

272

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New Forms of Taxation Featured in Budget Speech

Excise Tax on Luxuries of Ten Per Cent. Imposed—Tax of One Per Cent. on Sales of Manufacturers, Wholesalers and Importers—Increased Scale of Income Tax.

Sir Henry Drayton, Dominion Minister of Finance, delivered his first budget speech on Tuesday, May 18th, which gives ample evidence that the government is determined to make income balance outgo. In fact Sir Henry said:

"The duty to-day is not only to carry on the government of the country without any additions to the debt, but, on the other hand, to promote measures which will reduce the nation's indebtedness."

Revenue for the fiscal year 1919-20 would reach approximately \$388,000,000, the largest revenue Canada had ever collected. It was no less than \$255,000,000 greater than that of the first year of the war. The chief sources of the revenue were: Customs, \$169,000,000; excise, \$43,000,000; post office, \$22,000,000; business profits war tax, \$44,000,000; income tax, \$20,000,000; other war taxation, \$17,000,000.

Consolidated fund ordinary expenditure for 1919-20 would be approximately \$349,000,000. This included \$108,500,000 interest on public debt, \$26,000,000 for pensions and \$49,000,000 for soldiers' re-establishment. For investment and capital outlays, beyond the ordinary current expenditure of \$349,000,000, an expenditure of \$187,856,991 was estimated. The resultant total of \$536,741,110 represented the outlay of Canada for all purposes apart from war during the past year. With a total revenue of \$388,000,000, and an ordinary expenditure of \$349,000,000, it would be seen that during the fiscal year the government, after meeting all ordinary expenditure, including an increased amount for interest account and pensions over the previous year totalling nearly \$39,000,000, had a surplus of approximately \$39,000,000 over ordinary expenditure, to apply to capital expenditure.

Demobilization expenditure for 1919-20 would amount to \$350,000,000, making a total outlay for the year of \$886,741,110. Total expenditure for the war up to and including March 31, 1920, amounted to \$1,674,000,000, apart altogether from such expenses resulting from the war, as pensions,

soldiers' civil re-establishment, soldiers' land settlement and interest on war debt. During the year the country paid off a floating debt of \$247,000,000 out of the proceeds of the Victory Loan issue of 1919. The short-date indebtedness for the year amounted to only \$88,956,000. The addition to the debt during the year amounted to \$395,000,000.

Main estimates for 1920-21 totalled \$537,149,428 (\$328,500,000 on ordinary account), and supplementary estimates for civil servants' bonus, \$12,500,000. The question of main supplementary estimates was still standing. Revenue for the fiscal year 1920-21, estimated on the basis of existing fiscal legislation, and assuming that values of importations for customs purposes should practically remain the same as for 1919-20, should amount to \$381,000,000.

Including the cash on hand and outstanding accounts, including balances due from Great Britain, made a whole total of \$720,441,752.88. In all probability the whole of these accounts would not be collected within the year, and \$571,000,000 would more accurately represent the actual cash resources for the year. No further loan ought to be made, Sir Henry added. In addition to the commitments already mentioned, certain floating obligations matured this year, totalling \$74,058,400. "The revenue of the year," declared the Minister, "should at least not only carry current expenditure but retire this debt."

Current expenditure, however, would be greater this year than that already indicated. Deficits on the railway system had been reported in the main estimates. These deficits,

during the readjustment period, would be materially increased by the acquisition of the Grand Trunk. Some economies ought to be effected in the near future, but with the arbitration pending, it was improbable that full benefit of the Grand Trunk acquisition could be expected in the current year. It would be necessary to make advances to the company to cover past due operation obligations. These advances would constitute obligations of the company, and must be taken into account in the arbitration. In addition, advances of necessity would be made to provide for this year's operations. The approximate amount to cover advances for the purposes above mentioned was \$28,000,000.

NEW FORMS OF TAXATION FEATURED IN BUDGET SPEECH
FRASER RIVER SALMON SITUATION—CANADA'S POSITION
FACTORS IN ADJUSTMENT OF SCALE OF PRICES
RECENT ANNUAL REPORTS
MINING THROUGHOUT BRITISH COLUMBIA
TRUST COMPANY NOTES, COMPANY NOTES, INSURANCE, MUNICIPAL, LUMBER, MINING AND OTHER INFORMATION

BANK OF MONTREAL

Established over 100 years

Capital Paid Up	\$20,000,000
Rest	\$20,000,000
Undivided Profits	\$1,812,854
Total Assets	\$545,304,809

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Capital Paid Up	17,000,000
Reserve and Undivided Profits	18,000,000
Total Assets	550,000,000

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665

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THOS. P. PEACOCK, Mgr., Vancouver Branch.
R. M. BOYD, Asst. Mgr., Vancouver Branch.

Charges of unfairness levelled against Canada by different shareholders at Grand Trunk meetings, were unfounded. If the Grand Trunk had not been taken over, the shareholders in all human probability would have lost their whole investment.

The Minister described the new taxation proposals as follows:—

“Not only is more revenue necessary, but extravagant and luxurious expenditure ought to be checked. Just so long as expenditure on non-essentials and extravagant expenditure continue, just so much longer will the drop in the value of essentials be postponed. On those having income more than necessary for properly maintaining themselves and families there rests a special duty of saving whenever possible, and in this manner adding to the available financial resources for development. Extravagant buying should stop. With this end in view, as well as for necessary revenue, it is proposed to levy on certain specified articles an excise tax which is to be paid by the purchaser to the vendor at the time of sale for consumption or use, or importation for use other than sale.

“Upon certain articles of wearing apparel, such as boots, shoes, etc., in excess of \$9 a pair; men's and boys' suits in excess of \$45 each; fur coats and robes in excess of \$100 each; women's dresses in excess of \$45 each; women's suits in excess of \$60 each; men's and women's overcoats in excess of \$50 each; hats, hose, neckwear, shirts, purses and gloves bought above specified prices, and on fans and opera cloaks. it is proposed to levy a tax of ten per cent. of the total purchase price. The same rate of tax is to apply to trunks in excess of \$40 each; valises and suitcases, etc., in excess of \$25 each; ivory-handled cutlery, cut-glass ware, velvet and silk fabrics, lace, ribbons, silk embroideries and sporting goods.

“A similar tax of twenty per cent. of the total purchase price is to be levied upon such articles as cigar and cigarette holders and pipes in excess of \$2.50 each; humidors and other equipment for smokers, hunting, shooting and riding garments, fancy pocket knives, gold, silver, ebony and ivory toileware, articles of silver adapted for household or office use, jewelry, fur wearing apparel, except as provided above: liveries, Oriental rugs, expensive carpets and curtains and chandeliers.

“An excise tax of ten per cent. will also be payable at the time of sale by the Canadian manufacturer, or when imported, on boats, yachts, canoes and motor boats. When used for commercial purposes, a refund of this tax is provided for. Cameras, candy and confectionery, firearms, shells or cartridges, pianos, organs, musical instruments and plated ware adapted for household use are also taxed at ten per cent.

“A tax of 20 per cent. will be imposed upon mechanical player-pianos, graphophones and mechanical musical instruments and records used therewith. Articles of gold adapted for household or office use will be taxed similarly to 50 per cent. of the selling prices. A specific tax on playing cards is also provided for. On all cards selling at wholesale rates not over \$25 per gross packs, the tax will be 25 cents a pack, and in excess of \$25, 50 cents a pack.

“A large revenue was received during the year from taxation on motors, which totalled \$12,962,365, of this amount \$6,378,171 being for customs duties, and \$6,584,194 from excise. The taxation on motors would seem to be a reasonable and proper source of revenue. The field, however, has been always occupied by the provinces, and instead of taxing motors generally it has been determined to increase the excise tax, which is chargeable both on Canadian and imported cars, from 10 to 15 per cent. It is also proposed to increase the duties on beer, wines and spirits. The proposals call for an increase on beer of 30 cents a gallon: on non-sparkling wines, 30 cents a gallon: on spirits, \$2 a gallon, and on sparkling wines, \$3 a gallon.

“In view of the necessities of increased revenues, a tax of one per cent. on the sales of all manufacturers, whole-

(Continued on Page Seventeen.)

Fraser River Salmon Situation—Canada's Position

Canadian Effort to Restrict Fishing—Establishment of Hatcheries to Assist in Building Up the Run—Need for Joint Action of Both Governments—Canadian Treaty Efforts.

At the Canadian Fisheries Convention held in the Hotel Vancouver, Vancouver, on June 3rd to 5th, Mr. John P. Babcock, Assistant to the British Columbia Commissioner of Fisheries, Victoria, read a paper on the Fraser River Salmon situation—Canada's position, which thoroughly establishes Canada's policy as one of conservation.

Mr. Babcock traces the history of the run of salmon to the Fraser River and the causes of the decline and then proceeds:

"The great sockeye salmon fishery of the Fraser River system has not been destroyed without efforts having been made by Canada to prevent it. Canada throughout has stood for conservation. She has put forth earnest and conscientious efforts to conserve the supply and to prevent depletion. Her record is clear and unmistakable. She failed because she did not have jurisdiction over the entire system. She alone could not provide adequate protection, but she did all that was possible under the circumstances. As already shown commercial fishing for sockeye salmon began in Canadian waters in 1876, under the general fishery regulations of the Dominion. In 1878 Canada passed an Order-in-Council providing that "Drifting with salmon nets shall be confined to tidal waters," and "that drift-nets for salmon shall not obstruct more than one-third of the width of any stream," and further that "fishing for salmon shall be discontinued from 8 a.m. Saturdays to midnight Sundays." All fishing in her waters has been under license and none but bona fide resident fishermen have been permitted to fish.

"In 1889 the Dominion fishery regulations for British Columbia were amended to provide that 'the Minister of Marine and Fisheries shall from time to time determine the number of boats, seines or nets or other fishing apparatus to be used in any waters of British Columbia,' and all the provisions of the regulations of 1878 were continued. In 1894 the order was further amended to include the provision that 'the meshes of nets for catching salmon other than spring salmon, in tidal waters shall not be less than 5¾ inches extension measure, and shall be used only between the first day of July and the twenty-fifth day of August, and between the twenty-fifth day of September and the thirty-first day of October.' Canada has maintained closed seasons in her waters ever since. In recent years the weekly closed time has been extended and the fishing limits further restricted.

"During the period that sockeye fishing was confined to Canadian waters alone, it is a matter of record that the catch did not in any one year produce a pack in excess of 300,000 cases, representing a catch of less than four million sockeyes, and that during that period Canada hatched and planted in the Fraser twenty-five millions of sockeye fry.

"Canada began the propagation of sockeye in the Fraser in 1885 with the establishment of a hatchery at Bon Accord. Between 1900 and 1907 Canada built five hatcheries on the Fraser having a capacity of one hundred and ten million sockeye eggs, and she has since built two auxiliary stations. The hatcheries built in 1901 at Shuswap and in 1903 at Seton Lake, have been closed since 1914, because a sufficient number of eggs to warrant operations could not be collected from the tributaries of those lakes. With the exception of the years of the big run the hatcheries on the Fraser have never been filled beyond thirty per cent. of their capacity since 1905, because eggs to fill them were unobtainable.

"Canada organized a patrol force for the Fraser in 1878 and her waters have been effectively policed every year since.

"Canada inaugurated a method for the inspection of the spawning area of the Fraser River basin in 1901, and has annually conducted such investigations every year since. Dr. C. H. Gilbert, of Stanford University, in one of his many valuable papers on the salmon fisheries of the Fraser, says of this work: 'No other sockeye stream has received such close and discriminating study. Annual inspection has been made of the spawning beds of the entire watershed, and predictions of the runs four years hence have been fearlessly made. It is a matter of record now consistently these prophecies have been fulfilled.'

"The reports from the spawning beds since 1901 have been the basis of Canada's contentions. Following the disclosures made in the reports from the spawning beds in 1902, 1903 and 1904, that there had been a great reduction in the numbers of sockeye that reached the beds in those years, and with the knowledge that the catches in those years were also far less than in the preceding four years, Canada laid the facts before the Governor of the State of Washington, and obtained the appointment of a joint commission to investigate conditions affecting the salmon fishery of the Fraser River system. That Commission, consisting of five representatives from the State of Washington and five from Canada, reported that the runs of sockeye to the system in the small years had been seriously depleted by excessive fishing and were in danger of being destroyed, and recommended that all fishing for sockeye in both State and Provincial waters be suspended during the years 1906 and 1908. It was believed by the Commissioners that by prohibiting fishing in those years, the runs four years later would be restored to their former proportions. Canada accepted the finding of that commission and at once passed an Order-in-Council prohibiting sockeye fishing in 1906 and 1908, provided the State of Washington passed a similar Act prohibiting fishing in her waters. A bill to that effect was rejected by the Washington Legislature in 1906. Consequently Canada recalled her order, and fishing was conducted in both those years with renewed vigor and with disastrous effect. The catches were smaller and the spawning beds less seeded.

"Following the failure of the State of Washington to adopt the measure, Canada turned for help to the Federal Government at Washington, D.C., and secured the appointment in 1907 of an international commission to enquire into conditions in the Fraser River system. After a year of investigation that commission unanimously recommended, as necessary to prevent further depletion, the adoption of joint and uniform regulations restricting fishing. A treaty embodying its recommendations was drawn and signed in Washington in 1908, by Great Britain for Canada and by the President of the United States. Canada at once approved the treaty. The United States Senate rejected it. Therefore fishing was continued as before and, although the amount of gear was greatly increased, the catches in the small years continued to decrease, and the reports from the spawning beds grew even more alarming.

"The progressive decline in the catch in the small years, and the disastrous effect of the blockade in the Fraser channel at Hell's Gate in 1913, caused Canada to again renew her overtures to the United States Government for the adoption of remedial measures. In 1917 Canada and the United States again created a joint International Fishery Commission to deal with the subject. Following an extended investigation that commission, like the commissions of 1906 and 1908, unanimously found that the situation was critical, and recommended joint action on the part of Canada and the United States. Subsequently a treaty was signed in Washington, D.C., in 1919. Canada at once approved the treaty. That treaty now awaits the action of the Senate of the United States.

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Established 1865

Union Bank of Canada

HEAD OFFICE—WINNIPEG

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

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"Canada stands today, as she has stood since the beginning, ready to adopt any measure which promises to restore the runs of sockeye to the Fraser River system. She can accomplish nothing without the co-operation of the United States. Neither Canada nor the United States acting singly can provide measures that will ensure restoration of the fishing.

"Deplorable as the conditions on the Fraser system are, the runs of sockeye can be restored by concurrent action on the part of Canada and the United States. It has been shown that in the big years, 1901, 1905, 1909 and 1913, the Fraser River system produced an average pack of 1,927,602 cases of sockeye, and at the same time afforded an ample supply to seed all of the spawning beds. The average catch for the four big years named may again be taken whenever the beds are again as abundantly seeded as they were in the brood years that produced those big runs. The spawning area of the Fraser basin has not been lessened or damaged in any way. Its spawning beds are as extensive and as suitable for salmon propagation as they ever were. Its lake waters are as abundantly filled as ever with the natural food for the development of young sockeye, and the channels of the Fraser are open and free to the passage of fish. All that is required to reproduce the great runs of former years is to seed the spawning beds as abundantly as they were formerly seeded. The runs of sockeye to the Fraser cannot be restored in any other way.

"The spawning area of the Fraser requires no expenditure of money to bring it into bearing. If permitted to reach the beds in sufficient numbers the fish will seed them, their young will feed themselves, furnish their own transportation to and from their feeding grounds in the open sea. If permitted to do so the fish will do all the work necessary to produce a catch worth thirty million dollars a year. All that is necessary is for the Governments of Canada and the United States to adopt measures which will afford a free passage through their waters to a sufficient number of sockeyes to seed the spawning beds. There is no mistaking Canada's position in this matter. She is willing and anxious to do anything necessary to restore the greatest salmon fishery the world has known."

MR. F. M. SYLVESTER RESIGNS FROM GRANBY CO.

Mr. F. M. Sylvester, vice-president and managing director of the Granby Mining Co., has resigned. The office of managing director has been abolished. Mr. H. S. Monroe has been appointed to the position of general manager, with headquarters at Anyox. Mr. Sylvester has been the executive head of the company for ten years, and has been responsible for the developments at Hidden Creek, which have made it one of the largest copper mines of the British Empire. Mr. Sylvester will continue to carry on his private affairs in Vancouver.

The Honourable Dr. S. F. Tolmie, Minister of Agriculture, in presenting the agricultural estimates to the Dominion House, stated that the total agricultural wealth of Canada was estimated at \$7,379,299,000. There were 53,499,440 acres of land under field crop in 1919, and the value of agricultural products last year was \$1,975,841,000, compared with \$396,917,732 the country's mineral wealth of 1918, and timber \$182,254,740, while fisheries showed a total of \$60,221,863.

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Factors in Adjustment of Scale of Prices

Recession in Prices Due More to Psychological Than Economic Causes—Effect on Decline in Commodity Prices—Problems of Producer and Position of Consumer.

In discussing high prices in relation to the producer and consumer, at the fifty-third meeting of the Economic Club of New York, Thursday, May 27, 1920, at the Hotel Astor, New York City, Francis H. Sisson, Vice-President of the Guaranty Trust Company of New York, said in part as follows:—

“A wave of price-cutting is sweeping over the country. It is the most interesting economic phenomenon of the day—an event long heralded and waited for by the public. And yet, curiously enough, the public is only tardily awakening to a realization of the fact that it is not only the beneficiary but also the creator of the movement. Merchants generally frankly explain that they are reducing the prices of certain commodities because the public is refusing to buy at high prices. In brief, the movement is largely psychological, rather than economic, in character.

“And it will be well to bear that distinction in mind in endeavoring to analyze and foresee the trend of commodity prices. The reductions in prices that are being made today are not due to over-production; for there is, in fact, under-production in many essential lines which is likely to continue for some time. Consequently, it would seem advisable to avoid a hasty conclusion that the present movement forecasts a universal and drastic drop in commodity prices. It may be, and very probably is, merely an oscillation of the economic pendulum as it begins to swing from the height it reached during and as a result of the war, although it seems certain that we have definitely passed the peak of high prices.

“Our problem is not to force a price recession as rapidly and as precipitately as possible, but rather to bring about a gradual readjustment with a view to stabilization. There is quite as much danger from too accelerated and extreme price reduction as there is from too high prices and all their attendant evils. Above all, we should remember that a permanent lower price level can be obtained only as the resultant of many forces, some of which seemingly are unrelated, but all, nevertheless, working, directly or indirectly, toward a common objective, namely, a general economic readjustment.

“The present recession in prices is concentrating the attention of both producers and consumers upon the probable effects upon themselves of such a decline. The nature of the effects which may be felt will depend upon the distribution of the declines throughout the whole range of commodities as well as upon the extent and the rapidity with which the declines are brought about.

“Our price level has attained its unprecedented height as a consequence of world-wide scarcity of goods and of extraordinary extravagance on the part of the American buying public.

“Production under conditions of general shortage moves up unevenly and overtakes the demand, now in this line, now in that. It is natural that high priced goods, luxuries in particular, should soonest show a definite downward turn of prices. This is what we are apparently witnessing at present. Furs and silk, for example, have recently declined to considerably lower levels. The slump in raw silk prices in New York, chiefly in consequence of the big drop in Japanese prices, was preceded by some months of gradual weakening. Clothing and shoes are other examples of goods for which there is a weakening demand at prevailing prices, an expression of the growing impatience with high living costs. The extraordinary demands of foreign markets, like those at home, are overtaken piece-meal, in accordance with the varying fortunes of foreign producers in the resumption of normal activity, which means that the export prices will be variously affected.

“The tightening of the purse strings in the matter of credit and the accompanying discrimination in some measure between essential and non-essential lines of production in the granting of loans, moreover, is also making for uneven pressure on the price scales.

“It would be phenomenal if, in such a prospective readjustment of prices, there should not be a number of not merely sustained individual prices, but of actually higher prices.

“The effects of a broad downward swing in commodity prices upon producers vary not merely with the distribution of the changes—their spread over the general list of commodities—but with their rapidity as well. The more rapidly lower prices are reached, the greater difficulty is experienced by manufacturers and others in turning their commitments with a maximum of gain or a minimum of loss. A price recession of a given extent, which would result in sweeping losses if sudden, might, if gradually reached over a longer period, be successfully withstood. There are those who do not believe it is possible to bring about a real and necessary readjustment in prices without passing through a period of marked business depression, attended by a heavy record of failures. It is argued that our banking machinery, while functioning smoothly in the process of expanding credit, is still incapable of effectively and at the same time gradually contracting credit. The fact, however, that as yet our Federal Reserve System has not been tested by the necessities of a period of general and sustained contraction is not proof of its inability to function well under such conditions. But there are reasons to believe that the system will demonstrate its ability to lead in an orderly contraction, a readjustment not ushered in by a general collapse of credit. In other words, it is possible to apply the necessary restrictions gradually rather than suddenly to the credit structure, thereby accomplishing an easy and gradual reduction in the price level.

“The chief problem of producers under conditions of a declining market for their goods is, of course, the difficulty of confining costs of production within the limits of the sale value of their products. Generally speaking, cost of production moves in harmony with the value of the goods produced. Wages, however, which are unprecedentedly high now and often the largest single item in the cost of production, usually respond less promptly to variations in commodity prices. In other words, wages nearly always lag behind commodity prices in their movement either up or down. Accordingly, it is to be expected that wages will not fall as rapidly as prices. This may be expected to retard the decline of prices through the influence of wages on cost of production. While the maintenance of high wages may thus increase the difficulties of producers in a period of declining prices, on the other hand, the preservation of the buying power of the wage-earning classes would powerfully reinforce the demand for almost all classes of manufactures and be an additional factor making for gradual rather than sudden price recessions.

“The distribution of the losses, in consequence of falling prices, and contraction of profits, all along the line is the result of numerous influences. It is an axiom in economics that the price of a commodity already produced is not directly determined by its cost of production, including the expenses incurred in distributing the commodity. The goods may or may not find a market at a price to cover this cost of production. If they do not find a market, the loss may fall anywhere among the distributors or producers, the incidence of the loss depending in part upon the methods and practices in vogue in the process of producing the goods and placing them with the consumer. If, for example, a producer sells his product in advance upon the basis of known costs, he is presumably immune against loss, so long as the purchaser adheres to his contract; while on the contrary, if the assembling or production is undertaken for

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INCORPORATED 1832

The Bank of Nova Scotia

Capital	\$9,700,000	Reserve	\$18,000,000
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Vancouver Branch: R. C. PATON, Manager.

subsequent sale, the producer incurs the risk of losing in a falling market.

"There is such a diversity of practices in assuming the liability of repudiated contracts and in the willingness and ability of individuals to perform their contracts, that by no general rule can the distribution between manufacturers and merchants of actual losses from falling prices be foretold. If contracts are strictly honored, necessarily, distributors, as distinct from producers, are more subject to the risk of losses from falling prices than are producers, because in large part the output of factories is sold in advance of production. The obvious lesson from such a situation is the suggestion that business men will find it especially worth while in the coming months to conserve their working capital and to maintain inventories that are as highly liquid as possible.

"But not all the emphasis should be placed on caution. The bold and confident business man, who is not daunted by difficulties, but who carefully studies all phases of his problem and dares to act on his well-informed judgment, can be counted upon to make money whether prices fall or not.

"The advantages accruing to consumers in consequence of declining prices are easily exaggerated and misunderstood. Most consumers are, in one way or another, associated with production. Falling prices in the main are accompanied by declining profits and eventually by lower wages, as well as reduced cost of living, but the reduced income may leave no margin of gain from the lowering of the cost of living. Persons with assured and fixed money incomes are necessarily benefited by general falling prices, but not infrequently the so-called fixed incomes are at the same time rendered less certain by the declining prices.

"The momentum of upward moving wages, as already mentioned, usually carries them still higher after general commodity prices turn downward, but here again, as in the field of prices, such unevenness is to be expected, some wages rising, others falling, but on the average moving upward for a time and then following more or less tardily the trend of prices. Save, then, for the advantage in the transition period, when wages tend to move in the opposite direction from the falling prices, wage-earners as a whole may be expected to profit little as regards the actual buying power of their earnings when prices fall. During this transition period, however, the prospect of continued high wages points to a powerful obstruction against the downward tendency of prices. The buying power of wage-earners is one of the most vital factors in the general commodities market.

"A general fall in prices sets in operation forces which ultimately result in a reversal of the movement. Curtailment of production in face of declining profits tends to swing past the point of best adjustment of output with demand. Demand is stimulated by the increase in the buying power of money. The accumulation of bank reserves in the face of a slowing down of business and the reduction in interest rates in a period of declining profits invite a bolder policy in production. Accordingly, with increasing confi-

(Continued on Page Twenty-one.)

THE MERCHANTS' BANK OF CANADA

Established 1864

HEAD OFFICE, MONTREAL

Paid-up Capital	\$7,000,000
Reserve Fund	7,574,043

325 Branches in Canada, extending from the Atlantic to the Pacific

GENERAL BANKING BUSINESS TRANSACTED
SAVINGS DEPARTMENTS AT ALL BRANCHES

Deposits received of one dollar and upwards, and interest allowed at 3 per cent. per annum.

Most Modern Offices. Safety Deposit Boxes for Rent.

VANCOUVER

Granville and Pender Streets.....	A. C. Fraser, Mgr.
	J. S. Bancroft, Assistant Manager.
Hastings and Carrall Streets.....	S. E. James, Mgr.
4th Avenue and Alma Road.....	W. E. Norman, Mgr.
436 Columbia Avenue.....	P. W. Field, Mgr.

BRITISH COLUMBIA FINANCIAL TIMES

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

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VOL. VII. VANCOUVER, B.C., JUNE 5, 1920 No. 11

The first budget speech of Sir Henry Drayton, delivered in the Dominion House on May 19th, is an interesting document and betokens the effort of the Dominion Government to make ends meet—to make income balance outgo. During the war no strenuous efforts were made in this direction, the plan being to raise money for war expenses out of certain forms of taxation and leave the deficit to be taken care of from the use of Dominion credit in war loans. It now remains the duty of the Government to adjust its financial affairs so that a start on the war expenses may be made.

In furtherance of this end, two new classes of taxation have been imposed, for which the Government is to be congratulated particularly as they are sound in finance, sound in taxation principles, and without political import, namely the imposition of a luxury tax and also that of a sales tax.

While Sir Henry is to be commended for the initiation of a luxury tax, the Government is perhaps to be condemned for not having imposed it sooner. The principle of the tax is excellent and acts on the common principle that if people see fit to indulge in luxuries they are well able to pay for the indulgences. It is indeed difficult to place a point at which necessity ends and luxury begins and the new taxation is subject to criticism on this score, but at some place it has to be started and altogether the Government is reasonable. The Government is also open to criticism on the basis that it does not appear to have thought out in a comprehensive fashion the matter of its operation, nor to have provided the necessary machinery for the prompt and effectual payment and collection of the tax. These defects can perhaps be cleared up by rulings of the Treasury Department and also by widening the scope of activity of the taxation department. It will depend also on how profligate the people of Canada are just how much revenue the luxury taxes will provide and, as an effectual instrument in promoting thrift among that great class that constitutes neither labor nor capital, it cannot be surpassed. The result of its imposition will be watched with a great deal of interest and although it may not prove the great revenue producer its proponents anticipate, we are of the opinion that it should be continued as a fixed policy of taxation, making it increasingly comprehensive and scientific as experience will dictate.

The idea of the sales tax which the Government has imposed is a comparatively novel idea in taxation. While very old in theory (we believe its principle was enunciated in the reign of Queen Elizabeth) it has lain in idleness with few exceptions for nearly three centuries. In the discovery of new methods of taxation, we think that it was widely discussed in France and has received a vogue latterly in the United States, where it has been widely advocated by economic societies, bankers' associations and a great number of those engaged in the study of taxation.

The services of this journal are offered through an inquiry column, which is open to subscribers and the public generally without charge, for detailed information or opinion as to financial or industrial affairs or institutions throughout the Province of British Columbia. Wherever possible the replies to these inquiries will be made through this column. Where inquiries are not of general interest, they will be handled by letter. We think that we can assure our readers that the opinions expressed will be reliable and conservative, and that all statements will be as accurate as possible.

In view of the small experience and the limited application given this form of taxation, Sir Henry is to be congratulated on his boldness in making it a policy of finance in Canada. Taxation experts and Government officials connected with finance are using every effort to raise money without having it noticed by the tax payers, and a one per cent. tax on sales imposed on manufacturers, jobbers, wholesalers and importers will not have a material effect upon prices of commodities to the consumer, and yet, by reason of the tremendous amount involved in turnover, will yield a revenue that will prove astonishing when the results will become known. In the last budget of the French Government, Finance Minister Klotz, one of the shrewdest taxation officials in Europe, estimates that the imposition of a one per cent. tax will yield over 4,200,000,000 francs, and will itself yield in the estimates of revenue the largest single amount with the possible exception of income tax. Since M. Klotz's budget speech his Government has gone out of office and it is not at present known whether or not his proposals will be accepted by the new ministry.

The Government of the United States moves slowly and it is not likely that such a tax will be imposed in the immediate future. However, no tortuous process is necessary in Canada and this new idea can be put in operation more quickly here. In addition the tax is quite easily collectable since there are a comparatively small amount of people and businesses to collect the tax from, and by reason of its small percentage it is not likely to effect consumers except in a very limited number of cases.

On another page of this issue will be found a very thoughtful article by Mr. Francis H. Sisson, vice-president of the Guaranty Trust Co., New York, on the relations to and effect on a break in prices on producers and consumers. While Mr. Sisson is undoubtedly correct when he says that the recent break in prices is more due to psychological causes than economic causes, we are yet of the opinion that prices will continue to recede, being interrupted and impeded only by under production. In fact the consuming power of the world in all likelihood will prevent a complete readjustment to a lower scale of prices, except on a very gradual scale, and perhaps stretched over a long period of years. It is this buying power exerted here and there by reason of the absolute need of consumers which will make readjustment least severe in its ramifications through industry and business.

While as Mr. Sisson points out the people are responsible for the reaction in that they refuse to purchase at the prevailing rate, this lessening of buying increases competition and thereby stimulates a further reduction in price. It means, therefore, that the great spread existing now in commodities between manufacturers and wholesalers, and wholesalers and retailers will be reduced and the large profits on turnover that have existed for the past three years will show marked tendencies to decline.

It is often flippantly stated that it is now the time to reduce wages. This, in our opinion, should be the last

resort. In fact the history of industrial movements and their relations to prices is that labor is the last to go up in relation to commodity prices, and the last to come down when reaction set in, and we think that the economic course of the future will bear out the experience of the past. It is of tremendous value to have a high wage scale by reason of the enormous purchasing power therein resulting, and in consequence the industrial world and the whole world of business should tread very lightly on the subject of wage reduction from economic reasons without considering the social aspect of the question.

The trouble with labor is not the high wages paid, but the inefficiency of labor and the general refusal of labor to give value for wages paid. As the readjustment proceeds, there will be dislocation in labor and increasing unemployment. As this progresses the employer can bring more pressure to bear on the laboring man, looking toward in-

creased effort and efficiency. It is generally held that wages have doubled since pre-war date and the amount of work performed by labor has decreased by one-half. If, therefore, the employer by reason of increase in supply of labor can increase the effort of his workmen to the pre-war output he will thereby reduce the labor expense in manufacturing very considerably. When this has been effected or in process of completion then only will it be safe to cause a readjustment in the scale of wages if the necessity demands.

It is generally stated that commodities will not go back to the pre-war level of prices and we think it equally true that the price of labor will not go back to the pre-war level, so in general the employer and the entire business world will have to accept a different idea of the normal value of labor as they have begun to accept a different normal in the average price of commodities.

STATEMENT OF COAL AND COKE TONNAGE—RETURNS FOR THE MONTH OF MARCH, 1920

Name of Company	Mine	Coal	Coke
Canadian Collieries, Ltd.	Comox	32,587	Nil
Canadian Collieries, Ltd.	Extension-Wellington	19,277	Nil
Canadian Collieries, Ltd.	South Wellington	7,219	Nil
Western Fuel Company	Nanaimo	55,769	Nil
Pacific Coast Coal Mines, Ltd.	South Wellington	10,338	Nil
Nanoose Collieries, Ltd.	Nanoose Bay	1,849	Nil
Crow's Nest Pass Coal Co.	Michel	21,529	7,066
Crow's Nest Pass Coal Co.	Coal Creek	27,090	Nil
Corbin Coal & Coke Co.	Corbin	10,116	Nil
Middlesboro Collieries	Middlesboro	7,479	Nil
Princeton Coal & Land Co.	Princeton	993	Nil
Fleming Coal Co.	Merritt	3,344	Nil
Granby Co.	Cassidy's Landing	17,566	Nil
Coalmont Collieries	Coalmont	81	Nil
Telkwa Collieries	Telkwa	200	Nil
	Total Tonnage	216,166	7,066

PROVINCE OF BRITISH COLUMBIA

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

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

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

THE PROVINCE HAS UNPLEDGED ASSETS OF

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

PRODUCTION FOR YEAR ENDING DECEMBER 31ST, 1919

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

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

JOHN HART,

Parliament Buildings, Victoria, B.C.

Minister of Finance for the Province of British Columbia.

Recent Annual Reports

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

THE BRITISH COLUMBIA PACKERS' ASSOCIATION

Registered Office: 517 Granville Street, Vancouver.

Balance Sheet as at December 31, 1919:

LIABILITIES—	
Capital Authorized, \$4,000,000.	
Capital Paid Up	\$2,145,900.00
Accounts Payable	61,037.09
Taxes, Estimated	123,671.72
General Reserve	635,500.00
Insurance Reserve	84,717.03
Contingent Reserve	31,400.00
Surplus	1,465,802.36
Contingent Liabilities, \$226,074.31.	
Total	\$4,548,025.20
ASSETS—	
Real Estate, Buildings, Cannery and Cold Storage Plants, Hatchery, Sawmills, Brands, etc.	\$2,462,648.97
Investments	634,572.21
Inventories	628,330.83
Fish, Canned and in Cold Storage	386,050.61
Accounts and Bills Receivable	189,961.47
Cash on Hand and in Bank	223,962.18
Deferred Charges to Operation	22,498.93
Total	\$4,548,025.20

L. DOUCET, Secretary-Treasurer.

CANADA COPPER CORPORATION, LIMITED (N.P.L.)

(Extra-Provincial)

Head Office: 42 Broadway, New York City, U.S.A.

Provincial Head Office: Allenby.

Balance Sheet as at December 31, 1919:

LIABILITIES—	
Capital Authorized, \$10,000,000.	
Capital Paid Up	\$5,441,045.00
Ten Year 6% First Mortgage Bonds	2,500,000.00
Five Year 6% Debentures and Accrued Interest	720,650.00
Equipment Contracts	73,680.49
Accounts Payable	171,404.32
Reserve for Sundry Liabilities	1,618.32
Total	\$8,918,398.13
ASSETS—	
Properties	\$7,986,203.52
Equipment Bought Under Contract	74,379.54
Supplies, etc.	257,849.33
Prepaid Insurance and Taxes	4,203.17
Sundry Debtors	27,477.83
Investments—Canada Victory Bonds	29,767.28
Cash on Hand, in Banks and at Call	257,840.72
Profit and Loss	280,676.74
Total	\$8,918,398.13

R. H. EGGLESTON, Secretary.

CANADIAN FISH & COLD STORAGE COMPANY, LIMITED

Registered Office: Seal Cove, Prince Rupert, B.C.

Balance Sheet as at April 30, 1919:

LIABILITIES—	
Capital Authorized, \$2,500,000.	
Capital Paid Up	\$2,500,000.00
First Mortgage, 6% Debentures, Authorized, \$1,500,000.	
Loan Secured by Debenture Issue, and Accrued Interest	1,143,287.44
Bank Loans	117,904.57
Sundry Creditors	72,909.02
Insurance Reserve Fund	141,030.23
Total	\$3,975,131.26
ASSETS—	
Property, Plant and Business, Less Depreciation	\$3,181,779.81
Stocks on Hand	441,679.86
Accounts Receivable	249,916.85
Insurance Reserve Fund, Cash and Investments..	40,000.00
Deferred Charges	17,001.97
Deficit	44,752.77
Total	\$3,975,131.26

J. W. NICHOLLS, Secretary.

THE IMPERIAL CANADIAN TRUST COMPANY

Trust Companies' Act Certificate No. 5.

(Extra-Provincial)

Head Office: 356 Main Street, Winnipeg, Manitoba.

Provincial Head Office: 616 View Street, Victoria.

Balance Sheet as at December 31, 1919:

LIABILITIES—	
Capital Authorized, \$3,000,000.	
Capital Paid Up	\$ 930,185.83
Deposits	88,856.86
Sundry Creditors	1,811.24
Guaranteed Mortgages and Accrued Interest	242,050.00
Interest on Head Office Premises	8,001.15
Dividend, Declared and Payable	23,224.47
Reserve Fund	142,161.75
Contingent Reserve Fund	100,000.00
Estates, Trusts and Agency Account	5,730,505.70
Total	\$7,226,797.10
ASSETS—	
Mortgages on Real Estate	\$ 242,644.24
Head Office Premises	30,383.97
Advances to Clients	607,353.01
Stocks at Cost	436,694.41
Loans on Stock and Other Securities	12,971.48
Real Estate Acquired by Foreclosure	77,752.25
Furniture and Fittings	14,198.34
Sundry Accounts	1,493.13
Dividend, Declared and Receivable	9,044.95
Cash on Hand and in Banks	13,755.62
Estates, Trust and Agency Account as per Contra	5,730,505.70
Total	\$7,226,797.10

F. R. GEORGE, Treasurer.

CANADIAN NORTHWEST STEEL COMPANY, LIMITED

Registered Office: Foot of Prince Edward Street, Vancouver.

Balance Sheet as at December 31, 1919:

LIABILITIES—	
Accounts Payable	\$ 16,196.84
Capital Authorized and Paid Up	150,000.00
Reserve for Depreciation	46,000.00
Surplus	103,816.37
Reserve for Taxes	7,544.23
Total	\$323,557.44
ASSETS—	
Cash Items	\$ 4,232.66
Accounts Receivable	18,576.21
Plant	122,456.57
Stores	480.00
Merchandise as per Inventory	177,812.00
Total	\$323,557.44

W. MARTIN GRIFFIN, Assistant Secretary.

STERLING TRUST COMPANY OF BRITISH COLUMBIA

Trust Companies' Act Certificate No. 5

Registered Office: 510 Hastings Street West, Vancouver.

Balance Sheet as at December 31, 1919:

LIABILITIES—	
Capital Authorized, \$250,000.	
Capital Paid Up	\$203,593.75
Clients' Funds Balances	1,400.79
Dividend Account	6,107.81
Reserve Fund	10,000.00
Contingent Fund	5,000.00
Interest Suspense Fund	10,000.00
Profit and Loss Account	8,442.25
Total	\$244,544.60
ASSETS—	
Mortgages on Real Estate	\$142,294.24
Loans on Real Estate, Bonds, etc.	66,023.33
Sundry Debtors	1,663.50
Real Estate	9,420.85
Interest on Investments	14,000.00
Charter and Preliminary Expenses	3,500.00
Cash on Hand and in Banks	7,642.68
Total	\$244,544.60

A. M. POUND, Managing Director.

Established 1887

PEMBERTON & SON

Bond Dealers

Pacific Building

Vancouver, B.C.

Representatives:

WOOD, GUNDY & CO., TORONTO

Your Affairs Managed

We can collect your rents and manage your properties.
 We can sell your real estate.
 We can write your insurance—all classes.
 We can act as Executor under your will.
 We can act as your agent generally.

Leave your affairs in our hands and you will not have to worry should you have to travel; you should not have to worry about your affairs when you are ill. So you should now appoint as your agent

The General Administration Society

ROBERT CRAM, Manager

Credit Foncier Building 850 Hastings Street West
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One Thing You Cannot Bequeath

Under your Will you can bequeath all your earthly goods and possessions, but there is one thing you cannot bequeath and that is your ability to manage your estate after death. You can overcome this limitation, however, by appointing this Corporation the Executor and Trustee of your Will. You will thereby secure the benefit of our thirty-eight years' experience in the successful management of all manner of estates and trusts.

Ask for Booklet "Making Your Will"

Advisory Board for B.C.:

A. H. Macneill, K.C.
 Eric W. Hamber
 R. P. Butchart
 F. B. Pemberton

The Toronto General Trusts Corporation

Branch Office: 407 Seymour St., Vancouver, B.C.
 H. M. FORBES, Manager

Canadian Financiers Trust Company

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

Prudential Trust Company, Limited

Head Office, Montreal

EXECUTORS, TRUSTEES, ADMINISTRATORS
 RECEIVERS, LIQUIDATORS, ETC.

British Columbia Branch: Vancouver.
 456 Seymour Street A. E. PLUMMER, Manager

EXTRA-PROVINCIAL COMPANIES REGISTERED

"J. E. Morris Lumber Co., Incorporated"; head office, Coleman Building, Seattle, Washington, U.S.A.; Provincial head office, 602-6 Pacific Building, Vancouver. John Emerson, solicitor, Vancouver, is the attorney for the company.....\$100,000
 "Pacific Coast Shippers' Association"; head office, 1121 White Building, Seattle, Washington, U.S.A.; Provincial head office, 470 Granville Street, Vancouver. Henry Van Dyke, salesman, 470 Granville Street, Vancouver, is the attorney for the company 25,000

EXTRA-PROVINCIAL COMPANIES LICENSED

"Graham Island (British Columbia) Oilfields, Limited"; head office, 5-6 Great Winchester Street, London, England; Provincial head office, 1116 Broad Street, Victoria. Henry James Jory, Victoria, is the attorney for the company£100,000
 "Ingenika Gold Mining Co., Ltd."; head office, 10143, 101st Street, Edmonton, Alberta; Provincial head office, London Building, Vancouver. Chester MacNeil, barrister, Vancouver, is the attorney for the company\$270,000
 "Merchants Realty Corporation, Ltd."; head office, 205 St. James Street, Montreal, Quebec; Provincial head office, corner of Yates and Douglas Streets, Victoria. Ernest W. McMullen, bank manager, Victoria, is the attorney for the company\$2,000,000
 "British Canadian Silver Corporation, Ltd."; head office, 19 St. Swithin's Lane, London, England; Provincial head office, 615 Pender Street West, Vancouver. Charles A. Banks, manager, Vancouver, is the attorney for the company£400,000

PROVINCIAL COMPANIES INCORPORATED

Anglo-French Agencies, Ltd., Vancouver\$ 25,000
 British Columbia Salvage Co., Ltd., Vancouver 100,000
 Burrard Iron Works, Ltd., Vancouver 50,000
 D'Ersby, Dewar Co., Ltd., Vancouver 10,000
 Duggan & Davies, Ltd., Kelowna 25,000
 East Kelowna Boarding House, Ltd., East Kelowna 4,000
 Georgia Lake Logging Co., Ltd., Victoria 100,000
 Jay's, Ltd., Victoria 10,000
 J. L. Tennant Co., Ltd., Vancouver 10,000
 Killarney Loggers, Ltd., Vancouver 25,000
 Lorne E. Butt Lumber & Shingle Mills, Ltd., Vancouver 25,000
 Lowe, Busnell Co., Ltd., Vancouver 25,000
 Mikado Club, Ltd., Vancouver 10,000
 Munson Saw Mills, Ltd., Kelowna 10,000
 No-Delay Shoe Co., Ltd., Vancouver 10,000

MONTREAL TRUST COMPANY

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

VANCOUVER OFFICE

Phone, Seymour 2941 408 Homer Street
 Robert Bone, Manager.

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DOMINION GOVERNMENT AND MUNICIPAL BONDS

British American Bond Corporation, Ltd.

Successors to

BRITISH AMERICAN TRUST COMPANY
 Phones Seymour 7620-7621 Vancouver and Victoria

Osprey Lumber Products, Ltd., Vancouver	75,000
Provincial Fruit Market, Ltd., Vancouver	25,000
Robinson's, Ltd., Vancouver	10,000
Silver Cliff Group Mining Co., Ltd., (N.P.L.), Vancouver	35,000
Silverine, Ltd., Vancouver	25,000
Stephen Bros., Ltd., Vancouver	10,000
Steveston Drug Co., Ltd., Vancouver	10,000
Victoria Auto Sports, Ltd., Victoria	10,000
Deserted Bay Logging Co., Ltd., Vancouver	100,000
Douglas Fir Products & Shingles, Ltd., Vancouver	50,000
Fernie Liquor Exporters, Ltd., Fernie	20,000
Gregory Service, Ltd., Vancouver	200,000
Guarantee Wholesalers, Ltd., Vancouver	40,000
Gulf of Georgia Towing Co., Ltd., Vancouver	500,000
Home Gas Co., Ltd., Vancouver	100,000
Jersey Farm Dairy, Ltd., Point Grey	15,000
Laurel Investments, Ltd., Vancouver	50,000
Logan-Garcin Lumber Co., Ltd., Victoria	10,000
Nanaimo Oil Co., Ltd., (N.P.L.), Vancouver	300,000
Richmond Gardens, Ltd., Vancouver	15,000
Ruskin Operations, Ltd., Vancouver	200,000
Tynehead Lumber Co., Ltd., Vancouver	50,000
Valley Mills, Ltd., Vancouver	10,000
Wallace Shipbuilding & Dry Dock Co., Ltd., North Vancouver	1,000,000
Western Collegiate Institute, Ltd., Vancouver	10,000
Williams Logging Co., Ltd., Vancouver	1,000,000
B. C. Spruce Mills, Ltd., Cranbrook	1,000,000
Big Bay Lumber Co., Ltd., Big Bay	100,000
British Colonial Agencies, Ltd., Vancouver	50,000
Curlew Creamery Co., Ltd., Nelson	100,000
Elk's Building Corporation, Ltd., Vancouver	150,000
Hammond Land & Timber Co., Ltd., Vancouver	15,000
Industrial Corporation, Ltd., Vancouver	50,000
Toby Creek Mining Co., Ltd., (N.P.L.), Vancouver	300,000

COMPANIES CEASING BUSINESS

"Wholesale Lumber Dealers, Incorporated," formerly known as Pacific Coast Shippers' Association, has ceased to carry on business in British Columbia.

"Curlew Creamery Co." has ceased to carry on business in British Columbia and has transferred its assets to the Curlew Creamery Co., Ltd., a notice of which is printed under "Extra-Provincial Companies, Incorporated."

"Franco-Canadian Timber Co., Ltd.," has ceased to carry on business in British Columbia.

COMPANY CHANGES OF NAME

The Bowker Park Co., Ltd., has applied for change of name to "Brighthouse Park, Ltd."

Western Pulp & Lumber Trading Co., Ltd., has applied for change of name to "Canadian Commercial Co., Ltd."

British Columbia Land & Investment Agency, Limited

Registered under the British Columbia Trust Companies' Act.

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

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

London Office, 20-21 Essex Street, Strand.

Head Office for British Columbia:

922 GOVERNMENT ST. VICTORIA, B.C.

C. A. HOLLAND, Resident Managing Director.
A. R. WOLFENDEN, Manager

ASSIGNMENTS, CREDITORS' NOTICES, ETC.

Thomas Francis Rance, grocer, Victoria, has assigned to Robert Bramley, accountant, 1110 Pembroke Street, Victoria.

Paul Holker, formerly carrying on business as the White Star Wood Co. and The Sunset Lath Co., at 484 Chatham Street, Victoria, has assigned to William J. Tanner, 647 Johnson Street, Victoria.

WINDING-UP PROCEEDINGS

At an extraordinary general meeting of J. Coughlan & Sons, Ltd., special resolutions were passed "That the company be wound up voluntarily and that S. P. Rainford, Vancouver, be appointed liquidator for the purpose of such winding up.

INSURANCE NOTICES

"Caledonian-American Insurance Co." has been licensed under the "British Columbia Fire Insurance Act" to transact in British Columbia the business of fire insurance. Provincial head office is at Vancouver. Fred W. Burgess, insurance manager, Vancouver, is the attorney for the company.

"Canadian Indemnity Co." has been licensed under the "British Columbia Fire Insurance Act" to transact in British Columbia the business of fire insurance. Provincial head office is at Vancouver. Andrew McC. Creery, agent, Vancouver, is the attorney for the company.

"Palatine Insurance Co., Ltd.," has been licensed under the "Insurance Act" to transact in British Columbia the business of automobile insurance. Provincial head office is at Vancouver. A. W. Ross, branch manager, Vancouver, is the attorney for the company.

Mr. M. A. Grainger, chief forester of British Columbia, has been appointed the British Columbia delegate of the Empire Forestry Convention which will be held in London, Eng., in the latter part of June.

Progress Spells Success

A Great Record During 1919

THE

Sun Life of Canada

Canada's Largest Life
Company

received applications for new ordinary insurance amounting to over

One Hundred Million Dollars

This is the largest amount ever written in one year by any company of the British Empire.

The Sun Life Investments in British Columbia
Exceed Those of Any Other Life
Assurance Company.

Money to loan on first mortgages, secured by improved farms and city residential properties.

Head Office: MONTREAL

British Columbia Office

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Losses adjusted and paid in Vancouver.

Active Agents wanted in unrepresented territory.

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And at Victoria, B. C.

"A CANADIAN COMPANY FOR CANADIANS"

The British Colonial Fire Insurance Co.

Head Office, Montreal

AGENTS FOR B. C.

Agents wanted in unrepresented districts.

Royal Financial Corporation, Limited

Seymour 4630

Vancouver, B. C.

RECENT FIRE LOSSES

Recent fire losses reported to Superintendent of Insurance, Victoria:

Recent fire losses reported to Superintendent of Insurance Victoria:

Clinton, May 16th.—Kelly Lake; owner and occupant, W. D. Munroe; sawmill and lumber; value of building \$400, value of contents \$10,000; insurance, nil. Total loss, \$14,400. Cause suspected incendiary.

Somenos, May 15th.—May's Road; owner and occupant, A. R. Frewing; wood dwelling; value of building \$2,500, insurance on same \$900; value of contents \$3,250, insurance on same \$500. Total loss, \$5,750. Cause, defective chimney. Royal.

Oak Bay, May 4.—1033 St. Patrick Street; owner and occupant, A. L. Dean; wood dwelling; value of building \$13,600, insurance on same \$6,000; value of contents \$6,000, insurance on same \$3,000; total loss, \$4,137.20. Cause sparks from chimney igniting shingles on roof. Phoenix of London, London, Liverpool and Globe.

Summerland, May 17.—Block 18, D.L. 2, 561; owner, A. H. Mayland; occupant, E. Hunt; wood dwelling; value of building \$1,550, insurance on same unknown; value of contents \$1,000, insurance on same nil. Total loss, \$1,850. Cause, defective chimney.

Vancouver, April 20.—1505 Powell Street; owner and occupant, Martin-Senour Paint Co.; two storey frame paint works; value of building \$10,000, insurance on same \$7,000; value of contents \$75,000, insurance on same \$60,000. total loss, \$13,469. Cause sparks from motor coming in contact with fumes from varnish. Lancashire Union & Rock Island, Sun, Phoenix of Hartford, Pacific Coast, Great American, Phoenix of London, Hartford, New Hampshire, British American.

Kelowna, May 1.—Ellison District; owner and occupant, Brig-Gen. A. R. Harman; wood and brick dwelling; value of building \$17,000, insurance on same \$6,500; value of contents \$100,000, insurance on same \$20,000. Total loss, \$117,000. Cause unknown. London, Liverpool & Globe, Lloyds.

Huntingdon, May 18.—International and C Street; owner, M. Murphy; unoccupied; frame saloon; value of building \$1,500, insurance on same nil. Total loss \$1,500. Cause suspected incendiary. Liverpool-Manitoba, Union of Canton.

Mr. E. E. Heath, Victoria, has been appointed agent for the Caledonian American Insurance Co. for Victoria and vicinity.

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B. C. Office: Bower Building, Vancouver

Fred. A. Burgess, Branch Manager

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309-313 Yorkshire Building

Western Branch Office:

VANCOUVER, B. C.

C. R. Elderton, Branch Manager.

OFFICIAL ORGAN OF THE INSURANCE FEDERATION OF BRITISH COLUMBIA**ANNUAL MEETING OF THE MAINLAND FIRE UNDERWRITERS' ASSOCIATION OF B.C.**

On Friday, May 14th, the annual meeting of the Mainland Fire Underwriters' Association was held in the Empress Hotel at Victoria. Mr. A. W. Woodard, as president, was chairman of the meeting.

Mr. H. B. Holland and Mr. C. A. Macmorran were unanimously chosen as president and vice-president, respectively, to hold office for the ensuing term. No committees were elected as in the near future this association will be superceded by the British Columbia Fire Underwriters' Association.

In the evening a banquet was held at the Empress Hotel to which the members of the executive committee of the Vancouver Island Fire Underwriters' Association were invited. Mr. Holland very ably presided as toastmaster and during the evening the speeches were numerous, many touching on the fact that it was the last general meeting and annual outing of an association which has been in existence a great many years.

Although the attendance was not very large yet many were of the opinion that the dinner was one of the most successful ever held on similar occasions. A number of those present availed themselves of the opportunity for golf and other pastimes, and the hope was expressed that next year a joint meeting of the fire insurance fraternity of Vancouver, Victoria, New Westminster and Nanaimo could be arranged for.

CANADA ACCIDENT MANAGER ON INSPECTION TRIP

Mr. H. F. Roden, manager of the Canada Accident Insurance Co., with headquarters in Montreal, left on Wednesday for the East, after making an inspection of the company's business in British Columbia. While in Vancouver he made his headquarters with his branch office in the Bower Building.

Mr. Roden is exceptionally well known in insurance and business circles in the Province, as he was formerly Provincial manager of the Ocean Accident & Guarantee Co. Mr. Roden is well pleased with the increasing business which his company is doing, but because of the outbreak of Spanish Influenza it has been in many cases unprofitable. Due to this fact and the experience of all companies in the accident and sickness insurance business, they had to increase their rates to break even.

It has required a great deal of education and time for the public to realize the necessity for fire insurance, which is now so generally availed of, but there is still an unwillingness to protect one's health and himself against accident. The public are gradually through their experience seeing the advantage to be derived from this class of insurance, and he thought it would be increasingly used as time went on.

Automobile insurance was another phase of the activities of the company which was growing rapidly. Yet he thought that in this automobile owners were not taking full cover. For instance they were insuring against fire and against theft, but they had neglected the great and indefinite factor of liability for destruction of life and property. Insurance against fire and theft could be definitely determined by the value of the car, but the liability for damage to life and property is an unknown factor and may run into large figures. In fact several States of the middle west of the United States have passed laws requiring liability insurance to be taken out before a license would be issued to the owner. This was enacted on the grounds of public interest and protection.

During his short stay of five days in Vancouver he was being greeted by the many close friends he made while a resident of this city.

PROMINENT FRENCH FINANCIER ON INSPECTION

Captain Andre Istel, managing director of the Franco-Canadian Trust Co., Ltd., Vancouver, was a recent visitor to the Province looking over the situation and making first hand inspections of the large investments which his company hold in British Columbia. The directorate of this strong French company at the outbreak of war answered the call to arms and with only one or two exceptions on account of age fought in the armies of France. During the war the management was in the hands of Mr. C. R. Drayton, and later in the hands of Mr. Norman J. Smillie.

The visit of Captain Istel at this time is to take up the threads of the connection where they were broken at the beginning of the war. Captain Istel is a type of that strong-willed, sturdy and solid element in the Gaelic character, which rose to such supreme heights and so astonished the world during the war. Captain Istel is also a representative of the Intellectuals. He does his own thinking and thinks straight through a problem. In the hands of men of his type French rehabilitation must be certain and increasingly rapid.

With regard to the reconstruction problems in France, Captain Istel was frankly dubious as to the immediate outlook, but in the most distant future he was especially enthusiastic. The social situation in France was fast improving itself and left little for pessimism. While suffering severely from the loss of men, social conditions were steadily improving with the conservative elements safely in the saddle. As an instance of this he points out the wide prosperity of the agricultural element in the community causing a reversion in the system of land tenantry to one of land ownership. In fact France had added over 900,000 new land owners transferred from the position of agricultural tenants during the war. This was a conservative element which could be counted on heavily in time of crisis.

Industrial workers were also seeing the light of day and were gradually returning to increase effort toward production. The coal situation was indeed bad and due to the adverse rate of exchange, necessary purchases outside of France are made at very heavy costs. It would be several years before Northern France would be able to produce coal on the pre-war basis, and German imports were not up to the terms of the Peace Treaty. By the terms of the Treaty, however, France, in the reacquisition of Alsace and Lorraine, had acquired the largest iron fields in Europe and would with time and experience rise to the position of first steel manufacturer in Europe. In addition, the potash deposits of Alsace when developed, would produce a vast amount of wealth and increase French exports.

The immediate financial situation is indeed dark. Not only are we suffering from a credit expansion which is common to Canada and the United States, but we are suffering from a currency expansion which will take a long time to deflate. Our international trade situation is indeed serious since we have to import so much more than we export and this, with the depreciation in value of the franc in terms of pounds and dollars, together with the worldwide rise in prices, brings us in France to a serious position. Reconstruction has not sufficiently advanced to increase our production of manufactured goods so that for some time yet we will be unable to export goods in any quantity. Efforts to stimulate the steel business are being made but this requires time. Although we have these grave problems to face, there can be no doubt that we will surmount the difficulties and ultimately be in a stronger financial and economic position than we have ever before.

With regard to Franco-Canadian developments, these must of necessity lie quiescent. We have at the present time an embargo against the exportation of capital and the rate of exchange is such that it would not be profitable if it could be done. Properties of the Franco-Canadian Trust Co. are steadily advancing in value from the recession in

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General Manager for Canada..... GEO. WEIR
British Columbia Losses Settled in Vancouver

British Columbia Managers:

The J. H. Watson Insurance Agencies LIMITED

303-306 Rogers Building, 470 Granville Street
VANCOUVER, B. C.

prices when the original investments were made. We feel confident of our position and know that these investments will turn out well. We are looking forward to increased activity, but for the present our Canadian interests must look after themselves.

Captain Istel was much impressed with the prospects in store for British Columbia, and felt even more confident of its future than he did when he and his directors first entered the Province.

FOUNDED 1797

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FIRE INSURANCE

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British Columbia

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Winch Building

Vancouver, B.C.

Losses Adjusted and Paid in Vancouver

MARINE INSURANCE

AETNA INSURANCE COMPANY of Hartford, Connecticut

Cash Capital	\$ 5,000,000.00
Total Assets	37,114,626.40
Surplus to Policyholders....	15,705,995.47

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W. A. LAWSON, Managing Director

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London Assurance Corporation.
London & Provincial Marine & General Insurance Company Limited.
Ocean Marine Insurance Company Limited.
Western Assurance Company.
North American Accident Insurance Company.
National Surety Company.
Hartford Steam Boiler Inspection & Insurance Company.

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WESTERN CANADA BRANCH OFFICE

309-313 Yorkshire Building, Vancouver, B.C.

Telephone Seymour 616. C. R. Elderton, Branch Manager

ANNUAL STATEMENT OF IMPERIAL BANK OF CANADA.

The forty-fifth annual statement of the Imperial Bank of Canada, submitted to the shareholders at the meeting held in Toronto on May 26th, contains many features which should interest the general public as well as those who are immediately concerned in the welfare of the institution.

The total assets now stand at \$128,274,168, as compared with \$112,186,457 a year ago, the increase during the year being \$16,087,711, or 15 per cent. The bank's position in relation to cash assets is particularly strong, standing at \$30,170,982, or 32 per cent. of the liabilities to the public.

Profits for the year were \$1,379,318, as compared with \$1,247,516 the previous year, an increase of \$131,802, or 10.56 per cent. After distributing a bonus of 1 per cent. in addition to the usual dividend of 12 per cent., contributing to the regular and special pension funds, paying \$125,000 in Dominion Government taxes and subscribing \$5,000 to Repatriation campaign, the management was able to carry forward to the balance of account the substantial sum of \$1,062,278, compared with \$865,459 the previous year, an increase of 22.74 per cent.

Deposits increased by \$14,585,983, or 18 per cent., the total being \$97,784,217, against \$83,198,234 a year ago. Of this total \$72,676,679 were interest-bearing deposits, which was an increase of \$10,964,535, or 17.76 per cent., and \$25,107,537 non-interest-bearing, a gain of \$3,621,448, or 16.85 per cent.

In current loans there was an increase of \$11,908,232, or 24.53 per cent., the total amount at the end of the fiscal year being \$60,452,943, as against \$48,544,711 the corresponding date of 1919.

Note circulation stood at \$13,354,212, as against \$11,870,723 a year ago, thus making a gain of \$1,483,489, or 12.49 per cent.

Both the capital stock and the reserve fund remain unchanged at \$7,000,000 and \$7,500,000, respectively.

ANNUAL STATEMENT OF LLOYDS BANK.

We are in receipt of the annual report of Lloyds Bank Limited for the year ending December 31st, 1919. The net profits for year were £2 876 302. which with the amount brought forward of £472,755 makes a total available for distribution of £3,349,057. From this amount £200,000 had been charged to bank premises account, £1,150 000 to special contingency account for writing down the bank's invest-

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RICHARD W. DOUGLAS
Branch Manager

Active Agents Wanted in
Unrepresented Districts

L'UNION FIRE INSURANCE CO., Limited

Established 1828

Head Office: PARIS, France

Capital fully subscribed (25 p.c. paid up)	\$2,000,000.00
Fire and General Reserve Funds	5,949,000.00
Available Balance from Profit and Loss Account	113,266.84
Net Premiums in 1917	6,136,055.28
Total Losses paid to 31 December, 1917	104,117,000.00

Manager for Canada: MAURICE FERRAND, Montreal.

FRANCO-CANADIAN TRUST CO., Limited

General Agents for British Columbia.

Rogers Building

Vancouver, B.C.

ments, £50,000 have been allocated to staff widows and orphans fund and £150,000 have been added to reserve funds. A dividend of 20%, less income tax, was paid, leaving a profit and loss account to be carried forward to the new year amounting to £472,755.

During the year the bank took over the West Yorkshire Bank Limited and further increased its holdings of the National Bank of Scotland to 96.66% of the issued stock, and in the London and River Plate Bank to 98.15% of the issued stock. The value of the interests in both companies has been increased by the appropriation of £100,000 in the National Bank of Scotland to its reserve funds, and by a further credit of paid up shares of £2 per share to the London and River Plate Bank.

During the year the bank has invested £10,000 in fully paid shares of the South Russian Banking Agency Limited for the purposes of assisting in the developing of British trade with South Russia. At the end of last year the assets were £377,113,928, with a paid up capital of £9,420,544 and a reserve fund of £9,675,105. Owing to advancing years and ill-health Mr. Howard Lloyd retired from the board of directors. He joined the bank in 1862, become its secretary in 1865, its general manager in 1871, and upon his retirement from that position in 1902, he was elected to the Board, making an uninterrupted service of fifty-seven years.

The city of New Westminster will shortly offer over the counter \$25,000 20-year, 6 per cent. debentures at par, for the erection of a technical high school in the city.

The city of Revelstoke has struck a tax rate of 31 mills for the year. This rate is 2 mills less than that of the previous year.

The Corporation of the District of Salmon Arm is submitting to ratepayers a by-law for the issue of \$10,000 20-year, 6 per cent. debentures, for the purpose of maintenance, repair and improvements of roads of the Corporation.

C. P. R. to Yield 8%

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which is under the same direction and management as the
CANADA PERMANENT MORTGAGE CORPORATION

will be pleased to serve you in any of the various capacities in
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IT IS EMPOWERED TO ACT AS

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Administrator

Agent for Executors or Administrators.

Trustee under Trust Deeds, Marriage Settlements, Endow-
ments, etc.

Financial Agent for the Management of Property, Collection of
Rents, Dividends, Coupons, or other Income, or for the
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Trustee for Bond Issues.

Transfer Agent and Registrar.

All interviews and correspondence confidential

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Manager, GEORGE L. SMELLIE

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poration Ltd., of Perth, Scotland.

Union Insurance Society of Canton, Limited
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General Financial Agents

525 Seymour Street - - VANCOUVER, B. C.

Telephone No. Seymour 7370

VANCOUVER DEBENTURE BY-LAWS

The ratepayers will on June 19 vote on eight money by-
laws providing for the expenditure of \$1,425,000, and the
Property Owner's Association has given notice that it will
oppose them on the ground that the Provincial Government
refused to allow any broadening of taxation and that there-
fore the taxation load on property is at the maximum
tolerable at present. The by-laws to be submitted are as
follows:

For replacing defective and inadequate plumbing and
ventilating equipment in schools, \$80,000.

For providing furniture and equipment for new school
buildings, \$15,000.

For the construction of new school buildings, \$60,000.

For technical school, \$150,000.

For erection of buildings, alterations and equipment
for a nurses' home and a maternity hospital for General
Hospital, \$500,000.

Street by-law, \$150,000. The council raised this amount
from \$100,000.

For extension of waterworks system, \$120,000. The
council cut \$180,000 from the by-law as originally
brought in.

For erection of infectious diseases hospital, \$350,000.

Gillespie, Hart & Todd, Ltd.

VICTORIA AND VANCOUVER

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Bankers—Canadian Bank of Commerce.

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Established 1906

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B. George Hansuld, J.P., Manager.

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Consultations and Correspondence Invited

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VANCOUVER, B.C.

London & British North America Company, Limited

REPRESENTING:

North British & Mercantile Insurance Company,
and

Hartford Fire Insurance Company.

LOANS—INSURANCE—ESTATE MANAGEMENT

London Building

Vancouver, B.C.

GREAT AMERICAN INSURANCE COMPANY, New York
THE PHOENIX INSURANCE CO'Y of Hartford, Conn.
UNION MARINE INSURANCE CO., LTD., of Liverpool
BOSTON INSURANCE COMPANY

We can write Marine Insurance in any of the above Strong Companies.

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746 Hastings Street West

Vancouver, B. C.

Telephone, Seymour 8010-8011

NEW FORM OF TAXES FEATURED IN BUDGET SPEECH

(Continued From Page Two.)

sale dealers, jobbers and importers, is proposed. The tax will not include retailers as such, but will include the goods manufactured or imported by any retailer although manufactured or imported by such retailer for retail sale by himself. Consideration must also be given to the cost of essentials, and on this account it has been determined that the tax will not apply to sales of meats (fresh, salted or pickled), butter, cheese, oleomargarine, butterine, or any other substitute for butter, lard, eggs, vegetables, fruits, grains, and seeds in their natural state, buckwheat meal or flour, pot, pearl, rolled, roasted or ground barley, cornmeal, oatmeal or rolled oats, rye flour, wheat flour, coffee (green, roasted or ground), tea, salt, cattle foods, hay and straw, nursery stock, fish (fresh, pickled, salted, smoked, dried, or boneless), sugar, syrups and molasses, anthracite or bituminous coal, artificial limbs and parts thereof, or to goods exported.

"The sales tax ought not to be used as a basis of further profits, and must not, therefore, be included in the manufacturers' or wholesalers' costs on which profit is calculated. The tax when not absorbed by the vendor must then be included in his invoice as a separate item.

"The existing tax on cheques will be continued, but the rate increased on bills of exchange and promissory notes, so as to provide a 2-cent tax on all bills or notes of \$100 or less, and for every additional \$100 or fractional part thereof, 2 cents more. A tax of 2 cents for each share of stock transferred is also proposed.

"The method of collecting stamp duties on patent and proprietary medicines and perfumery will be changed by having the stamps affixed by the manufacturer or importer, instead of the retailer, at the time of sale. The stamps are not to be included in the costs of the manufacturer or importer, but if not absorbed by the seller, are to be added in the invoice as a separate item.

"The income tax rate was substantially increased last year, so as to bring it up to the increased United States rates. The increase was material as the following examples indicate: On incomes of \$5,000, from \$100 to \$120, an increase of \$20; on incomes of \$10,000, from \$392 to \$590, an increase of \$198; on incomes of \$20,000, from \$1,382 to \$1,990, an increase of \$608; on incomes of \$30,000, from \$2,702 to \$3,890, an increase of \$1,188; on incomes of \$50,000, from \$5,782 to \$9,190, an increase of \$3,408; on incomes of \$100,000, from \$17,607 to \$31,190, an increase of \$13,583; on incomes of \$200,000, from \$50,957 to \$93,190, an increase of \$42,234; on incomes of \$500,000, from \$195,407 to \$303,190, an increase of \$107,783; on incomes of \$1,000,000, from \$499,157 to \$663,190, an increase of \$164,038.

"The corporation tax was in like manner increased from six to ten per cent.

"These large increases will be payable this year for the first time. It is anticipated that they will yield approximately an additional \$15,000,000. That our measures of taxation must, in view of our geographical situation, have regard to United States legislation is a principle that has found general acceptance. I do not desire to question it. But revenue is urgently required, and a difference of five per cent. in these individual and corporation taxes will not deter immigration and the investment of outside capital so essential to our national development and growth. It is therefore proposed to increase these taxes in incomes of \$5,000 and upwards by five per cent. The increase will be made effective this year. As a result, the tax on a personal income of \$5,000 will be \$126, as against a levy of \$100 last year; and on an income of \$50,000, \$9,649.50, as against \$5,782 last year. In the case of a corporation with an income of \$100,000, the rate this year will be \$10,500, as against \$6,000 last year.

"These taxes are not collected with desirable despatch, and under the existing acts there is reason for vexatious delays. An assessment once made by the department stands. As a result, any zealous officer makes no assessment until satisfied that he has made every possible check and has

exhausted all avenues of information bearing on the taxpayers' incomes. In addition to this, the business profits tax requires an exhaustive inquiry into the company affected, an inquiry which covers the question of the true amount at which capital stock should be valued, often resulting in shares being valued considerably below their actual selling market value, and also covers the liquid and other debts and obligations, liquid and other assets, depreciation and maintenance. In many cases, personal incomes depend on the ascertainment of business profits taxes. The result is delay, loss of interest, and added difficulties in finally collecting the tax.

"Delay is inseparable from the business profits tax. The situation can be, however, materially improved, in so far as the ordinary income tax is concerned. A bill will be introduced making each taxpayer in the first instance his own assessor. For the guidance of the taxpayer, a plain table will be either attached to or included in the form of return showing exactly what taxes are payable on incomes of various amounts. The taxpayer will, with his return, include his cheque, either for the taxes properly payable by him or for an amount not less than 25 per cent. of that sum, the remainder, 75 per cent., to be paid in three equal bi-monthly installments, the first of such bi-monthly installments to be paid at the expiration of two months after the return is made, and so that the whole amount of the tax will be paid in six months after the return is made. Interest will be charged at the rate of 6 per cent. on all payments made on installments. The returns will be carefully checked by the department, and in all cases where it is discovered that overpayment has been made by the ratepayer, a refund for the amount must be immediately made to him or applied on any installment due or becoming due. If investigation shows that the taxpayer has misstated his income, penalties will be provided. A mistake of ten per cent. in income might well arise from bona fide errors, and no penalty is proposed, except that the further payment found to be due will carry interest at the rate of ten per cent. per annum. Where the actual income exceeds ten per cent. and does not exceed 20 per cent. of the amount shown by the taxpayer's return, a penalty of 50 per cent. will be provided, and where the deficiency is greater than 20 per cent. a penalty of 100 per cent. will be provided. These penalties will be calculated on the amount the returns are deficient. The proper tax, with interest at ten per cent., must also be paid.

"Many representations have been made against the continuance of the business profits war tax. The tax is charged with being largely responsible for the high cost of living. It is held that it is impossible to collect fairly and administer the tax, owing to the different characteristics of differ-

The Corporation of the District of South Vancouver, B.C.

PLEASE TAKE NOTICE that all tax notices for 1920 have been mailed. Any person not having received his or her notice, please apply either in person or by letter giving full legal description of property.

OWING TO AN AMENDMENT to the Municipal Act, the names of holders of unregistered Deeds or Agreements can not appear on our books.

TAXES ARE PAYABLE not later than June 30th, 1920. A penalty of 10% will be added on July 1st, and a further 5% on October 1st.

PLEASE PAY EARLY and avoid the rush on the last few days. Owing to the Municipal Act, no extension can be made to these dates.

A. E. CARR, Collector.

ent businesses, and to the fact that what is a fair profit in one class of business is entirely inadequate in another, and, further, that the capitalization of companies differs very widely in proportion to their activities and to their resultant profits, so that some companies are taxed on the same amount of income, derived from the same class of business, very much more heavily than others. It is attacked on the ground that it directly contributes to extravagance, and places a premium on inefficiency, that in many instances the company in providing for the tax have advanced their costs in far greater proportion than was at all necessary to provide for these payments, and still keep their business in a flourishing condition. It is further contended that much of the profits are represented by necessary plant extensions and by stocks of commodities on hand which have been bought, and are valued at current high prices, so that 100 per cent. of profits shown by the books are rarely, if ever, represented by cash.

"Much undoubtedly can be said against the business profits war tax. Under normal conditions it would indeed be hard to find any argument which would justify its continuance. We are not yet, however, under normal conditions. Supply has not yet caught up to demand, and in some lines of business activity, at any rate, the salutary effects of competition are, as a result, not in play, and whatever can be said against the business profits tax, it at least has meant that a substantial sum of money has been recovered for the country out of large profits.

"Business in 1919 was carried on under the existing business profits tax, and to the full extent that it was possible for companies to avoid the tax and pass the full incidence to others, that will already have been done. During the current fiscal year our business profits revenues will come from 1919 profits, the tax being levied under last year's act at the maximum rates.

"It may possibly be that with another year business will be more normal and that no business profits tax ought to be levied. It undoubtedly is probable that some measure of deflation and retrenchment will have occurred, that there will be some decrease in the inflated prices of commodities, and it is in the interest of the country that business concerns should be able to make some provision for shrinking price lists and decreased buying power of their customers. Our business profits tax is at a high rate. It makes no allowance for pre-war profits, however large they may have been, but fixes an arbitrary return of seven per cent. on the capital employed before the tax commences to operate. Unquestionably with the higher return money today commands seven per cent. is not a reasonable reward for commercial ventures. It has been determined that it is impossible to stop immediately the imposition of the business profits tax, and a resolution will be introduced which will provide for the continuance of a tax of this character, but on a reduced scale, on the profits derived during the year 1920, the tax being payable in 1921. The present exemption will be extended from 7 to 10 per cent., the schedule of taxation to be as follows: On profits in excess of 10 per cent., but not exceeding 15 per cent., 20 per cent. tax; on profits in excess of 15 per cent., but not exceeding 20 per cent., 30 per cent. tax; on profits in excess of 20 per cent., but not exceeding 30 per cent., 60 per cent. tax.

"The present act provides a different scale of taxation for the profits of businesses with capital of not less than \$25,000 and under \$50,000, being one-quarter of all profits exceeding 10 per cent. on the amount of the capital employed; it is proposed to reduce this tax from 25 to 20 per cent. It has been felt that the concessions made in the proposed amendments are sufficient for the purpose of enabling firms to set aside more of their profits to reserves or plant extensions and to put their businesses in a better position to meet the deflation period, while at the same time a check will still be held on abnormal profits.

With regard to the tariff the Minister made the important announcement that:

"The tariff investigation has commenced, and public

sittings will be held throughout Canada after prorogation. The investigation will be conducted by the Department of Finance, with the assistance of such experts and other advisers as will be necessary to conduct a thorough inquiry. I am further of the opinion that not only should the investigation proceed, but that information should now be given of the principles and policies of the government, in the light of which effect will be given in the tariff revision to follow in the inquiry to the evidence and facts developed.



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The Imperial Bank of Canada

Forty-fifth Annual Meeting of the Shareholders

The forty-fifth Annual General Meeting of the Imperial Bank of Canada was held in pursuance of the terms of the Charter at the Head Office in Toronto on Wednesday, 26th May, 1920, at 12 noon.

THE REPORT.

The Directors have pleasure in presenting to the shareholders the forty-fifth Annual Report and Balance Sheet of the affairs of the Bank as on 30th April, 1920, together with Statement of Profit and Loss Account, showing the result of the operations for the year.

The balance at credit of Profit and Loss Account brought forward from last year was	\$ 865,459.66
Net profits for the year, after deducting charges of management, auditors' fees and interest due depositors, and after making provision for bad and doubtful debts and for rebate on bills under discount, amounted to	1,379,318.38
Making a total at credit of Profit and Loss Account	\$2,244,778.04
This amount has been appropriated as follows:	
Dividends at the rate of 12 per cent. per annum	\$ 840,000.00
Special bonus of 1 per cent. per annum	70,000.00
Annual contribution to Officers' Pension Fund	42,500.00
Special contribution to Pension Fund	100,000.00
Contribution to Repatriation Campaign	5,000.00
Dominion Government Taxes	125,000.00
Balance of Account carried forward	1,062,278.04
	\$2,244,778.04

During the year Branches of the Bank have been opened at the following points, in addition to those referred to in last year's Report.

IN ALBERTA---Benalto, Bittern Lake, Cherhill; Edmonton: 124th Street, Norwood Boulevard; Griffin Creek, Gwynne, Lousana, Robinson's Crossing, Trochu, Westlock.

IN BRITISH COLUMBIA---Creston, Michel.

IN MANITOBA---MacGregor; Winnipeg--Portage and Colony Street.

IN ONTARIO---Toronto; Kingston Road and Balsam Avenue, Monarch Park Avenue and Danforth; Avon, Crampton, Hawkesbury, Hearst, Hilton, Mount Elgin; St. Thomas; Ross and Wellington Streets; Schomberg, Stamford, Sioux Lookout, Verschoyle, Walkerville.

The following Branches have been closed:

ALBERTA---Robinson's Crossing, Rockfort.

IN BRITISH COLUMBIA---Kimberley.

IN ONTARIO---Mount Elgin.

It is with deep regret that your Directors have to record the death during the year of Mr. William Ramsay, who was one of the original founders of the Bank and a Director since its inception; also of Mr. Elias Rogers, who has been a Director since 1897, and Vice-President since 1914. The vacancy in the Vice-Presidency has been filled by the appointment of Dr. W. H. Merritt.

The vacancies on the Board have not been filled, and a By-law reducing the number of Directors to ten with power to increase the number to twelve will be submitted to you.

Mr. A. E. Phipps, who has been in the service of the Bank since 1891, and has until recently been Superintendent of Branches, has been appointed to the position of Assistant General Manager.

The Auditors appointed by you have made their examinations as required by the Bank Act, and their Report and Certificate is appended to the Balance Sheet. They offer themselves for reappointment. The Head Office and Branches have also been carefully inspected during the year in accordance with the usual custom.

The Directors again desire to testify to the satisfactory manner in which the Officers of the Bank have discharged their respective duties.

All of which is respectfully submitted.

PELEG HOWLAND, President.

LIABILITIES

Notes of the Bank in circulation	\$ 13,354,212.00
Deposits not bearing interest	\$25,107,537.14
Deposits bearing interest, including interest accrued to date of Statement	72,676,679.95
	91,784,217.09
Balances due to other Banks in Canada	\$ 469,348.67
Due to Banks and Banking Correspondents in the United Kingdom	5,192.78
Deposits by and Balances due to Bank elsewhere than in Canada and the United Kingdom	320,519.61
Acceptances under Letters of Credit (as per contra)	498,400.00
	1,293,461.06
Total Liabilities to the public	\$112,481,890.15
Capital Stock paid in	7,000,000.00
Reserve Fund Account	\$ 7,500,000.00
Dividend No. 119 (payable 1st May, 1920) for three months, at the rate 12% per annum	210,000.00
Bonus of 1% for the year, payable May 1, 1920	70,000.00
Balance of Profit and Loss Account carried forward	1,062,278.04
	8,842,278.04
	\$128,274,168.19

ASSETS

Current Coin held by the Bank	\$ 2,647,154.62
Dominion Government Notes	7,928,326.25
	\$ 10,575,480.87
Deposit in the Central Gold Reserves	7,000,000.00
Deposit with the Minister for the purposes of Circulation Fund	404,897.03
Notes of other Banks	876,388.00
Cheques on other Banks	5,875,348.18
Balances due by other Banks in Canada	530,015.89
Due from Banks and Banking Correspondents in the United Kingdom	1,218,911.99
Due from Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	3,689,940.38
	\$ 30,170,982.34
Dominion and Provincial Government Securities, not exceeding market value	\$ 6,436,659.57
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other Than Canadian	11,304,227.15
Railway and other Bonds, Debentures and Stocks, not exceeding market value	412,046.82
	18,152,933.54
Loans to Provincial Governments	\$ 1,157,000.00
Loans to Cities, Towns, Municipalities and School Districts	5,279,714.11
Call and Short Loans (not exceeding thirty days) in Canada on Bonds, Debentures and Stocks	5,739,096.95
	12,175,811.06
	\$ 60,499,726.94
Other Current Loans and Discounts in Canada (less rebate of interest)	60,452,943.43
Liabilities of Customers under Letters of Credit (as per contra)	498,400.00
Overdue Debts (estimated loss provided for)	514,924.72
Real Estate (other than Bank premises)	576,769.57
Mortgages on Real Estate sold by the Bank	517,306.56
Bank Premises, at not more than cost, less amounts written off	4,655,304.11
Other Assets, not included in the foregoing	558,792.86
	\$128,274,168.19

PELEG HOWLAND, President.

W. MOFFAT, General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of Imperial Bank of Canada and with the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on 30th April, 1920, we certify that in our opinion such Balance Sheet exhibits a true and correct view of the Bank's affairs according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us during the year and found to be in accord with the books of the Bank.

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

G. T. CLARKSON, F.C.A.,

R. J. DILWORTH, F.C.A.,

of Clarkson, Gordon & Dilworth.

The customary motions were made and carried unanimously.

Mr. G. T. Clarkson, F.C.A., Toronto, and Mr. R. J. Dilworth, F.C.A., Toronto, were appointed Auditors of the Bank for the ensuing year.

The Scrutineers appointed at the meeting reported the following Shareholders duly elected Directors for the ensuing year: Mr. Peleg Howland, William Hamilton Merritt, M.D. (St. Catharines), Sir William Gage, Sir James Aikins, K.C. (Winnipeg), John Northway, J. F. Michie, Sir James Woods, E. Hay, Frank A. Rolph, R. S. Waldie.

At a subsequent meeting of the Directors, Mr. Peleg Howland was re-elected President, and Dr. W. H. Merritt Vice-President for the ensuing year.

PELEG HOWLAND, President.

W. MOFFAT, General Manager.

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ERNEST HENRY BEAZLEY

The sudden death of Mr. E. H. Beazley, managing director of the Union Steamship Co. of British Columbia, through an aeroplane accident on Victoria Day, came as a severe shock to the business public of Vancouver, and to a host of personal friends he had drawn to himself through a nine year residence in this city. In the death of the late Mr. Beazley the city of Vancouver loses one of its most valued citizens, and the Union Steamship Co. suffers an irreparable loss. The late Mr. Beazley had a highly developed idea of civic duty and always held himself to be free when he could be of any service to the business life of the city.

The late Mr. Beazley was first and foremost a shipping man. Born in 1876 in Cheshire, he lived and breathed the sea in his school days. After a year spent in Germany, he joined his father's firm, Gracie, Beazley & Co. He later went to J. H. Welsford & Co., Ltd., of Liverpool, with whom he acted as outside manager for nearly ten years. This firm acquired the controlling interest in the Union Steamship Co. of British Columbia and on the latter's purchase of the Boscowitz Line, Mr. Beazley was sent out to manage the Welsford's interests in British Columbia.

From very modest beginnings and with indifferent ships, he built up the business of the company in British Columbia to the prominent position which it now holds in the coast-wise trade of the Province. The war interrupted the plans of the company for development and the ships built to its order in Great Britain were taken over by the Admiralty. He nevertheless succeeded in purchasing two vessels and has added three newly-built ships to the service.

Knowing the shipping business thoroughly, he applied his wide knowledge to the problems of the coast trade. He was noted as an authority on coast matters, and was deeply respected by his competitors in the service. He was on intimate terms with the labor interests involved in the operation of his lines and was profoundly respected and held in affection and esteem by the officers and crews of

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his vessels. The eminently fair, just and candid way he treated his employees and the union officials, made him feared and respected in his dealings with them.

It is indeed a delight to know a virile, strong-minded, self-willed, frankly candid individual in this day of doubt and uncertainty. He had opinions which he expressed with candor and was not afraid to act on them and back up his own judgment. His candor, sincerity and innate friendliness stuck out all over his personality. To all his personal friends his going is a severe blow, and the business life of the city keenly regret his loss, and will feel the need for his counsel and direction when a crisis arises calling for firm action and a decided stand.

CURRENT PRICES OF LOGS FOR MAY

Current prices of logs for May, 1920, Vancouver delivery, are as follows: Fir No. 1, \$30 per m.b.m.; fir No. 2, \$25 per m.b.m.; fir No. 3, \$20 per m.b.m.; hemlock, \$25 per m.b.m.; cedar logs, prices open, subject to negotiation, quoted \$25 to \$35 per m.b.m. base; spruce logs quoted at same price as fir logs.

J. Coughlan & Sons have laid the keel for a fourth steel steamer of 8,800 dead weight capacity for their own order, which will be the eighteenth of the vessels built at the False Creek plant.

Mr. J. A. Taylor, formerly manager of the Victoria branch of the Royal Bank of Canada, has been appointed to the important position of assistant to the general manager at the head office in Montreal.

FACTORS IN READJUSTMENT OF SCALE OF PRICES.

(Continued From Page Six.)

dence in the future of business, producers begin a more spirited bidding for materials, with a consequent tendency to raise prices in general. In the present situation there is still such a degree of relative scarcity of goods that in most lines any downward movement of prices may be expected to meet a reaction with a promptness that is not characteristic of falling prices when they result from approximately general over-production.

"The crux of the whole price problem may be held to be the gradual decreasing of the supply of money and credit and at the same time the increasing of the supply of goods through properly balanced production. To the solution of this problem bankers, manufacturers, laborers, consumers—in brief, every element of our body politic—must be actively dedicated.

"The popular idea of deflation is some process, vaguely conceived, that will reduce prices so that one's income may buy twice as much as it does now. We are all willing and eager to have prices deflated, but, of course, we are decidedly opposed to having our incomes deflated. That is not the way, however, that deflation works. And those who are clamoring for a rapid fall in prices should bear in mind that drastic deflation will mean painful economic readjustment, of which wide-spread unemployment and business distress would be features—such as have occurred in Japan. The average man should remember that there is not much advantage in being able to buy twice as much for a dollar if he does not have the dollar."

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Mining Throughout British Columbia

Receipts at Trail Smelter—Government Grubstaking Soldiers for Prospecting—Mining Developments—Possibilities of Grand Forks District Development.

The following is a list of the ore received at the Trail Smelter during the week ending May 21st, 1920:—

Mine.	Location.	Gross Tons.
Bluebell—Riondel	180
Electric Point—Boundary, Wash.	196
Florence—Princess Creek	67
Josie—Rossland	170
Krao—Ainsworth	35
North Star—Kimberley	181
Tam O'Shanter—Riondel	56
Company Mines	5,947
		6,832
Lime Rock	1,499

Under the government scheme of grubstaking returned men as prospectors, a number of men have already been enrolled and are preparing to go to the hills. A report from Revelstoke states that A. G. Langley, resident engineer for that district, has arranged to send out three pairs of men, each with an experienced prospector.

Briefly, the proposal is as follows: The government will provide camp equipment consisting of tent, ground-sheet, blankets, cooking utensils, and tools and incidentals, which at the end of the contract will become the property of the prospectors, or in lieu of such equipment the government will contribute \$50 towards the purchase of same; the prospectors to supply their own personal equipment.

Further, the government to make allowance, uniform for all the province, of \$1.50 for food and other expenses, etc., to each man for each day in the field, payable monthly, or as might be arranged. At the end of the season men who have served the full term of their contract undertaking, properly attested to, will be allowed, to the experienced prospector, the sum of \$125, and to the inexperienced man \$100.

Those selected will have to have a doctor's certificate as to physical fitness for the work. They should be vouched for as to character and willingness to work, by responsible parties, and if possible should be recommended by one of the returned soldiers' organizations.

Applicants will be required to sign up for a definite period covering the duration of the prospecting season as may be decided upon by the Department of Mines.

Twenty-five pairs of men are to be sent out in the various districts of the province.

A Rossland despatch states: The old Velvet mine, a few miles west of this camp, is being reopened by H. E. Innis of Sandon. Mr. Innis went up with a crew of men this week.

It will be remembered that the mine was taken over some months ago by the Granby Consolidated Mining and Smelting Company, and the property was unwatered and worked for a time, but the company later on decided to quit the place.

The mine is fully equipped with expensive machinery and has everything to carry on active operations.

Just who, if anyone, is associated with Mr. Innis in the undertaking is not known.

Two proprietors some time ago realized quite a neat sum, it is said, from ore they secured from the dump and sent to the smelter at Trail.

Rossland would be benefited considerably should the mine develop to the point where operations would be carried on extensively, which it is hoped will be the outcome of the new turn in its history.

A Princeton report says: Trains are again running between Princeton and Allenby on the Copper Mountain

branch of the Kettle Valley. The sawmill of the Summerland Lumber Company at the latter place is again running after a close-down of a month or two, and the shipping of lumber will be resumed. The output of the mill is about a carload a day.

H. R. Van Wagenen, general manager of the Canada Copper Corporation, has returned from Denver, where he spent the winter, and is again on the job directing the big work planned this season. Van H. Smith has also returned from Butte, where he has been for some time. The mill is practically completed and is now only awaiting the power to run it. A large brick power station has been built near the mill and everything is in readiness for connecting up when the high power line now building from the boundary is completed. If all goes as expected the mine and mill will be ready for operation by September or October.

The Ivanhoe property at Sandon, operated by the Rosebery-Surprise Mining Company, resumed operations.

The Bosun property, operated by the same company, is working full strength.

At Three Forks, the McAllister is in the list of active operators.

Foley, Welch & Stewart are to make another effort to develop the Eureka mine on Silver Creek near Hope. Machinery and supplies are now at Hope ready to be sent up to the mine as soon as snow conditions on the road permit.

Three hundred tons of high-grade ore are sacked and ready for removal from the Utica mine in the Slocan. This ore was removed from old stopes which the lessees carried up after the company quit. Poyntz & McClelland are the lessees, and it is reported that they will take a bond and lease on a property adjoining the Utica when their lease on the Utica expires in June.

The recent strike of copper ore made on Skookumchuck River, about 30 miles from Cranbrook, by Messrs. Pete Bull and L. Carmichiel, has developed into great proportions, according to the latest reports from the scene of the discovery. Some time ago, when the surface indications were encountered, it was thought there was a fair showing, but since development work has gone on to a depth of about 40 feet, native copper, running at about \$150 per ton in values, has been encountered, and it is reported the mine is showing up richer as work progresses. Dan McIntosh, a well-known mining man, recently bonded the property for \$15,000 and is actively at work developing it.

With water plentiful, and the season rapidly advancing, the mining properties on Kootenay Lake are getting under way for the season, one after the other, and as the snow recedes, the area of active operation will constantly enlarge.

The Florence mine at Princess Creek is running its mill two shifts, and is working a big mine crew to provide the ore.

At Riondel, the Blue Bell has also got under way, and will soon be operating full force.

It is understood the Cork-Province, on Kaslo Creek, is preparing to start up about June 1.

A season's work on the Panama, which H. Giegerich has under development, will also commence about the same date.—Nelson News.

Preparations for an active summer campaign on the Lardeau and Sandon properties of the Nelson Mining and Development Company have been made. The Whitewater and Comstock groups on Cascade Creek, in the Lardeau, are to be developed. A wagon road nine miles long is to be built. As soon as the road is completed shipments will be made.

There is a good mill site on the Comstock leases and proposals to erect a mill are under consideration.

The Zineton property, near Sandon, is in rich silver-lead, latent assays running up to 600 ounces silves, while in addition to these high values a considerable quantity of good milling ore is exposed.

Clarence A. Marsh, secretary of the company, who recently inspected the properties, is also interested in the Gold Cure mine, six claims situated on the South Fork of Kaslo, adjoining the Gibson leases and the same district as the Silver Bell and Index. A considerable amount of ore has been shipped from this mine.

It is intended to start developing at once and to follow the original idea of crosscutting for the old ore shoot opening up both north and south. Values show 174 ounces of silver and 38 per cent. lead, equal to \$300 in value. A good mill site is available, and it is planned to erect a concentration and flotation plant, to handle 50 tons a day.

Altogether Mr. Marsh expects his companies to lay out \$50,000 in development alone during the season, and to have everything going within the next two weeks.

Grand Forks Sun gives interesting statement regarding the matter of transportation for the North Fork country. A portion of the article follows:

It is now almost certain that the Granby smelter will not open up again as far as Grand Forks is concerned. However, that does not mean that mining prosperity will stop, nor does it mean that the C.P.R. is through with Phoenix; but it does mean that the system of giving ore a ride on the train before reducing or concentrating it, is out of date. Only limited quantities of ore can be hauled over any distance in the rough state.

It is a well known fact that tributary to Grand Forks there are valuable mines which are only now being prospected, and it behooves the people and the business men of Grand Forks to stand behind the prospectors in their struggle for better roads, railway transportation and supplies if they hope to get the business which will mean so much to this city.

It will be news to many of our citizens to learn that in Franklin camp the ores are not only rich in silver, gold, copper and lead, but carry exceptional values in the platinum group of minerals. Hitherto, only limited tests for platinum were made. Recently the Maple Leaf Company, after waiting for some three years on the government for information promised them, with negative results, have spent a considerable sum of money on the complete analysis of their ores, consulting some of the best authorities in New York City and Seattle, besides a number of others, and the

results were very encouraging. The ore is very complex. As shown by the analysis, all of the ores carry copper, gold and silver in varying amounts. Some of the ore is nickel-copper; others carry good values in lead, but the principal value, well distributed through all of the ore, is iridium, platinum, palladium, osmium, rhodium and ruthenium. The first is worth \$600 per ounce, and the last five together \$162 per ounce. The last car of Maple Leaf copper ore shipped to the Granby smelter, yielding \$28 per ton net, would now be worth \$128 per ton independent of the metals then paid for, and which would now be looked upon as merely a by-product. The significance of this can be better understood by comparison. One ounce of iridium in the matte is equal to 20 ounces of gold, and each ounce of the other platinum metals equals eight ounces of gold, or about 150 ounces of silver.

Recent assays on pulp from car lot shipment yielded over three-fourths of an ounce per ton of crude ore, the values of the palladium and iridium exceeding that of platinum, giving the Black Lead of Franklyn camp an unique place in the history of mining, when you consider the chief source of platinum, so far, is the Ural Mountains in Russia, where 100 tons yields only three-fourths of a pound of platinum, or 0.09 ounce per ton, and a very small quantity of the other platinum minerals. The Salt Chuck mine, north of Vancouver, recently discovered 0.07 ounces of this precious metal in a low-grade copper ore, and their concentrates, shipped to the Tacoma smelter, yielding about \$1,000 per car, are now worth from \$20,000 to \$26,000 in the east. The copper-nickel ores of Cobalt, Ont., carry small quantities of the noble metals, and the British American Nickel Corporation considers it of sufficient importance to put in an up-to-date electrolytic refinery for their recovery.

Compare these sources with our own Franklin district, where the platinum mineral in the Black Lead ores hold out in such superior quantities for a distance of four miles across the camp, and are also carried by the Union ores, which when concentrated will amount to considerable.

The Bertha-Pathfinder, a mine which has been proved as a shipper, is to be put in full operation on a big scale, and there are scores of other properties which deserve mention, and if we will make it a point to inform ourselves, we must decide that we are living in the center of one of the best districts in the world.

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TO END OF DECEMBER, 1918

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Production for Year Ending December, 1918, \$41,782,474

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