third annual meeting of the Standard Bank of Canada was held on Wednesday at the bank's head office building in Toronto. The shareholders expressed considerable gratification at the results of the operations of the bank for the year ending January 31st, 1918. The assets increased to practically \$74,000,000, and are 23.6 per cent. greater than they were at the end of the previous year. The deposits now amount to over \$58,000,000, which represents an increase of nearly \$12,000,000. Of this increase, about \$5,500,000 was in interest-bearing accounts and about \$6,500,000 in accounts not bearing interest.

The quick assets now amount to \$32,348,775, or about 51% of the total liabilities to the public. Of this amount, 43.6%, or \$14,123,114, is in cash, an increase of \$3,360,590 as compared with last year.

The net profits for the year were \$649,546, or 19.6%, on the average paid-up capital employed during the year, or 8.33% on the combined average paid-up capital and average reserve. This compares with 8.12% earned last year.

The paid-up capital is now \$3,453,290 and the reserve fund is \$4,453,290, each of these items having been increased during the year by \$120,047, that amount of new stock having been issued during the year at 100% premium.

Dividends at the rate of 13% per annum were paid during the year; liberal allowances were made to pension and patriotic funds; \$100,000 was transferred to a special reserve for possible depreciation in securities; and \$175,215 balance is carried forward. This leaves a balance at the credit of profit and loss account about \$22,000 greater than at the end of the previous year.

The bank's circulation has been increased by nearly a million dollars, now amounting to \$5,484,383. This item indicates a general increase in the bank's business, with the public, as also does the item of \$39,853,677, current loans and discounts in Canada, which is an increase of just about \$4,000,000 as compared with last year. That the bank is doing its part in financing the war is reflected by the item, "Canadian municipal, British and foreign securities," which stands at \$7,192,950 as compared with \$1,371,937 last year. The increase is mostly due to the bank's participation in the absorption by the Canadian banks of short-dated Dominion and Imperial treasury bills.

The report was presented by the new general manager, Mr. C. H. Easson, both Mr. Easson and Mr. W. F. Cowan, the president, addressing the meeting. The statement shows an improvement in nearly every item as compared with last year, and Mr. Easson and Mr. J. S. Loudon, who has been assistant general manager of the bank for thirteen years, received the hearty thanks of the shareholders.

The directors were all re-elected, including Mr. James Hardy, F.C.A., and Mr. T. B. Greening, who had been appointed by the board during the year to fill the vacancies caused by the deaths of Messrs. Scholfield and McMillan. Mr. Hardy is a partner in the accounting firm of Jenkins and Hardy, Toronto. Mr. Greening is president and managing-director of the Pure Gold Manufacturing Company, Toronto.



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MANAGER

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COMBINED ASSETS EXCEED \$56,766,800

Head Office for Canada and Newfoundland:
17 St. JOHN ST., MONTREAL



L'UNION

Fire Insurance Company, Limited of PARIS, FRANCE

Capital fully subscribed, 25% paid up \$ 2,000,000.00
Fire Reserve Funds 5,539,000.00
Available Balance from Profit and Loss Account 111,521.46
Total Losses paid to 31st December, 1916 100,942,000.00
Net premium income in 1916 5,630,376.43

Canadian Branch, 17 St. John Street, Montreal; Manager for Canada,
MAURICE FERRAND, Toronto Office, 18 Wellington St East
J. H. EWART, Chief Agent.

ROYAL EXCHANGE ASSURANCE

FOUNDED A.D. 1720

Losses paid exceed \$235,000,000

HEAD OFFICE FOR CANADA

ROYAL EXCHANGE BUILDING,
MONTREAL

Canadian Directors

Dr. E. P. LACHAPELLE ... Montreal
H. B. MACKENZIE, Esq. ... Montreal
J. S. HOUGH, Esq., K. C. ... Winnipeg
B. A. WESTON, Esq. ... Halifax, N.S.
SIR VINCENT MEREDITH, Bart.,
Chairman ... Montreal

J. A. JESSUP, Manager Casualty Dept.
ARTHUR BARRY, General Manager

Correspondence invited from responsible gentlemen in unrepresented districts re fire and casualty agencies.



Head Office:
Royal Exchange, London

Guardian Assurance Company Limited

Established 1821.

Assets exceed Thirty-Five Million Dollars

Head Office for Canada, Guardian Bldg.,
Montreal

H. M. LAMBERT, Manager. B. E. HARDS, Assistant Manager.

ARMSTRONG & DeWITT, General Agents,
6 Wellington Street East - Toronto

First British Insurance Company established in Canada, A.D. 1804

Phoenix Assurance Company, Limited

FIRE of London, England LIFE

Founded 1792

Total resources over \$ 90,000,000
Fire losses paid 425,000,000
Deposit with Federal Government and Investment in Canada
for security of Canadian policy holders only exceed 2,500,000

Agents wanted in both branches. Apply to

R. MACD. PATERSON, }
J. B. PATERSON, } Managers

100 St. Francois Xavier Street, Montreal, Que.

All with profit policies affected prior to the 31st December will rank for a full year's reversionary bonus at that date.

The Northern Assurance Company, Ltd. of London, Eng.

ACCUMULATED FUNDS, 1916 \$39,935,000.00
Including Paid up Capital Amount, \$1,460,000.00

Head Office for Canada, 88 Notre Dame Street West, Montreal
G. E. MOBERLY, Manager

CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Fire Office

Head Office for Canada MONTREAL

J. G. BORTHWICK, Manager

MUNTZ & BEATTY, Resident Agents

Temple Bldg., Bay St., TORONTO

Telephone Main 66 & 67

(FIRE) BRITISH CROWN ASSURANCE Corporation, Limited OF GLASGOW, SCOTLAND

The Right Hon. J. Parker Smith, Pres. D. W. MacLennan, Gen. Mgr.
Head Office Canadian Branch—TRADERS BANK BLDG., TORONTO
Liberal Contracts to Agents in Unrepresented Districts

BRITISH AMERICA ASSURANCE COMPANY

FIRE, HAIL, OCEAN MARINE and INLAND MARINE INSURANCE
INCORPORATED 1833

HEAD OFFICES: TORONTO

W. B. MEIKLE, President and General Manager
JOHN SIME, Asst. Gen. Mgr. E. F. GARROW, Secretary.

Assets, Over \$2,500,000.00

Losses paid since organization over \$41,000,000.00.

WESTERN INCORPORATED 1851
Assurance Company FIRE, EXPLOSION, OCEAN MARINE & INLAND MARIN INSURANCE

Assets over \$5,000,000.00
 Losses paid since organization " 66,000,000.00

BOARD OF DIRECTORS:
 SIR JOHN AIRD Z. A. LASH, K.C., LL.D.
 ROBT. BICKERDIKE, M.P. W. B. MEIKLE, President
 ALFRED COOPER (London, Eng.) GEO. A. MORROW
 H. C. COX LIEUT.-COL. THE HON. FREDERIC NICHOLLS
 D. B. HANNA BRIG.-GEN. SIR HENRY PELLATT, C.V.O.
 E. HAY E. R. WOOD.
 JOHN HOSKIN, K.C., LL.D.

Head Office: TORONTO, Ont.
 W. B. MEIKLE, President and General Manager
 C. C. FOSTER, Secretary

ATLAS
Assurance Company Limited
OF LONDON, ENGLAND

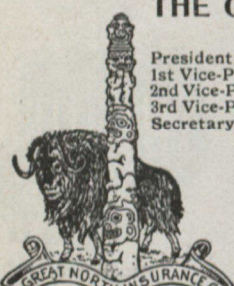
The Company commenced business in the REIGN OF GEORGE III. and the following figures show its record:—

At the Accession of	Income	Funds
KING GEORGE IV. ...	\$ 387,065 ...	\$ 800,605 ...
KING WILLIAM IV. ...	657,115 ...	3,038,380 ...
QUEEN VICTORIA ...	789,865 ...	4,575,410 ...
KING EDWARD VII ...	3,500,670 ...	11,185,405 ...
KING GEORGE V. ...	6,846,895 ...	15,186,090 ...
and at 31st DECEMBER, 1916 ...	7,980,685 ...	20,730,010 ...

In addition the Company has a Subscribed Capital of Eleven Million Dollars (of which \$1,320,000 is paid up).

Agents wanted in unrepresented districts.
Head Office for Canada, 260 St. James St., MONTREAL
 MATTHEW C. HINSHAW, Branch Manager

Great North Insurance Co.
 HEAD OFFICE, I.O.O.F. BLOCK, CALGARY, ALBERTA
 THE COMPANY WITH A RECORD



OFFICERS
 President and Manager ... W. J. WALKER, Esq.
 1st Vice-President ... HON. P. E. LESSARD, M.L.A.
 2nd Vice-President, Hon. ALEX. C. RUTHERFORD, K.C.
 3rd Vice-President ... EDWARD J. FREAM, Esq.
 Secretary ... A. H. MELLOR, Esq.

AUDITORS
 Edwards, Morgan & Co. ... Calgary

DIRECTORS
 Hon. Alex. C. Rutherford, K.C., B.A., LL.D., B.C.L., J. K. McInnis.
 Hon. P. E. Lessard, M.L.A., W. J. Walker, Esq.
 F. A. Walker, M.L.A., Geo. H. Ross, K.C., LL.B.

UNION
ASSURANCE SOCIETY
 LIMITED
 (FIRE INSURANCE SINCE A.D. 1714)

Canada Branch ... **Montreal**
 T. L. MORRISEY, Resident Manager

North-West Branch ... **Winnipeg**
 THOS. BRUCE, Branch Manager

MARTIN N. MERRY, General Agent **TORONTO**
 Agencies throughout the Dominion

SUN FIRE FOUNDED A.D. 17
 THE OLDEST INSURANCE CO. IN THE WORLD

Canadian Branch ... **Toronto**
 LYMAN ROOT, Manager

THE LAW UNION & ROCK INSURANCE CO., Limited
 OF LONDON Founded in 1806

Assets exceed \$48,000,000.00 Over \$12,500,000.00 invested in Canada
 FIRE and ACCIDENT RISKS Accepted
 Canadian Head Office: 57 Beaver Hall, Montreal
 Agents wanted in unrepresented towns in Canada.

W. D. Aiken, Superintendent | J. E. E. DICKSON, Canadian-Manager
 Accident Department

THE MERCANTILE FIRE Incorporated 1875
INSURANCE COMPANY

All Policies Guaranteed by the LONDON AND LANCASHIRE FIRE INSURANCE COMPANY OF LIVERPOOL.

The LONDON ASSURANCE
 Head Office, Canada Branch, MONTREAL

Total Funds exceed \$32,000,000

Established A.D. 1720. FIRE RISKS accepted at current rates
 Toronto Agents ... S. Bruce Harman, 19 Wellington St. East

Commercial Union Assurance Co.
 LIMITED, OF LONDON, ENGLAND

Total Annual Income Exceeds \$ 51,000,000
 Total Funds Exceed 151,500,000
 Total Fire Losses Paid 193,774,045
 Deposit with Dominion Government .. 1,245,467

Head Office Canadian Branch:
COMMERCIAL UNION BLDG. - MONTREAL
 JAS. MCGREGOR, MANAGER

Toronto Office - 49 Wellington St. East
 GEO. R. HARGRAFT
 General Agent for Toronto and County of York.

Economical Mutual Fire Ins. Co.
 HEAD OFFICE KITCHENER, ONTARIO

CASH AND MUTUAL SYSTEMS
 TOTAL ASSETS, \$800,000 AMOUNT OF RISK, \$28,000,000
 GOVERNMENT DEPOSIT, \$50,000

JOHN FENNELL, President | GEO. G. H. LANG, Vice-President | W. H. SCHMALZ, Mgr.-Secretary

Waterloo Mutual Fire Insurance Company
 ESTABLISHED IN 1863
Head Office, Waterloo, Ont.

Total Assets 31st December, 1915 \$908,244.00
 Policies in force in Western Ontario, over 30,000.00

GEORGE DIEBEL, President. | ALLAN BOWMAN, Vice-President.
 L. W. SHUH, Manager. | BYRON E. BECHTEL, Inspector.



Canada Branch
Head Office, Montreal

DIRECTORS
M. Chevalier, Esq.
Sir Alexandre Lacoste.
Wm. Molson Macpherson,
Esq.
Sir Frederick Williams-
Taylor, LL.D.

J Gardner Thompson,
Manager.
Lewis Laing,
Assistant Manager,
J. D. Simpson, Deputy
Assistant Manager.

GENERAL
ACCIDENT **FIRE** AND LIFE
Assurance Corporation, Limited, of Perth, Scotland

PELEG HOWLAND,
Canadian Advisory Director
Toronto Agents, E. L. McLEAN, LIMITED

THOS. H. HALL,
Manager for Canada

THE
GENERAL ACCIDENT
Assurance Co. of Canada

Personal Accident and Sickness
Automobile and Liability Insurance
Inspection and Insurance of Steam Boilers
TORONTO, ONTARIO

**Eagle, Star and British Dominions
Insurance Company, Limited**

Assets Over - \$61,000,000
Premium Income Over - \$14,000,000

Fire and Marine Insurance

Canadian Managers:
DALE & COMPANY, LIMITED
Cristine Building, Montreal, Que.

BRANCHES: Halifax, Toronto, Winnipeg, Vancouver



Head Office—Corner of Dorchester St. West and Union Ave., MONTREAL

DIRECTORS:
J. Gardner Thompson, President and Managing Director.
Lewis Laing, Vice-President and Secretary.
M. Chevalier, Esq., A. G. Dent, Esq., John Emo, Esq.,
Sir Alexandre Lacoste, Wm. Molson Macpherson, Esq.,
J. C. Rimmer, Esq., Sir Fredrick Williams-Taylor, LL.D.
J. D. Simpson, Assistant Secretary.

A BRITISH COMPANY

UNION INSURANCE SOCIETY OF CANTON, LIMITED

ESTABLISHED 1835

Head Office - HONGKONG
General Manager C. MONTAGUE EDE

Head Office for Canada, 36 Toronto Street, Toronto
Manager for Canada, C. R. DRAYTON

ASSETS OVER \$17,000,000

General Agents, Toronto - MUNTZ & BEATTY

Fire, Marine and Automobile

THE **CANADA NATIONAL FIRE**
INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS, \$1,976,156.08

A Canadian Company Investing its Funds in Canada
General Fire Insurance Business Transacted

APPLICATIONS FOR AGENCIES INVITED

Toronto, Ont., Branch: 20 King St. West, C. E. CORBOLD, Mgr.



ALFRED WRIGHT,
Manager

A. E. BLOGG,
Branch Secretary

14 Richmond Street E.
TORONTO

Security, \$33,261,200



NORWICH UNION
FIRE INSURANCE
SOCIETY LIMITED

Norwich, England

Founded 1797

FIRE INSURANCE
ACCIDENT AND SICKNESS
PLATE GLASS
EMPLOYERS' LIABILITY
AUTOMOBILE INSURANCE

HEAD OFFICE FOR CANADA
12-14 Wellington St. East

Norwich Union Building
TORONTO

An Investment Free from the Dominion Income Tax

Dominion of Canada 5½% Gold Bonds Maturing 1st December, 1922, 1927 or 1937. Now obtainable at 98⅞ and interest. Will be accepted at 100 and interest, in the event of future issues of like maturity or longer made in Canada by the Government.

Denominations: \$50, \$100, \$500, \$1,000. Bearer or Registered Bonds.

Complete Information Furnished upon Request

DOMINION SECURITIES CORPORATION LIMITED.

MONTREAL BRANCH
Canada Life Building
R. W. Steele - Manager

Established 1901
26 KING STREET EAST
TORONTO

LONDON, ENG., BRANCH
No. 2 Austin Friars
A. L. Fullerton, Manager

Victory Loan Bonds

Bearing 5½%

Due 1922, 1927, 1937

Obtainable in Denominations of

\$50, \$100, \$500, \$1,000

Price, 98⅞% and accrued interest

Full information on request

Wood, Gundy & Company

C. P. R. Building

Montreal

Saskatoon

TORONTO

London

New York