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of Canada

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1867

What it means to raise \$3,000,000 in 3 Days

It means that an average gift of \$5.00 must be received from every man, woman and child in Toronto and York County.

\$5.00 in a year is not much if you figure it down—it's less than 10 cents a week.

But if you have a wife and two children it makes your contribution, as head of the family, about 40 cents per week—say, \$1.50 per month. Does your conscience tell you that's a very moderate amount to pay for the honor of helping those who are helping you—yes, even with their Life's blood?

* * * * *

10 cents a week per head for each family is, however, a minimum contribution. Yet many families, it is sad to say, could not honestly afford to give even that much.

* * * * *

For this reason, those of us that can, should give as liberally as the world has prospered us, to make up the average contributions of those not so well favored. Moreover, the method by which we may spread out the payment of our gift is such that it should not strain our pocketbooks.

In other words, while it might be a strain to give \$12.00, \$25.00, \$50.00 or \$100.00 in a lump sum, twelve monthly installments of \$1.00 or more, in

proportion to one's promise, doesn't make it hard to contribute a generous donation.

* * * * *

Look at it from another point of view.

It is a good thing for our citizens as a body to raise this fund. It is "the outward physical manifestation of the inward spiritual grace," as the preacher would say.

Then, too, we must not overlook the fact that in 1914, 1915 and 1916, when we were urging our men to volunteer and uphold Toronto's share in Canada's fight, it was very deliberately pointed out to them that their families would not only receive separation allowance from the Government, but that each family would be entitled to, and would receive, an allowance from the Patriotic Fund.

* * * * *

Thus, the moral obligation made then, stands now. In fact, it is greater, because living costs are higher, and the loneliness and weariness of soldiers' dependents is infinitely more.

Furthermore, do not overlook the fact that one-third of the money raised is applied to the needs of the Canadian Red Cross—and this need grows greater every day—particularly now that our Citizen Army is preparing to fight.

Everybody Pays Every Month

The workers for the 50,000 Club Department of the Fund will try to canvass every office, warehouse and factory in the city.

When you are called upon to make your contribution, remember not to limit your donation to what you can afford to give at the moment. Instead of giving \$12.00 at once, give, say, \$35.00 or \$60.00

at the rate of \$1.00, \$3.00 or \$5.00 a month for the next twelve months.

A greater truth was never written than that "It is more blessed to give than to receive," especially when giving it for the magnificent joint cause of the Canadian Red Cross and the Patriotic Fund.

The Campaign Committee, Patriotic Fund and Canadian Red Cross

Toronto, January, 14th, 1918

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Old as Confederation

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President and General Manager

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Editor

A. E. JENNINGS
Assistant General Manager

National Inventory of Industrial Organization

NCESSITY for Inquiring Into a Range of Important Subjects is Suggested—Relation of Monopolies to High Prices—Canadian Combines Act Said to Be of Doubtful Utility—The Advantages of Combination—How to Foster Foreign Trade—The Antagonism Between Labor and Capital; the Dangerous Tendency Towards Socialism.

By W. T. JACKMAN, M.A.

IT has become the custom in business, a custom which has been recognized as a virtual necessity, for each establishment to take, at least once a year, an inventory of stock on hand and to make up statements showing the condition of the business and the profits or losses which have accrued during that period. In this way, and in no other, is it possible for the management to know what lines of activity have been most successful, what changes need to be made in the character of the service undertaken or the personnel of departments, and, generally, to adjust its methods of operation toward securing the largest measure of success. There are some concerns which never take such an inventory, nor make out any periodical financial statements; but those establishments which have attained to any importance in the commercial or industrial world find it impossible to continue their work without regularly taking stock of their affairs.

As a condition of securing credit at the bank, a business house is normally required to show its latest balance sheet or statement of affairs, when requested by the bank, as a guarantee that the business is being conducted upon a safe and economical basis. If such an establishment wishes the services of the banks and desires to stand well in the business world, it must eliminate all objectionable or shady practices and do its business in the open; it must keep as far removed as possible from doubtful methods and not "tread the borderland dim 'twixt vice and virtue."

What we have said concerning an individual business, is true likewise of the collective industries of the nation; and the government which is entrusted with the conduct of the nation's affairs should regularly take a national inventory of its stock-in-trade and the methods of doing business which are sanctioned by it. Business men are compelled to carry on their work under the circumstances which are largely made for them, not by them; and it is the duty of the government so to direct and control the fundamentals of business life that the mercantile and industrial classes may have the most favorable environment for the conduct of their work. To direct trade and industry that there may be the greatest degree of freedom and initiative consistent with the largest amount of public benefit, should be the aim of the government in all its departments; and until both these aspects of advantage are secured there is room for amelioration.

The work of the Conservation Commission of the Dominion shows us great resources which are to be developed and utilized. We have, as a result of the services of that body, a fairly complete and adequate knowledge of such resources as they have investigated; and the activities of certain other governmental bureaus have shown us that our mineral wealth and water power facilities are of paramount importance. Of nickel alone, 80 per cent. of the world's needs comes from the Sudbury district, and the supplies of gold, silver, coal, iron ore, etc., are attracting attention by their richness and profusion. During 1917 we have been noting our progress in these and other lines in the fifty years since Confederation, and this half century shows a period of

great natural expansion and development, a time of increasing strength and prodigious increase of wealth.

With such a heritage in nature's bounty and the development of capitalism upon a great scale, it would be strange indeed if there were not in this development some excrescences which indicate unhealthy growth in some directions. In the utilization of such abundant natural assets, the tendency is to enhance private interests to the greatest degree; and sometimes public welfare has been subjugated to private emolument. It must be acknowledged that individual enterprise and ability have met with many barriers and it was appropriate that they should have correspondingly ample remuneration when the results attained have been given constructive effect. But the recent disclosures in a few instances have attested the fact that the public welfare has suffered in the enrichment of certain individuals. Has the balance of advantages from the unfolding of our industrial and commercial structure accrued to the promotion of the general well-being in the most substantial manner possible, or have private interests secured the largest share of these advantages? The answer cannot be given until we have made a critical examination of the methods and results under the present régime. As already noted, we have ample information of the natural resources of the country, but we have little information, and most of it unorganized, as to the methods pursued by those whose business activities, in employing these resources and forwarding them from one stage to another, bring them into vital relation to the consuming population.

As a consequence, there is the necessity for inquiring into a range of subjects upon which there is scant knowledge but much conjecture. Even those who are elected to positions in our legislative halls are woefully deficient in their knowledge concerning the businesses affected by their legislative measures. One has but to read the discussions in the House at Ottawa or at any of the provincial deliberative assemblies to see how erroneous and defective are many of the so-called statements of fact. Such assertions, made, perhaps, in good faith but upon insufficient evidence, cannot be contradicted by others, because the latter are equally in the dark. Observation in a particular locality is made to furnish "facts," for which there is no substantiation as general statements; and in other instances, the suppositions of one of the people's representatives in parliament are given on the floor of the House and are made to have the appearance of truth, when in reality the facts are unknown.

The same lack of definite knowledge and the prevalence of surmisings is manifested by assertions in the daily press and on the public platforms of the country, until people are fed upon the "knowledge" that is too often nothing but chance guesses, or at least, mere possibilities. Some of our most carefully edited technical journals, like *The Monetary Times*, are doing their utmost to provide information that is authentic, but they are seriously handicapped by the fact that the detached information given out by private concerns gives nothing but a brief financial note as to the assets and liabilities

ties of the company or a reference to some forthcoming or outstanding issue of bonds or stock. It is evident, therefore, that we have profound need of a full investigation of our trade methods and of the financial practices and relations of the corporations doing business in this country.

Encouragement of Enterprise.

We need this, in the first place, to give us accurate knowledge of what the commercial and industrial conditions are in Canada, as a basis of forming correct judgments. Industry has become organized into larger and larger units, and these units have found it advisable, from their own financial point of view, to ally themselves in a great variety of ways with other units, thus building up great consolidations of enterprise or community of interests. These have proved to be very advantageous to the concerns thus linked together, but has the public derived its share, or indeed any share, from the economies of these increasingly large-scale enterprises? If private interests alone have been served and the community has not profited from these advances, it behoves us diligently to inquire into a state of things under which the great mass of the people are exploited for the profit of a few. On the other hand, if the consuming public has derived advantages commensurate with those of the business entrepreneurs, the more encouragement that is given to these advances the better.

At present, we have but insufficient data upon which to base a sound conclusion; and it depends chiefly upon mental attitude, not upon supported and buttressed evidence, whether one assails or accepts the present régime of business life. The development of our water powers, mines and other natural endowments may be carried out by private individuals or corporations for private gain, or, while giving reasonable returns to those who bring out this wealth, these forces of nature may also be used for the general advancement of the public welfare. For which purpose are they now used? An answer cannot be given until a faithful survey has been made of the entire situation.

The man who gains a million dollars and adds ten millions to the country's wealth is much more desirable than the man who gains a million dollars at the expense of the country's or his fellow citizens' welfare. In the one case, we have a productive worker whose activities contribute to the welfare of all others in equal or greater proportion than to his own wealth. For the services of such a man or group of men the community can afford to give ample remuneration. In the other instance, the profiteering business concern may leave the community the poorer for its presence there; it may accumulate vast wealth, but the advantage to the community may be insignificant or even negative. The payment for such services can be ill afforded.

Conduct of Business.

A business may be so conducted that the managers of it are continually bringing forward new goods which enrich the social life of the country or giving old goods at lower cost on account of improvements in the processes of manufacture or economies of sale. Or, on the other hand, a business may build itself up and become strong financially by merely taking the ideas of others and interposing barriers to their advancement while confirming its own position by the attempted ruin of others in the same line. How much of the present-day business is of the former class and how much of the latter we have no means of knowing, until more adequate information is given us of the commercial practice. The words of an eminent economist and a keen and thoughtful observer of public affairs are to the effect that "a large part of what is ordinarily called 'business' must be placed under the ban," as being unprofitable for the public good. Of course, we do not mean that much of the business is carried on illegally, but that much of the activity of certain classes is predatory or parasitic and does not conduce to the common good.

It is not intended by such a proposed investigation to reveal to the public or to competitors the foundations upon which a particular business has been established, such as the formulæ of drug concerns, the composition of special articles of manufacture, or, generally, the inside information necessary to the continuance of the business. No government would authorize the publication of such things unless for the protection of its citizens. But this protection should be accorded to the populace with reference to those things which are detrimental to the physical or moral life.

We hear also a great deal said, especially under the existing conditions of the high cost of living, as to the evils of monopoly in enhancing the prices of certain commodities; and not a few are found, especially those with socialistic tendencies or those who foment trouble among the laboring classes, railing at the industrial system as the builder of

monopolies, through which certain persons have become very wealthy by the extortionate prices charged for their products. It must be acknowledged that monopolies have the power of oppressing the people unless they are restrained in the exercise of their possibilities. But we have no precise knowledge in regard to Canadian industry as to how far monopolistic conditions prevail in any line.

It is true that since the beginning of the century, and especially in the years 1909-1912, there was a vast movement of consolidation by which large-scale enterprise became prominent throughout the Dominion; but there is a great difference between large-scale enterprise and monopoly, although the former invariably tends toward the latter. What proportion of these concerns are still under the regulative influence of competition and what proportion has emerged into the class of virtual monopolies, we have no means of knowing at present. In certain industries it seems as if competition has ceased, since the prices charged by one establishment are the same as those charged by others in the same line; but we have no information as to whether this is simply a temporary price determination as the result of the organization of a pool or whether it is permanent as the outcome of the merging of formerly competing interests.

Intolerable Competition.

Another reason why there should be such a survey of industrial and trade conditions is to bring to light those practices which are regarded as unfair in the competitive struggle. So great have these become in the United States that one of the most renowned merchants in that country has recently declared that the competition which prevails in large-scale business has become almost intolerable. The practices of which he and many others complain may not be so rampant in Canada, but we are safe in saying that much the same conditions exist in the two countries.

In its latest annual report, the Federal Trade Commission has listed twenty-two unfair methods of competition, among which are included such things as false labelling and advertising, use of coupons, simulation of slogans, use of leaders, cutting off competitors' supplies and credit, bribery and enticement of employees, use of bogus independents, increasing prices of raw materials, inducing breach of contract, institution of malicious and vexatious suits, use of same or similar trade name or trade marks, conspiracy to injure competitors, espionage, exclusive dealing contracts, defamation of name and goods, refusal to accept advertising, intimidation, threats, boycotts, etc. Such practices tend to drive competitors out of the field and to build up into strong concerns those which are able to dominate and impose their will upon others.

Inquiry among business men who are thoroughly responsible and endeavoring to be honest with themselves and others shows that practically the same methods are in use here, as are found in the neighboring republic. Much litigation has been necessary there in the last twelve years in order to correct abuses which were tolerated until they became a public menace, and there has been much waste of funds in carrying on protracted lawsuits in the higher courts, which might have been avoided had the results of such unfair methods been foreseen. A carefully conducted investigation of such things in Canada at the present time would show us the hidden dangers and pitfalls that lurk in the pathway of progress and would enable us to profit by the mistakes and experience of other countries. Prevention, rather than correction, should be our aim.

Relations of Corporations.

The financial relations or inter-relations of the large corporations should also be a subject of careful inquiry. Is the practice of incorporate holdings of stock carried to such an extent that corporations are thereby compelled to work together in harmony of policy? Are the banks large holders of stock in industrial or railway enterprises, so that, while furnishing great advances of capital or credit, they are enabled to control the policy and command the business of these enterprises? Are our manufacturing establishments, in some cases, able, through ownership of blocks of stock, to secure from those concerns which furnish them their raw material, prices which are lower than those charged to other manufacturing companies which have no such stock control or influence? Or, have we a number of groups of companies, each of which has its member companies united into a compact and harmonious organization through the system of interlocking directorates, so that if one is threatened with restriction or obstructive measures all the others of that group rally to its aid?

Are any of our banks so closely affiliated with some concerns in this way that the latter are able to secure better terms in borrowing than others which are not thus associated? Do the financial institutions of the country use their great power for building up the strength and expanding the power of a coterie of their favorite companies, while directly or indirectly refusing to grant similar aid to other companies, simply because the latter do not belong to their organization of related companies? Or, again, how far are the great industrial establishments integrated with others above or below them in the scale of forwarding the process of manufacture from raw material to finished product?

How great is the control exercised by manufacturers over the distributive agencies for their products? Are the selling organizations part of the manufacturing concerns, or are they entirely separate from them? If separate, does the manufacturer in any case exercise such a dominating influence over the seller that he can fix the resale price which the seller must charge the consumer? Another aspect of the financial problem is as to the prevalence of holding companies—how many of these are there and have they been the means of securing private advantages at the expense of the public? A few years ago, as the result of an investigation into such matters in the United States, the people awoke as from a bad dream to find a vast amount of concentration of control of industrial and financial businesses in relatively few hands, and Congress was required to legislate against such concentration of capital and money power. Should we have the same experience in Canada as the outcome of a similarly searching inquiry?

Canadian Combines Act.

Such an examination of the industrial and commercial fabric of the nation would also show whether public interests are being safeguarded, and whether existing laws are effective for the purposes intended. If not, it would show what further legislation, or abrogation of existing legislation, is necessary at the present stage of expansion, to curb injustice and to foster the greater advance of industry which is so earnestly desired. We have upon the statute book the Canadian Combines Act, enacted by Parliament in 1910; but although the effectiveness of that act when invoked has been attested, there are many ways in which combinations of interests may be effected to secure unduly high prices from the consuming public and yet the Combines Act remain a dead letter.

The fact that this Act has provided the machinery for setting the law in action against a concern which exercises any unreasonable restraint of trade or performs other acts which render it liable under the criminal code, does not of itself insure the public against such criminal conduct. That the Act has not been made the basis of an appeal for a board of inquiry does not indicate that there is no reason for its use, but rather that the method to be employed in its execution is faulty and unsatisfactory. Like its antecedent legislation, the Industrial Disputes Investigation Act, it is recognized as being of doubtful utility; and although it may have some restraining influence in preventing a corporation from doing what is illegal, the information which has come to light in recent times shows that this law is practically useless, at least in some important instances.

Advantages of Combination.

As we have seen in the past few years, and particularly within the last year, enormous increases have taken place in the prices of commodities, which were evidently not justified by the increased expenses of production. Publicity should be given to the facts before it can be relied upon to effect a remedy, but until these facts are known it is idle to speak of the corrective influence of publicity. In the last session of the Dominion parliament one of the people's representatives gave some facts regarding one of our most oppressive corporations, but his information failed just before he reached the crucial point as to the company's organization and methods. So, when we speak of turning the light of publicity upon the affairs of these corporations to see whether the public may not be protected more effectively, we are but emphasizing what is already patent that we are wholly in the dark in regard to their inner and outer workings.

We would not want to see the advantages of combination of capital lost through disrupting industrial and mercantile concerns; but we would like to see a larger share of its benefits divided among those who make such combinations possible. In the case of our railways we have a vast amount of publicity through the regulative work of the Board of Railway Commissioners, and no serious-minded student of railway affairs, not even the railway officials themselves,

would want to go back to the former days of unregulated competition, when each company considered its own financial advantage without the consideration for the public interests which is manifested to-day. So must we move forward in these other fields of enterprise, illuminating the pathway of public welfare by the light of investigation. Not wealth accumulation but service rendered should be the test of the success of the individual or the corporation.

Encouragement to Industries.

Not only should corrective measures be devised for eliminating the business practices which are reprehensible, but encouragement should be given to those industries which have been but newly established, or which are getting a new lease of life; and to an investigating commission the managers of such industries could give invaluable information. Take shipbuilding, for example. Those who are actually engaged in the construction of ships could tell of the difficulties they meet and the barriers to be overcome in their special branch of the industrial realm, and for an industry of such national and international importance the experience of those already embarked in the work would furnish the government with facts which would form the basis of favorable action. Canada has the facilities and her great navigation possibilities provide the appropriate occasion for developing her shipbuilding. The past results in this enterprise and the present circumstances attending it might make it clear to the government that this could become one of the most valuable assets of the country; and with complete knowledge as to the best ways in which aid should be extended, the government would be in a position to promote most effectively this phase of the national welfare.

Fostering Foreign Trade.

Such a survey of industrial and trade methods would naturally include within its scope not only domestic trade, but also the means necessary to building up and encouraging foreign trade. We have already had a report from a governmental body dealing with trade opportunities in Great Britain, France and Italy after the war, showing what products this country could supply that would be acceptable to and find a market in those allied countries. Some of the difficulties in the way of entering such markets have also been pointed out. If our manufacturers are to be successful in opening and developing a fair measure of this foreign business, we must have concerted action. The expense incurred in going after such business is almost prohibitive for any one concern.

Manufacturers must work together under the greatest possible encouragement, and the combined judgment of all is essential to the devising of plans by which to capture these markets. Under the stimulus of such an investigating board as is here proposed, and with the assurance of the utmost governmental support, manufacturers could gather together under favorable auspices and elaborate their plans for the furtherance of their interests in the new countries that are ready to accept our goods. In the pursuit of foreign trade, entirely different methods must be employed from those used in domestic trade. It takes many years to create the facilities of a market in the foreign field, and a great amount of care and tact is required in the cultivation of this foreign demand. Only by carefully considered methods, carried out with ample backing and over a protracted period, can our products find a permanent place in other countries on a selling basis that will be acceptable to them and profitable to us.

Capital and Labour.

We have shown only a few of the advantages which would result from the work of an industrial commission such as that contemplated. But one more fact needs to be brought to our attention before leaving this part of our subject: We refer to the increasing or apparently increasing antagonism between labor and capital and the dangerous tendency toward socialism that is becoming manifest. Many people have the idea that private corporations are only evil and that continually; that they are oppressing the community in order to make large profits for individuals, and that, therefore, the sooner all such enterprises are taken over by the government and run for the universal good the better it will be for all concerned.

We are willing to admit that in some cases very large profits are obtained, but it would seem from evidence at hand that some smaller businesses are making larger profits than many of the larger businesses. An analysis was made recently in the United States in regard to the financial success of the thirty largest industrial combinations, as a result of which it was ascertained that eight of them had been highly suc-

cessful, seven of them had been fairly successful, ten of them had been unsuccessful and five of them had been disastrous failures; in other words, half of them had utterly failed to measure up to what was naturally expected of them. What would be the outcome of inquiry as to the conditions in Canada? We should probably find much the same result as in the case of the United States. It is greatly to be deplored that too often the daily press lends its columns to the spread of malicious statements, absolutely without foundation, as to the way in which private corporations prey upon an unsuspecting public. Let there be light upon this question, and let us know the certainties regarding it. Only in this way can an intelligent opinion be formed. Without that, unconfirmed rumors and ill-considered predilections have a chance of ripening into what are reported as actual conditions, and the semblance of truth that is given to the half-truth or falsehood may be dangerous to any sane conclusion. Yet such unfortunate conclusion may soon be crystallized into popular prejudice.

Work for the Government.

How should such a survey be effected? Clearly not by private investigation, for corporations would refuse, in not a few instances, to allow access to documents that would give the desired information. Only an investigation by a government body can get to the fundamentals, for in this way witnesses could be put upon their oath and required to tell the truth, and, if necessary, books and accounts could be opened for examination or verification. With the evidence adduced, accompanied, of course, by a report upon each aspect of the investigation, the public would be put in possession of the facts upon which to base a sound judgment. Such a body could be appointed by a party government, but there would be difficulties in the way of securing the best results on account of the pressure of political interests. But the Union government could secure the appointment of a non-partisan investigating commission composed of experts, which would be under no obligation except to fulfil its work most acceptably and obtain the most far-reaching results for the development of the country.

There are still too many in Canada, although their numbers are rapidly decreasing, who are saying: "This business and the way I manage it is my own affair." In reality, the time is here, and progressive employers are sympathetic with it, when the business man can no longer say truthfully that his conduct of business is his own affair; for he is truly a public servant, doing work for the public, kept in business by the public, and he should show the new conscience in business, recognizing himself as the steward of a public trust. We have noted lately a movement on the part of the fraternal organizations to put their business relations of insurance, etc., with their members upon a strictly actuarial basis, and to be responsible for the trust reposed in them. In the organization of corporations the promoters are legally bound to consider themselves responsible for the strictest accountability of all the funds they handle; they must not injure the owners (stockholders) of the corporation. So, in business generally, those who fail to appreciate the fact that in the conduct of their business they have responsibilities to the public, are rapidly dwindling in number. The increasing obligation of business men to the public shows their recognition of the public interests as pre-eminent, and it is to clarify this great issue that a complete and careful inquiry should be made by the government. A very small amount of the government's funds employed in this way would bring great rewards.

[Comment upon this article appears in our editorial columns on page 10.]

MONEY MARKETS

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

	Buyers.	Sellers.	Counter.
N.Y. funds	19-32 pm	111-32 pm	.....
Mont. funds	par	par	¾ to ¼
Sterling—			
Demand	\$4.8150	\$4.8175	\$4.84
Cable transfers ..	\$4.8275	\$4.83	\$4.85
Rate in New York for sterling demand, \$4.75¼.			
Bank of England rate, 5 per cent.			

ACTIVITY IN BOND MARKET

Several Large Issues Offered—Ontario Hydro-Electric Commission's Financing

For the first time since October last the bond market has had important business outside of war loans. During the past ten days several large blocks of bonds have been marketed or offered. The first issue apparently to receive the sanction of the Dominion finance department under the new order-in-council was apparently a block of \$4,500,000 Shawinigan Water and Power Company's 2-year 6 per cent. convertible gold notes. These were issued at 97½ and interest, yielding 7¾ per cent. The notes were taken by a syndicate of United States investment bankers and offered by them to investors in that country.

The most notable sale was that of \$630,000 5 per cent. 15-year gold bonds of Saskatchewan province. Authority was obtained at Ottawa to make this issue, and a syndicate of Canadian bond houses sold the issue within a few hours. The yield to the investor was 6½ per cent.

Another large offering is \$2,000,000 of Manitoba province bonds. There are two blocks, \$1,000,000 5 per cent. bonds, due October 1st, 1920, and \$1,000,000 6 per cent. bonds, due February 1st, 1928. The former are being issued at 96.97 and the latter at 98.16, with interest in both cases. The yield is 6¼ per cent. This issue has also been approved by the priority board of the department of finance, Ottawa, and is put out at the most attractive figure at which Manitoba bonds have ever been offered to the investor. This is the first instance of any Canadian province issuing a bond bearing 6 per cent. coupons in the past twenty or thirty years.

Ontario Hydro Financing.

Another important announcement this week was made by Sir Adam Beck, chairman of the Ontario Hydro-Electric Commission, at a conference of municipal representatives in Toronto on Tuesday. He stated that arrangements will probably be made through the federal government to finance the commission's Chippewa Creek development without it being necessary to adopt the suggested plan of issuing a Hydro loan through the municipalities within the Hydro system. In the meantime, backed by the guarantee of the Ontario government, the Hydro-Electric Commission has been able to secure a loan of \$1,250,000 from the Bank of Montreal to construct the extension to the Ontario Power Company plant that will within the year add 50,000 horse-power to the Hydro supply.

For some time past it has been known that the Hydro-Electric Commission was having difficulty in getting money to carry on the Chippewa Creek development. This difficulty resulted in suggestions that the commission should float a loan of \$10,000,000 or \$15,000,000 at 5½ or 6 per cent. A little over a week ago Sir Adam Beck held a lengthy conference with the government, following which Hon. T. W. McGarry, provincial treasurer, visited Ottawa. The announced reason for this trip was to make arrangements for financing the extension to the Ontario Power plant, but while in the capital the provincial treasurer had a long talk with the finance minister in regard to the larger Hydro plans, and brought back from Ottawa assurances that the Dominion government would endeavor to take care of urgent financial needs in connection with the project.

Sir Adam intimated that interests in the United States who were anxious to get power offered to co-operate with the commission in the financing and construction of the Chippewa Creek development work.

Municipal Activities.

Among the municipalities there is also activity. Montreal wants a loan of \$3,000,000, but the latest report is that it will try to raise the amount by extra taxation. Ottawa will make application for permission to borrow \$250,000 for the erection of a civic fuel plant and for the purchase of fuel. Windsor, Ontario, has a block of \$250,000 bonds for sale. Hamilton will ask the finance minister's authority to issue debentures to cover the cost of new pumps ordered for the waterworks. The local board of control, however, was informed on Tuesday that Mr. T. J. Stewart and the local senators would oppose any such application. Mr. Stewart has opposed this scheme, and recently announced that an auxiliary electric supply could be obtained to operate electric units. It was decided by the board of control to send a deputation to Ottawa to interview the finance minister, and ask him to permit the city to issue the debentures.

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OUR COAL PROBLEM

The world coal situation, including that on this continent, has reached a point at which we must expect adequate action from the government with a view to providing future supplies. The coal resources of the United States, while greater than those of Canada, are sorely taxed to meet even the pressing demands. In the matter of coal supplies, the Dominion must not expect to retain any preferential treatment over other countries, which it may be temporarily receiving, due to war conditions, from the United States. In any event, Canada must expect to feel the effect of such export regulations as the United States from time to time may deem it necessary to impose. Commodities in increasing number are being subjected to embargoes, and those already in force are being stiffened. It was pointed out in *The Monetary Times* of January 4th, in the notable article by Mr. Arthur V. White, a student of this subject, that Canadians need never expect to have electrical energy replace coal and other fuel for heating purposes, except to a relatively limited extent. While Canada is rich in electrical potentialities, yet the physical equipment to develop it speedily cannot now be obtained, factories being fully occupied on other work. Electrical energy is most serviceably employed for strictly power purposes. Fuel, such as coal, oil, etc., is more profitably employed for heating.

In Mr. White's article, it was strongly emphasized that no matter how generous are the sentiments of the United States towards Canada, no country can be expected to send out of its confines that which is essential to the very existence of its own people. No matter what is the goodwill or desire for exchange of commodities, the United States may not be able to cope with the prevailing need. Canadians must be prepared to help themselves by

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the development of their own fuel resources in a way that they have never done before.

Since the latest article on this subject was published in *The Monetary Times* a few weeks ago, the United States has found it necessary to declare a policy providing that no coal may be exported from that country during 1918 except for purposes contributing materially to the conduct of the war. As pointed out by Mr. White, there is no need to start again learning the A B C of this fuel problem. Officials of the government of Canada, such as those in the Geological Survey, Department of Mines, the Commission of Conservation and other organizations, have knowledge of existing conditions and of practical means by which much of the stress may be relieved. Mr. White said: "To carry out these measures of relief and to place Canada in a reasonably independent position with respect to fuel will take time; but there is no doubt that if matters are dealt with in a broad, statesmanlike manner, and the necessary encouragement of financial and other assistance is given to those who are competent to handle same, Canada will, at a minimum of effort and expense, be relieved of a menace with respect to her coal supply which threatens not only her economic life, but the physical life and well-being of a large proportion of her citizens."

If our outside supply of coal is cut off, we must look to our peat, lignites, and coal areas in East and West. Under the circumstances, the public naturally want to know what is being done to obtain this coal in East and West and what is being done for its distribution to the central portions of the Dominion. There is a proper and rapidly strengthening desire on the part of the public to know what action the Dominion government is taking in these matters; what conferences are being held; whether expert knowledge is being applied; and what time and funds are necessary to obtain lignite and peat in order satisfactorily to relieve the situation, not only for the present but for the future also. As Mr. White has stated, "absolutely no time is to be lost."

VICTORY BONDS IN TRADE

A number of merchants are offering to take Victory Bonds at par, in exchange for merchandise. These merchants are actuated by patriotic motives but they have failed to consider the effect which the acceptance of their offers would have upon the situation. The strongest effort was made to have these war bonds purchased for permanent investment by the people at large, to be paid for out of the past or future savings of those who bought them. Purchases thus made not only result in providing funds for the uses of the government, but they also effect a conservation of labor and material. When the bonds are exchanged for merchandise, it defeats the primary object of their sale, it discourages thrift, and increases expenditures, thus depriving the government of labor and material needed for war purposes.

In addition to this, such bonds when taken in exchange for merchandise must in most cases be immediately sold in the open market, and that is not desirable.

ORGANIZATION FOR WAR

Referring to the subject of taxation by the Dominion government, Sir Herbert Holt, president of the Royal Bank of Canada, at the annual meeting of that institution last week, stated that while he approved the principle of the income tax, he thought the business profits tax was unduly onerous and repressive, and that it had had the effect of antagonizing capital and restricting production.

This is a point which should have the serious consideration of the government. We must recognize that very large sums of money must be raised by special taxation to carry on our share of the war, but this should be done in a way that will not discourage the investment of capital in existing and new enterprises, increasing production in certain directions necessary for the prosecution of the war. A reasonable proportion of excess profits, having in view the exceptional conditions of war, should be taken but at the same time the efforts of capital and labor should be encouraged by the fairest possible legislation.

Sir Herbert Holt, commenting further on the government's action in such matters, said: "While we believe the government's assumption of the powers mentioned is essential to the prosecution of the war, and are in duty bound to give our full support, the extent to which the domestic life and liberties of the people are thus affected is a serious matter. Dictatorial powers once assumed are usually reluctantly relinquished, and if we could not trust the government to annul them when the present purpose has been served, great evil would result."

This point is well made, but as the war proceeds we believe it will be found that only by thorough organization and the free exercise of State regulation in all the Allied countries, will a definite and favorable decision be obtained in the war area. The course of the struggle during the past 3½ years has shown the necessity for assumption of powers by the State which, in times of peace, might be objectionable. State regulation, nation-wide organization, co-operation with capital and labor, and the obtaining for national service, of the best business and financial brains, are four of the factors necessary to finish the war quickly and successfully. The vast war machine must be backed by businesslike organization, in which governments and business men should be partners in harmony. During the present year, this tendency is likely to be sharply defined, and if the war runs into future years, the same tendency will be the dominating factor.

CHEMICAL RESEARCH

If the cabled report of the discovery, by United Kingdom interests, of German dye secrets, is correct, a strong weapon against enemy trade after the war will be available. The Imperial, Canadian and United States governments are all devoting considerable attention to the development of the dye and chemical industries. The British government has a substantial interest in an important dye manufacturing corporation and has appropriated a large sum for experiments. The United States government is actively engaged in furthering the dye and chemical industry in that country. Canada has appointed a special commission to investigate these and similar matters. Inquiry is also being made into the production of potash. Germany is said to hold the world's monopoly in this commodity. All the valuable deposits are under German control, the principal source of potash being at Stassfurt. Attempts are now being made in Canada and the United States to produce potash from feldspar and from other resources. A Toronto company is already engaged in experimental work with that object in view and a large Montreal concern has announced its intention to enter this new sphere as a side line. While we must depend upon individual initiative to a great extent for the development of new industries, it is reasonable to expect enterprising governments to encourage experiments of this nature with practical support. The United States, it is understood, has offered as an inducement in research, a large sum to the citizen who can produce potash from one or more of the natural resources of that country, and in quantities which will give an adequate supply.

A NATIONAL INVENTORY

Mr. W. T. Jackman, M.A., of the University of Toronto, in an interesting article in *The Monetary Times* this week (page 5) suggests a national inventory of Canada's industrial organization. He thinks that such an examination would give the necessary information to satisfy public enquiry on many topics and to improve legislation where found necessary. One impression gathered from his exhaustive paper, however, is that a general national stocktaking is a very large order. Such a work, we think, could be best performed by various existing government departments and commissions, with other assistance as might be required. For instance, the Commission of Conservation has already taken an inventory of many of our natural resources. The Dominion statistician, Mr. R. H. Coats, is doing excellent work in gathering statistics from which much of the information suggested by Mr. Jackman will be obtainable.

Mr. Jackman mentions the ship-building industry as an example, proposing that ship-builders tell an investigating commission of the difficulties they meet and the barriers to be overcome in their special branch of the industrial world; but ship-builders have already conferred with the government and the difficulties met in the establishment of the industry are, we understand, being solved satisfactorily.

While we cannot see eye to eye with Mr. Jackman's proposal, there is admittedly a necessity not only for more information and statistical data, but also for their proper application when gathered. This, however, we think, is a matter for government departments, with proper qualified assistance, and for the cabinet council.

In his references to foreign trade, Mr. Jackman makes some important points. He says that to obtain a fair

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measure of foreign business we must have concerted action and that the expense incurred in going after such business is almost prohibitive for any one concerned. The antagonism between labor and capital is another matter referred to by the author and one which we think can best be dealt with by conferences of labor and capital, with the friendly co-operation of our governments.

MARKETING CANADIAN WOOL

There are 3,916 Co-operative Associations Here—Ontario's Results Last Year

During the past three or four years considerable encouragement has been given to sheep breeding in Canada by the more scientific grading of wool for the purpose of securing higher prices. In 1914 seven associations were organized for the co-operative sale of wool under the system of grading organized by the department of agriculture, and 206,129 lbs. of wool were graded for societies organized in four provinces—namely, Quebec, Ontario, Manitoba and Alberta. In 1915 the number of organizations formed for this purpose was increased to 19 when approximately 427,000 lbs. were classified and offered for co-operative sale. In 1916 this amount had reached the total of 1,721,598 lbs. with a value of \$570,678.69, and every province was represented.

The following table shows the total weight, average price and total value of graded wool by provinces in 1916:—

Province.	Total weight. lb.	Average price. Cents per lb.	Total value.
Eastern Domestic Grades—			
Prince Edward Island ..	28,176¾	38.63	\$ 10,876.74
Nova Scotia	18,441½	40.98	7,568.53
New Brunswick	5,130	38.10	1,954.60
Quebec	168,701	42.14	71,205.85
Ontario	17,989	34.95	6,287.43
Total	238,438¾	40.15	\$ 97,893.15
Western Domestic Grades—			
Manitoba	150,930	32.25	48,681.40
Saskatchewan	172,570	32.00	55,244.97
Alberta	413,687	31.80	131,565.94
British Columbia	15,751	32.25	5,079.69
Total	752,947	31.95	\$240,572.00
Western Range Grades—			
Alberta	744,950	30.94	230,557.62
Saskatchewan	5,430	30.49	1,655.92
Total	750,380	30.93	\$232,213.54
Grand total	1,741,774¾	34.96	\$570,678.69

There were 3,916 co-operative wool associations in Canada at the end of 1916, divided as follows: Prince Edward Island, 382; Nova Scotia, 224; New Brunswick, 39; Quebec, 1,616; Ontario, 69; Manitoba, 440; Saskatchewan, 475; Alberta, 609; and British Columbia, 62.

Results in Ontario Last Year.

At the annual meeting of the Ontario Sheep Breeders' Association last year, it was decided to undertake the co-operative selling of wool, the wool to be collected at a central storehouse in the city of Guelph. Application forms were sent to the sheep raisers in the province of Ontario up to the number of about 10,000. The application gave the rules under which the wool would be received and sold.

During the latter part of May and the first half of June the greater part of the wool was received in the warehouse at Guelph. On June 1st, when sufficient wool had accumulated, grading commenced. As soon as graded the wool was placed in large open bins. By the 23rd of June the greater part of the wool had been graded and buyers had been given an opportunity to see the graded wool as it lay in the warehouse.

The wool was sold by tender on June 23rd and the buyer agreed to take any ungraded wool that might be in the warehouse. The wool was packed in large sacks and stenciled with the grade and number of pounds. Each grade was also stencilled in numerical order.

Below is given a table showing the number of pounds in each grade, the total number of fleeces and pounds, and the total price paid to the producers:—

Grade.	Pounds.
Fine medium comb	3,461
Medium comb	82,241
Medium clothing	7,184½
Low medium comb	64,636
Coarse comb	93,444
Lustre comb	4,480
Rejects	8,835
G.N.B.	1,351
Total number fleeces	31,641
Total number pounds	271,122

The prices paid to the producers for the above totalled \$166,656.

Mr. Geoffrey J. Malcolm, who was formerly chief clerk of the Toronto branch of the General Accident Fire and Life Assurance Corporation; Limited, has been appointed branch secretary of this company. He was previously in the company's head office.

Mr. J. W. McWhinney, who has always taken an active interest in the development of trust companies, and is a member of the executive committee of the Dominion Loan and Trust Company's Association, in addition to a number of other bodies, has resigned the general managership of the Union Trust Company with a view to taking a complete rest.

CANADA'S SHARE OF THE EMPIRE'S WHEAT PRODUCTION

In view of the importance of the wheat industry to the Dominion, we give the following comparative table showing the development of wheat production in Canada during the five years preceding the war:—

Year.	Acreage under wheat in Canada. Acres.	Total yield of wheat in Canada. Bushels.	Production of wheat in the British Empire. Bushels.	Canadian proportion of empire production of wheat. Per cent.
1910	8,863,000	132,049,000	670,800,000	19.69
1911	11,101,000	230,924,000	722,300,000	31.97
1912	10,997,000	224,159,000	725,000,000	30.92
1913	11,015,000	231,717,000	699,500,000	33.12
1914	10,294,000	161,280,000	640,750,000	25.17

Commenting on these figures the Dominions Royal Commission said in their report:—"The immense possibilities of wheat production in Canada are foreshadowed when it is remembered that the acreage under crop is but a small fraction of that available, but as yet untouched by the plough."

The yield in 1914 was abnormally low. On the other hand, the total yield of wheat in the Dominion in the record

year of 1915 was approximately 426,000,000 bushels, being an increase of more than 164 per cent. on that for the previous year. The yield last year was estimated in September at about 250,000,000 bushels. The average yield in 1913 and 1914 was 21.04 and 15.67 bushels per acre. These figures by themselves bear witness to the exceptional fertility of the prairie soil.

THE BANK OF BRITISH NORTH AMERICA

Established in 1836. Incorporated by Royal Charter in 1840

Paid-up Capital - \$4,866,666.66
Reserve Fund - \$3,017,333.33

HEAD OFFICE

5 GRACECHURCH STREET, LONDON E.C. 3

Head Office in Canada

ST. JAMES ST., MONTREAL

H. B. MACKENZIE, General Manager

ADVISORY COMMITTEE IN MONTREAL:

SIR HERBERT B. AMES, M.P.

W. R. MILLER, Esq. W. R. MACINNES, Esq.

This Bank has Branches in all the principal cities of Canada, including Dawson (Y.T.), and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.

Agents for the Colonial Bank, West Indies

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.

Savings Department at All Branches



THE BANK OF NOVA SCOTIA

Capital paid-up - \$ 6,500,000
Reserve Fund - 12,000,000
Total Assets - 110,000,000

HEAD OFFICE - HALIFAX, N.S.

BOARD OF DIRECTORS

JOHN Y. PAYZANT, President

CHARLES ARCHIBALD, Vice-President

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HECTOR McINNES HON N. CURRY
JAMES MANCHESTER W. W. WHITE, M.D.
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General Manager's Office, Toronto, Ont.

H. A. RICHARDSON, General Manager.

J. A. McLEOD, Asst. General Manager.

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30 in Nova Scotia 33 in New Brunswick
7 in Prince Edward Island 10 in Quebec
67 in Ontario 14 in Western Provinces

IN NEWFOUNDLAND

Bay Roberts Brigus Catalina Harbor Grace
Bell Island Burgeo Channel St. John's
Bonavista Burin Fogo " East End
Bonne Bay Carbonear Grand Bank Twillingate
Wesleyville

IN WEST INDIES

Havana, Cuba, San Juan, Porto Rico.
Jamaica—Black River, Kingston, Mandeville, Montego Bay,
Morant Bay, Port Antonio, Port Maria, Spanish Town,
St. Ann's Bay, Savanna-la-Mar.

IN UNITED STATES

BOSTON CHICAGO NEW YORK (AGENCY)

CORRESPONDENTS

Great Britain—London Joint Stock Bank Ltd.; Royal Bank of Scotland.

France—Credit Lyonnais.

United States—Bank of New York, N.B.A., New York; Merchants National Bank, Boston; First National Bank, Chicago; Fourth Street National Bank, Philadelphia; Citizens National Bank, Baltimore; Canadian Bank of Commerce, San Francisco; First and Security National Bank, Minneapolis; First National Bank, Seattle.

THE MOLSONS BANK

Capital Paid-Up, \$4,000,000 Reserve Fund, \$4,800,000

Incorporated by Act of Parliament 1855.

HEAD OFFICE ... MONTREAL

BOARD OF DIRECTORS

WM. MOLSON MACPHERSON, President. S. H. EWING, Vice-President
Geo. E. Drummond Wm. M. Birks F. W. Molson
W. A. Black E. J. Chamberlin
EDWARD C. PRATT, General Manager

BRANCHES

ALBERTA	Hamilton	Toronto	Montreal—Cont.
Calgary	" Market	" Queen St. W.	" Market & Harbor
Camrose	" James & Barton	" West Toronto	" St. Henri
Edmonton	Hensall	Trenton	" Maisonneuve
Lethbridge	Highgate	Wales | Waterloo	" Cote des Neiges
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	Bedford	" Montreal, West
Winnipeg	London	Chicoutimi	" Tetreaultville
" Portage Av.	Lucknow	Cowansville	Pierreville
ONTARIO	Meaford	Drummondville	Quebec
Alvin-ton	Merlin	" Upper Town	" Richmond
Amherstburg	Morrisburg	Foster	Roberval
Aylmer	Norwich	Fraserville	Sorel
Belleville	Ottawa	and Riviere du	Sutton | St. Cesaire
Brockville	Owen Sound	Loup Station	St. Ours
Brucefield	Port Arthur	Knowlton	St. Therese de
Chesterville	Ridgetown	Lachine	Blainville
Clinton | Delhi	Simcoe	Lachute | Matane	Trois Pistoles
Dutton | Drumbo	Smith's Falls	Mont Joli	Three Rivers
Exeter | Forest	St. Mary's	Montreal	" St. James St. Victoriaville
Formosa	St. Thomas	" St. Catherine Ville St. Pierre	Waterloo
Frankford	" East End	St.	
	Teeswater		

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—London 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.

THE MOLSONS BANK

EUROPEAN SECURITIES FOR THE YEAR

Swing of Values Last Year on London Stock Exchange—
Government Bonds Nearly All Lower

The following table, compiled by The New York Evening Post, gives the course of prices for the principal groups of securities on the London Stock Exchange during the past year. In addition to the highest, lowest, and final prices for 1917, comparison is made both with the official figures of July 30th (just before the war) and the closing quotations of 1916:—

Government and Corporation Securities.

	High- est, 1917.	Low- est, 1917.	Clos- ing, 1917.	July 30, 1914.	Clos- ing, 1916.
British 2½% consols.....	56½	51	54¾	69¾	55
War loan, 5%	95 11/16	93	93 5/8	....	....
War loan, 4½%	100 7/8	89½	99¾	....	96 3/8
War loan, 3½%	88	84	84¾	....	85 7/8
Argentine rescission	84¾	73	81	79	74
Bulgarian, 4½%	48¾	40½	48¾	78	47
Brazil, 4%, 1889	60½	49	56	67	47
Canada, 3½%	77½	76	76	85	83
Chilian, 4½%, 1886	95½	78¾	95	89	88
Chinese, 5%, 1896	96	86	93	96¾	89¾
Cuba, 5%	102¾	96½	96	100	102
German, 3%	51½	44	48¾	71¾	46
Greek, 5%, 1881	61½	49	56	56	52
Irish Land, 2¾%, guaran- teed	56	51	53	69	52 3/8
India, 3%	70	62¾	63	84	65 3/8
Italian rentes	61	39¾	56	93	64
Japanese, 5%, 1907	94¾	86	90	95	90
Russian, 5%, 1906	84¾	50	52	93½	80 1/2
Spanish, 4%	107	88	106½	84¾	90
Servian	Nom	Nom	Nom	79	Nom
Swedish, 3½%	130	92½	106	93	94¾
Transvaal, 3%	68¾	63¾	67	91	64
Turkish unified	57	50	56	77	50
Uruguay, 3½%	74	59	74	66½	64½

English Railways.

Great Central preferred ..	15 1/2	12 3/4	13	19 1/2	14
Great Eastern ordinary ..	37 1/2	33	35 1/2	41	37
Great Northern deferred..	39	35	36	44 1/2	37 1/2
Great Western ordinary ..	91 1/2	82 1/2	84	108 1/2	90 1/2
London, Brighton & South Coast deferred	67 1/2	56	58 1/2	72	66
London & North Western.	99	89 1/2	91	120	98
London & South Western deferred	25 3/4	21 1/2	24	28	24 1/2
Metropolitan District ...	18	14 3/4	15 1/2	19	16
Metropolitan	25 3/4	22	22 1/2	31 1/2	25
North Eastern	105 3/4	95 1/2	97	116	102
South Eastern deferred... Underground Electric Rail- ways of London income bonds	31 1/2	25 1/2	28 1/2	31	27 1/2
Underground Electric Rail- ways of London ordin- ary	94 1/2	78	81	82	92 1/2
Underground Electric Rail- ways of London ordin- ary	2 1/4	1 1/2	1 3/4	1 7/8	2 3/8

Colonial and Foreign Railways.

Antofagasta deferred	136	120	131	144	123
Buenos Ayres Great South- ern	81	71	73	102	79
Brazil Railway	6	4	5	15	4
Canadian Pacific	182	159	159	161	175
Central Argentine	68	56	59	92	66
Grand Trunk ordinary ..	11 3/4	8 3/8	9 1/4	11 1/2	10 1/2
Mexican ordinary	22 3/4	15	16 1/2	28	14 1/2
Mexican second preferred..	36	26	27	61 1/2	28
San Paulo (Brazil)	192	164	184	215	174

Bank Shares.

Imperial Ottoman	Nom	Nom	Nom	13 1/2	Nom
London County & West- minster	15 1/2	13 3/8	15	20	15 1/4
Lloyds	25 1/2	21 1/2	25	27 1/2	25 1/4
London City & Midland ..	41	38	38 1/2	42	39

Industrial Securities.

	High- est, 1917.	Low- est, 1917.	Clos- ing, 1917.	July 30, 1914.	Clos- ing, 1916.
Associated & Portland Cement ordinary	4 1/2	3 3/8	3 1/2	4 7/8	3 3/4
Coats (J. & P.) ordinary..	6 5/8	6	6 1/4	7 1/2	6 1/4
Eastmans Meat	12s	5s	10s	10s 6d	7s
English Sewing Cotton ordinary	56s 6d	42s	56s 6d	37s 6d	45s
Guinness Brewery ordinary	615	222	600	358	460
Guest Keen Nettlefolds ordinary	90s	62s	83s	65s	70s
Hotel Cecil preferred (£5)	40s	27s	37s 6d	58s 6d	34s
Mexico Trams	41	14	32	55	22
Marconi Wireless	3 1/2	2 9/16	3 1/16	1 3/8	2 7/8
Mexican Light & Power..	31 1/2	7	18	43	9
P. & O. Steamship de- ferred	343	295	330	260	310
Pease & Partners ordinary	17 1/2	13 1/4	16 3/4	12 1/4	14 3/4
Royal Mail Steam Packet.	125	109	121	78	116
Savoy Hotel preferred (£10)	4 13/16	3 1/2	4 1/4	9 1/4	5
Whitebread Brewery ordin- ary	55 1/2	47 1/2	56	60 3/4	52

Rubber Shares.

Bukit Rajah (£1)	11	8 3/4	9 1/4	4 3/4	8 7/8
Highlands & Lowlands (£1)	3 1/4	2 3/4	3 1/16	35s 6d	2 13/16
Kuala Lumpur (£1)	5 1/2	4 3/8	4 3/4	2 1/2	2 1/2
Linggi Plantations	31s 6d	21s 6d	29s	11s 6d	23s 6d
Malacca ordinary	6	4 3/4	5 1/4	2 1/2	4 3/4

Oil Shares.

Lobitos	48s	39s 6d	43s	25s 6d	43s
Shell transport	6 1/2	4 13/16	5 1/2	3 5/8	5 1/2
Spies	75s	8s 6d	7s	13s 6d	13s 6d

Mining Shares.

British South Africa Com- pany	17s	11s	14s	12s 6d	12s
De Beers deferred	14 1/2	12 3/4	13	13 3/8	13 3/8
East Rand	13s	4s 6d	5s 5d	1 5/8	1 1/2
Gold Fields	1 7/8	1 8/16	1 1/2	1 7/8	1 1/2
Giant Mines	1/2	1/8	1/16	1 1/16	8/16
Modderfontein	24 1/2	18 1/4	22 5/8	11 13/16	18 1/2
Mexico of El Oro	6 7/16	3 3/16	5 3/4	4	3 1/2
Rand Mines	3 13/16	2 7/8	2 7/8	5 1/16	3 3/4
Rio Tinto	68 1/2	61	63 1/2	60	62 1/2

CENTRAL CANADA LOAN COMPANY

In the annual statement of the company, just issued, a decrease of \$19,751 from the profits of the previous year to \$201,760 is shown. As there was carried forward from previous accounts \$57,053, there was a total available for dividends of \$258,814. The usual dividends took \$175,000, and there was donated to the Patriotic, Red Cross and other funds \$9,951, compared with \$12,700 last year. This left a balance at the credit of profit and loss of \$73,863, against \$57,053 last year.

The balance sheet gives total assets of \$9,137,300, compared with \$9,472,824 of a year ago. Loans secured by first mortgages amount to \$1,513,513, against \$1,551,961 a year ago; loans secured by collateral, \$1,706,952, against \$1,939,647. Bonds and stocks owned which stand on the books at prices well within their present market value, \$5,158,029, against \$5,182,531 a year ago. Real estate is unchanged at \$179,455. Cash on hand amounts to \$570,349, against \$619,229. Deposits total \$1,729,986, against \$1,776,783. Debentures show a reduction of \$305,537.

An increase of 20 per cent. in the steel production of Canada over that of last year is promised as the result of conferences held between the war committee of the cabinet and the Canadian steel manufacturers. The announcement is one which will be welcome alike to the munitions board and the Canadian railways.

The Dominion Bank
HEAD OFFICE .. TORONTO
 Sir EDMUND B. OSLER, President
 W. D. MATTHEWS, Vice-President
 C. A. BOGERT, GENERAL MANAGER

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
Royal Bank of Canada
 INCORPORATED 1869

Capital Authorized\$ 25,000,000
 Capital Paid-up..... 12,911,700
 Reserve and Undivided Profits.... 14,564,000
 Total Assets 335,000,000

HEAD OFFICE, MONTREAL
 Sir H. S. HOLT, Pres. E. L. PEASE, V. Pres. and Man. Dir.
 C. E. NEILL, General Manager.
 365 Branches in Canada and Newfoundland.
 Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRITISH WEST INDIES
 ANTIGUA—St. John's; BAHAMAS—Nassau;
 BARBADOS—Bridgetown and Speightstown;
 DOMINICA—Roseau; GRENADA—St. George's;
 JAMAICA—Kingston; MONTserrat—Plymouth;
 NEVIS—Charlestown;
 ST. KITTS—Basseterre; TOBAGO—Scarborough;
 TRINIDAD—Port of Spain and San Fernando;
 BRITISH HONDURAS—Belize;
 BRITISH GUIANA—Georgetown, New Amsterdam, and Rose Hall (Corentyne).

LONDON, ENGLAND
 Bank Bldgs.,
 Princes Street, E.C.

NEW YORK CITY
 Cor. William and
 Cedar Streets.

Business Accounts carried upon favorable terms.
 Savings Department at all Branches.

The Standard Bank of Canada
 Quarterly Dividend Notice No. 109

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending January 31st, 1918, and that the same will be payable at the Head Office in this City and at its Branches on and after Friday, the 1st day of February, 1918, to Shareholders of record of the 23rd of January, 1918.

The Annual General Meeting of the Shareholders will be held in the Head Office of the Bank in Toronto on Wednesday, the 27th of February next, at 12 o'clock noon.

By order of the Board,
 C. H. EASSON,
 General Manager

Toronto, December 21st, 1917.

AUSTRALIA and NEW ZEALAND
BANK OF NEW SOUTH WALES
 (ESTABLISHED 1817)
 AUSTRALIA

PAID UP CAPITAL -		\$ 18,526,600.00
RESERVE FUND -		13,625,000.00
RESERVE LIABILITY OF PROPRIETORS		18,526,600.00
		\$ 50,678,200.00
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

(New Edition Now Ready) (Send in Orders Now)

**Manual of
 Canadian Banking**

By H. M. P. ECKARDT

Price - \$2.50 Postpaid

Published by
 THE MONETARY TIMES, 62 Church St., TORONTO

The Northern Trusts Co.
 Executor, Administrator, Trustee

No moneys on deposit; No Bonds or Debentures issued

The clause in the Company's Charter enabling it to include in its activities the acceptance of moneys on deposit and the issue of Bonds and Debentures was, at the special request of the original Directorate, struck out.

Sole liability to the public represented by Guaranteed Mortgage Investments to an amount not exceeding the paid up Capital of the Company, and secured in each instance by improved Farm and City Property to the value of more than double the amount of the mortgage investment.

Head Office .. Winnipeg

CANADIAN HOLDINGS OF UNITED STATES STEEL

Foreign holdings of United States Steel Corporation common stock at the end of the quarter closed December 31st, 1917, amounted to 484,190 shares, a gain over the total on September 30th of 7,681 shares. This was the first increase in the ownership of Steel shares outside the United States since the great liquidating movement began after the outbreak of war in 1914. In the September quarter the corporation's stock books showed a slight decline from the June quarter's holdings, but previously the quarterly shrinkage had been extensive, particularly in 1915. At the end of June, 1914, fully 1,274,247 shares of common stock were owned abroad.

The largest gain for any outside country was shown by Canada in the December, 1917, quarter, the 41,639 shares then being 7,659 shares more than the aggregate net gain by all the nations combined being reduced in the final result through a decline of the holdings of other countries. England's block of stock, amounting to 173,074 shares at the end of 1917, was 30,000 shares fewer than on September 30th. French owners increased their holdings by about 200 shares, while Holland's remained unchanged. Germany reduced her holdings of both common and preferred somewhat, and Austria reduced her preferred stock ownership substantially, the reports of these changes coming presumably through neutral countries where the shares were sold.

UNITED STATES COAL EXPORTS

Reduction in exportation of coal from the United States suggested by Fuel Administrator Garfield will probably not affect the rank of the United States as a coal exporting country, says a New York despatch. A compilation by the National City Bank, of New York, shows that the United States, prior to the war, held third rank as a coal exporting nation, but, with Germany now cut off from the rest of the world, it has taken second place.

Great Britain, Germany and the United States have for many years supplied the bulk of the coal used in international trade. In 1913 the total amount of coal exported from coal producing countries was, in round figures, about 200,000,000 tons, of which approximately 40,000,000 tons was bunker coal, while a considerable portion of that classed as exported went to the world's coaling stations to be supplied to vessels. The value of the bunker coal used in normal times aggregates \$250,000,000 out of a total of \$700,000,000 worth passing out of the coal producing countries. In 1913, the year preceding the war, Great Britain exported coal of all kinds amounting to 93,000,000 tons; Germany, 40,000,000 tons; the United States, 29,000,000 tons, while Austria-Hungary was fourth with about 9,000,000 tons.

Much of the 200,000,000 tons exported before the war went to adjacent territories and a much smaller amount than is generally supposed went overseas. In 1917 the United States exported about 32,000,000 tons, of which more than 17,000,000 tons went to Canada, and about 8,000,000 passed into the bunkers of ocean vessels. Exports of coal to Canada for the past year were the largest in the history of the country, and the value is placed at \$58,000,000, about one-fourth of the quantity being anthracite. The total value of all the coal exported and passed into bunkers for the year amounted to \$113,000,000.

WANTED

MONETARY TIMES—Vol. 41, 1907-08

An old subscriber to The Monetary Times desires to complete his files, and in order to do so would like to secure a copy of Volume 41—1907-08

Anyone possessing such a volume and caring to dispose of it is asked to address "Bound Volume"

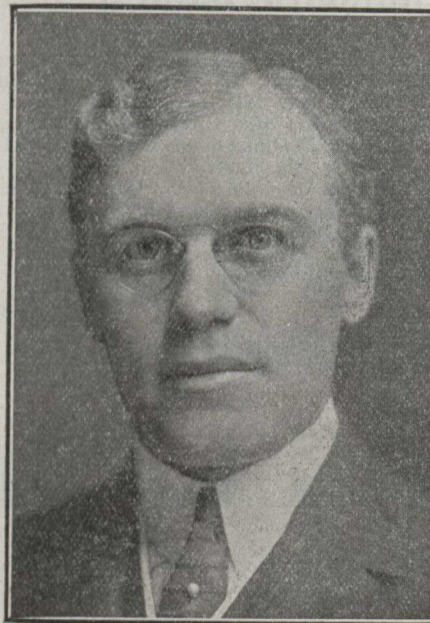
MONETARY TIMES - 62 Church St., Toronto

PERSONAL NOTES

MR. K. J. DUNSTAN has been elected vice-president of the Toronto board of trade. He is manager at Toronto of the Bell Telephone Company of Canada.

MR. C. MARRIOTT has been elected vice-president of the Toronto board of trade. For many years he has acted as treasurer of the board. He is a partner in the wholesale milling house of G. Goulding & Sons.

MR. G. A. MORROW, president of the Imperial Life Assurance Company of Canada, has just received an honor from the King under the new Order of the British Empire. Mr. Morrow is vice-president of the Dominion Securities Corporation and one of Canada's leading financiers. He was born in 1877, at Millbrook, Ont. He is a son of J. M. and Mary (Laisley) Morrow, both born in Canada of Scotch and Irish descent. He received his early education at the Peterboro Collegiate Institute. For three years after leaving college his first position was in the wholesale commercial business. Then he entered the financial field, in which he has shown



(British and Colonial Press Photo.)

G. A. MORROW, TORONTO,

President, Imperial Life Assurance Company of Canada, recently honored by the King under the new Order of the British Empire.

great activity. He is interested in many corporations. Besides being vice-president and assistant manager of the above companies, he is a director of the Imperial Guarantee and Accident Company, the Western Assurance Company, the British-America Assurance Company, the Central Canada Loan and Savings Company, and the Mississippi River Power Company. His interesting remarks on the life insurance business last week are printed on another page.

MR. JOSEPH BURR TYRRELL, B.M.A., B.Sc., F.G.S., one of Canada's foremost geologists, explorers and mining engineers, has been awarded the Murcheson medal by the Geological Society of London, England. Mr. Tyrrell has spent many years in exploration work in Alaska and Hudson Bay. The Murcheson medal was founded in memory of Sir Robert Impey Murcheson, a famous British geologist, who died in 1871.

MR. SAMUEL TREES, a well-known business man, and formerly a member of the Toronto city council, died at the Wellesley Hospital on January 14th. At the time of the Crimean War he was appointed by the British government as an inspector of saddlery supplies to the army, having been in the saddlery business since he left high school. He was an Englishman, a staunch Conservative, and a leading member of All Saints' Anglican Church.

THE BANK OF OTTAWA

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

94 Branches in Canada

START THE NEW YEAR RIGHT

By opening a Savings Account in the Bank of Ottawa

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

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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.

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. Wilton Ave.
1871 Dundas St., Cor. High Park Ave.

**BRANCHES AND CONNECTIONS
THROUGHOUT CANADA**

THE STERLING BANK

OF CANADA

To co-operate with our clients in the solution of their business problems is part of Sterling Bank service.

Head Office
King and Bay Streets, Toronto 54

ESTABLISHED 1865

Union Bank of Canada

Head Office - WINNIPEG

Paid-up Capital	\$ 5,000,000
Reserve	3,400,000
Total Assets (Over)	143,000,000

BOARD OF DIRECTORS

Hon. Pres., SIR WILLIAM PRICE President, JOHN GALT, Esq.
Vice-Presidents, R. T. RILEY, Esq.; G. H. THOMSON, Esq.

W. R. Allan, Esq.	Major-General Sir John W. Carson.	J. S. Hough, Esq., K.C.
G. H. Balfour, Esq.	B. B. Cronyn, Esq.	F. E. Kenaston, Esq.
Hume Blake, Esq.	E. L. Drewry, Esq.	R. O. McCulloch, Esq.
M. Bull, Esq.	S. Haas, Esq.	Wm. Shaw, Esq.

H. B. SHAW, Gen. Manager
J. W. HAMILTON, Assistant General Manager

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.
New York Agency, 49 Wall Street, New York City.
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.

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BANK OF HAMILTON

HEAD OFFICE, HAMILTON

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

DIRECTORS

SIR JOHN HENDRIE, K.C.M.G., President.
CYRUS A. BIRGE, Vice-President.

C. C. Dalton	W. E. Phin	W. A. Wood
Robert Hobson	I. Pitblado	J. Turnbull

J. P. BELL, General Manager.

BRANCHES

ONTARIO

Ancaster	Grimsby	Mitchell	Selkirk
Atwood	Hagersville	Moorfield	Simcoe
Beamsville	Hamilton	Neustadt	Southampton
Blyth	" Barton St.	New Hamburg	Teeswater
Brantford	" Deering	Niagara Falls	Toronto
" East End	" East End	Niagara Falls, S.	" Queen &
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LIFE INSURANCE LEGISLATION

Differences in Provincial Legislation Affecting Life Insurance Contracts in Canada

BY WILLIAM B. TAYLOR, B.A., LL.B.

(Second Article.)

Ontario.

Beneficiaries:

A. Beneficiary must be the parent, bona fide donee, grantee or assignee, or entitled under the will of the insured or by operation of law, otherwise the beneficiary must have a pecuniary interest in the life.

Beneficiaries are divided into

1. Ordinary beneficiary.
2. Preferred beneficiary.
3. Beneficiary for value.

The insured may revoke the interest of an ordinary beneficiary at any time by suitable writing or by his last will and declare the policy payable to another beneficiary or to himself or his estate.

Preferred Beneficiaries:

B. Preferred beneficiaries include husband, wife, children, grandchildren and mother of insured.

The nomination of a preferred beneficiary constitutes a trust in favor of such beneficiary and the money payable under the contract is withdrawn from the control of the insured.

In case of the death of a designated preferred beneficiary, the insured in Ontario has power to declare the share of such preferred beneficiary so dying shall be for the benefit of the insured or his estate, and in default of making such declaration, the share of the preferred beneficiary so dying shall be for the benefit of the surviving nominated preferred beneficiaries, except where the person so dying is a child of the insured and leaves issue, in which case such issue shall be entitled to the share, and in default of there being a surviving preferred beneficiary and no issue entitled to take the share, the insurance shall be for the benefit in equal shares of the wife and children of the insured living at his death, the child of a deceased child taking the share the parent would have taken if living, and in case there is no surviving wife, child or grandchild entitled, the insurance becomes part of the estate of the insured.

Among the class of preferred beneficiaries, the insured may revoke an interest and make new appointments within that class only.

Manitoba.

Beneficiaries:

A. A husband may insure for the benefit of his wife and their children, or for the benefit of his wife, his, her and their children, or for the benefit of his wife or his and her children generally, and a father or mother may insure his or her life for the benefit of his or her children or any of them.

Whatever a man may lawfully do in respect of effecting insurance, may also be done under like conditions by a woman.

Beneficiaries are divided into

1. Ordinary beneficiary.
2. Preferred beneficiary.
3. Beneficiary for value.

Preferred Beneficiaries:

B. Preference is given in Manitoba to the wife, husband and children, and the nomination of any of this class by an insured constitutes a trust in favor of such member of the class and such moneys are not subject to the claims of the insured creditors. The insured has power, however, to revoke the interest of any beneficiary at any time and declare the policy payable to himself or his estate, so that in Manitoba the word "preferred" cannot be applied to any of the beneficiaries under an insurance contract to the same extent as it is effective in some of the other provinces.

Where a child entitled predeceases the insured the descendants of such predeceased child take his share by representation.

Saskatchewan.

Beneficiaries:

A. The insured may bona fide at his own cost place insurance on his life and may appoint any one beneficiary, whether the latter has or has not an insurable interest in the life of the insured.

Beneficiaries are divided into

1. Ordinary beneficiary.
2. Preferred beneficiary.
3. Beneficiary for value.

Preferred Beneficiaries:

B. Preferred beneficiaries include husband, wife, children, grandchildren and mother of the insured.

The appointment of a preferred beneficiary creates a trust in favor of such beneficiary and withdraws the money from the control of the insured, except as to apportionment in that class or an appointment of another member within that class.

In the case of the death of one or more or all of the designated preferred beneficiaries, the insured has the same power over the share of such preferred beneficiary as exists in Ontario.

Among the class of preferred beneficiaries, the insured may revoke an interest and make new appointments within that class only.

Alberta.

Beneficiaries:

A. Any person of the full age of 21 years may effect bona fide at his own charge insurance on his own life for the benefit of himself or for his estate or for the benefit of any other person.

The insured may designate the beneficiary by any mode or declaration as defined by the insurance act and may appoint, apportion the same, alter or revoke the beneficiary, add to or substitute new beneficiaries or divert the insurance money wholly or in part to himself or his estate, except as against a beneficiary for value (expressly stated) and subject to the provisions of the act referring to preferred beneficiaries.

Beneficiaries are divided into 3 classes

1. Ordinary beneficiary.
2. Preferred beneficiary.
3. Beneficiary for value.

On the death of an ordinary beneficiary and no further disposition is made by the insured, the benefit of the insurance reverts to the insured or his estate.

Preferred Beneficiaries:

B. Preferred beneficiaries include the husband, wife, child, grandchildren and mother of the insured.

The interest given to a preferred beneficiary creates a trust in favor of such beneficiary and the insured has power only to alter the appointment to the extent of making an appointment within the class known as preferred beneficiaries.

If one or more or all of the designated preferred beneficiaries predecease the insured, he has the same power as in Ontario as to making a new provision as to the lapsed share or benefit.

British Columbia.

Beneficiaries:

A. There is no special provision in the insurance acts of this province referring to insurance placed by the insured on his life for the benefit of an ordinary beneficiary and the general powers of contract would indicate that he has this privilege where the premium is paid by the insured.

The insured may insure his life for the benefit of his wife or his wife and children or wife and some of his children, and may apportion the amount of insurance among them, may vary a previous declaration or apportionment, extending, transferring and limiting the benefits of the policy to any within the class

Beneficiaries are divided into

1. Ordinary beneficiary.
2. Preferred beneficiary.
3. Beneficiary for value.

Preferred Beneficiaries:

B. Preferred beneficiaries consist of the husband, wife and children of the insured. In case of the death of a preferred beneficiary the insured may nominate another of that class to take the share of the deceased, and in case no new appointment is made the share goes to the surviving beneficiary or beneficiaries in equal shares and in case there are no such surviving beneficiary or beneficiaries, the share becomes the property of the insured.

Quebec.

Beneficiaries:

A. The insured may insure his life for the benefit of his wife and his, or her children or any of them.

Such insurance may be for life or a definite term and payable upon surviving a specified period, but not less than 10 years.

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A married woman may effect insurance and appropriate it without the authorization of her husband.

Insurance may be placed bona fide by the insured on his own life and made payable to an ordinary beneficiary which would consist of those outside of the class above referred to.

Beneficiaries are divided into

1. Ordinary beneficiary.
2. Preferred beneficiary.
3. Beneficiary for value.

Preferred Beneficiaries:

B. Preferred beneficiaries consist of the wife, children and stepchildren.

Where the insurance is for the benefit of wife and children if no apportionment, the insurance is divided among them as specified in the act, the wife taking one half and the children the other half, subdividing equally.

If the insurance is for the benefit of the wife, child or children without apportionment and the wife predeceased the insured, the children take her share and if the child or children predecease, the wife takes their share.

Where a child specified by name predeceases the insured, the issue of such child take by representation.

Where the policy is in favor of wife, children or grandchildren or any of that class, the insured has power to revoke the interest of any member of that class in favor of any other member.

Where the wife predeceases the husband and is the sole beneficiary, her interest reverts to him whether she leave issue or not.

Reversion in favor of the husband takes place where the child who was sole beneficiary dies without issue.

Except in the case where wife, children or grandchildren are the beneficiaries, the insured cannot change the beneficiary where notice of such appointment has been made and accepted by a beneficiary, or the beneficiary has signified his consent to the benefit. If such has not taken place, however, it appears the insured in Quebec may revoke the interest of an ordinary beneficiary.

(To be Continued.)

[The articles of Mr. Taylor, of which the above is the second, will be reprinted by *The Monetary Times* in pamphlet form and will constitute a valuable reference. Orders are being received now.]

WAR MORTALITY OF CANADIAN LIFE COMPANIES

Mr. J. B. McKechnie, F.I.A., general manager and actuary of the Manufacturers Life Assurance Company, Toronto, in a review in the *Toronto Globe* of the Canadian life insurance situation during 1917, calls attention to the important question of the effect of war mortality upon the Canadian life companies. Prior to and including the year 1914, the death rate among insured lives in Canada, he points out, remained fairly stationary at between seven to eight per 1,000. In 1915 this increased slightly, and in 1916 a further increase was shown. For 1917, Mr. McKechnie suggests that, while some companies have been more fortunate than others, the death rate will average about 11 per 1,000.

The question that will arise in the minds of all those interested in life insurance, and particularly of the hundreds of thousands of policyholders who are looking to the life insurance companies for the protection of their families in case of their death, says Mr. McKechnie, is whether the strain of the war is impairing the efficiency of the life insurance companies. To this question a very decided reply in the negative can be made. The life insurance business in Canada has been built upon scientific principles, and these principles have been carried out in a most conservative manner.

The financial strength of the life insurance companies is such, Mr. McKechnie proceeds, that a mortality of 100 per cent. could be experienced for many years, and still very fair dividends be paid to policyholders. An increased death rate may possibly have the effect of lowering the dividends to policyholders, but the reserve necessary to mature the policy is left unimpaired. Policyholders, therefore, may rest assured that the life insurance companies will continue to serve them as in the past, and that they will be able to carry out their obligations to the fullest extent.

ORGANIZING FOR TRADE

New Department Has Been Inaugurated by the Imperial Government

Further information comes to hand in the latest English mails regarding the important reorganization of the British trade intelligence service. A new department has been inaugurated and will be housed in a building to be erected next to the foreign office, but for the present its headquarters are at the offices of the Commercial Intelligence Department of the Board of Trade in Basinghall Street, London. At a recent conference with representatives of the leading daily and trade newspapers Sir Arthur Steel-Maitland, M.P., explained that the origin of the new department arose from the differences of opinion which existed between the foreign office and the board of trade as to which should control the consular service and the commercial attachés of the various British embassies and legations, and also the superintendence of a good deal of the overseas trade of Great Britain. The formation of a joint department was in a sense a compromise, as it was obvious that the commercial relations with a foreign country might involve political considerations.

Trade and Diplomacy.

He hoped to prevent overlapping of the two departments—the foreign office and the board of trade—in future by carefully delimiting the spheres of action of each. As a general rule, when the matter to be dealt with concerned special business interests such as commercial treaties, it would be handled by the appropriate department of the board of trade; but when the business became predominantly political and not commercial the foreign office would deal with it. Sir Arthur gave as an obvious instance the Baghdad Railway as a commercial matter involving highly important political considerations.

The new department, therefore, will absorb several sub-departments of the board of trade and the foreign office, including: (1) The commercial intelligence department of the board of trade; (2) the war trade intelligence department of the foreign office; (3) the foreign trade department of the foreign office.

War Trade Problems.

The direction of the commercial and consular department of the foreign office will also be placed under the personal supervision of Sir Arthur Steel-Maitland until it is possible to combine the four groups in the new building. The war trade intelligence department of the foreign office, created to deal with problems of trade connected with the war and the blockade, will be "worked in" as soon as its war work is completed. The foreign trade department of the foreign office, which deals with questions of enemy traders with a view to putting them on the statutory list, and, constructively, in replacing friendly for inimical firms, will also be assimilated.

A scheme has also been devised for grouping the United Kingdom according to trade and industry, and the overseas countries in subsections geographically, so as to bring the two readily and easily in touch. The new department will not only collect information, but it will have the power to take action in matters relating to trade, and will deal with all questions affecting the welfare and promotion of the trade of the country, subject to the political and commercial reservations above mentioned.

Practical Advisory Committee.

It is intended to form an influential and practical advisory committee of representatives of finance, commerce, manufacturing interests, and labour to tackle new problems and formulate proposals. Important alterations are to be made to the "Board of Trade Journal" as soon as existing contracts expire. The status of trade commissioners of the board of trade dealing with the trade of the British Empire, and of consuls and attachés of the foreign office concerned with trade in foreign countries, is to be improved, and the salaries of these gentlemen increased, plus allowances according to local circumstances.

A recent investigation conducted in London, England, resulted in the conclusion that an all-round increase of 10 per cent. in wages and in the cost of commodities on the home market involves an increase in national expenditure of about \$650,000,000.

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CANADA'S FLAX PRODUCTION

Irish Linen Problem To-day Affords Opportunity to Dominion

(From a Belfast Correspondent.)

In Belfast at present the wages paid by the big linen mills, and also by the collateral shipbuilding industry, are so enormous that the trade in fur coats has never known such a boom. Nevertheless, though presently in the height of prosperity from the aspect of the worker, it is doubtful if ever the Irish linen business was so involved in a more tangled skein of doubts and troubles than just now. The Irish harvest is so far above the average as to give 26,000 tons of flax possibly as the production. But when you reckon that this is marketed at something approaching \$1,100 per ton it makes the raw, rough and undressed fiber value for 25 cents per pound, and in its further stage as flax yarn worth four times that figure. But the big linen trade of the world is not by any means entirely dependent on Irish-grown flax even if it is very largely based on Irish manufactured linens. The foreign supply of flax to hand is up to that of last year so far, both in quality and quantity, but with Russia's disastrous defection from the ranks of the allies no more can be expected from this quarter now, nor when the ice breaks in spring again.

Severe Restrictions Imposed.

Nor can any seed for sowing be anticipated either, from Russia. To supply the average trade demands for linen this total supply of flax at present accumulated in Ireland would be altogether insufficient for the world. So the situation is made even worse now that the government as an extra special customer insists that its order—and only the initial order to boot—for fifty millions of fine aeroplane linen must be first fulfilled. It may be deduced then that Canada, the United States, South America and Australia must perforce go without linen, or accept cotton instead.

Already the British government has put severe restrictions on the supply of Irish flax to spinners. They are now allowed only one-half of their usual consumption, and in some cases have to struggle through without any. Export of linen yarns had been forbidden entirely, and it may be only a matter of weeks before the production of linen not intended for government purposes is entirely interdicted.

Even Unions Uncertain.

The introduction of substitutes is at all times hazardous to the right development of any industry. To-day margarine has largely replaced butter, and when peace times return it is probable that millions, who some years ago were insistent on butter, will not display so persistent a preference. Yet the Belfast linen manufacturers had hopes that by offering their customers unions—flax and cotton mixture cloths—with all the finish and smartness that made the Irish turned out linens world famous, they could retain their patronage. It now would seem, however, that with the rigorous control of flax such may be debarred from being so used to constitute the wefts so necessary for these union fabrics. As a matter of fact, this impending fear has already sent up the prices of unions 15 per cent. within a few weeks.

Many of the linen looms are unsuitable for cotton weaving, and in this branch of the textile producing Belfast manufacturers willingly admit that neither in their looms, their workers' adaptability, their own financial finesse, nor in their methods of marketing, could they hope to compete in any degree of profitable success with Lancashire producers. Yet withal no avenue is open to their energies save in fancy cottons, voiles and other goods suitable for blouses, cotton damasks, etc.

Outlook is Threatening.

No prospect of any change for the better is apparent. Indeed, there is full probability that the situation will grow much worse before it dawns better. Already hanging over the linen industry, like a black cloud, is the impending fear that such supply of flax seed as will be forthcoming for next spring's sowing will be not alone insufficient but of too poor and unpromising quality as to lend any great hopes of any successful home grown crop.

Moreover, even should the 1918 Irish crop be at all equal to last season's, the greater supply from Russia—on which the Irish linen manufacture was altogether dependent for four-sixths of its raw material—will be subverted to Germany.

And this would give our Hun enemy an advantage which years could not overtake in the world's markets. The Russian debacle came too late in the year to have procured Russian seed and to have arranged for flax supplies to be forthcoming elsewhere during next year. It is the verification once again of what disastrous consequences may follow the fallacy of keeping one's eggs in one basket only.

Can Canada Help?

Withal the situation is accepted philosophically by the half-million of people who are associated with the great linen industry which that little corner of north-east Ireland has for a couple of generations past made the hub of the world's supply. The same policy is not to give way to despair, but to find the best way out. The silver lining in the black cloud is that linen may soon provide Canada's opportunity to supply not alone a goodly portion of the flax fibre for next autumn's linen manufacture, but also to provide much of the seed. If this should prove to be so Canada and Ireland will have forged a bond of commerce and intimacy which is certain to be indissoluble.

NATIONAL LIFE INSURANCE COMPANY

A good statement was presented by the directors of the National Life Insurance Company, Toronto, at the annual meeting last week. The volume of business in force at the end of the year was \$22,686,816. This compares with a total of over \$23,000,000 a year ago. The decrease in the amount is accounted for, the company explains, by writing lapsed policies off the books, thus giving the company a volume of business in force which, it is thought, will be comparatively little affected by lapsation. The premium income last year was \$777,854. The cash interest income amounts to \$181,393, showing an increase over 1916 of \$20,254. This is more than sufficient to meet the death claims occurring in 1917, which were \$166,596 net, the gross being \$193,286. This difference was made by payment of policies reinsured with other companies.

The company has included in the liabilities all war claims of which notice has been received, notwithstanding the fact that the war claims are not a claim until receipt of official certificate from the military department at Ottawa. Apart from the proper reserve, the company has provided for and charged as a liability the sum of \$86,844 as extra reserves. Heretofore the National Life did not charge as a liability commissions in process of adjustment with agents. This year there has been included as a liability under this heading the sum of \$7,538.

There was also charged as a liability all taxes payable in 1918, amounting to \$8,781, also interest on policy loans paid in advance, amounting to \$10,944. After all of these deductions the surplus to policyholders was \$350,014. The increase in assets for the year was \$435,477.

According to the government blue book for 1916, the total cash income of the company, including reinsurance premiums of \$40,188, was \$703,723. For the year 1917 it was \$942,427, which is an increase in income of \$238,703. The average rate of interest on investments is 5.44 per cent. No interest or principal is overdue or in arrears on any of the invested funds of the company. This record has been maintained for over eighteen years—a very satisfactory record. The amount of new assurance received for 1917 was \$5,000,000, and the amount for which policies were issued was \$4,336,237. The gain in assurance in force for the year was \$1,448,669. The total amount paid out for war claims since the beginning of the war is \$93,726.

Mr. Albert J. Ralston is first vice-president and managing director of the company, and Mr. F. Sparling is secretary. Mr. Elias Rogers heads an active directorate. The company has also an excellent field force.

Two orders were issued by the board of grain supervisors at Winnipeg on January 11th, one fixing the price of No. 3 Ontario winter wheat at \$2.10 per bushel, basis in store Montreal, to be effective as from January 10th until August 31st, and the other that the Canadian Northern Railway unload all cars of wheat shipped east from points on designated subdivisions into the government elevators at Saskatoon for account of the Wheat Export Company.

The Hamilton Provident and Loan Society

Capital Subscribed \$2,000,000.00
 Capital Paid-up 1,200,000.00
 Reserve and Surplus Funds .. 1,091,062.50
 Total Assets 4,662,881.00

Debentures of this Society are a legal investment for Trust Funds and carry highest current rate of interest.

Savings Department. Interest allowed on daily balance. Withdrawable by cheque.

MONEY TO LOAN. CORRESPONDENCE INVITED

Head Office, King Street, HAMILTON, Ont.

GEORGE HOPE, President

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

THE CANADA TRUST COMPANY

has had over sixteen years of successful experience in handling Estates. It is closely affiliated with the Half-Century-Old Huron and Erie Mortgage Corporation.

Head Office - - - London, Canada

T. G. MERBDITH, K.C.,
 President

HUME CRONYN,
 General Manager

Be sure your WILL is made, naming a Strong TRUST COMPANY as your

EXECUTOR

Ask for Booklet: "The Corporate Executor."

CAPITAL, ISSUED AND SUBSCRIBED ...\$1,171,700.00
 PAID-UP CAPITAL AND RESERVE 860,225.00

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

HEAD OFFICE: WINNIPEG, CAN.

BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
 VANCOUVER AND VICTORIA

5%

Absolute Security

OVER 200 Corporations, Societies, Trustees and Individuals have found our Debentures an attractive investment. Terms one to five years.

The Empire Loan Company
 WINNIPEG, Man.

THE ONTARIO LOAN & DEBENTURE CO.

LONDON INCORPORATED 1870 Canada

CAPITAL AND UNDIVIDED PROFITS .. \$3,550,000

5% SHORT TERM (5 YEARS) **5%**
 DEBENTURES
 YIELD INVESTORS

ASSETS OVER \$8,000,000

JOHN McCLARY, President

A. M. SMART, Manager

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

THE TORONTO MORTGAGE COMPANY

Office, No. 13 Toronto Street

Capital Account, \$724,550.00 Reserve Fund, \$560,000.00

Total Assets, \$3,214,596.44

President, SIR WM. MORTIMER CLARK, LL.D., W.S., K.C.

Vice-Pres., WELLINGTON FRANCIS, K.C.

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

A TWOFOLD DUTY

1. Make a will.
2. Appoint a suitable executor.

—Otherwise you do less than you owe to those dependent upon you.

Write to us for the reasons why trust companies have come to be recognized as the best executors.

National Trust Company
 Limited

Capital Paid-up, \$1,500,000

Reserve, \$1,500,000

18-22 KING STREET EAST, TORONTO

WORK OF RAILWAY WAR BOARD

It Has Been of Marked Service to Country, Says General Secretary Seal

"The railway situation in Canada," said Mr. W. M. Seal, general secretary of the Canadian Railway War Board, in an interview in New York, "differs from the situation in the United States in three respects. First, the Canadian roads have been dealing with war conditions since August, 1914; the American for only a few months. Second, Canada's chief railways, unlike the American roads, are nation-wide in organization and operation. In dealing with nation-wide conditions each Canadian transcontinental has unity of control over its coast-to-coast traffic. But in the United States strategic manipulation of traffic has been most difficult owing to the fact that there is no American railway, singly controlled, running from Atlantic to Pacific. Control of American coast-to-coast movement can only be had by joining up many different roads, each with a different management and different usages.

Results of War Board's Differ.

"Third, the fact that there are in the United States 700 railways, whereas in Canada there are only three large systems (and less than sixty roads, counting small and large as well), made the work of the American Railroads' War Board difficult of success, while the work of the Canadian Railway War Board has already been of marked service to the country. A war board that can co-ordinate the activities of three or four big lines faces a very different proposition when the number of roads is raised by hundreds. In Canada to-day shortages on road are taken care of at once, out of the surpluses of sister roads. Congestion on one is handled by all the roads working in concert through the Canadian Railway War Board.

Shortage of Cars Owing to America's Condition.

"Although, owing to American conditions, Canada is still short many thousands of her own cars detained in the United States, in the meantime shortages in such things as potato cars, apple cars, coal cars or engines, trackage, or terminal facilities, are constantly and almost instantly met through the Canadian Railway War Board. Needless to say, the round-about routing of freight, which was one of the features of American railway competition does not exist in Canada."

The Dominion government has appointed a special committee of six members of the Dominion cabinet to make a study of the Canadian railway situation. The proposed increase in freight rates is not to go into effect until this committee hands down its report. The committee is headed by the Hon. Mr. Reid, minister of railways.

TROUBLES OF RUSSIAN BONDS

The cabled statement of a London daily last week to the effect that the Bolsheviks planned to repudiate all Russian bonds in the hands of foreigners, and almost all of the bonds held by Russian subjects, caused a drop of 7 to 9 points in the external bonds in this market; the 5½s dropped to 43 and the 6½s to 48. Eighteen months ago, when the bonds were brought out, 5½s sold at 94½ and the 6½s at 102¼.

The full text of Chancellor Bonar Law's remark to the Imperial parliament on the rumors of Russia's repudiation of her foreign debt has been received in Canada. In the committee of ways and means he said:—

"I do not think the committee ought to exaggerate the meaning of what had happened in Russia. It is not too much to say that no great state has ever entirely repudiated its national debt, and even in a country like Turkey, although there has been modification, there has never been complete repudiation. Russia is a country with probably as great natural resources as any other country in the world, and it is almost certain that, sooner or later, there will be a stable government there.

"But there is something more. If there was ever a stable government there, Russia, perhaps more than most countries, knows that the development of its resources and its prosperity would be impossible without financial assistance from other countries, and she also knows that that financial assistance would be impossible unless its previous debts were accepted by her government. I, for one, do not believe that the money will not be recovered sooner or later by this country."

WORLD TRADE LARGEST IN HISTORY

United States Leads With Nine Billions, Great Britain Second With Seven Billions

International trade of 1917 will show a larger total than in any earlier year, according to an estimate of the National Bank of New York. It includes eleven months' actual figures for the United States and United Kingdom, ten months for Canada and somewhat shorter periods for the other principal countries, covering, however, a sufficient proportion of the year to justify an estimate that the total international trade of the year will be the largest in history.

In the case of the United States the total trade of the year is estimated at approximately \$9,000,000,000, against less than \$4,000,000,000 in 1913. In Great Britain the total for the eleven months is over \$7,000,000,000, against \$5,750,000,000 in 1913. Canada's total for ten months ending with October is over \$2,000,000,000, against \$88,000,000 in the same months of 1913, and Japan for the nine months ending with September \$914,000,000, against \$507,000,000 in the corresponding months of 1913. For France no official figures are available for 1917, though the imports estimated by an examination of figures from other countries to France are apparently about 50 per cent. more than in 1913.

In the Central Powers no official figures are available, though it is known that their over-sea trade is, of course, cut off; they have imported very largely from adjacent neutral countries and the exchanges between the countries forming the group now known as the "Central Powers," have also been very great. In the Allied countries a part of their trade, that conducted by or on behalf of the government, has been omitted from the official figures.

Trade of the Allies.

The largest change is that of the Allies. The total trade of Great Britain, France, Italy, Russia, United States, Canada and Japan in 1913 was a little more than \$18,000,000,000, while the figures thus far reported for the current year suggest that their total for 1917 may approximate \$25,000,000,000.

The neutral sections of the world show little change in their grand total of trade in 1917 as compared with 1913, though there are marked changes in its characteristics. In South America the imports of 1917 are far below those of 1913, in which year the imports of that continent were the highest in its history. The imports of all South America in 1913 exceeded \$1,000,000,000, and the 1917 official reports from that continent up to this time indicate that the total imports of 1917 will be little more than half those of 1913, though the 1917 exports will apparently exceed those of 1913 by about 25 per cent.

Oriental Trade.

Oriental trade of 1917 will somewhat exceed that of 1913. In Japan exports are double those of 1913, and imports show an increase of about 50 per cent. In China the imports show a decline, and while there is a good demand for her silk at high prices, the best markets for her tea have been difficult of access. India shows a decline in imports and a slight reduction of exports, due chiefly to lack of transportation. The great rubber plantations of Ceylon, the Malayan Peninsula and the Dutch East Indies, however, show large increases in their production and sales, and the sugar output of Java was larger and at higher prices than formerly.

The neutral countries of Europe show material increases in the value of their exports, but slight decreases in the value of their imports.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended January 11th, 1918:—

La Rose Mines, 106,370; Right-of-Way Mines, 103,085; Beaver Mines, 79,971; Tretheway Mines, 40,000; McKinley-Darragh-Savage Mines, 84,211; Temiskaming Mining Company, 74,008; Dominion Reducing Company, 257,300; Buffalo Mines, 190,935; O'Brien Mine, 128,010. Total, 1,063,890 pounds, or 531 tons.

The total shipments since January 1st, 1918, now amount to 1,807,532 pounds, or 903 tons.

FORTY-NINTH ANNUAL MEETING OF The Royal Bank of Canada

SIR HERBERT HOLT, PRESIDENT, DEALS WITH PRINCIPAL FACTORS THAT HAVE CONTRIBUTED TO PROSPERITY OF COUNTRY, ADVISING CAUTION IN GOVERNMENT ASSUMING TOO GREAT POWERS.

Mr. Edson L. Pease, Managing Director, Recommends Establishment of a Bank of Re-discount, Patterned After the Federal Reserve Bank in the United States.

Mr. C. E. Neill, General Manager, Deals with Progress Made by the Bank During the Year, and Pays Highest Tribute to Over One Thousand Members of Staff Who Have Served Overseas.

The Forty-Ninth Annual General Meeting of the Shareholders was held at the Head Office of the Bank in Montreal, on Thursday, January 10th, at 11 o'clock a.m., Sir Herbert S. Holt in the chair.

Mr. S. D. Boak acted as secretary of the meeting, and Messrs. A. Haig Sims and Alex. Paterson as scrutineers.

The Directors' Report was read by the General Manager, Mr. C. E. Neill.

DIRECTORS' REPORT.

The Directors have pleasure in submitting to the Shareholders the Forty-Eighth Annual Report, for the year ending November 30th, 1917, accompanied by the Statement of Assets and Liabilities.

PROFIT AND LOSS ACCOUNT.

Balance of Profit and Loss Account, November 30th, 1916	\$	852,346.28
Profits for the Year, after Deducting Charges of Management and all other Expenses, Accrued Interest on Deposits, full Provision for all Bad and Doubtful Debts and Rebate of Interest on Unmatured Bills		2,327,979.51
		\$3,180,325.79
Appropriated as follows:—		
Dividends Nos. 118, 119, 120 and 121, at 12 per cent. per annum	\$1,549,404.00	
Transferred to Officers' Pension Fund	100,000.00	
Written Off Bank Premises Account	250,000.00	
War Tax on Bank Note Circulation	128,357.26	
Contribution to Patriotic Fund ..	60,000.00	
Transferred to Reserve Fund	528,300.00	
Balance of Profit and Loss Carried Forward	564,264.53	
		\$3,180,325.79

The Assets of the Bank have recently been subjected to the usual careful revaluation.

Branches have been opened during the year as follows: In **Quebec**—Montreal, Bonaventure; Montreal, Sherbrooke and Draper; in **Saskatchewan**—Chamberlain, Dodsland, Swanson, Unity; in **Nova Scotia**—Clarke's Harbour, La Have, Middle Musquodoboit, New Germany; in **Newfoundland**—Marystown; in **Cuba**—Moron, Florida; in Venezuela—Ciudad Bolivar, Maracaibo, Puerto Cabello; in the **Dominican Republic**—Puerto Plata; in the **British West Indies**—Charlestown, Nevis; Plymouth, Montserrat; Scarborough, Tobago; Speightstown, Barbados.

The following branches were closed:—in **Quebec**—Montreal, St. Viateur Street, St. Jean Chrysostome; in **British Columbia**—Vancouver, Broadway East; also the sub-branch at Bulyea, Sask.

The sub-branches at Aylesbury and Dysart, Sask., were made regular branches.

The Head Office and all the branches of the bank have been inspected as usual, during the year.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties, and their regret at the retirement of Mr. W. B. Torrance, the late Superintendent of Branches and Chief Inspector, after thirty years of service in this bank.

All of which is respectfully submitted.

H. S. HOLT, President.

E. L. PEASE, Vice-President.

THE GENERAL MANAGER.

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement as follows:—

The Balance Sheet submitted to-day, evinces a year of remarkable growth. The total assets of the bank are over \$335,000,000, nearly double their amount at the beginning of the war. The increase during the past year was no less than \$82,000,000. Of this increase, the Quebec Bank, which was absorbed on January 2nd, 1917, contributed approximately \$22,000,000.

Total deposits amount to \$252,987,382.81, the increase for the year being \$52,759,787.23. As I pointed out last year a very satisfactory feature is the absence of large or unusual deposits of a temporary nature.

A remarkable expansion has taken place in our circulation, as in that of other banks. Outstanding notes now exceed our paid-up capital by \$15,247,651.49. To cover this excess, \$16,000,000 has been deposited in the Central Gold Reserve.

Current loans show a substantial increase, due to the active trade conditions and increased prices of all commodities.

The liquid position of the bank is satisfactory, our liquid assets being 53.9 per cent. of liabilities to the public.

The assistance rendered to the Government in financing the war is indicated by an increase of \$28,867,279.29 in Government securities.

* Net profits for the year were 18.03 per cent. on capital, as compared with 17.87 per cent. last year—or 8.82 per cent. on combined capital and reserve, as compared with 8.66 per cent. last year.

The Reserve Fund has been increased to \$14,000,000 by the addition of \$911,700 premium on new stock allotted to Quebec Bank shareholders, and \$528,300 from Profit and Loss Account.

It is satisfactory to report that all the bank's securities have been written down to the present market value.

In this time of great expansion, it is manifestly our first duty to keep the bank in a strong and liquid position, especially as regards cash, in order to be fully prepared for any contingency which may arise. The uncertainty as to conditions which will obtain after the war is very great, and we must be fully prepared for any eventuality.

I desire particularly to direct your attention to the splendid work of the staff of the bank during the past year. When we speak of "the staff" nowadays, we mean a very different aggregation from that of the days before the war, and when we ask ourselves what actually constitutes the staff to-day, we find ample scope for reflection. Unconsciously, we think first of those who are away fighting our battles, and those who have lost their lives in the defence of liberty and of our country, and to whom we pay our highest tribute. There is between us a bond of such strength that we feel it can never be dissolved. Over 1,000 of our men have enlisted voluntarily since the beginning of the war. Of these 89 have been killed or have died of wounds, and 30 have been discharged as unfit for further military service. 19 of the latter have again taken up their duties in the bank.

To those, who, through unavoidable causes, have not been privileged to take an active part in the great struggle, and who are carrying on at home, in the face of many difficulties, we also desire to pay tribute. The large number of enlistments has rendered the satisfactory operation of the bank's business increasingly difficult, as the places of enlisted men have been filled by more or less inexperienced clerks. We are

doing the best we can under the circumstances, and it is our intention not to apply for a greater number of exemptions from military service, than we feel to be absolutely necessary.

PRESIDENT'S ADDRESS.

In moving the adoption of the Directors' Report, Sir Herbert S. Holt, President, said:—

Last year I drew your attention to the large increase in the assets of the bank during the year 1916, namely, \$55,000,000, which constituted an unprecedented record. This year I am pleased to say the increase is \$82,000,000. It should be explained, however, that \$20,000,000 of this was due to the acquisition of the Quebec Bank, and a further portion is of a temporary character.

The experience of the past year has fully demonstrated the correctness of the value which was placed on the assets of the Quebec Bank.

The year brought no cessation of the remarkable prosperity enjoyed by Canada since the beginning of the war. While munition orders fell off perceptibly, manufacturing activity was largely directed to shipbuilding. The demand for foodstuffs and war commodities continued to the extent of the country's ability to finance payments for same. Labor is now scarce and, in some cases, inefficient, and wages steadily ascending.

Following the action of the United States Government, the Canadian Government fixed the price of the 1917 wheat crop at \$2.21 per bushel for No. 1 Northern at Fort William. This was the equivalent of the price fixed in the United States. At this price Great Britain purchased 150,000,000 bushels of wheat and also 20,000,000 of oats, approximating \$350,000,000, and to assist in paying for same, \$100,000,000 was borrowed for two years from the Canadian banks. The estimated wheat remaining in the country of 50,000,000 to 60,000,000 bushels will be required for domestic milling and seeding purposes. The sale of this large amount of cereals at phenomenal prices means riches to the farmers and a very substantial increase in bank deposits.

Last year I submitted a statement showing the prices of many commodities at the close of 1916. Much higher prices were recorded during the past year, but some of these relapsed with the United States Government's introduction of their fixed price policy. As Canada imports largely from the United States, we are directly affected by this policy, which should be more favorably received by trading interests, because of its tendency to stabilize the markets and reduce the cost of doing business, were it not for the embargo placed on the exportation of all raw materials without a license except for the production of munitions and war supplies. Widespread injury will result in this country if the prohibition be strictly enforced, especially in regard to coal. While we cannot complain, as we have similarly prohibited exports, it is hoped our Government will be able to arrange to secure outside such commodities for our general requirements as are inadequately produced in this country.

The Canadian Government have so far fixed the price of wheat and newsprint only. In fixing maximum prices, consideration must be given to the necessity of stimulating production.

With a view to the successful prosecution of the war, the Government of the United States are making another important departure in taking steps to bring about a gradual curtailment in the production of articles regarded as non-essential, and diverting the activities of factories, wherever possible, to the manufacture of war commodities. This may appear to be a drastic proceeding, but heavy sacrifices are necessary in order to win the war. The manufacture and importation of non-essential products into this country should be prohibited by the Government. So long as the war lasts, essential products will be in continued demand by the Allied Governments. We know that the end of the war does not seem to be near, and manufacturers should take advantage of this opportunity to speed up their plants to full capacity.

The recent Order-in-Council prohibiting the sale of new issues without a permit from the Minister of Finance, is a wise measure. The Government should go further and prohibit the investment of Canadian money in foreign countries, as it is highly important that the resources of the country should be conserved to produce the maximum of war time efficiency.

TAXATION PROBLEMS.

The income tax imposed last year, which becomes effective on the first of June this year, is a fair and proper tax under the circumstances, and it should not be objected

to in its application. It will reach everyone who can afford to contribute. The business profits tax, however, is unduly onerous and repressive. It has had the effect of antagonizing capital and restricting production.

While we believe the Government's assumption of the powers mentioned is essential to the prosecution of the war and are in duty bound to give our full support, the extent to which the domestic life and liberties of the people are thus affected is a serious matter. Dictatorial powers once assumed are usually reluctantly relinquished, and if we could not trust the Government to annul them when the present purpose has been served, great evil would result.

We were greatly shocked at the recent frightful disaster in Halifax, and sympathize deeply with those who are afflicted by the loss of life, and with the maimed and suffering. This bank will never waver in its attachment to the city of Halifax, where it was founded in 1869, and in which city the Head Office was located for thirty-one years. About one-third of our shareholders reside in Nova Scotia, and the foundation of the bank's success was laid by my eminent predecessor, the late T. E. Kenny, and his associates in the direction of its affairs.

The entry of the United States into the war was the most momentous event of the past year. Her adhesion to the cause of the Allies spells ultimate victory, although some time will elapse before she can be prepared to strike with full force.

The war drags on, and the general feeling is that it will be considerably prolonged, but our stern task must be pursued to a successful end at whatever cost. We may depend upon it that still greater sacrifices will be necessary and that very heavy taxation must be entailed.

THE VICE-PRESIDENT.

In seconding the motion for the adoption of the Directors' Report, Mr. E. L. Pease, Vice-President and Managing Director, said:—

The excellent Statement which we have the pleasure of submitting to-day reflects the prosperity of the country, which has been in evidence since the war began. The subjoined Statement* shows that this has become even more marked during the past year.

While it is our opportunity and privilege to profit by this prosperity, it cannot but detract from our satisfaction to realize that it is due to the abnormal circumstance of the war, and that we are prospering at the expense of the Mother Country, which is the chief purchaser of our products. To the extent that our Government is assessing excess profits and assisting in the prosecution of the war, we are affording relief to Great Britain, but we should aim to prevent the making of large profits out of the war and to protect her from profiteering.

It is unfortunate that our prosperity lacks uniformity, as evidenced by a severe decline in the prices of securities, which has resulted in the establishment of minimum values on the Stock Exchanges, while the prices of commodities are the highest ever experienced. This anomalous situation is due to the absorption of liquid capital by the Government in order to carry on the war. As the standard industrials are very

	1916.	1917.	Increase.
*Value of Field Crops (December 31)	\$ 886,495,000	\$1,089,687,000	\$ 203,192,000
Bank Clearings (December 31)	10,557,188,000	12,552,822,000	1,995,634,000
Note Circulation (November 30)	148,198,000	196,136,000	47,938,000
Chartered Banks—Deposits (November 30)	1,521,349,000	1,813,643,000	292,294,000
Chartered Banks—Current Loans (November 30)	927,399,000	1,010,028,000	82,629,000
Exports—Merchandise (November 30) 12 months	1,073,506,000	1,575,233,000	501,727,000
Imports—Merchandise (November 30) 12 months	744,292,000	1,011,400,000	267,108,000
Customs Receipts	136,159,000	168,266,000	32,107,000

prosperous, however, the recovery of values is only a question of time.

The growing appreciation of the people for Government war bonds as an investment is the most gratifying feature of the year. The recent campaign advocating economy and investment in Government bonds, will be productive of the greatest possible benefit to the country as a whole, and the habit of saving and investment, once formed, will persist and reward the individual.

During the past year the Dominion Government floated two domestic loans—one in March for \$150,000,000, which was \$100,000,000 over-subscribed, and another in December last for \$150,000,000, which was \$260,000,000 over-subscribed. In the first instance the Government allotted only the amount offered—\$150,000,000, but in the last case they have accepted applications for \$390,000,000. This sum is expected to provide for the Government's necessities until next autumn.

In addition, the Government floated in the United States in August last a loan of \$100,000,000 payable in two years.

The Canadian banks made temporary advances to the Government during the year in anticipation of the emission of these loans, and also a loan of \$75,000,000 in November last, having two years to run. They also granted to Great Britain in November a credit of \$100,000,000 payable in two years, to assist her in the purchase of our cereals. When this latter credit is fully availed of, the obligations of Great Britain will amount to \$200,000,000, of which \$100,000,000 matures during the current year. These advances were made by the banks on a basis pro rata to paid-up capital.

BANKS IN STRONG POSITION.

While the Canadian banks have played a prominent part in financing the war, it is gratifying to find that the extent to which Canada and Great Britain are publicly indebted to them at the moment represents only 20 per cent. of their deposits, and will shortly be reduced to 15 per cent.; also that despite the outstanding direct loans to these Governments aggregating \$325,000,000, and the domestic loans floated by the Dominion Government since the beginning of the war, which aggregate \$350,000,000 (not including the last loan of \$390,000,000), practically all of which came out of the banks, the Canadian deposits of these banks on the 30th of November last were \$654,000,000 greater than in July, 1914.

The total deposits of the banks on the 30th of November last were \$1,813,000,000, the increase for the year being \$292,000,000, of which \$172,000,000 represented savings deposits. The total current loans amounted to \$1,010,000,000, being an increase of \$82,000,000. Circulation increased \$48,000,000.

The liquidity of the banks has been kept unimpaired in spite of the huge Government loans effected. This is due to the expenditure of the proceeds within the country.

Speaking for the Royal Bank, there never was a time when we were freer from doubtful debts than at present. Recoveries have been made to a remarkable extent in connection with advances of which ultimate repayment was regarded as doubtful three years ago. This is probably the experience not only of all the banks, but of merchants and manufacturers generally.

Liquidation has been very thorough, except in connection with advances depending upon the security of real estate; but with the improved financial condition of the farmers, and the engagement of Provincial Governments in Western Canada in the loaning business, interest and principal payments under farm mortgages all over the West have been well taken care of, and in a great many cases maturing loans have been paid in full. Generally speaking, the country districts are prosperous, and farm lands are in good demand. The situation in the cities has improved, as evidenced by the greater demand for and increased rentals of residences. City vacant lots show no improvement.

The British Government recently appointed a committee, with the following terms of reference:—

"To consider, and report whether the normal arrangements for the provision of the financial facilities of trade, by means of existing banking and other financial institutions will be adequate to meet the needs of British industry, during the period immediately following the termination of the war, and, if not, by what emergency arrangement they should be supplemented, regard being had in particular to the special assistance which may be necessary:—

"(a) To facilitate the conversion of works and factories, now engaged upon war work to normal production.

"(b) To meet the exceptional demands for raw materials, arising from the depletion of stocks."

As conditions in Canada are somewhat parallel, and serious difficulties will confront us at the close of the war, it is our duty to endeavor to devise safeguards against them. The conversion of factories will involve increased capital outlay, and a period of unproductiveness must intervene. Present values of raw material will probably not decrease, in view of the world demand, and the necessity for re-stocking, will add to the financial strain. Many men will be thrown out of employment, and discharged soldiers will be returning. In addition, there will probably be a large immigration to this country.

We cannot foresee all the difficulties of finance that are likely to beset us. In my opinion, the question of providing supplementary banking facilities in this country is very important, and should receive the consideration of the Government and the banks. If we had a bank of rediscount patterned somewhat after the Federal Reserve Bank in the United States, it would render legitimately available millions of assets in the form of high grade commercial paper, now lying dormant in the portfolios of the banks, and thereby greatly increase our financial resources. I think the Government should appoint a committee of experts to investigate the suggestion.

I cannot close without a tribute of praise to Sir Thomas White, the Minister of Finance. The prosperity we are enjoying is due in great measure to his discovery and exploitation of the latent resources of the country, as exemplified by his repeated and increasingly successful offers of Government securities, culminating in the last huge domestic loan, and the profitable employment of these resources in the prosecution of the war.

I have pleasure in seconding the motion for the adoption of the Directors' Report.

OFFICERS' PENSION FUND.

A Resolution was adopted, authorizing the Directors to contribute to the Pension Fund, out of the profits of the bank, a sum not exceeding \$100,000 per annum, for a period of five years,

AUDITORS.

Mr. J. Marwick, Mr. S. R. Mitchell and Mr. John W. Ross, were appointed Auditors for the ensuing year.

THE STAFF.

A vote of thanks was passed to the President, Vice-President and Directors, also to the General Manager and staff. In replying to the latter, Mr. C. E. Neill, General Manager, said:—

On behalf of the officials of the bank, and the staff in general, I thank you for this expression of confidence. While it is customary to extend the courtesy of such a vote each year, it never comes to us as a mere formality, since there seem to be new circumstances on every occasion to impart special significance to the familiar idea. In this instance, our thoughts have been much occupied of late with the retiring Superintendent of Branches, Mr. W. B. Torrance. There is no need for me to recall to you the main facts of his long banking career, which are widely known, or the very high esteem in which he is generally held, but I wish to take this opportunity of expressing our appreciation of his sterling qualities, and our regret that he is no longer one of us.

The success of the bank is dependent upon the rank and file of the staff to a much greater extent than the shareholders probably realize. We have a particularly loyal and efficient staff, and I can assure you that the thanks of the shareholders are deeply appreciated.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year:—

Sir Herbert S. Holt, K.B., E. L. Pease, E. F. B. Johnston, K.C., Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, Wm. Robertson, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dyment, C. E. Neill, Sir Mortimer B. Davis, K.B., G. H. Duggan, C. C. Blackadar, J. T. Ross, R. MacD. Paterson, G. G. Stuart, K.C.

At a subsequent meeting of the Directors, Sir Herbert S. Holt was unanimously re-elected President, Mr. E. L. Pease, Vice-President and Managing Director, and Mr. E. F. B. Johnston, K.C., second vice-president.

Some Interesting Statistics

Bank Call Loans in Canada.

October.	Amount.
1906	\$56,878,521
1907	46,843,488
1908	42,102,565
1909	56,996,065
1910	64,561,641
1911	69,088,467
1912	76,959,866
1913	71,118,255
1914	70,201,939
1915	74,574,270
1916	90,412,023
1917	71,653,719

Bank Call Loans Abroad.

October.	Amount.
1906	\$ 60,536,737
1907	47,446,488
1908	70,239,118
1909	129,964,353
1910	103,279,774
1911	88,722,640
1912	101,186,983
1913	93,346,810
1914	81,201,671
1915	120,681,624
1916	189,346,216
1917	151,018,747

Bank Current Loans in Canada.

(Including Loans to Municipalities.)

October.	Amount.
1906	\$531,019,479
1907	579,860,498
1908	519,263,607
1909	579,837,956
1910	670,820,039
1911	768,492,008
1912	879,676,655
1913	862,313,367
1914	863,939,928
1915	826,467,984
1916	812,541,752
1917	925,191,241

*Canadian Commercial Failures.

Year.	No.	Assets.	Liabilities.
1906	1,184	\$ 6,499,052	\$ 9,085,773
1907	1,278	9,443,227	13,221,250
1908	1,640	12,008,113	14,931,790
1909	1,442	10,318,511	12,982,800
1910	1,262	11,013,396	14,514,650
1911	1,332	9,964,604	13,491,196
1912	1,357	8,783,409	12,316,936
1913	1,710	12,658,979	16,979,406
1914	2,898	30,909,653	35,045,095
1915	2,661	39,526,358	41,162,321
1916	1,685	19,670,542	25,069,534
†1917	1,005	11,835,857	16,209,015

*Figures of R. G. Dun and Company, Toronto.
†Eleven months, January to November, 1917.

Canadian Fire Losses.

Year.	Amount.
1909	\$ 18,905,538
1910	23,593,315
1911	21,459,575
1912	22,900,712
1913	26,346,618
1914	24,300,000
1915	13,670,527
1916	20,487,509
1917	19,390,708

*Railroad Earnings.

Calendar Year.	Amount.
1906	\$103,051,000
1907	117,648,000
1908	113,405,000
1909	122,642,000
1910	156,340,000
1911	174,239,000
1912	203,921,000
1913	218,723,000
1914	178,702,000
1915	183,321,980
1916	233,039,926
†1917	256,119,049

*Canadian Pacific, Canadian Northern, and Grand Trunk systems. †December returns estimated.

Building Permits (25 towns and cities).

Year.	Value.
*1906	\$ 58,140,294
*1907	58,587,987
*1908	51,223,398
1909	66,112,729
1910	96,761,784
1911	127,378,469
1912	186,580,431
1913	149,144,475
*1914	85,298,443
*1915	27,877,779
1916	36,049,970
*1917	29,591,676

*Figures for 1914 are for 23 towns and cities: for 1906, 41; 1907, 51; 1908, 73; 1915, 1916, and 1917, 32.

Immigration to Canada.

Fiscal Year.	Number.
*1906-7	124,667
1907-8	262,469
1908-9	146,908
1909-10	208,794
1910-11	311,084
1911-12	354,237
1912-13	402,432
1913-14	384,878
1914-15	144,789
†1915	32,514
†1916	46,156
†1917	57,685

*Nine months. †Immigration season only, April to October inclusive.

Canadian National Debt (net).

Fiscal Year.	Amount.
1906	\$267,042,977
*1907	263,671,860
1908	277,960,860
1909	323,930,279
1910	336,268,546
1911	340,042,052
1912	339,919,461
1913	314,301,625
1914	335,996,850
1915	408,122,214
1916	555,027,542
1917	804,621,852

*Nine months.

RAILROAD EARNINGS

The following are the earnings of Canada's transcontinental lines for the first week in January:—

Canadian Pacific Railway.

	1917.	1918.	Inc. or dec.
January 7	\$2,238,000	\$2,343,000	+ \$105,000

Grand Trunk Railway.

January 7	\$1,012,906	\$1,076,606	+ \$ 63,700
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Canadian Northern Railway.

January 7	\$ 598,700	\$ 565,000	— \$ 32,900
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The National Life

ASSURANCE COMPANY OF CANADA

Head Office - TORONTO

ELIAS ROGERS, President
 ALBERT J. RALSTON, First Vice-President and Managing Director
 GEORGE W. BEARDMORE, Second Vice-President
 F. SPARLING, Secretary

Nineteenth Annual Report

A Record of Achievement

Total Cash Income	-	-	-	-	-	\$ 942,427.59
(Increase over 1916 of \$233,965.71)						
Total Payments to Policyholders	-	-	-	-	-	245,212.26
Applications for new Assurances	-	-	-	-	-	5,001,612.00
Policies issued and placed	-	-	-	-	-	4,336,237.00
Total Business in Force	-	-	-	-	-	22,686,816.00
Annual Premiums thereon	-	-	-	-	-	777,854.97
Interest Earning, plus profits from Sale of Securities	-	-	-	-	-	181,393.96
(Increase over 1916 of \$20,254.32)						
Paid Up Capital, Reserves and Surplus	-	-	-	-	-	3,781,263.15
Net Surplus	-	-	-	-	-	350,014.37

Points of Interest

1. The increase in actual Cash Receipts from Insurance Premiums and Interest Income for the year 1917 by way of comparison with the year 1916, as appears in the Government Blue Book, shows an increase of \$233,965.71.
2. The Cash Interest Income for the year 1917 amounts to \$181,393.96, an increase over 1916 of \$20,254.32.
3. The Cash Interest Income was more than sufficient to meet all death claims occurring in 1917.
4. Increase in Assets for the year was \$435,477.87.
5. No interest or principal is overdue or in arrears on any of the invested funds of the Company. This record has now been maintained for over 18 years.
6. Dominion Government, Provincial Government, City, Town, County, Village, Township and School Debentures, on which there are no arrears of interest or principal, are taken in the statement \$109,498.70 below the par value.

LOANS ON LIFE POLICIES

They Often Lead to Surrender—Conservation of Business is Important

Referring to the decreased demand for policy loans last year, Mr. G. A. Morrow, president of the Imperial Life Assurance Company, at the company's annual meeting last week, said "that while on the one hand the policy loans are, from the company's standpoint, most desirable as an investment, since they combine a good interest yield with unquestioned security, yet on the other hand the mortgaging by the policyholder of the assurance taken out by him for his dependants seems a retrogression on his part, particularly when as is often the case, the facility with which these loans can be obtained leads him to have recourse to them where no real or adequate necessity exists." Mr. Morrow continued:—

"The legitimate purpose of these loans is to secure the continuation of the assurance by tiding the policyholder over a period of financial stress when other avenues of credit are closed. The abuse of the policy loan privilege consists in the policyholder drawing upon his policy for trivial purposes, lessening thereby the protection it affords, while at the same time adding the burden of loan interest to the premium payment—a combined result which all too frequently leads to the ultimate surrender of the policy."

Appreciation of Life Insurance.

While admitting that the present prosperity is due principally to the production of war supplies in Canada and is, therefore, likely to be in large measure transitory, Mr. Morrow said that "coincident with this prosperity, and like it a result of the war, has grown up throughout Canada a better knowledge of life assurance—a truer appreciation of its value—and this knowledge and appreciation will endure. For the war has made clear as never before," he added, "the economic value both to the homes and to the state of the productive lives in this country of great production; has made clear how large a part life assurance can play in protecting the value of these lives; and has made clear how seriously uninsured our people are."

Mr. Morrow expressed the opinion that conservation of old business is even more important than the production of new business. "For the only business any life company wants," he said, "is the business that builds up the company by remaining on its books, thereby furnishing proof that the growth of the company is resting on the solid foundation of satisfied policyholders. The gain made in total assurances in force is, therefore, one of the true measures of a company's progress."

Hopes for the Future.

Speaking of the general outlook, Mr. Morrow said:—"Under present abnormal conditions it is impossible to predict with any degree of accuracy the outlook for the future. We must be prepared for some setback upon the termination of the war. A very heavy increase in our National Debt is inevitable, with consequent increased taxation. There will necessarily be an industrial readjustment when the manufacture of war material ceases."

"A greater agricultural production, the development of our vast national resources, the practical certainty of increased immigration after the war, and the practise of economy, will form the basis of our hope and confidence in the future."

EXPORT OF DAIRY PRODUCTS LAST YEAR

The annual report of the department of labor, recently issued, shows that during the last fiscal year the quantity of butter exported was 1,228,753 pounds, valued at \$309,046. During the previous year the quantity exported was 7,990,453 pounds, valued at \$2,491,922. Cheese was exported to the amount of 180,733,426 pounds, valued at \$36,721,136. The aggregate value of butter, cheese, condensed milk and fresh cream exported from Canada during the year amounts, says the report, "to the fine total of \$41,367,705, a sum which is \$10,000,000 in excess of any previous year. If to this is added the value of milk, butter and cheese consumed at home, a reasonable estimate of which would be \$140,000,000, the total production is \$181,367,705." A convincing illustration of the argument that the best spur to increased production is found in high prices, says the report.

MONTREAL CLEARING HOUSE

In presenting his report at the annual meeting of the Montreal Clearing House last week, Mr. H. B. Walker, chairman, stated that a further great expansion had occurred in the volume of bank clearings, the total figures for 1917, which greatly exceed all previous records, being 12.5 per cent. over the high mark reached in 1916. The records for the day, week, month and year were all broken during 1917. From August, 1915, until October, 1917, each month's total clearings showed a large gain over the figures for the corresponding month of the previous year, but a decline was shown in November and December, doubtless due to the inactive conditions of the stock exchange which followed the adoption on October 30th of minimum trading prices for securities. The past year has been marked by great industrial activity and expanding foreign trade, with unprecedentedly high prices for all commodities. At the end of November the deposits of the chartered banks showed an increase of \$225,000,000 as compared with November, 1916. Bank note circulation has reached a point which represents slightly over \$26 per capita of population as against about \$20 a year ago. All these evidences of prosperity are reflected in the increased volume of clearings.

At the suggestion of the manager, a second session, held each day at 1 p.m., for the purpose of clearing returned and miscleared items, was instituted in October last by the Montreal Clearing House. The plan has worked very satisfactorily, and has resulted in a considerable saving in time to the clearing banks.

ROYAL BANK OF CANADA

The Monetary Times has previously referred to the splendid balance sheet presented by the directors of the Royal Bank of Canada. This institution, which has made such rapid progress during the past few years, held its forty-ninth annual meeting at Montreal last week. Mr. C. E. Neill, the progressive general manager, pointed out at the meeting the many evidences of growth reflected in the balance sheet. The total assets of the bank are over \$335,000,000 nearly double the amount at the beginning of the war. The increase during the past year was \$82,000,000, a substantial gain. Of this increase, the Quebec Bank, which was absorbed on January 2nd, 1917, contributed approximately \$22,000,000.

Total deposits amount to \$252,987,382.81, the increase for the year being \$52,759,787.23. A satisfactory feature is the absence of large or unusual deposits of a temporary nature.

A great expansion took place in circulation. Outstanding notes now exceed the paid-up capital by \$15,247,651.49. To cover this excess \$16,000,000 has been deposited in the central gold reserves. All the bank's securities have been written down to the present market value. A close analysis of the bank's balance sheet shows it to be in excellent financial condition, substantial progress having been made during the past year.

Mr. Neill added a timely warning to those of the other bankers, stating that in this time of great expansion "it is manifestly our first duty to keep the bank in a strong and liquid position, especially as regards cash, in order to be fully prepared for any contingency which may arise. The uncertainty as to conditions which will obtain after the war is very great, and we must be fully prepared for any eventuality."

Regarding post-bellum problems, Mr. E. L. Pease, managing director of the bank, expressed the interesting opinion that the question of providing supplementary banking facilities in the country was very important, and should receive the important consideration of the government and banks. Mr. Pease thought if Canada had a bank of re-discount, patterned somewhat after the Federal Reserve Bank in the United States, it would render legitimately available millions of assets in the form of high-grade commercial paper now lying dormant in the portfolios of the banks, and thereby greatly increase our financial resources.

The first and only claim thus far reported to the Equitable Assurance Society, of New York, as a result of the Halifax explosion is under a \$1,000 policy on the life of William T. Broderick, who was killed by the steamship "Mont Blanc" explosion in Halifax harbor. The claim was received on December 18th, and a cheque payable to the insured's mother, the beneficiary, was mailed the same day.

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DOUBLE INSURANCE WITHOUT NOTICE

Interesting Fire Insurance Trial Reviewed by Ontario Marshal

The following comment on a recent case of double insurance without notice, is made by Mr. E. P. Heaton, fire marshal for Ontario:—

Several other cases have been drawn to our attention of late. It seems beyond doubt that adjusters and other persons who take declarations from people generally are very careless in regard to the manner in which questions are put and answered by the declarant as well as being negligent in the language which they use when administering the Declaration. In many cases their whole mode of procedure in a solemn matter such as they are called upon to perform lacks seriousness and dignity and does not reflect any great credit upon the administration of justice in matters of that nature.

To avoid the miscarriage of justice, greater care must be exercised and proper instructions given where losses are placed in the hands of agents or those who are inexperienced and not qualified to properly adjust fire losses.

Judge's Charge to Jury.

The case of *Rex vs. Dawson* may be cited as an illustration. The trial was before His Honor, George E. Deroche, at Belleville, on December 11th. We quote the following excerpts from the judge's charge to the jury:—

"I will not go over the evidence very much with you because counsel for the Crown and counsel for the defence have covered it pretty thoroughly and I don't think I can add very much to it.

"There are four charges against this prisoner, two of them being in connection with the Caledonian Insurance Company, and two in connection with the Northern.

"The two in connection with the Caledonian are, he committed perjury by making a solemn declaration which was not true, that is, that there was no other insurance, no concurrent insurance, and the other charge in connection with the Caledonian is that he attempted to defraud the Caledonian Insurance Company by falsely representing that there was no other insurance.

"The only difference in the two is the oath part. That is, you might find that under the circumstances you didn't think he had taken this solemn declaration wilfully and corruptly deposing to what was not true, and yet you might be satisfied in your minds that he did sign that document in which he said he had no other insurance and on that signature hoped to get his insurance, and that would be the Crown's idea of attempting to defraud. . . .

"In connection with the Northern Insurance there are two charges likewise of exactly a similar nature. . . .

"You may find him guilty of perjury in the Caledonian and not guilty of perjury in the Northern, and you may find him guilty of perjury in the Northern and not in the Caledonian, and you may find him not guilty of perjury in either one; or you might find him guilty of attempt to defraud in the Caledonian and not guilty in the Northern, or you might find him guilty of attempt to defraud in the Northern and not guilty in the Caledonian; or you might find him not guilty in either one; there are the four charges all hanging around two different acts, they are in pairs.

Did Contain Statement.

" . . . I think I can say to you safely in order to succeed in connection with the Caledonian insurance—that is, the Blair insurance—the one which was adjusted or signed by him or declared to by him, did contain that statement that there was no other insurance. Now the question is, did he know that was there when he signed it, or when he made his declaration, and if he knew it, did he wilfully and with intention to defraud the company, sign it; or did he wilfully and corruptly make his declaration to it; all those things you have to consider. It is not enough that he merely signed it when he made his declaration;

"Whether he knew that statement was there or not, depends on his evidence, the evidence of Mr. O'Rourke and the evidence of Mr. Blair. Mr. Blair says in Mr. O'Rourke's office that whole statement was read over to him and therefore he must have heard that one clause that was in it. The prisoner himself, Dawson, says it was not read over to him, and Mr. O'Rourke in his evi-

dence says it was not read over in his presence; so there you have the evidence. . . .

"In regard to the other, the Northern, that was adjusted by Mr. Hurley, the same question arises there. There is no doubt about the statement being signed; there is no doubt he signed it and Mr. Hurley says he made his declaration to it; that it contained a clause that there was no other insurance. Again you have to ask yourselves the same question, when the man signed it or made his declaration to it, did he know that clause was there, and if so when he signed that false statement, did he do it wilfully and corruptly intending to defraud.

Did Not Know Company.

"On that, so far as the evidence is concerned, Mr. Hurley says it was read over to him—I think he said it was done by way of reading the questions to him and then when the insured gave him his answer, Mr. Hurley wrote the answers in. Dawson himself says it was not read over to him, it was bent over a book and he signed his name. He did not even know what insurance company it was. It is a question of which you believe.

" . . . Whittier says although he was not present when this was adjusted or signed, he does say that Dawson came to him for the insurance; he asked him if he had any other insurance and he said he hadn't. Whether that is true or not and whether Dawson was honest in it—I suppose Dawson's answer would be that he intended to cancel the other and that is why he said there was no other insurance. Then there is another feature too that ought perhaps to be pointed out from the prisoner's standpoint. He evidently wishes the court and jury to infer that he didn't know Mr. Hurley was representing a second insurance company, but thought it was the same insurance company, and so if he did know that statement was there that he was still signing the same statement he had signed in O'Rourke's office, and perhaps this ought to be pointed out, too, that the prisoner hadn't any policy at this time in the Northern and whether that might have been in his mind, even though he signed the statement for Blair before O'Rourke that there was no other insurance, whether he might in his mind have considered he hadn't his policy and therefore he hadn't any other insurance, and of course that would still obtain in his favor, if he believed Hurley was still acting in the interest of the same company.

Intended to Cancel.

"There are a good many things you will have to take into consideration; there are some little things, too; for instance, he paid his premium to each of these men, and although he says he intended to cancel the one insurance after he took the Whittier insurance—I suppose one has to apply their common sense to it whether it looks to be a reasonable transaction that he should effect an insurance on the 23rd of August with Mr. Blair and have his policy, and then go to Mr. Whittier on the 7th to effect another one intending to cancel this one which had been taken such a few days apart, particularly so when he had been to Mr. Whittier before and hadn't found him in and went to Mr. Blair and got his insurance and got his policy and then went to Mr. Whittier to get the other insurance. . . . It seems clear he has never gone to either of these insurance companies to say—I don't expect my money from the other; he paid his premium to both, it still remains there; he has never gone to either of these companies; perhaps he overlooked it, didn't think it was necessary. . . .

"I don't know that I can add anything further. I will let you take these four charges in so you can bring in your verdict on each of them, guilty or not guilty, so there will be no confusion."

Result of Trial.

The result of the trial was, that the accused was found not guilty upon all four charges.

A mass of evidence was taken before Deputy Fire Marshal George F. Lewis at the investigation held in Trenton on October 1st, 1917. It appears from the evidence adduced that Dawson insured a house that he had just built in Trenton with W. H. Blair, local agent for the Caledonian, on August 23rd, 1917, for \$800. Dawson came to Blair's house and asked to have the insurance placed on the dwelling. On August 10th, Dawson went to Whittier, agent for the Northern, but Mr. Whittier was out of town and didn't insure the property at that time.

Late in the afternoon of September 7th, 1917, Dawson went to H. F. Whittier, insurance agent, and placed \$800 in-

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insurance on the dwelling house he had recently built, telling Whittier that there was no other insurance on the building. Whittier did not solicit the business. Dawson paid the premium and Whittier gave him a receipt, but not a regular interim receipt. Whittier's stenographer having gone home, he didn't make out the policy till next morning and then didn't deliver the policy.

The following morning (September 8th) Dawson came to Whittier's office and told him that the dwelling that he paid the insurance premium on was burnt up and made a demand for the insurance money in the ordinary way. Whittier said he would look after it and advised the insurance company who would arrange for adjustment of the loss. They had further conversations regarding the loss before the adjuster for the company arrived.

"No Other Insurance."

On the morning of the fire Dawson also went to Blair's house to inform him that the dwelling was burnt. On September 13th, Messrs. G. F. Turney and Blair acting for the Caledonian adjusted the loss on the building for \$700, and Dawson swore that he had no other insurance.

On September 14th, Mr. T. J. Hurley, representing the Northern Assurance Company, arrived in Trenton and Dawson gave him a list of material, etc., that went into the building and claimed a total loss of about \$1,100. Mr. Hurley never saw the building and had to rely on Dawson's statements. He adjusted the loss for \$800 and Dawson swore that he had no other insurance. Dawson made out the statement of claim for loss between the time he adjusted with the Caledonian and the next afternoon when Mr. Hurley called.

In his evidence at the investigation Mr. Hurley stated that Dawson claimed the \$800 insurance from the Northern; that Dawson couldn't help but see that he was adjusting for the Northern Insurance Company; that he was familiar with everything and that there was nothing to lead him to believe that he was adjusting on a basis of \$800 a loss that was adjusted the day previous for \$700.

As a result of the verdict it would appear that no liability in connection with the loss is attached to the Northern. An interesting question arises as to what is the liability of the Caledonian. Can the company claim that there was other insurance effected without notice and that it is only liable for sixty per cent. of the loss? asks Fire Marshal Heaton.

DOMINION STEEL CORPORATION'S OPERATIONS

Mr. Mark Workman, president of the Dominion Steel Corporation, stated in Montreal on Tuesday that the production figures for the past year were well up to the 1916 figures. As to coal production, Mr. Workman is not nearly so optimistic. He pointed out that since the outbreak of the war 4,500 have enlisted from the mines of the Dominion Coal Company, and while it is true that 1,000 of these men have been replaced, they have been replaced by less efficient labor.

The result of this demand upon labor has resulted in a marked falling off in the coal output from the mines, and the output for the year just closed was the smallest in many years, falling below the 4,000,000-ton mark. Mr. Workman states that the 1917 output will fall half a million short of 1916, and 1,250,000 tons below normal. In 1914, which was considered a poor year, the coal output of the Dominion Coal Company was 5,200,000 tons.

The decline in the Cape Breton coal output has been felt at Montreal for some time, and just what this means to that coal market is evidenced from the statement of Mr. Workman that in ordinary times 2,000,000 tons of coal are shipped up the St. Lawrence annually. This year St. Lawrence shipments were practically nil.

The labor situation at Sydney is still in an unsettled condition, and Mr. Workman was informed recently that Senator G. D. Robinson had been sent to Cape Breton as a representative of the Dominion government to enquire into the question of wages and the possibility of providing more men with a view to increasing the output.

It is understood that strong action will be taken by the government with a view to increasing the output from the Cape Breton mines.

The Merchants Fire Assurance Corporation, of New York, has received a Dominion license to transact fire insurance in British Columbia. Mr. C. G. Hobson, of Vancouver, is chief agent.

ONTARIO'S VITAL STATISTICS

Population was 2,776,885 in 1916—Deaths from Organic Diseases

According to the annual report of vital statistics for Ontario, which will be issued shortly, the estimated population of the province for 1916 is 2,776,885 divided as follows: Cities, 36.72 per cent; towns, 5.76 per cent., and rural municipalities, 57.62 per cent. This is an estimated increase in the population for the year of 9,535, or .34 of 1 per cent. The increase in the population during the year 1914 was 2.62 per cent.; this fell to 0.63 per cent. in 1915 and again to .34 per cent. in 1916, and may be ascribed to the disturbed conditions of the country, owing to the great conflict in Europe.

The following table shows the number of birth registrations for 1916 and allows of a comparison between those of 1915 and 1916:—

	1916.	Ratio.	1915.	Ratio.
Entire province	65,264	23.5	67,032	24.2
Cities	26,938	26.4	27,283	24.8
Towns	4,687	29.7	33,862	30.0
Rural municipalities	33,639	21.0	35,887	22.1

The natural increase—i.e., births over deaths, was 19,684. The number of births decreased by 1,768 and the ratio per 1,000 of population by .7. The relation of male births to female births was as follows:—

	Male.	Female	or	M. to	F.
Entire province	33,663	31,601	or	106	100
Cities	13,928	13,010	"	107	100
Towns	2,438	2,249	"	108	100
Rural municipalities	17,297	16,642	"	103	100

Deaths During Year.

The following table shows the number of deaths registered during the year and allows of a comparison with the registrations of the preceding year:—

	1916.	Ratio.	1915.	Ratio.
Entire province	35,580	12.8	33,294	12.0
Cities	14,287	14.0	13,080	12.8
Towns	2,609	16.5	2,053	15.9
Rural municipalities	18,684	11.7	18,161	11.2

It will be noted that the number of deaths has increased by 2,286, or 6.8 per cent. The ratio has increased by 0.8 per 1,000 of population. The ten causes of death from organic diseases giving the highest mortality in the province are shown, together with the death rate per 100,000 of population:—

	Ratio.
Organic heart diseases	3,335 120
Pneumonia	2,962 104
Tuberculosis	2,559 92
Cancer	2,012 72
Apoplexy	1,485 53
Infantile diarrhoea	1,218 44
Diseases of the arteries	1,204 43
Bright's disease	1,017 37
Paronchopneumonia	887 31
Paralysis without specified cause	598 21

Small Increase in Tuberculosis.

The rate of deaths from this disease in this year (1916) was 92 per 100,000 of population, being an increase of .03. The increase in the number was 93. The same ratio appeared in 1911, from which date there was a decrease till the lowest point was reached in 1913 and 1914 (85); there has been a slight increase in 1915 and 1916. The following is an analysis of rates in city, town and rural municipalities:—

	Deaths.	% of deaths from tuberculosis.	Ratio per 100 M of population.
Entire province	2,559	100	92
Cities	934	35.5	91
Towns	174	6.8	110
Rural municipalities	1,451	56.7	93

The Alliance Nationale has received a Dominion license to transact life, disability and sickness insurance to the extent authorized by its charter.

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SALE OF WOOL PRODUCED IN MANITOBA

The Manitoba department of agriculture and immigration estimates that about 60 per cent. of all the wool grown in the province was sold last year under its co-operative wool marketing scheme. The amount so marketed was over 170,000 pounds, of which 168,048 pounds was officially graded. The wool was sold at an average price of 58 cents per pound. The highest priced grade was fine medium combing, which sold for the excellent price of 65 cents. The following is a statement showing the quantity of each grade sold:—

	Pounds.
Fine combing	8,860
Fine clothing	4,074
Fine medium combing	12,330
Medium combing	50,086
Medium clothing	9,629
Mohair	193
Coarse	69,198
Rejects	6,796
Gray and black	2,351
Tags	4,531
	168,048

UNION BANK OF CANADA

Considerable progress has been made by the Union Bank of Canada during the past few years. The bank has capable and experienced officers in Mr. H. B. Shaw, general manager, and Mr. J. W. Hamilton, assistant general manager, a strong directorate and an influential advisory committee in connection with its New York agency, including such well-known American financiers as Messrs. Stuyvesant Fish, Cornelius Vanderbilt and Gilbert G. Thorne.

The results of the past year's operations were particularly gratifying to the directors, shareholders and clients of the bank. The increase in assets during 1917 was more than 13 per cent., bringing the total volume of its funds up to approximately \$144,000,000. In the three years since the beginning of the war the volume of this bank's business has risen from \$81,600,000 to \$143,400,000. Deposits show a large increase. Liquid assets are over \$77,000,000, or nearly 60 per cent. of public liabilities. Gold coin and Dominion notes amount to over \$20,000,000. Profits for the year, while well in advance of 1916 and the years immediately previous, are moderate in proportion to the volume of business. They amounted to about \$763,463.92, and are subject to a deduction of \$225,000 for taxes, donations, pension fund and contingent account. After paying the regular dividend and bonus of 1 per cent. (which has been kept up throughout the war, together with all necessary appropriations for contingencies and depreciation, without going beyond the current profits), there remained a sufficient sum to write off \$75,000 from bank premises and real estate and still make a small addition to the profit balance carried forward. This is an unusually satisfactory record, and the bank is to be congratulated upon the distinct improvement in its position.

Mr. John Galt, president of the bank, in the course of his address at the annual meeting, intimated that the bank would eventually be represented in each of the provinces in which it does a substantial business. Mr. Galt also made the announcement that in future the shares of the bank would be definitely on a 9 per cent. basis, and that the dividends would be 2½ per cent. quarterly.

The number of directors was increased from sixteen to twenty. Messrs. A. Hitchcock, of Moose Jaw, and W. H. Malkin, of Vancouver, were chosen as directors. At a meeting of the directors, held subsequently to the annual meeting, the officers of the bank were re-elected as follows: Messrs. John Galt, Winnipeg, president, and G. H. Thompson, Quebec, and R. T. Riley, Winnipeg, vice-presidents.

The net surplus of the province of Quebec for the past year was \$138,440. Hon. Walter Mitchell, provincial treasurer, announced this in the budget speech yesterday. The ordinary revenue of the province was \$10,441,113, while the ordinary expenditure was \$9,907,678, leaving a surplus of \$533,440. The affairs of the province of Quebec being in such a prosperous state, Mr. Mitchell deducted from his revenue account, \$375,000, a part of the million dollar grant to the Canadian Patriotic Fund, which the province of Quebec voted at the previous session.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the month ended December 31st, 1917:—
Penn Canadian Mines, 55,761; Trethewey Silver Mines, 41,521; Aladdin Cobalt Mines, 87,000; National Mines, 67,179; Dominion Reducing Company, 655,500; Kerr Lake Mining Company, 120,394; McKinley-Darragh-Savage Mining Company, 338,204; La Rose Mines, 167,317; Buffalo Mines, 329,958; Coniagas Mines, 330,295; Nipissing Mining Company, 175,077. Total, 2,368,206 pounds, or 1,184 tons.

NOTE CIRCULATION OF THE BANKS

The note circulation of the banks as a whole has broken all previous records, said Mr. T. F. How, general manager of the Bank of Toronto, at the annual meeting of that bank this week. The total on November 30th last was \$196,135,810. If to this is added the Dominion notes in the hands of the public, which probably amount to \$26,000,000, the note circulation of the country will amount to over \$242,000,000. If our population be estimated at 7,500,000, it represents a per capita circulation of about \$32, as compared with \$23 last year. It is not easy to fully account for this large increase, but some reasons may be found in the higher level of prices, making it necessary for everyone to carry more money to meet daily requirements. The larger volume of trade, as represented in money, also requires additional circulation. Two \$5 bills are now required to pay the producer for five bushels of wheat, whereas previous to the war one \$5 did the same work, and so all along the line.

FINANCES OF QUEBEC PROVINCE

According to figures given by Hon. Walter Mitchell, provincial treasurer, in the Quebec House last week, the funded debt on October 31st, 1916, was \$38,846,128, less \$1,507,842, of sinking fund. During 1916 loans issued were for \$4,000,000 10-years at 99.20, interest 5 per cent., payable half-yearly, and one of \$740,000 for 30 years at par, interest 4½ per cent., payable half-yearly. This latter loan is for the St. Maurice River water storage.

The provincial treasurer said that the available assets of the province were \$11,702,800; direct liabilities, \$42,021,779, making the excess of liabilities over the assets \$30,318,978.

Mr. Mitchell also stated that of the \$1,000,000 subscribed to the Victory Loan, \$567,500 had come out of revenue fund and \$432,500 out of sinking fund. During the past year the city of Montreal paid the province \$39,602, and the balance of the municipalities in the province paid \$202,624. These amounts are for the municipalities' share of the care of asylums and other such matters.

WAR INDUSTRIES BOARD SUGGESTED

The creation of a War Industries Board was urged upon the government on Tuesday by a delegation representing the Canadian Manufacturers' Association. Such a board, the government was informed, had become necessary in view of the greater difficulties encountered by Canadian manufacturers in securing raw materials from the United States since the entry of the United States into the war. It was suggested that the board should consist of, say, five members, whose duty it would be to collate and co-ordinate the needs of Canadian industries. The board would be assisted by sub-committees representative of the various industries involved and composed of expert men.

Mr. S. R. Parsons, Toronto, president of the Canadian Manufacturers' Association, said it was felt that difficulties now encountered would be increased as the United States continued its war work unless some steps were taken to meet the situation. Mr. W. W. Butler, of Montreal, argued that one of the first things the government should do was not merely to conserve, but to develop resources in the manufacture of raw material.

Hon. A. K. MacLean asked whether the whole question was one of acquisition of raw material, which can only be secured from the United States. "Very largely," Mr. Parsons replied. In reply to a question by Sir Thomas White, Mr. Parsons said that the question of prices had also sorely entered into the difficulties.

INVESTMENTS AND THE MARKET

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

Trethewey Mining Company.—The shareholders have decided to purchase a controlling interest in the Castle Mining Company. The interest in this property was offered to the company as a means of prolonging its lease of life. It was pointed out that the production of the Trethewey for the next two years would provide the funds necessary to carry on this work.

Brompton Pulp and Paper Company.—At the annual meeting of shareholders held on January 15th, it was announced that the company had acquired on a very reasonable basis two American concerns, the Claremont Paper Company, of Claremont, New Hampshire, and Wyman, Flint and Sons Company, of Bellows Falls, Vermont. No new financing will be necessary to complete the transactions.

West Kootenay Power and Light Company.—The company, which is controlled by Consolidated Mining and Smelting, paid the parent company \$150,000 in dividends last year. This compares with \$83,333 in the preceding fiscal year. A contract has been made with the Northport Smelting and Refining Company to supply a maximum of 1,500 horsepower for a term of years and with the Canada Copper Corporation to supply a maximum of 5,000 horse-power for ten years.

The net profits for the year ending August 31, amounted to \$30,930, as compared with \$70,827 for 1916. This was, however, after writing off \$99,736 for plant depreciation and providing for dividend on preferred shares and dividend on common shares of \$182,666. The profit and loss account, compared with 1916, is as follows:—

	1917.	1916.
By balance brought forward	\$402,467	\$331,640
Net profits	30,930	70,827

Shawinigan Water and Power Company.—Shareholders have received notice as to exercising their rights to subscribe to the new issue of two-year 6 per cent., convertible notes. It is announced that a subsidiary plant engaged in the manufacture of certain chemicals for the British government has had its contracts extended for the entire year 1918. The extent of this chemical enterprise, which was taken up in the summer of 1916, is indicated by the fact that the plant involved the expenditure of about \$1,800,000 by the company. Two existing plants had to be enlarged to provide certain necessary facilities for the new one. The construction of the storage dam at the head of the St. Maurice, which will increase the existing water power at the low stage of the river fully 50 per cent., involved an expenditure of \$2,000,000. The company's subsidiary, which carried out the contract, is being paid by bonds of the Quebec government.

The private bills committee of the Quebec legislature has approved the application of the company for an increase in its capital issuing power by \$5,000,000 from \$15,000,000 to \$20,000,000. This step was approved by the shareholders several weeks ago, and it was announced that no fresh capital issue is intended at this time.

Consolidated Mining and Smelting Company.—The main achievement of the year was the production of 10,000 tons of pure zinc of a value of \$3,000,000, which marks a definite stage in the metallurgical history of the country. The company increased its production of refined lead by 2,000 tons to 22,000 tons, doubled its capacity for the production of sulphuric acid, and made a new record by producing over \$13,000,000 worth of metals. After writing off \$1,028,000 for depreciation of plant and equipment and development of properties, against \$876,000 charged against these accounts in the 1916 year—included in the charge for depreciation is \$450,000 written off the zinc plant, which for a certain time was in an experimental stage—the net profit was \$1,076,828, against \$996,496 in 1916. Depreciation charges were, therefore, about \$162,000 more, and the increase in profits was \$80,000. The company's net after depreciation, however, closely approximates its increased dividend requirement, the

surplus after payments of \$995,012 to the shareholders being \$81,816.

The results for the three years in amounts written off for depreciation and development, net profits, dividends and profit and loss surplus compare as follows:—

	1917.	1916.	1915.
Depreciation .. \$	648,058	\$ 278,368	\$ 193,149
Development ..	380,071	598,745	.....
Net profits	1,076,828	996,496	795,411
Dividends	995,012	776,337	464,398
Profit and loss ..	2,360,274	2,278,458	2,058,209

The balance sheet as of September 30 shows a small reduction in bank loans and overdrafts from \$2,288,000 to \$2,081,000. The overdraft was due to an unusual accumulation of ores in anticipation of the needs of the Imperial Munitions Board, for advances towards the cost of additions to the zinc plant, which advances are repayable out of zinc produced, increased by \$100,000 during the period to \$769,000. Accounts payable were reduced, but the company's dividend requirements, occasioned by the increase in capital of \$2,000,000 in 1916, increased by \$219,000. Ores and metals on hand on September 30 were almost the same as at the end of the previous period being \$2,615,000, against \$2,682,000.

Mr. James J. Warren, managing director of the company, is in Montreal this week, consulting with officials of the Canadian Pacific Railway Company, who control the company. In an interview, he stated that the previous fiscal year of the company was a trying one, not only as regards labor, coal and other difficulties, but also in getting the various new enterprises that had been undertaken into working shape; this has now been accomplished, and the labor question has now been fought out through a strike which was settled on the company's own terms. He is looking forward to the current year with confidence. The company has been conserving its Rossland gold ores, and have been also acquiring other properties of a similar nature with a view of preparing for the future during peace times. Mr. Warren stated that the control of the West Kootenay Power and Light Company's plant enables them to work on an economical basis properties which were heretofore abandoned, particularly in the McKim and Fairview camps. The company had constantly in view the acquiring of other properties, so that it would establish a permanent enterprise in British Columbia.

BANK CLEARINGS

The following are the bank clearings for the weeks of January 11th, 1917, and January 12th, 1918, respectively, with changes:—

	Jan. 12, '18.	Jan. 11, '17.	Changes.
Montreal	\$ 81,126,216	\$ 77,295,725	+ \$ 3,830,491
Toronto	64,395,261	63,347,095	+ 1,048,166
Winnipeg	46,670,378	39,299,273	+ 7,371,105
Vancouver	9,521,322	6,676,371	+ 2,844,951
Ottawa	6,008,899	4,735,868	+ 1,273,031
Calgary	7,981,649	4,654,226	+ 3,327,423
Hamilton	5,325,504	4,907,180	+ 418,324
Quebec	4,139,220	3,646,027	+ 493,193
Edmonton	4,619,571	3,044,018	+ 1,575,553
Halifax	3,918,930	3,354,896	+ 564,034
London	3,203,418	2,428,671	+ 774,747
Regina	4,317,261	3,040,875	+ 1,276,386
St. John	2,517,818	2,002,859	+ 514,959
Victoria	1,877,407	1,532,701	+ 344,706
Saskatoon	2,018,841	1,701,090	+ 317,751
Moose Jaw	1,456,046	1,458,938	— 2,892
Brandon	698,564	529,456	+ 169,108
Brantford	922,675	747,352	+ 175,323
Fort William	789,975	631,323	+ 158,652
Lethbridge	812,548	761,906	+ 50,642
Medicine Hat	543,658	511,947	+ 31,711
New Westminster	399,930	259,448	+ 131,482
Peterboro'	746,586	548,866	+ 197,720
Sherbrooke	722,032	570,872	+ 151,160
Kitchener	621,417	604,423	+ 16,994
Totals	\$255,346,126	\$228,288,406	+ \$27,057,720

The Toronto bank clearings for the current week are \$57,197,375, compared with \$56,064,523 for the same week in 1917, and \$44,525,524 in 1916.

The Northern Crown Bank

Report of the Proceedings of the Twelfth Annual General Meeting of Shareholders

Held at the Banking House, Winnipeg, on Wednesday, 9th January, 1918.

The Twelfth Annual General Meeting of the Shareholders of the Northern Crown Bank was held at the Banking House, Winnipeg, on Wednesday, January 9th, 1918, at 12 o'clock noon.

There were present: Capt. Wm. Robinson, John Stovel, R. J. Macpherson, J. S. Douglas, E. F. Hutchings, Geo. Fisher, John Body (Sanford, Man.), S. S. Cummins (New York, N.Y.), H. Keech (Stony Mountain, Man.), J. N. Hutchinson, M.D., W. A. Cockshott, Jas. Leslie, H. W. Dearman, L. O. Barr, Sir Daniel H. McMillan, K.C.M.G., F. W. Sprado, O. Montgomery, D. A. McArthur, J. A. Thompson and others.

Upon motion by Mr. John Stovel, seconded by Mr. Geo. Fisher, the president, Capt. Wm. Robinson, took the chair.

It was then moved by Mr. E. F. Hutchings, seconded by Mr. Geo. Fisher, that Mr. R. Campbell, the general manager, act as secretary for the meeting, and that Messrs. R. J. Macpherson and Dr. J. N. Hutchinson act as Scrutineers.

The President called upon the Secretary to read the Annual Report as follows:—

THE REPORT.

The Directors of the Northern Crown Bank beg to submit to the Shareholders the Twelfth Annual Report showing the result of the Bank's business for the year ended November 30th, 1917, together with the usual Statement of Assets and Liabilities as at that date.

ANNUAL STATEMENT TO SHAREHOLDERS AS AT THE CLOSE OF BUSINESS ON 30th NOVEMBER, 1917.

LIABILITIES.

Capital Stock paid in	\$ 1,429,447.10
Rest	715,600.00
Profit and Loss Account	204,612.93
Dividends Declared and Unpaid	36,707.38
	<u>\$ 2,386,367.41</u>
Notes of the Bank in Circulation	\$ 3,854,322.55
Deposits not Bearing Interest...	11,016,605.09
Deposits Bearing Interest, including interest accrued to date of statement	14,286,666.24
Balances Due to other Banks in Canada	1,092.03
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	7,219.01
Acceptances Under Letters of Credit	46,949.76
Liabilities not included in the foregoing	4,002.05
	<u>29,216,856.73</u>
	<u><u>\$31,603,224.14</u></u>

ASSETS.

Current Coin held by the Bank	\$ 182,552.86
Dominion Notes held	1,567,304.75
Notes of other Banks	262,586.95
	<u>\$ 2,012,444.56</u>
Cheques on other Banks	\$ 2,645,116.17
Balances Due by other Banks in Canada	1,494,891.56
Balances Due by Banks and Banking Correspondents elsewhere than in Canada	695,914.82
Dominion and Provincial Government Securities, not exceeding market value (Dominion Government War Issues, \$8,787,000)	8,841,215.00
Canadian Municipal Securities and British, Foreign and Colonial Public Securities, other than Canadian (Imperial Government Short-Term Loans, \$2,800,000) ..	3,014,499.40
Railway and other Bonds, Debentures and Stocks, not exceeding market value	174,750.85
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	281,695.00
Deposits with the Minister for the purpose of the Circulation Fund	75,500.00
Deposit in the Central Gold Reserves	2,600,000.00
	<u>\$19,823,582.80</u>
	<u>\$21,836,027.36</u>
Other Current Loans and Discounts in Canada (less rebate of Interest)	\$ 7,720,416.77
Capital Stock and Bonds in Subsidiary Company holding Bank Premises	1,250,000.00
Liabilities of Customers under Letters of Credit as per contra	46,949.76
Real Estate other than Bank Premises	24,250.63
Mortgages on Real Estate sold by the Bank	87,831.69
Overdue Debts, estimated loss provided for	184,666.49
Bank Premises (fittings, furniture and fixtures) at not more than cost, less amounts written off	353,814.08
Other Assets not included in the foregoing	99,266.46
	<u>9,767,196.78</u>
	<u><u>\$31,603,224.14</u></u>

WM. ROBINSON, president.

R. CAMPBELL, General Manager.

REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF THE NORTHERN CROWN BANK.

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

I have audited the Balance Sheet with the Books at the Head Office and the certified returns from the Branches.

I have obtained all the information and explanations that I have required and am of the opinion that the transactions of the Bank, which have come under my notice, have been within the powers of the Bank.

I have checked the cash and verified the securities representing the investments of the Bank at its offices in Winnipeg, at November 30th, in addition to another date at Winnipeg, Vancouver, and Toronto, and find that they are in agreement with the entries in regard thereto in the books of the Bank.

The Balance Sheet is properly drawn up so as to exhibit a correct view of the state of the Bank's affairs, according to

the best of my information and the explanations given to me, and as shown by the books of the Bank.

A. A. BENTON,
(Of the firm of Marwick, Mitchell, Peat & Company,
Chartered Accountants),
Auditor.

**STATEMENT OF THE RESULT OF THE BUSINESS
OF THE BANK FOR THE YEAR ENDED
30th NOVEMBER, 1917.**

The Balance at Credit of Profit and Loss Account on 30th November, 1916, was	\$132,954.86
Net Profits for the year ended 30th November, 1917, after deducting expenses of Management, and making full provision for all bad and doubtful debts	208,608.08
	\$341,562.94
Appropriated as follows:—	
Dividend No. 17, payable 2nd July, 1917, at 5 per cent. per annum	\$35,729.54
Dividend No. 18, payable 2nd January, 1918, at 5 per cent. per annum.....	35,736.82
War Tax on Bank Note Circulation to 30th November, 1917	14,291.89
Written off Bank Premises	25,000.00
Reserved for Depreciation of Stocks and Bonds	26,191.76
	\$136,950.01
Balance carried forward at credit of Profit and Loss Account	\$204,612.93

WM. ROBINSON, President.
R. CAMPBELL, General Manager.

Since the last annual meeting of the following branches of the Bank have been opened:—Steinbach, Manitoba; Dunblane, Portreeve, Scotsguard and Kenaston in Saskatchewan. No branches have been closed.

Mr. A. A. Benton, of Messrs. Marwick, Mitchell, Peat & Company, and Mr. Douglas Dewar, of the same firm, have again been nominated for re-election as joint auditors of the Bank.

The Directors regret to announce the resignations of Sir D. H. McMillan, K.C.M.G., and Mr. J. H. Ashdown; the former on account of his inability to give, as President, the necessary attention to the affairs of the Bank owing to his intended absence from Winnipeg for prolonged periods, the latter on account of having been elected a director of the Bank of Montreal. The vacancies caused by their resignations have been filled by Mr. Geo. Fisher and Mr. H. J. Symington.

In moving the adoption of the report, the President, Capt. Wm. Robinson, said:—

PRESIDENT'S ADDRESS.

The figures of the statement that has just been read to you by the General Manager speak eloquently for themselves, and make my duty to-day a pleasant one.

The general financial situation has been so widely discussed that it is familiar to all, and comment by me at this time would be superfluous. I shall, therefore, confine my remarks to matters that directly affect ourselves.

The progress of the bank for the past two years has exceeded our most sanguine expectations. Two years ago I could not have conceived it possible that the bank could make such a rapid recovery. Good crops and high prices have contributed largely to this result, and there is every reason to hope that these conditions will continue.

The action of the United States government in fixing a minimum price of \$2 for wheat for 1918, and the scarcity of hogs, cattle, and food stuffs of all kinds, would indicate that high prices will be maintained at least until the end of the war, and probably for some time afterwards.

You will observe that the assets of the Bank have now reached the considerable sum of \$31,603,224, showing an increase of \$11,304,377 since 30th November, 1915, and an increase of \$7,573,958 since 30th November last year. This is, of course, due to the increase in deposits, which now stand at \$25,303,271, as against \$10,378,172 in August, 1915, and \$18,385,000 at 30th November, 1916. An increase of approximately \$15,000,000 in a little over two years, and \$7,000,000 during the past year.

The Bank is in a much stronger position than ever before, immediately available assets being \$21,836,027, which includes \$2,600,000 in the Central Gold Reserves. This is 74.85 per cent. of the Bank's liabilities to the public and 86.21 per cent. of its total deposits. The rest and undivided profits now amount to \$920,312.

It will be noted that we have contributed largely to war issues of the Dominion and Imperial governments, and that we are now carrying \$11,587,000 of these securities. I may add that all but \$2,211,000 of these investments are on short terms, maturing in 1918 and 1919.

Our Current Loans are slightly lower than we should like to see them, but I would point out that owing to the nature of our business a large proportion of our loans are paid off in full in the fall of the year from proceeds of crop. Now loans will be made during the year to replace those paid off in this way, and we expect our funds to be fully employed.

Profits for the year were \$208,608, as compared with \$128,761 last year, an increase of \$79,846, the percentage being 9.72 of our combined capital and reserve. I hope these results will appeal to you as satisfactory. We expect that profits will continue to improve.

Early in the year Sir Daniel McMillan found it necessary to resign from the presidency and directorate of the Bank, owing to his inability, on account of prolonged absences from Winnipeg from time to time, to give the necessary attention to its affairs, and later on Mr. J. H. Ashdown resigned from the Board owing to his having accepted a position on the directorate of the Bank of Montreal. During their term of office both these gentlemen rendered most valuable services to the Bank. Their experienced counsel and mature judgment will be greatly missed. They will, however, continue to take a deep interest in the Bank's affairs, and to use their influence in its behalf.

The vacancies caused by these resignations have been filled by Mr. Geo. Fisher and Mr. H. J. Symington, who are well known to you, and whose services we have been fortunate to secure.

Reviewing the operations of the Bank generally for the past two years, we may congratulate ourselves upon what has been accomplished, and the position we now find ourselves in. Increased resources have enabled us to take up our full allotment of loans made to the government by the banks for the purpose of financing the war, and on more than one occasion to take considerably more than was expected of us. We have at the same time always been in a position to amply supply the needs of our clients.

Our funds are now safely and profitably invested, and owing to the liquid nature of a large proportion of our loans, we are in an excellent position to take up any new business of a desirable character that may be offered to us.

During the past year we have secured some valuable accounts and more will no doubt follow.

The Victory Loan and future war loans may to a certain extent retard the growth of our deposits, but on the other hand there is a considerably increased acreage ready for seeding throughout the country which should, with even an average crop, yield sufficient returns for all requirements.

We begin the year with bright prospects, and look forward confidently to continued prosperity. It is to be hoped that our shareholders, both east and west, will assist us by using their influence to turn business in our direction. The Bank is their Bank, and there should be a great future for it.

I regret that Messrs. A. McT. Campbell and W. R. Bawlf were unable to be present this year. Mr. Campbell is attending the annual meeting of the Canada Life Assurance Company in Toronto on the 10th inst., and Mr. Bawlf was called to Ottawa to attend a meeting of the Board of Grain Supervisors to-day.

Before closing my remarks I wish to pay a tribute to those of our staff who are serving their country in the various war theatres. Many of them have been wounded, and some have, unhappily, been killed in action. We owe a debt of gratitude to these brave men.

I move that the report be adopted.

The adoption of the report was seconded by the vice-president, and after a few remarks by Sir Daniel McMillan, and the passing of the usual resolutions, the following directors were elected for the year:—

Capt. Wm. Robinson, A. McT. Campbell, E. F. Hutchings, John Stovel, Geo. Fisher, Sir. D. C. Cameron, W. R. Bawlf and H. J. Symington.

At a subsequent meeting of the board of directors Capt. Wm. Robinson was re-elected president and Mr. John Stovel vice-president.

CONTINENTAL INSURANCE CO. OF NEW YORK

One of the oldest and strongest fire underwriting corporations on this continent, the Continental Insurance Company of New York commenced business in Canada in 1910, having obtained its Dominion license in November of that year. The company was incorporated in January, 1853, and has its head office in New York. Its authorized, subscribed and fully paid-up capital is \$10,000,000. At the beginning of last year, its total gross assets exceeded \$34,000,000, which included an excess deposit of \$29,923 in Canada. The company then had reserves of over \$10,135,305 for unearned premiums, \$975,732 for losses and all claims; \$100,000 for contingencies; and \$600,000 for dividend. The policyholders' surplus was \$22,303,334. At the end of 1916, it had \$40,493,303 of business in force in Canada. Its head office for Canada and Newfoundland is at Montreal where Mr. W. E. Baldwin, a careful and capable underwriter, is manager. This company writes only fire insurance in Canada and should not be confused with the Continental Casualty Company of Chicago which is operating in British Columbia

NORTHERN CROWN BANK

In keeping with the experience of Canadian banks generally, the Northern Crown Bank, which has its headquarters at Winnipeg, experienced a good year. The deposits of this Western institution have doubled since the war commenced. They total \$25,303,271 as compared with \$10,378,172 in August, 1915. During the past year, total deposits increased approximately \$7,000,000, and during the past two years the increase was \$15,000,000. Another strong feature of the financial statement for the year ended November 30th last, presented to the shareholders at the twelfth annual meeting last week, is the position in regard to assets. The immediately available assets are \$21,836,027, which includes \$2,600,000 in the central gold reserves. This is 74.85 per cent. of the bank's liabilities to the public and 86.21 per cent. of its total deposits. The rest and undivided profits now amount to \$920,312.

The total assets now reach the substantial sum of \$31,603,224, showing an increase of \$11,304,377 since November 30th, 1915, and an increase of \$7,573,958 since November 30th last year. This is due to the increase in deposits noted above. The Northern Crown Bank has contributed largely to war issues of the Dominion and Imperial governments, and is now carrying \$11,587,000 of these securities. All but \$2,211,000 of these investments are for short terms, maturing in 1918 and 1919.

The bank's current loans are comparatively low, but, owing to the nature of its business, a large proportion of the bank's loans are paid off in full in the fall of the year from proceeds of crop. New loans will be made during the year to replace those paid off in this way, and the officials of the bank expect their funds to be fully employed.

Profits for the year were \$208,608, as compared with \$128,761 last year, an increase of \$79,846, the percentage being 9.72 of the combined capital and reserve. This is a gratifying record. Captain Robinson, president of the bank, in reviewing the operations of the past year, stated that the funds of the institution are now safely and profitably invested, but owing to the liquid nature of a large proportion of the loans it is in an excellent position to take up any new business of a desirable character that may be offered. During the past year the bank has secured some valuable accounts.

A comparison of the annual statements of the Northern Crown Bank for the past three years shows a substantial improvement in its position. Captain Robinson admitted at the recent meeting that the progress of the institution during 1916 and 1917 had exceeded the directors' most sanguine expectations. Two years ago he could not have conceived it possible, he said, that the bank could make such a rapid recovery. Good crops and high prices have contributed largely to this result. The Northern Crown Bank is now benefiting from the combination of courage and caution displayed at the reorganization of its affairs a few years ago. Mr. R. Campbell is the general manager of the institution, and has worked zealously to help bring about these results. He is supported by a strong and influential directorate.

The forestry branch will be equipped with sufficient hose for all vessels employed on waters in the forested areas, said Mr. Zavitz, Ontario provincial forester, in his address before the Toronto Insurance Institute on Thursday. Last season's progressive operations led to the erection of 62 lookout towers which, with the field telephone service, will revolutionize the old patrol system.

DEBENTURES FOR SALE

WALKERVILLE, ONT.

DEBENTURES FOR SALE

SEALED TENDERS, addressed to the undersigned, and marked on the outside, "TENDERS FOR DEBENTURES," will be received up to noon of FRIDAY, the 25th day of January, 1918, for the purchase of the following debentures and accrued interest:—

\$25,000.00 Canadian Patriotic Fund. Payable in 9 instalments with interest at the rate of 6% per annum. First payment collected.

\$38,000.00 Walkerville Hydro-Electric System. Payable in 25 instalments with interest at the rate of 6% per annum.

\$18,312.42 Local Improvements 9 instalments 6%. First payment collected.

\$10,332.95 Local Improvements 10 instalments 6%.

All debentures bear interest from December 14th, 1917, and have interest coupons attached. The principal and interest payable at the Canadian Bank of Commerce, Walkerville, on the 14th day of December in each year.

The highest or any tender not necessarily accepted.

ALFRED MIERS,

Town Clerk.

Walkerville, Ont., January 18th, 1918.

DIVIDENDS AND NOTICES**THE MONTREAL CITY AND DISTRICT SAVINGS BANK**

The Annual General Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the Eleventh day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements, and the Election of Directors.

By order of the Board.

A. P. LESPERANCE,

Manager.

Montreal, January 9th, 1918.

CONDENSED ADVERTISEMENTS

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

THE STORY OF A YOUNG FINANCIAL MAN'S SUCCESS.—A financial man, thirty-three years of age, came to our office four years ago to take up a new line of business—a line against which he had been prejudiced, but which he knew carried great rewards for the successful. His average commissions this year will be over \$5,000.00, and he has built up a future income of over \$3,000.00 a year on business already written. We are enlarging our organization to prepare for an enormous expansion of business during the next few years. We have positions for two good men with successful records. This offer will be open during the next week. Only applicants of unquestioned integrity and with the highest references will be considered. W. A. Peace, Manager Toronto Branch, Imperial Life Assurance Company, 20 Victoria Street, Toronto.

PUBLIC ACCOUNTANT is desirous of relinquishing practice on own account and joining the staff of a good live concern; chartered secretary of joint-stock companies, capable, experienced manager and systematizer, married, not eligible for military service; can arrange to transfer practice instantly if necessary. Box 139, *The Monetary Times*, Toronto.

WANTED.—Position as Inspector with Tariff Fire Company. Nine years' experience; age 30, married. Well known in Western Provinces. Apply Box 109, *Monetary Times* office, 1208 McArthur Building, Winnipeg.

QUEBEC AND SECURITIES REGULATION

Provincial Treasurer Says Order is Encroachment of Provincial Rights—Montreal Attorney's Views

While the Dominion government's restriction on provincial borrowings brought an official protest from the government of Quebec, a reply made by Hon. Walter Mitchell, provincial treasurer, in the legislative assembly, which resumed its deliberations on January 8th, indicates that the order-in-council will not have any practical effect on the province's financial dealings. Replying to Mr Sauve, leader of the Opposition, as to whether it was the intention of the government to make any loans this year, the provincial treasurer answered "No."

In his budget speech Mr. Mitchell maintained that the federal order was an encroachment of provincial rights. "What we want is unity of effort and co-operation," he said. "We are willing to help to the full measure of our resources, conducted with full knowledge of all the facts and circumstances, but all within our respective rights and constitutional authority."

"There is no controversy between the Canadian government and ourselves as to the advisability of the control of borrowing. Credit should be saved as much as anything else. Conservation of credit is all essential. We have not only advised this since the beginning of the war, but, what is more, have practised it."

City Attorney's Views.

City Attorney Laurendeau, who was formerly a judge of the Superior Court, in a written opinion, informed the Montreal city council this week that he regarded the recent Federal order-in-council by which provinces and municipalities would require to have the consent of the minister of finance before raising loans, as unconstitutional and contrary to the British North America Act. Finally, added the city attorney, when the time came for the city to enter the money market, it would be opportune to resolve whether or not the Federal order should be ignored.

The city attorney stated that he had been asked by the council whether the Federal government could intervene in the administration of the affairs of the municipalities. By a decree of December 22, the Federal government declared it

would be illegal for the Provincial government or corporations to sell, offer for sale, bonds, obligations, or other values attesting the obligation to reimburse a loan of money unless this offer of sale should be previously authorized by the minister of finance.

The city attorney declared that the Quebec provincial government had, by a decree of January 5, announced the opinion that the Federal government had not the power to pass the order-in-council of December 22, that the order-in-council is illegal and unconstitutional, and was not binding in any fashion on the province.

Says Does Not Bind City.

In conclusion the city attorney says: "If the Federal order-in-council is illegal and unconstitutional and does not bind the province, neither does it bind the city of Montreal. We are also of the opinion the order-in-council of the Federal government of December 22, encroaches on the rights of the province, that the parliament of Canada had not the power to adopt it, nor to delegate to the government of Canada the power to adopt it, that the power exercised by the Federal government by its order-in-council of December 22, belongs exclusively to the provinces, by virtue of the British North America Act of 1867. If the city of Montreal is under the necessity to raise loans referred to by the order-in-council of December 22, it will be for the city authorities to decide if this order-in-council should be ignored."

United States Follows our Example.

Advices from Washington State that legislation is being drafted under the direction of the United States administration which would authorize the treasury department to license each issue of securities considered essential for the conduct of the war and to refuse approval to enterprises regarded as not essential. In addition, it was reported, plans were being made for the formation of a government corporation, with a possible capitalization of \$500,000,000, which would form a reservoir of capital from which to draw for the development of needed industries. While the contemplated legislation could not prohibit the issue of any new capital, it could, and, according to the Washington report, would bar such unapproved issues from interstate sale. The government, it was pointed out, also could probably rely upon the people to reject any issue of which it did not approve, and if necessary, could bring to bear pressure that would doom to failure any attempt to market stocks and bonds without its sanction.

GOVERNMENT FINANCE

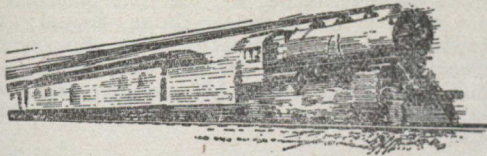
PUBLIC DEBT		1917	ASSETS—		1917	REVENUE AND EXPENDITURE ON ACCOUNT OF CONSOLIDATED Fd.		Total 31st Dec. 1917	EXPENDITURE ON CAPITAL ACCOUNT, ETC.		Total 31st Dec. 1917.
LIABILITIES—		\$ cts.	Investments—Sinking Fds.		\$ cts.	REVENUE—		\$ cts.	War.....		\$ cts.
Payable in Canada.....		519,349,551 05	Other Investments.....		19,095,991 88	Customs.....		112,759,758 76	Public Works, Railways and Canals.....		171,748,839 17
Payable in London.....		362,763,312 40	Province Accounts.....		245,622,905 14	Excise.....		19,668,365 76	Railway Subsidies.....		16,362,213 74
Payable in New York.....		75,873,000 00	Miscel and Bkg. Accounts.....		2,296,327 90	Post Office.....		14,850,000 00			713,204 75
Temporary Loans.....		556,700 464 07	Total Assets.....		658,182,309 11	Pbc. Works, R'lways & Canals.....		22,921,312 19			
Bank Circul'n Redemp. Fd.		5,793,601 27	Total Net Debt 31st Dec.....		922,197,630 07	Miscellaneous.....		20,459,933 81			
Dominion Notes.....		274,063,856 54	Total Net Debt 30th Nov.....		976,428,504 18	Total.....		190,659,370 52			
Savings Banks.....		53,707,440 55	Increase of Debt.....		958,000,700 61	EXPENDITURE.....		96,982,537 12			
Trust Funds.....		10,763,699 29									
Province Accounts.....		11,920,481 20									
Miscel. and Bkg. Accounts.....		27,744,709 88									
Debt.....		1898,626,034 25									

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto (Week ended Jan. 16th, 1918.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power.....6's	89.50	87	Dom. Iron & Steel 5's.1989	73	78	Maritime Coal & Ry.com.	16	21	Rosedale Golf Club.....	285	.....
.....pref.	80	87	Dom. Linseed Oil.....	65	.....	.....5's	67	72	South Can. Power.com.	14	20
Amer. Sales Bk.....6's	.....	95	Dom. Permanent Loan	60	70	Massey Harris.....	110	129	Sovereign Life.....	14	49
Atlantic Sugar.....pref.	26	29.50	D. Power & Trans.....pref.	89	96	McDonald.....pref.	80	85	Stan. Reliance (par 50) xd	45	.....
Arena (Toronto) Bonds.....	90	.....	.....5's	89	.....	Mexican Mahogany.com.	11	.....	Sterling Coal.....Com.	9	11
Belding Paul.....pref.	70	75.50	Dom. Power.....com.	50	56	Matthew-Lang.....6's	93	98	.....bonds	69	73
Brand-Henderson.....6's	95	.....	Eastern Car.....6's	90	95	Morrow Screw.....6's	86	92.50	Sterling Bank.....	80	90
Can. Marconi.....	1.75	2.75	Frost & Wood.....pref.	.....	92	Mutual Steamships...6's	94	.....	St. Lawrence Sugar...6's	93.50	96.50
Can. Cereal & Flour.com.	.....	85	Goodyear Tire.....	175	195	National Drug 7%...pref.	75	90	Temple(Allen)Thea.com.	50	.....
Can. Mortgage.....	75	85	Home Bank.....	61	68	National Life.....	30	.....	Toronto Paper.....6's	85	90
Canada Machinery.com.	7	12.50	Imperial Oil.....	290	320	National Telephone...5's	48	54	Trust & Guarantee...xd	80	87
.....pref.	44	53	Imperial Trust Co.....	.....	55	North. Crown Bank.....	67	.....	Toronto Y'k Rad. 5's. 1919	.....	96
.....6's	70	77	Inter Lake Steamship.6's	94	.....	Nova Scotia Steel 6% deb.	80	90	West. Assurance.....	4	6
Continental Life.....	18	25	Inter. Mill.....pref.	84	90	Ont. Pulp Bonds.....	80	83	West Can. Flour.....com.	90	115
Chapman Ball Bearing.....	20	30	Lambton Golf Club.....	325	370	Ottawa Electric.....5's	.....	95	.....6's (1931)	93	98
Cockshutt Plow.....pref.	65	75	London Loan & Savings.	100	115	Peoples Loan.....	82	92	West Can. Power...5's.	48	55
Domin. Glass.....pref.	75	82	.....	.....	.....	.....	.....	.....	.....	.....	.....

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 Fastest Route to Big Production

Is via the Training, the Service and the Co-operation given through our own

FREE SALES COURSE,
PROSPECT BUREAU,
BULLETIN SERVICE,
ADVERTISING and
ALL ROUND SUPPORT

YOU { Travel without expense,
Are better equipped for the journey,
Sure of getting there, with the

**CANADA LIFE
ASSURANCE CO.**

Home Office - Toronto



New Records

Results secured during the past year re-affirm the position of the Sun Life of Canada as the leading life assurance organization of the Dominion.

It leads all Canadian Companies in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Premium Income, Total Income and Payments to Policyholders.

Fair-dealing and progressive business methods are the foundations for the Company's phenomenal growth.

**SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE - MONTREAL**

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
Portland, Maine

ARTHUR L. BATES, PRESIDENT. HENRI E. MORIN, SUPERVISOR
For Agencies in the Western Division, Province of Quebec and Eastern Ontario, apply to WALTER I. JOSEPH, Manager, 502 McGill Building, Montreal.
For Agencies in Western Ontario, apply to E. J. ATKINSON, Manager, 107 Manning Chambers, 72 Queen St. West, Toronto

BRITISH AMERICA ASSURANCE COMPANY

FIRE, HAIL, OCEAN MARINE and INLAND MARINE INSURANCE

INCORPORATED 1833

HEAD OFFICES: TORONTO

W. R. BROCK, President. W. B. MEIKLE, Vice-Pres. and Gen. Mgr.
JOHN SIMS, Asst. Gen. Mgr. E. F. GARROW, Secretary.
Assets, Over \$2,500,000.00

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

(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

J. A. THOMPSON

Government and Municipal Securities

Western Municipal, School and Saskatchewan Rural Telephone Co. debentures specialized in.

CORRESPONDENCE INVITED

Union Bank Building - WINNIPEG

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

L. COFFEE & CO.

GRAIN MERCHANTS

THOMAS FLYNN

Established 1845

Board of Trade Building,
Toronto, Ontario

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

RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Baden, Ont.—January 9—Woolen mills of Elias A. Brudacher destroyed.

Bienheim, Ont.—January 7—Farmhouse of Orlando Hartford was destroyed. Caused by overheated stovepipe.

Brantford, Ont.—January 8—Watson Manufacturing Company's plant damaged.

Chatham, Ont.—January 14—House of Joseph Delenen destroyed.

Edmonton, Alta.—January 7—Paul Viellard's clothes pressing establishment was destroyed. Estimated loss, \$1,500.

January 7—John A. Gauthier's chicken-house and one hundred fowls were destroyed. Estimated loss, \$200.

Gal, Ont.—January 9—Barn, cattle, horses, pigs and poultry of Mr. Andrew were destroyed. Estimated loss, \$5,000.

Gananoque, Ont.—January 14—Plant of the Ontario Steel Products Company, Limited, damaged.

Haileybury, Ont.—January 10—Hudson Bay store was destroyed.

January 11—Fort Temiskamingue was destroyed.

Hamilton, Ont.—January 15—Jewish synagogue, Anshe Shalom, was damaged. Caused by thawing out frozen pipes. Estimated loss, \$1,200.

Listowel, Ont.—January 13—Large business block was destroyed. Estimated loss of \$200,000 was divided among the following companies: Koch and Spencer's shoe store, Bell Telephone office, McDonald's barber shop, Miss Gibb's millinery store, McAllister's poolroom, Von Zueben's tailor shop and Johnstone's jewelry store. The offices destroyed, with all their contents, are: H. B. Morphy's, K.C., barrister; J. C. Hamilton's, B. A. Parker's, J. J. Foster's, Dr. E. G. Spence's and Dr. J. A. Campbell's.

Montreal, Que.—January 11—Fairview Dairy, owned by W. H. Bradley, was destroyed. Estimated damage, \$1,500.

Norwich, Ont.—January 14—The wood flour mills were destroyed. Caused by crossed electric wire.

Ottawa, Ont.—January 10—East wing of Water Street General Hospital damaged.

Peterboro', Ont.—January 10—Boston Cafe destroyed. Estimated loss, \$20,000. Three oil tanks and fifty barrels of oil on Second farm were destroyed. Caused by the igniting of the gas arising from the tanks.

Port Coquitlam, B.C.—January 4—Residence and out-houses of Mr. E. D. Tolwell were destroyed. Estimated loss, \$7,000.

St. Anne de Pocature, Que.—January 14—Provincial agricultural schools damaged. Estimated loss, \$3,000.

Toronto, Ont.—January 10—House of Mrs. Rathney damaged. Caused by cat upsetting a lighted oil stove. Estimated loss, \$500. Residence of C. A. Simmons was destroyed. Estimated loss, \$400.

January 12—Store of Thomas Hobbins, shoemaker, was destroyed. Estimated loss, \$1,600.

January 14—Manufacturing building at 111 Adelaide Street West was damaged. Caused by thawing out frozen water pipes. Estimated loss of \$5,000 is divided among the following tenants: The Henry Ottens Company, Levine Manufacturing Company, Sam Peltmaker Company and the Wilkinson-Kompass Hardware Company.

January 15—Housey's boathouse, at the foot of Bathurst Street, was damaged. Estimated damage to boats, \$2,500; to building, \$500.

ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

Peterboro', Ont.—January 6—The Peterboro' Canoe Company, who had their premises destroyed, carry a total insurance of \$59,750, which is divided among the companies

as follows: National-Ben Franklin, \$2,500; Union, \$4,000; Mercantile, \$2,500; Nationale, \$2,500; Liverpool and London and Globe, \$2,500; Commercial Union, \$3,500; General, \$5,000; Quebec, \$1,250; Norwich Union, \$6,000; Queen, \$3,500; Caledonian, \$5,000; Wellington Mutual, \$2,500; Perth Mutual, \$2,500; Economical Mutual, \$2,500; Yorkshire, \$2,500; Hartford, \$2,500; Sun, \$2,000; other companies, \$7,000. Loss, 60 per cent.

Port Arthur, Ont.—November 7—Pile of soft coal on Canadian Northern Railway docks was destroyed. The estimated loss of \$350,000 is covered by a total insurance of \$366,000, which is divided among the following companies: London Lloyds, \$40,500; Globe and Rutgers, \$30,000; Employers' Liability, United States and Ohio Millers, \$20,000 each; St. Paul and North River, \$15,000 each; General, Scottish Union and National, Aetna, Richmond, London Guarantee, London and Lancashire, \$10,000 each; Stuyvesant, National Merchants and Manufacturers, and Royal Exchange, \$7,500 each. Sun, Mount Royal, Commercial Union, British Colonial, Occidental, Firemen's Insurance, Excess, Western, Pacific Coast, Century, Merchants (Toronto), Strathcona, Ohio R. G. Mutual, Central States, Firemen's Underwriters, Liverpool and London and Globe, Pref. Reciprocal, British and Canadian, and British Empire Underwriters, \$5,000 each. Caledonian and National Fire Insurance Underwriters, \$3,000 each; Alliance, Imperial Underwriters, Industrial, National Fire and Marine, British Crown, London Mutual, Buckeye National, \$2,500 each; Union of Paris, \$2,000; Nationale of Paris, \$1,500; Monarch, \$1,000.

Port Arthur, Ont.—December 26—Dry kiln of Port Arthur Shipbuilding Company, containing joined work for steamers, destroyed. Estimated loss on stock, \$11,000; on building, \$750. Insurance on stock, \$1,534; on building, \$500. Carried in Mercantile Fire Insurance Company.

Toronto, Ont.—January 6—A total loss of \$36,500 was involved when the Toronto Ferry Company's dock was destroyed. The total insurance of \$837,400 is divided among the companies as follows: Aetna, \$8,500; Alliance, \$28,500; Commercial Union, \$23,500; Employers' Liability, \$23,500; Equitable, \$14,500; Firemen's Fund, \$16,500; General, \$21,900; Globe and Rutgers, \$68,500; Globe Indemnity, \$10,000; Home, \$14,500; Hudson Bay, \$38,500; Imperial Underwriters, \$10,000; Liverpool and London and Globe, \$18,500; Liverpool-Manitoba, \$18,500; London Assurance, \$18,500; London Mutual, \$28,500; London and Lancashire, \$58,500; Mercantile, \$24,000; National, \$4,500; New York Underwriters, \$47,500; Northern, \$20,000; Norwich Union, \$18,500; Nova Scotia, \$10,000; Palatine, \$23,500; Phenix, \$18,500; Phoenix of Hartford, \$23,500; Phoenix of London, \$25,000; Rochester Underwriters, \$4,500; Royal, \$77,000; Royal Exchange, \$18,500; St. Lawrence Underwriters, \$30,000; Scottish Union and National, \$18,500; Sun, \$14,500; Union, \$38,500.

Vancouver, B.C.—Fire Chief Carlisle reports the fires for December to *The Monetary Times* as follows: The fire department responded to 57 alarms during the month of December as follows: Fires where damage occurred 16, fires where no loss resulted 1, false alarms 14, smoke scares 2, chimney fires (no loss) 12, out of city limits 1, and services not required 11. The estimated total damage resulting from fires for the month amounts to \$539, of which \$399 was covered by insurance, leaving the property loss above insurance as \$140. The total value of the property involved was \$273,275. The following shows the cause of fires and alarms during the month: Backfire (carburetter) 2, children playing with matches 2, chimney fires 17, out of city limits 1, defective fireplace, grate, etc., 2, defective flues 3, defective chimney 1, electrical origin 2, false alarms 14, firewood left in ovens and on furnaces to dry 2, flying sparks 2, hot ashes placed in wooden receptacles 1, oil lantern upset 1, overheated furnace pipe 1, pot of rosin on stove catching fire 1, smoke scares 2, spontaneous combustion 1, and unknown 1. Christmas tree decorations catching fire was the cause of 1 alarm during this period.

MONTREAL OFFICE OF MARTENS & COMPANY

A branch office of Messrs. A. H. Martens and Company has been opened at Montreal, in connection with the company's stock department, and is in charge of Mr. R. H. Pringle. This financial house now has offices at Toronto, Montreal, New York and Chicago.

WALKERVILLE HAS BONDS TO SELL

Walkerville, Ontario, is calling for tenders for \$91,645 6 per cent. bonds of varying maturities. The issue will be made for patriotic fund, hydro-electric, and local improvement purposes. Tenders will be received up to Friday next, January 25th. Walkerville is an enterprising and well-managed town.

SOME OF THIS WEEK'S FIRES

North Toronto, Ont.—January 17—The Belmont Garage at stop seven was destroyed. Estimated damage to machines, \$10,000; to building, \$2,000.

Toronto, Ont.—January 17—Gladstone Hotel was damaged. Estimated damage to building, \$500; to contents, \$100.

Welland, Ont.—January 16—Premises of the Chinese Y.M.C.A. and two adjoining houses were destroyed. Taylor Block on West Main Street was destroyed. An estimated loss of \$50,000 is divided among the following:—Bradford's harness emporium, Ford & Britten's grocery store, and Tompkin's bakery.

IMPERIAL OIL COMPANY'S ORGANIZATION

Contrary to previous reports concerning the incorporation of the Imperial Oil, Limited, with a capital stock of \$50,000,000, it is stated officially that the company will be an operating subsidiary of the Imperial Oil Company, Limited, and not the holding company. It will be the holding company for the entire Imperial and International Petroleum organizations. The new Imperial Oil, Limited, will take over the producing, manufacturing and marketing ends of the company, the reason for the incorporation being the provision of wider charter privileges than the Imperial Oil Company, Limited's. The charter of the new company, in addition to the powers mentioned, also gives it the right to operate live stock ranches and to deal in agricultural products. There will be no distribution of stock in connection with Imperial Oil, Limited, the step being an inside matter of operation. All the stock of the company is held by the Imperial Oil Company, Limited. Provisional directors of the Imperial Oil, Limited, are Walter C. Teagle, C. O. Stillman, G. W. Mayer, G. H. Smith, and W. J. Hanna.

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:—

	Jan. 17th, 1918.		
	Div. Rate	Price about	Yield about
Preferred:			
Canada Cement.....	7	90	7.77
Canada Steamships.....	7	74	9.45
Canadian Locomotive.....	7	83	8.43
Mackay Companies.....	4	60	6.66
Maple Leaf Milling.....	7	91	7.69
Penmans.....	6	82	7.31
Steel of Canada.....	7	83	8.43
Common:			
Bell Telephone.....	8	130	6.15
B. C. Fishing and Packing.....	4	38	10.52
Canada Cement.....	6	58	10.34
Canadian Locomotive.....	6	57	10.52
Canadian General Electric.....	8	102	7.84
Consumers' Gas.....	10	150	6.66
Canadian Pacific Railway.....	10	139	7.14
Consolidated Mining and Smelting.....	2½	25	10.00
Dominion Foundry & Steel.....	8	62	12.90
Dominion Steel Corporation.....	5	55	9.09
Mackay Companies.....	6	75	8.00
Maple Leaf Milling.....	10	91	11.10
Penmans.....	4	66	6.06
Steel Co. of Canada.....	6	51	11.76
Toronto Railway.....	8	60	13.33
Twin City.....	6	65	9.23
Bonds:			
Canada Bread.....	6	90	6.66
Canada Cement.....	6	96½	6.22
Canada Steamships.....	6	80	7.50
Canadian Locomotive.....	6	88	6.81
Penmans.....	5	86	5.81
Steel of Canada.....	6	89	6.74
*First War Loan.....	5	95	5.26
*Second War Loan.....	5	93½	5.34
*Third War Loan.....	5	93½	5.34

*Yield on stock basis.

NEW INCORPORATIONS

Toronto, Montreal, North Bay and St. Catharines are the Headquarters for Large Companies

The largest companies incorporated during the past week were: R. Laidlaw Lumber Company, Limited, Toronto, Ont., \$2,000,000; National Grocers, Limited, North Bay, Ont., \$1,500,000; Wolvins, Limited, Montreal, Que., \$2,000,000; McKinnon-Columbus Chain, Limited, St. Catharines, Ont., \$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 the paragraph. The amount noted is the authorized capital, and the persons named are provisional directors:—

North Bay, Ont.—National Grocers, Limited, \$1,500,000; D. I. Grant, A. Dods, M. Macdonald.

Walkerville, Ont.—Tanlac Company, Limited, \$40,000; L. T. Cooper, J. A. Cooper, S. Cooper.

Ottawa, Ont.—St. Germain and Fraas, Limited, \$40,000; T. St. Germain, J. E. Fraas, W. J. Warwick.

Victoria, B.C.—Maquinna Packing Company, Limited, \$500,000; the Dahl and Falk, Limited, \$25,000.

St. Rose du Lac, Man.—Farmers St. Rose Elevator, Limited, \$10,000; A. Hurst, J. Allard, J. Robinson.

Windsor, Ont.—Ripley Peck Hardware Company, Limited, \$60,000; C. A. Ripley, A. W. Peck, W. Griesinger.

Hartland, N.B.—Hatfield and Scott Company, Limited, \$49,500; H. H. Hatfield, A. W. Kyle, B. L. Hatfield.

Village of Roland, Man.—The Roland Hardware Company, Limited, \$25,000; G. Ross, M. J. Horn, W. Watson.

Hamilton, Ont.—Boston Insulated Wire and Cable Company, Limited, \$200,000; B. T. Burley, H. B. Burley, L. W. Burley.

St. Catharines, Ont.—McKinnon-Columbus Chain, Limited, \$1,000,000; L. E. McKinnon, D. S. Brisbin, W. A. McKinnon.

Fort William, Ont.—The Duck Lake Mining Company, Limited (no personal liability), \$250,000; W. T. Young, T. E. Dean, L. O'Brien.

Vancouver, B.C.—Standard Engineering Company, Limited, \$10,000; B. Boe, Limited, \$10,000; Ladyware, Limited, \$50,000; Masset Timber Company, Limited, \$200,000.

Winnipeg, Man.—Mutual Brokers, Winnipeg, Limited, \$10,000; H. B. Finch, T. P. Griffin, W. E. Deitz. Auto Accessories, Limited, \$40,000; L. S. Baxter, H. Rennie, W. F. Yeo.

Montreal, Que.—Birks, Corner and Company, Limited, \$100,000; A. Birks, A. J. Corner, H. Havelock. Canadian Die Casting Company, Limited, \$300,000; H. A. Bertram, F. H. Markey, W. W. Skinner. The Sterling Imports, Limited, \$30,000; A. G. Ross, M. E. Wherry, C. M. Cotton. Wolvins, Limited, \$2,000,000; F. S. Isard, F. H. Markey, W. W. Skinner. J. A. E. Gauvin Drug Store, Limited (J. A. E. Gauvin Pharmacie, Limited), \$200,000; A. R. Plimsoll, R. Brodeur, A. Chouinard.

Toronto, Ont.—Canadian General Lumber Company, Limited, \$200,000; G. H. Sedgewick, J. Aitchison, M. A. Boyd. Canada Pulpwood Exporters, Limited, \$40,000; A. C. Brown, W. G. Kelly, D. Smith. Acme Laboratories, Limited, \$50,000; H. J. Macdonald, C. W. Moorhead, A. Mayne. Canadian Northern Realities, Limited, \$40,000; D. B. Hanna, G. Ruel, R. H. Montague Temple. R. Laidlaw Lumber Company, Limited, \$2,000,000; R. Laidlaw, W. C. Laidlaw, R. A. Laidlaw. Hull Construction, Limited, \$40,000; D. B. Coleman, F. A. Addison Campbell, E. R. Lynch. Ontario Market Gardens, Limited, \$40,000; A. W. Hunter, G. R. Sproat, J. C. Thomson. L. White and Sons, Limited, \$40,000; L. White, A. White, H. White.

Winnipeg grain supervisors were notified on Tuesday by Food Controller Hanna that, beginning January 28th, all mills in Canada will manufacture standard war flour, to consist of one barrel from each 265 pounds of wheat. The old standard called for 300 pounds of wheat to the barrel. The result of the new standard is a saving of 35 pounds to the barrel. The old standard disappears for the period of the war.

LIFE INSURANCE AND BANK CREDITS

Notwithstanding War Conditions, Companies Have Sold More New Assurances Than Before

"It is a paradox that all the material prosperity should come with the widespread sorrow and loss which our casualties have entailed," said Mr. H. C. Cox, president of the Canada Life Assurance Company, referring to the progress of the life assurance business in his address at the company's annual meeting, held last week at Toronto.

"It may be this enforced realization of the great law of life and death," he continued, "or it may be the growing financial ability of the community at large, or perhaps a combination of the two, but whatever the cause, it is clear that in the general progress the life assurance companies have had a share, and have, perhaps without exception, sold more new assurances than ever before. It is a matter for congratulation that while almost every other necessity or luxury has for reasons, apparent or obscured, advanced in price, life assurance protection continues to be obtainable at rates which have been in vogue for many years. This feature has earned the appreciation of the public. The utilitarian value of life assurance to the state at large in an ordeal such as we are now undergoing is indicated by its record, for, as nearly as we can estimate, all companies doing business in Canada have during the war paid death losses arising out of it of \$12,000,000, or an average of 20 per cent. of the total claims incurred during the war.

"These important sums have not been met without a strain more or less severe upon some of the companies, but I am glad to be able to say that not one so far has been unable to meet its full obligation, and there is ample ground for the belief that they will continue to do so. It is, however, well to bear in mind the difficulty of sustaining without disturbance a long succession of losses never anticipated, and the possibility of all companies having to fall back upon their contingent reserves, or even having to temporarily reduce the scale of their dividend allotments to the assured."

"Several of the best British and Australian companies have already found it necessary to reduce their bonuses, while others have passed them altogether. An interesting fact in this connection is the practice of one of the prominent German companies, whose policy contains a clause enabling the company to retain a portion of the profit accruing to each policy for the purpose of forming a special reserve against excessive death losses resulting from war. The company appears to have been taking advantage of this provision for some years, and has actually been appropriating the earnings of its members in countries now at war with Germany to assist in the payment of losses upon the soldiers of its own country. Incidentally, we are given one more indication of the long and exhaustive preparation of the German for war."

Life Insurance and Bank Credits.

In referring to the relationship of life insurance and bank credits, Mr. Cox said that banking and insurance corporations were coming in closer touch, although the significance of this relationship was only beginning to be understood by the commercial life of the nation. He continued:—

"To-day, not only do many of our banks include in their 'application for credit' forms a specific question as to the amount of life insurance carried, but frequently require the customer to bring that life insurance up to a certain figure, be he firm or individual, as a condition precedent to granting a line of credit. Further than that, we find the customer's answer to this question actually affecting the bank's consideration of the moral side of the claim for accommodation. Of this one prominent banker says:—

"When a man comes to us to borrow, we want to know how much life insurance he carries; not so much because of its bearing on his financial power, but as an indication of his type of mind, for the type of mind that induces a man to insure his life is the type of mind which makes for success in business."

Co-operation and Unification.

Mr. Cox, referring to the securing of uniform provincial insurance laws, said:—

"The tendency to co-operation and unification, which now makes its appearance between provinces, has already made considerable progress as between the companies which have their associations of presidents and officers, of actuaries and medical directors, through which the combined experience and knowledge of all are placed at the disposal of each. This interchange is immensely valuable to all who participate in

it, and there is gradually evolving from it a uniformity of viewpoint and method which is making for greater efficiency in the conduct of what is necessarily an intricate and scientific business. The elements of respect and consideration are steadily strengthening between salesmen, who are naturally and unavoidably in active and daily competition, the result being a fairer and clearer presentation of the general merits of life assurance to the prospective purchaser.

"The widespread condition which is responsible for the rapid extension of the influence of women in financial and manufacturing activities has also brought them into more intimate relation to life assurance, and they are giving very material and valuable aid not only in office positions, but also in the selling department. Their larger entry into business affairs has brought with it an enhanced earning power, and in many instances an added responsibility, with an awakening to the possibility of providing, through life assurance, while they are still in receipt of good incomes, some measure of competency for their own future or for those with whose support they may be charged. The result is an important increment in the number and amount of policies being sold to women, with a more receptive attitude on the part of the companies, who have hitherto been unduly severe in their limitations regarding female risks."

War and Mortality Experience.

"For many years," said Mr. Cox, "most companies have had an exceptionally favorable mortality experience, but we must all, I think, look for a modification of this as a result of the great upheaval, not only through the actual deaths in battle, but through the impaired health and shortened lives of many assured, who have returned or will return to civil life, and through the abnormal and mental strain placed upon those who have been left at home."

PUBLICATIONS RECEIVED

Insurance.—Annual report of insurance companies for 1916. Issued by the Insurance Branch, Treasury Department, of Quebec province.

Agriculture.—An interesting report, issued by the Department of Agriculture of Manitoba, dealing with the situation of the crops, live stock and all other produce has been issued by the department.

Northern Manitoba.—An interesting booklet, published and issued by J. A. Campbell, commissioner, by authority of the province. It contains information regarding the development of mining, agriculture and waters, and the production of timber, pulpwood, fish and furs of this territory.

French Canada.—"Meeting the French-Canadian Half-Way." A talk given before the Montreal Publicity Association, October 12th, 1917, and before the Toronto Ad-Club, November 27th, 1917, by C. E. A. Holmes, B.A., editor of "Publicity." Third edition. Price, 10 cents. Canadian Advertising Agency, Limited, publishers, Unity Building, Montreal.

Mining.—The eleventh annual summary of Mining Statistics has just been issued by Messrs. Heron and Company, members of the Toronto Stock Exchange. The useful data in connection with all mining companies, the shares of which were traded in on the Toronto market during 1917 have been prepared with great care and accuracy. This summary is a valuable compilation.

London, Ont.—A resume of the past two or three years' work of the London (Ont.) board of trade is contained in an excellent little booklet just issued. No report has been published by the board during this period, and by including the activities of a few years, a better perspective is given by which to judge their value to the community. For obvious reasons the report has been condensed as much as possible. It is published for the information and criticism of all members, and also to be placed in the hands of prospective members, thus assisting the membership committee in its work. Mr. Gordon Philip, the capable secretary of the board, says in the introduction: "The board of trade can show no annual statement of increased sales, profits or dividends. Its standard of efficiency is the service it renders to its members, to the city of London, to the surrounding district, the Dominion and the Empire. Members and non-members are urged to peruse the following pages and to consider the advisability of giving personal thought and diligent effort to help the work of the board of trade in the future. Constructive criticism and personal co-operation are asked."

Issued by the London (Ont.) Board of Trade. Gordon Philip, secretary.

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

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

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THE CONTINENTAL INSURANCE CO. OF NEW YORK
 "THE BIG COMPANY."
 ASSETS EXCEED - \$34,000,000
Fire. Rent. Tornado.
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SIMPLICITY FIRST

is about as important in your life assurance as "Safety First," because a contract that is not simple to understand may not be safe for your particular purpose.

The life assurance policy of the future must be an attractive and exactly worded contract, but above all CLEAR and SIMPLE—the new policy standard as set by

The Sovereign Life Assurance Co. of Winnipeg

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. ...	\$ 887,065 ...	\$ 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
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THE DOMINION OF CANADA GUARANTEE & ACCIDENT INS. CO.

Accident Insurance Sickness Insurance Plate Glass Insurance
 Burglary Insurance Automobile Insurance Guarantee Bonds

The Oldest and Strongest Canadian Accident Insurance Company

Toronto Montreal Winnipeg Calgary Vancouver

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

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

North-West Branch .. Winnipeg
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MARTIN N. MERRY, General Agent TORONTO
 Agencies throughout the Dominion

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.
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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

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

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

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

St. John, N.B.—The city council will probably issue bonds for the purpose of financing the paving work on Main Street.

Winnipeg, Man.—The Greater Winnipeg Water District will be permitted by the minister of finance to float bonds to complete its construction scheme.

Shediac, N.B.—A. W. McQueen, clerk, reports the town's assessed value of real estate and personal property for 1916 as follows: Real estate, \$274,200; personal property, \$86,400.

Sackville, N.B.—Thomas Murray, treasurer, reports the town's assessed value of real estate and personal property for 1916 as follows: Real estate, \$574,850; personal property, \$320,300.

Sussex, N.B.—J. William Freeze, treasurer, reports the town's assessed value of real estate and personal property for 1916 as follows: Real estate, \$731,000; personal property, \$354,300.

Restigouche, N.B.—Alex. J. Le Blang, secretary-treasurer, reports the county's assessed value of real estate and personal property for 1916, as follows: Real estate, \$3,059,680; personal property, \$679,370.

Windsor, Ont.—Messrs. Macneill and Young, Toronto, agreed to purchase a block of unsold securities at a price to net 6¼ per cent. This excellent offer was rejected, and bids for \$250,000 bonds are being invited.

Northumberland, N.B.—Mr. E. P. Williston, secretary-treasurer, reports the county's assessed value of real estate and personal property for 1916 as follows: Real estate, \$2,243,965; personal property, \$497,990.

Montreal, Que.—It has practically been decided by the board of control not to ask the Quebec legislature for permission to float a loan to make good the \$3,000,000 deficit. Instead, it will try to levy various taxes to secure the sum needed.

Victoria, N.B.—James Tibbits, county secretary-treasurer, submits the statement for 1916 as follows: Assets, county buildings, \$18,000; assessors' valuation of real and personal property in county, \$2,561,448, making a total of \$2,579,448. The total liabilities of \$13,000 are as follows: Four debentures \$500 each at 5 per cent., due September 1, 1920, \$2,000; 12 debentures \$500 each at 5 per cent., due September 1, 1931, \$6,000; 10 debentures \$500 each at 5 per cent., due June 1, 1933, \$5,000.

Montreal, Que.—The Quebec legislature has been asked by the Central Catholic School Commission for power to borrow \$3,000,000 to meet the heavy obligations incurred when the newly formed central body took over the debts of the various independent commissions of former days. Approximately, the commission's debt is \$2,000,000, which does not include the amounts required for administration during this year. The budgets of the four district commissions, plus interest, sinking fund and other fixed charges, reach a total of \$2,568,391, and the probable revenue is \$1,771,788, leaving a deficit of \$769,503. The commission wishes to apply two-thirds of the loan for which power is sought, to consolidating its debt, and the rest to meeting the deficit. It also asks that the school tax be increased, to do away with the deficit in administration. It is thought the increased tax rate would give a surplus instead of an annual deficit.

Quebec, Que.—According to the report of municipal statistics for 1916, the number of municipalities increased from 1,241 to 1,256, while the new mills and factories erected in the province reached a total value of \$6,327,180, as compared with \$974,784 erected in 1915. The value of taxable property in the province increased by \$10,000,000, but justice was not done in the province in the municipal statistics furnished. It was pointed out that the February issue of the Monthly Statistics published by the Federal government treated the province much better, putting the value per acre at \$52, whereas the figures supplied according to the municipal valuation is only \$16 per acre. The value of municipal water and sewer plants dropped in the year from \$52,482,337 to \$48,122,253, while the value of gas plants decreased from \$345,032 to \$57,-

111, of telephone systems from \$307,230 to \$75,105, while the municipalities increased their holdings of electric light plants from \$2,867,081 to \$4,105,001, and of miscellaneous municipal works from \$185,432 to \$4,926,092.

Vancouver, B.C.—The following statement has been made to the city council: On April 15 debentures were sold as per tenders received as follows: \$73,000 general debentures at 78.20, netting \$57,086; \$47,440 local improvement at 95.14, netting \$45,134.42, which, with accrued interest, made a total of \$102,402.92. Out of this the following amounts were paid to redeem treasury notes: \$75,000 plus six months' interest, \$2,250; deposit to road construction savings account, \$7,895.86; deposit being amount set aside for purchase of bridge shares, \$7,278.72. In April, as per tenders received for treasury notes, \$17,000 were sold to Messrs. Terry, Briggs and Company, at \$97.18, plus accrued interest from May 10; security for these notes being unpaid taxes for the year 1916. The amount realized was \$165,404.30. After deducting bank charges of \$196.71 was received \$165,207.59. Out of this amount there was deposited the 1916 sinking funds—general \$14,759.02, local improvement, \$77,746.18 and \$30,000 which was paid to the Royal Bank on account of loan.

The amounts of outstanding treasury notes owned by the city at the present time are \$145,000 out of the \$225,000 issue, and \$138,000 out of the \$170,000 issue. In April the council purchased \$155,000 of war bonds, paying by withdrawing from the general sinking fund \$47,866.85, and from local improvement sinking fund \$80,520.48. On December 31 the purchase of \$74,000 bonds was completed. The balance of taxes due for 1917 amounted to \$167,462.36; 1916 arrears, \$151,635.55; 1915 arrears, \$131,176.30; 1914 arrears, \$63,709.58; and 1913 arrears, \$950.19, making total of arrears without interest, \$515,183.96.

Toronto, Ont.—In the annual report issued by Assessment Commissioner Forman recently, the city's assessment value is shown as \$602,777,559, and its official population 473,820. The figures differ somewhat from the returns made by the assessors when they completed the revision of the assessment. Their valuation of the assessable property of all kinds was \$605,107,430, but the court of revision and the county judge made reductions aggregating \$2,329,871, but, after allowing for this the gross assessment shows an increase of \$14,357,246 over the previous year. In the matter of population, the assessor's figures are always lower than those of the police and the compilers of the city directory, which assume that the population exceeds 500,000. Deductions made by the court of revision deals with the original figures only. Thus an increase is shown in the assessment of 2.83 per cent., as compared with the previous year, and an increase of 2.88 per cent. in the population. The report makes no mention of the total amount of exemptions, which now are approximately \$90,000,000, or 6.74 per cent. of the total.

The gross assessment of the city has increased \$478,426,118, or 377 per cent. in the past twenty years, but the most phenomenal increase was in the past ten years, when the increase was \$399,722,177, the respective figures being as follows: 1898, \$126,681,312; in 1908 \$206,385,253; in 1918, \$605,107,430. During the same period the population increased as follows: In 1897 it was 183,172; in 1907, 272,600; in 1917, 473,829. This shows an increase in population of 290,657 in the 20-year period and of 201,229 within the past ten years. It will thus be seen that the assessment values have soared at a far higher ratio than the population.

Mr. W. H. Alderson has been elected treasurer of the Toronto board of trade.

Mr. F. G. Donaldson, assistant general manager, has been appointed general manager of the Montreal Trust Company, in succession to Mr. Vincent J. Hughes.

Mr. C. H. Bogert, general manager of the Dominion Bank, has been elected president of the Toronto board of trade. Mr. Bogert is one of the best known bankers, and has been active in the good work of the Toronto board of trade.

Mr. Alex. Mackenzie, for some time the company's superintendent for Ontario, prior to which he was for many years with the Federal Life Insurance Company of Hamilton, has been appointed assistant manager of agencies by the Manufacturers' Life Insurance Company.



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