

The Monetary Times

Trade Review and Insurance Chronicle
OF CANADA

ESTABLISHED
1867

TORONTO, MARCH 15, 1918

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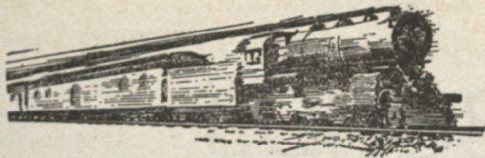


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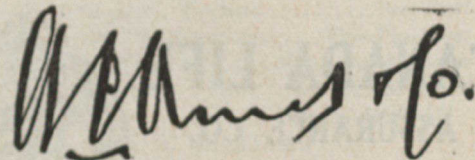
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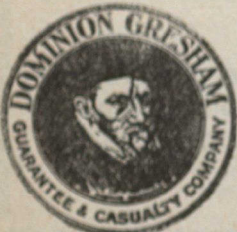
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Monetary Times

Trade Review and Insurance Chronicle
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Old as Confederation

JAS. J. SALMOND
President and General Manager

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Editor

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Assistant General Manager

Opportunities in Canada for Research

Valuable Fertilizers Are Wasted—New Method of Briquetting Peat—Substitutes for Gasoline—Conservation of Heat—Chemical Research—Many Kinds of Fish, Valuable for Food, Neglected

By A. T. DRUMMOND, LL.D.

SINCE my communication, a year ago, in *The Monetary Times*, on this subject, the changing conditions, then in process, throughout the world, resulting chiefly from the war, and affecting not only industry, but the mental attitude of the people towards current problems, have led to many new promising opportunities for research in the different departments of industry, and have emphasized the importance of others. A year of experience has also raised the question as to how best research can be practically carried out.

Presently research has been practically relegated to a committee, with headquarters at Ottawa, but whose members are scattered over the Dominion, and not every one of whom is known to be a specialist in research work. The ground to be covered, geographically speaking, is vast, the number of lines in which investigation, requiring expert knowledge, can be made, is large, and it is not possible, under present arrangements, for any one individual, however high his attainments in his past special work have been, to grapple with the situation. The original suggestion made to the government still commends itself—that the work of research should be commenced, under a committee, by directly utilizing the extensive laboratories of McGill, Toronto and Queen's Universities—each in the special lines for which it was equipped and in which it was already doing effective work in research; that special experts in these lines, with post-graduate assistants, devoting their whole attention to the work, should be employed in each university; and that all work should be co-ordinated by the committee, in order that each laboratory should have before it only those problems which it could efficiently undertake.

From this as a beginning, the research investigations could be extended to other institutions, especially in the industrial centres, which, in time, provided the necessarily large equipment; or, as in Great Britain, the government could aid with grants, through the research committee, any institution which was grappling with a special industrial problem of great interest to the country. Thus, our Canadian industries could, in a larger way, have trained expert knowledge placed at their disposal in overcoming difficulties which often present themselves, or in seeking new and improved methods of manufacturing, or in discovering and adapting to industrial uses, the numerous possibilities which are stored away among the vast re-

sources of this country. At the same time, in the post-graduate assistants, men would be specially qualified as experts, who will be invaluable in the laboratories, which must accompany all the great manufacturing and mining establishments of the future. This suggestive plan can still be carried out. The cost to the government would be a bagatelle. The German State Governments have for a great many years in the past expended vast sums annually on their universities, especially in research on industrial lines, and it is claimed that whatever position that empire has attained in commerce, manufacturing and agriculture, as well as in the army and navy, is due to the direct work of its universities, and the men who have been trained there.

The two problems which have, this winter, entered deeply into the public mind, are those of food for ourselves and the allied nations, and fuel for domestic, manufacturing and transportation purposes. Food is chiefly an agricultural problem, involving, not so much increased areas under cultivation, as our governments appear to imagine, but much larger production on existing areas, through more fertilizing of the land and better cultivation. What have our farmers to say when the average production in Scotland, for ten years past, has been, of wheat over 39 bushels and of barley over 35 bushels per acre, as against the averages for Canada last year of 16 bushels of wheat and 23 of barley?

With the lower prices here than in Scotland, the question may well be asked, "Does grain farming pay?" And yet, Prof. Zavitz tells us that at the Guelph Farm, 55 and 59 bushels of barley have been obtained to the acre by the use of fertilizers. Our clear need is cheap, concentrated, standardized fertilizers, which divested as far as possible of all unnecessary associated matter, can be transported at low cost over the long railway journeys to the farms. In pursuance of this, our chemical and mining laboratories should further investigate the problems of separating the potash from our abundant feldspars, the phosphates from their associated rock, ammonia sulphate from the peats, nitric acid from the coke oven products, and of other sources of fertilizers; whilst they may well examine further into the extraction of nitrogen from the air, which, under present methods, requires too much power to be economical, not only in this process, but in view of the many other industries needing hydro-electric power.

But there are many other valuable manures, lying at our doors, which are at present neglected and which can be applied directly to the soil, or chemically or mechanically prepared for it. Fallen leaves in the forests and on our streets are more valuable than stable manure; the garbage and sewage of the cities and towns are so effective as fertilizers that every municipality should investigate methods for their disposal in this way, instead of carelessly permitting them to be accumulated in dumps, or to be deposited in the rivers and lakes, there to endanger the lives of the citizens of its own and other municipalities; the wastage and offal from the abattoirs, and of the fish, fruit and vegetable canneries are in the same way valuable, whilst the straw and chaff so often burned in our Northwest after the thrashing of the grain, the lawn cuttings of the cities, seaweed, shell marl, peat, sawdust, wood ashes, soft, and probably even hard coal ashes—all have their values in the soil and need only more detailed research on the part of the chemist to indicate the particular plants and particular soils for which they are suited. What is much needed is a farmers' and gardeners' vade mecum which would in brief, popular language, tell them of the special soils and fertilizers best suited to each of the different grains and vegetables, and of the various fruit trees, and the best methods of cultivation in each case.

Fish Valuable for Food.

There are other lines of research in food products. Investigation is greatly needed into the food values of the great numbers of species of fish found on both the Atlantic and the Pacific coasts, which are at present unfamiliar to the public, and not therefore being easily marketable, are not sought for by the fishermen, or, if caught, are thrown away. Probably every fish found in our cold northern seas is edible, and if the fishermen could sell everything they catch, not only would the supply be much greater, but the prices could be correspondingly lowered. Why should haddock and cod, and, to less extent, salmon, halibut, mackerel and smelts almost monopolize the public taste in its too limited demand for fish from the sea? As to fresh-water fish, the great problem is the systematized restocking on a large scale and at frequent intervals, of our lakes and rivers, already so largely depleted. This should be an international matter, in consequence of the vast areas occupied by the Great Lakes, separating there the United States and Canada, and the direct interest both countries have in sustaining the fishing industry. What appears to be needed is co-operation in finding the best methods of rearing the fry, transporting them to their feeding grounds at distant points, and caring for them there during their earlier stages.

Briquetting of Peat.

The problems connected with fuels involve not only an ample supply being available, but the conservation of heat itself, such a large proportion of which, under present methods, is allowed to be dissipated into the atmosphere without any attempt at utilizing it. Peat has from time to time attracted attention with us as a fuel, in consequence of the extensive areas occupied by it in Canada, but thus far, the problems of successfully briquetting it to ensure that it will stand weathering, rough handling, and long transportation, as well as of its adaptability to steam and domestic purposes, and as a coke for smelting, have not been worked out. As peat is largely composed of fibres or tubes filled with water, a new English proposal is to grind the peat to a pulp, mould this pulp into briquettes, and submit these briquettes for a few hours to a drying machine, from which they emerge as hard,

densified blocks, ready for steam or domestic purposes, and which can be converted into a charcoal or coke for smelting ores. How far is this a suggestion for economical application to our Canadian peats? The resulting coke represents about 40 per cent. of the densified peat, whilst the valuable by-products include sulphate of ammonia, acetic acid, phenols, alcohol, oils and a gas of which about 14,000 cubic feet can be obtained from a ton of the densified peat.

Conservation of Heat.

The large proportion of the heat derived from our fuels which goes up the chimney, without being utilized, may well be the subject of investigation. Probably two-thirds of the heat from our grate fires is, in this way, absolutely lost, and, in a less degree, this also applies to the furnaces in our houses, offices and factories. In our homes, where ample fires are maintained in these furnaces for at least seven months of the year, there seems no reason why arrangements might not be made, through alterations in the chimney and furnace, for utilizing the same fire for cooking as well as for heating. Further, by having the chimney in the centre of the house, instead of in the cold outside wall, the heat, as it ascended, could be utilized from floor to floor, radiating into at least four rooms on each floor, and utilized also there, for special purposes, as well as for heating. These ideas require careful thinking out, but are quite practicable, and, in our severe winter climate, would not only add to our comfort, and economize fuel elsewhere in each home, but would further utilize heat which is now thoughtlessly wasted.

Substitutes for Gasoline.

Notwithstanding Dr. Rittman's discovery of a process under which the production of gasoline from petroleum can be more than doubled, a pressing transportation problem at present is the scarcity and consequent high price of that motor fuel. In England, compressed gas, held in steel tanks with reducing valves, is being tried as a substitute, but attention here should be centered most on the possibilities of alcohol, the sources for which are so numerous on our American continent. The only satisfactory results obtained by the South African Research Committee were from alcohol derived from the cheap, Natal, sugar cane molasses, by adding a certain proportion of pyridine bases and wood naphtha or benzene. This may convey suggestions to our chemical experts in their investigations with alcohol from waste wood, sawdust, pulp mill liquors, potatoes, corn, and other readily available material. In Sweden and Norway, a sulphate spirit from the pulp mills has already been successfully used. In each country, it is a question of relative cost, as well as of the availability of the raw material.

Chemical Research.

Stimulated largely by the needs of the Allies in the war, many brilliant discoveries have been made in the domains of chemistry and of electro-chemical metallurgy, particularly in explosives and the methods of using them; in the extraction of copper, zinc, and other metals from refractory ores; in the Bessemer process of steel production; in dyestuffs; in anaesthetics; in manufactures of the finer grades of glass; and in scores of other important lines. Many of these discoveries are now being practically applied in the conduct of this great war, in which science is playing such a leading part, but will find their equal value in more peaceful operations when the war clouds have passed by. Chemistry has now found its place in the public mind as one of the most important aids to in-

dustry, and in its bearing on the needs of the future, it affords abundant further opportunities for research. Even when chemistry has only a partial, although important, part to play in what are, otherwise, mechanical or metallurgical processes, the opportunities are large. For instance, some of our common plants, and weeds of the wayside, capable of extensive cultivation, may yet furnish fibres of a fine grade suitable for high-class paper, or for use directly for, or mixture with, silk goods, or for

mixture with wool to give a closer texture and a more attractive and warmer material than the present union goods. The discovery would be very important if, by some chemical or mechanical process, or both, the curl which is characteristic of sheep's wool, and which chiefly gives rise to the warmth of woollen material, by creating air interspaces everywhere with similar effect to that of the double window, could be communicated to any other sort of hair or fibre which is available in quantity.

CANADA AND WEST INDIES

Transportation Facilities Must Be Improved—Halifax and St. John

Editor, *The Monetary Times* :—

Sir,—The subject of closer commercial relations between Canada, the British West Indies and contiguous British territory—a reference to which appeared in a recent issue of *The Monetary Times*—is an opportune one for consideration at any time, and particularly now that Britishers everywhere should be arranging their post-war trade programmes. So far as Canada and the British West Indies are concerned, each country has commodities the other needs and which could be exchanged with mutual profit.

It was this feeling of mutual interest which led to the extension in 1913 of Canada's preferential tariff to the British West Indies and to the adjoining colony of British Guiana. Under this tariff there has been an increased development of trade between Canada and the British West Indies, but this has been comparatively small. If our manufacturers and shippers were thoroughly alive to the importance of their West India trade connection, and the necessary transportation facilities were available, it would be much larger.

During the fiscal year 1917, the exports from Canada to the British West Indies amounted to \$5,179,083, as compared with \$4,134,901 in 1916. Imports from the islands showed a much greater increase the figures for 1917 being \$14,239,595, as against \$6,354,991 in 1916.

Exports and Imports.

An analysis of the export figures shows increases in coal, codfish, herring, planks and boards, butter, canned or condensed cream and milk, flour, cereals, potatoes, clothing, cordage, drugs, fertilizers, glassware, rubber tires, boots and shoes, nails, steel manufactures, harness leather, paper, paints, ships, trunks, automobiles and household furniture, while there was a decrease in meats, pork, mackerel, pickled fish, salmon, scantling, staves, oats, peas, biscuits, brooms, oil cake, parts of automobiles and carriages and manufactures of wood.

In the matter of imports from the West Indies, increases are noted in beans, cocoanuts, cocoa, coffee extract, feathers, package fruits, honey, lime juice, sponges, nutmegs, sugar, syrups, vegetables, wax, cocoa beans, dyeing articles, drugs and old copper, the decreases being chiefly noticeable in molasses, salt, hides, oranges and grape fruit, bark extracts and crude lime juice.

The Barbados Advocate, in discussing improved commercial relations with Canada in a recent issue, remarked that :—

"It cannot be too strongly pointed out that this one market, that of the British West Indies, is comparatively close at hand, is waiting for further development, and possesses these direct advantages that the merchants there (in Canada) are strongly desirous of having more extensive and closer relations with us, and that, already, throughout these colonies there are active branches of two leading Canadian banks, ready to assist with information and banking facilities in developing our trade."

Transportation Facilities.

The same paper declares that these advantages would be futile if they were not linked with such transportation conditions as more frequent and quick steamship services between near Canadian ports and the British West Indies, fast through freight services with Canadian business centres timed to meet the arrival and departure of the steamships, and through freight rates and charges between the West Indies and Montreal and Toronto via a Canadian port not exceed-

ing those via New York and Boston. There must also be cold storage facilities, cool, ventilated accommodation, especially for fruits, in both steamships and cars, rapid sailings and prompt handling of cargoes.

These results can be obtained only by the utilization to the fullest extent of the advantages possessed by the Canadian ports of Halifax and St. John. Both ports are open the whole year round. Both have close connection with central Canadian points, St. John having two transcontinental lines, the Canadian Pacific Railway and the Canadian Government Railway, while Halifax has the Canadian Government Railway. There is practically little difference in the ocean distances between Halifax and St. John and the West India Islands, Halifax having the advantage in the run to Bermuda of 27 miles. Against this, St. John has a decided advantage in the matter of land haul, by both transcontinental lines. By the Canadian Pacific, the rail and ocean mileage, from Montreal to Bermuda via St. John is 1,254 miles, while via Halifax and the Canadian Government Railway it is 1,588 miles. If the Canadian Government Railway line via Moncton were employed, St. John would still have a considerable advantage in the rail haul. This advantage will be increased with the completion of the Valley Railway connection with the government transcontinental line.

A recent bulletin from the trade commissioner at Barbados shows that in the shipment north of the molasses crop of 1917, a much larger proportion came via St. John than via Halifax. In other commodities, no doubt, Halifax excelled St. John.

St. John and Halifax.

In any scheme for increased development of West India and contiguous trade, which may be exploited after the war, the ports of St. John and Halifax must be considered together. Neither St. John nor Halifax would be satisfied with anything less. Whether the increased development scheme would be covered by an alternate direct service from and to the ports of St. John or Halifax by the Royal Mail Steam Packet line, or a direct service by either the Canadian Pacific Railway or the Canadian Government Railway, or both, are matters for future determination. There is no doubt that considering the short railway haul a direct Canadian Pacific Railway steamship line from St. John via Bermuda to the West India Islands and contiguous British territory in South America would be a most attractive one to Montreal and Upper Canadian shippers, and would greatly facilitate trade in the directions indicated.

What is more particularly needed at this moment is the concentration of the business thought of Canada upon the possibilities of these trade connections for Canadian manufacturers and shippers. The more publicity that can be given to this matter the better. Geography can be relied upon to furnish the balance of the argument.

Yours, etc.,

R. E. ARMSTRONG.

St. John, N.B., March 12th, 1918.

ANOTHER PROVINCIAL GOVERNMENT LOAN

Another provincial government loan will be offered next week, the amount probably being \$1,000,000. The prospectus is in preparation. So far this year \$6,630,000 of Canadian provincial bonds have been successfully floated, at prices yielding the investor from 6 to 6½ per cent. The provinces thus accommodated are Saskatchewan, Manitoba, New Brunswick and Ontario. In the entire year 1917, the provinces borrowed only \$6,382,500. Next week's loan will bring this year's total of provincial bond sales to \$7,630,000.

PROPOSED FEDERAL RESERVE SUBSIDIARY

Suggested Bank in the United States and Its Relations to Canadian Banks

It is generally conceded that the suggested subsidiary of the Federal Reserve banks of the United States to handle foreign business, would have a considerable effect in promoting international trade and in facilitating financial intercourse. Canadian bankers naturally have been much interested in the recent Washington dispatches giving details of the organization and powers of the proposed bank, as set out in the bill just introduced to the Senate. In view of the more definite nature of the proposals, and on the presumption that Congress will enact the necessary legislation, Mr. H. M. P. Eckardt, who contributed several valuable banking articles to *The Monetary Times Annual*, discusses in *The American Banker*, of New York, some of the features or points which will particularly affect the business of the Canadian institutions.

To Every Bank in Country.

It is stated, he says, that the new Federal Reserve Foreign bank would extend accommodation not only to the twelve Federal Reserve banks, but also to every bank in the country, whether a member of the Federal Reserve system or not. Apparently the branches established in the United States by Canadian banks might thus be permitted to obtain accommodation. The seven New York agencies of Canadian banks carry on operations by authority of the New York State legislature. Similarly the Bank of Nova Scotia in Boston derives its powers from the State government of Massachusetts; the Bank of Montreal and the Bank of Nova Scotia in Chicago get their authority from the State of Illinois; the Bank of Montreal and the Canadian Bank of Commerce have the status of State banks in Washington—the latter institution having the same standing in Oregon; and the Canadian Bank of Commerce and the Bank of British North America, each have an establishment in California, which is subject to the control of the government of that state.

Canadian Banks' Position.

So, unless these institutions are excluded specifically or by means of a general prohibition, it would seem that they, along with the State banks of purely United States origin, would be eligible for participation in the benefits arising out of the change in the banking system. That is to say, these branches and agencies of the Canadian banks could presumably dispose of their foreign exchange bills, direct to the new bank, and also buy exchange directly from it when occasion required.

It appears that some of the important dealers in the New York exchange market have been somewhat apprehensive over the prospective encroachment of the Federal Reserve banks upon their special field of activity. They fear that if the new organization sets out to monopolize the exchange business, or if it over-regulates the market, there may be a drastic readjustment, which would affect them severely. The Canadian bank agencies have always been numbered among the important private dealers in exchange at New York. Not so long ago the leading Canadian banks were reputed to be the largest dealers in exchange, but latterly several of the great American banking institutions have developed this department of their business to very large dimensions, and have taken the leading places in the market. However, the Canadian banks still constitute an important factor; and they, like the big New York banks, would be affected if the new quasi-official bank adopts an aggressive policy.

Foreign Exchange.

At present several of the leading National and State banks negotiate the sterling and other foreign exchange sent to them by their numerous correspondents at interior points, and they buy exchange in large amounts direct from shippers or exporters, not only from those domiciled at New York, but also from many large concerns located elsewhere. The Canadian bank agencies naturally derive a considerable supply of exchange from their own branches in the Dominion, and they also have connections with a few American banking institutions at interior points, and quite a number of important American exporters. So far as the exchange from their Canadian offices is concerned, they are practically certain to re-

tain it. On receiving the bills from Canada, they would perhaps dispose of the exchange to the new Federal bank, if it offered the best rates. Perhaps, in any case, there will be enough exchange business for all the recognized dealers, even after the new institution begins its operations. It will represent an additional place at which the other dealers may transact business; and conceivably it will furnish them with funds on satisfactory terms for carrying on their own deals.

Canadian and Federal Reserve Banks.

Then the new foreign bank is to be authorized to receive deposits from American and foreign banks, and from the American foreign governments. This clause if enacted would apparently open the way for the head offices of Canadian banks to carry accounts with the Federal Reserve Foreign bank. If the operations of the new foreign bank are to be restricted to exchange bills relating to imports to, or exports from the United States, that would prevent the Canadian bankers from utilizing there the large volume of bills drawn against Canadian exports to Great Britain. These bills are now largely negotiated in New York, and it would seem to be a good point if the new bank were empowered to take them. Since the war began it has been demonstrated time and again, that special legislation on trade and finance, which treats Canada as a foreign country, creates hardships, and causes loss to business men in both countries. Examples of this are seen in the United States embargo upon exports and the recently imposed regulation regarding imports into the United States. To broad minded observers it seems that the best results are obtained from the policy of recognizing that in these matters the United States and Canada are practically one country. Both are now giving all their energy and attention to the sacred purpose of preserving the world from the domination of a cruel military oligarchy; and that being the case it seems to many of the bankers, and business men that the cause of the Allies and the best interests of the United States and Canada would be promoted if Washington in placing its embargoes, regulations, and prohibitions re foreign trade, specifically excepted Canada. This would make for closer harmony and greater efficiency; and would also tend to make the post-bellum trade and financial intercourse of the two North American countries more intimate and more advantageous to both, concludes Mr. Eckardt.

NIAGARA FALLS POWER COMPANY

The Niagara Falls Power Company and the Canadian Niagara Power Company for the year ended December 31st last showed a total operating revenue of \$3,225,115, as opposed to \$3,062,835 in the preceding year. The operating expenses showed a great expansion, totalling \$1,207,886, as against \$851,896 in 1916. The net operating revenue was \$2,017,229. The net income was \$2,195,804, as against \$2,365,815 the previous year. The surplus is \$1,200,064; at the end of 1916 it was \$1,362,116. The companies have \$25,565,711 invested in real estate, power stations etc., \$2,200,525 in investments, and \$1,605,617 in cash. During the year \$300,000 was put into United States government 4's and \$250,000 into the Canadian Victory Loan. The total assets of the companies amount to \$32,303,382. The Niagara Junction Railway Company, a subsidiary, showed an operating revenue of \$184,365, as against \$156,053 the previous year. The operating expenses were \$115,395 and the net earnings \$68,970. The net earnings, owing to the higher operating costs, showed a slight decrease from those in the previous year.

FOR CANADIAN EXPORTERS

In view of the fact that the prohibited list of imports into the United Kingdom is subject to change at any time, Canadian exporters should communicate with the department of trade and commerce, Ottawa, before making arrangements to ship articles to the United Kingdom. When possible the information desired will be furnished.

If the shipment is destined for any country other than the United Kingdom or British possessions, inquiries should be addressed to the customs department, Ottawa, to ascertain whether or not an article is prohibited from being exported and if a license for the export of the commodity referred to can be granted.

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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NEED FOR BANKRUPTCY ACT

For twenty years, the advisability of enacting a federal bankruptcy law has been discussed. We are still without that very necessary and desirable legislation. Public opinion is now practically unanimous in its demand for this legislation. There is no reasonable objection to the government taking steps at the coming session to give Canada a bankruptcy law for which we will not be compelled to apologize every day. In an address to the Ontario Bar Association at Toronto recently, Mr. S. W. Jacobs, K.C., a barrister of Montreal, made a forceful plea for proper bankruptcy legislation. After tracing the numerous attempts made from year to year to get Parliament to act in the matter, he described in detail the dangers and disadvantages of the existing and diverse legislation in Canada. He made it quite clear that laws affecting bankruptcy and insolvency go to the very root of our present-day civilization.

One of the important points made by Mr. Jacobs was the relation of our defective bankruptcy laws to the development of Canada's trade abroad. While traders from the United Kingdom, France, Belgium, the United States, and so on, are met with uniform customs, banking and other laws, they are met also with insolvent laws enacted by the various provinces of the Dominion, which do not possess that uniformity which is so desirable in such matters. It is of the utmost importance that we should have a uniform legislation, applicable to the whole Dominion, in order that outside traders in their dealings with us may not find themselves face to face with a country divided, from a legislative standpoint, into four or five provinces, in matters of such considerable importance.

Mr. Jacobs pointed out that the British North America Act gives to the Parliament of Canada the power to enact legislation on bankruptcy and insolvency, recognizing, no doubt, that legislation of this kind, intimately bound up,

as it is, with trade and commerce, should have application throughout the Dominion. "Trade interests are of national importance," he said, "and local or provincial considerations should be brushed aside, when measures looking to stimulation of commerce are in question. A merchant in one part of the country should be encouraged to deal with a trader in any other part of the country, and the greater the expansion of trade effected in this way, the more does it make for the breaking down of prejudices, petty rivalries, and provincial differences. In the effort to stimulate trade, a harmonious legal system is bound to be a factor of no small importance." There is no good excuse for delayed action in this matter.

FOR INVESTORS

Many of the 800,000 people of Canada who made their first investment during the Victory Loan campaign are already being approached by unscrupulous dealers and asked to sell their securities at ridiculously low prices. The warning issued by the department of finance in this connection is very timely. It must not be forgotten that there are many legitimate channels for investment and that there are well-organized and established organizations from whose members quotations on all securities may be procured, such as the Montreal or Toronto Stock Exchanges. Membership in these bodies is composed of firms who have well established a recognized permanent business office address and who must live up to the ethical standards established by the exchanges.

At considerable expenditure, facilities have been installed for procuring all kinds of information which may affect security values in any way by numberless private wire connections with all parts of the world. Seeking investment knowledge and advice of such investment houses will, unlike the counsel given by other specialists, cost nothing. Though money may sometimes be easily made, it can be far more easily lost, if carelessly invested.

TRADE RETURNS

The transportation difficulties, rail and ocean, are reflected in the trade figures. Our exports of agricultural products in January were valued at only \$26,000,000 compared with \$91,000,000 in the previous month, despite the urgent demand of the United Kingdom for our products. A better record was made in regard to manufactures. In December, the total volume of exports under that head was the smallest during the past year. A considerable improvement occurred in January when exports of manufactures were valued at \$41,383,115, an increase of nearly \$8,000,000, representing more than 40 per cent. of the total exports of all classes. Another satisfactory gain was \$4,500,000 in "animals and their produce," while increases were shown under the heads of "the mine" and "the fisheries." How our export totals during January and December last were made up, is shown in the following table:—

Exports of—	January, 1918.	December, 1917.
Mine	\$ 5,528,992	\$ 5,026,041
Fisheries	3,300,587	3,016,059
Forest	3,110,324	3,836,909
Animals	15,918,079	11,433,910
Agricultural	26,390,294	91,216,447
Manufactures	41,383,115	33,635,790
Miscellaneous	494,803	246,763
Total	\$96,216,284	\$148,411,919

Our imports in January were valued at \$60,000,000 compared with \$61,000,000 in December and \$107,000,000 in May. Imports, which have been decreasing steadily since the summer of 1917, largely because of the difficulty of securing raw materials in the United States, were the smallest reported in any month in more than a year. Because of a decrease of \$13,000,000 in the import figures the net trade balance in favor of Canada was in January last nearly \$9,000,000 higher than in January a year ago, and a new record for the month. If our imports continue to decline and our exports increase, the trade balance will rapidly improve. At the same time, as a large part of our imports are raw materials from the United States and as much of the product is finished here for export, a decrease of imports will to some extent affect the volume of our export trade also. Our trade balance may possibly be improved by a compulsory reduction of the importation of articles which may properly be considered luxuries. This matter is having the consideration of the War Trade Board.

ARRANGEMENTS FOR RAILS NEARLY COMPLETE

Arrangements whereby the need for rails for renewals on the Canadian government railways and the Canadian Northern system during the present year will be met have been practically completed by Hon. J. D. Reid, the minister of Railways and Canals. The purchase of 355 miles of 67-pound rails, which were rolled in the United States under orders placed there by the Russian Purchasing Commission, has been completed, and some of the steel is now on its way to Canada.

Negotiations for an additional 150 miles of rails, manufactured for Russia, have also been practically completed, making a total of some 500 miles available for replacement on the lines now owned or controlled by the Canadian government.

There is also a possibility that 350 miles of 80-pound rails on the Hudson Bay Railway will be lifted for use on lines where traffic is more dense and will be replaced by the lighter rails being obtained from the United States.

BANK AMALGAMATIONS

The continued amalgamation of banks in the United Kingdom has excited much comment in banking and trading circles. The extent to which they have proceeded in the last twenty-five to thirty years is seen from figures presented in a recent issue of *The London Economist*. The thirty-four English joint stock banks in existence in 1917 have been reduced to thirty-three as a result of the amalgamation of the London and Provincial and London and Southwestern. If the provisional agreements between the National Provincial Bank of England and the Union of London and Smiths and the London County and Westminster and Parr's are completed there will be a further reduction to thirty-one. The Banking Almanac for the current year shows that in 1886 the average amount of deposits in each bank was about £2,750,000, while by the end of 1917 it had increased to £40,000,000 or £42,500,000 on the assumption that the mentioned amalgamations will proceed. In 1872 one bank office existed for every 12,766 inhabitants, but now there is one for every 5,030.

While certain important proposals for further bank mergers were being discussed, Mr. Bonar Law, chancellor of the exchequer, was asked by a member of parliament whether his attention had been called to the possible danger to the commercial community of the concentration of banking business into monopoly concerns. The Chancellor did not accept this definition of the movement, which was obviously exaggerated, but, without expressing any opinion on the question of principle, considered that the matter was one of public importance, and intimated his intention of appointing a committee consisting of bankers, merchants, and manufacturers to consider and report to what extent they thought it desirable in the public interest to interfere with such arrangements. In the meantime he expressed the hope that any further schemes which might be contemplated would not be proceeded with, the hope in such a case being almost tantamount to a demand. The London correspondent of the *New York Annalist* crystallizes the objections heard overseas as to the concentration of banking resources. The feeling is, he says, that a money trust may be the outcome, with results detrimental to the national interest. This is not the case in Canada. The approval of the Royal-Northern Crown bank merger by the department of finance indicates that amalgamations are sometimes a source of strength to the banking and business position, rather than otherwise.

RIORDON COMPANY'S SHIPMENTS MOVING FASTER

An official of the Riordon Pulp and Paper Company states that the difficulty experienced in getting shipment of stocks on hand through shortage of cars is gradually adjusting itself. Shipments are now going forward much more freely and orders awaiting shipment are being reduced. The situation has not entirely clarified itself as yet, but with more favorable weather conditions now in sight there should be a distinct improvement from now onward. The United States still owes Canada about 20,000 cars, and these are said to be coming in more freely of late.

Sales of the company are running most satisfactorily, and the company is assured of capacity business for a long time to come.

Mr. E. B. Leroy, resident manager of the Canada Permanent Mortgage Corporation, of St. John, N.B., will retire May 1st, and be succeeded by Mr. H. M. N. Stanbury. Mr. Leroy is coming to Toronto to reside.

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RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Kingston, Ont.—March 12—The Central Public School, on Sydenham Street, was damaged. Estimated loss, \$5,000.

London, Ont.—March 8—Contents of the United Type-writer Company's office in the Ashplant building were destroyed.

Marysville, N.B.—March 6—Home of Mr. E. J. Kingsley was destroyed. Caused by defective flue.

North Toronto, Ont.—March 12—House of Edward Hurst, Willowdale, North Yonge Street, was destroyed.

Point Edward, Ont.—March 6—The old office building of the late Dr. McLaren on Front Street was destroyed. Estimated loss, \$500.

Quebec, Que.—March 8—Back part of Messrs. Dombrowski Brothers' furniture store, situated on the ground floor of the Merger building, on St. Joseph and Crown Streets, was damaged.

Saskatoon, Sask.—March 10—The J. H. Ashdown's wholesale hardware store was destroyed. Estimated damage to building, \$100,000; to stock, \$500,000.

South Devon, N.B.—March 4—House of George Ward was damaged. Caused by defective flue. Estimated loss, \$60.

Souris, P.E.I.—March 10—Building owned by Dr. Sullivan, and used by himself and the Eastern Grocery Company, was destroyed. An estimated loss of \$9,000 is divided between them.

Sydney Mines, N.S.—March 7—The McRae block and several adjoining buildings were destroyed. Estimated loss, \$75,000.

Toronto, Ont.—March 11—Grocery store of Mr. Leparick, 150 Dundas Street, was destroyed. Caused by rats nibbling matches. Estimated damage to contents, \$1,000; to building, \$700.

March 12—Two ferry boats of the Toronto Ferry Company were destroyed.

March 13—The Adams Furniture Company's garage, four auto trucks and adjoining buildings were damaged. Estimated loss, \$3,500.

Vancouver, B.C.—March 3—Vacant house at 2003 Hastings Street East was damaged.

Windsor, Ont.—March 5—The brick block on the corner of Hall Avenue and Wyandotte Street was damaged. Caused by overheated stove in E. Miller's apartment. Estimated loss, \$3,000.

Winnipeg, Man.—March 7—The B. Miller's stationery store, in front of the Grand Theatre, on the corner of Main Street North and Jarvis Avenue, was destroyed. Estimated loss, \$3,500. Insurance to the amount of \$1,000 was carried in the Yorkshire Fire Insurance Company.

ADDITIONAL INFORMATION CONCERNING FIRES RECENTLY REPORTED

Conaston, Ont.—February 26—The frame schoolhouse was destroyed. Estimated damage to building, \$10,000; to contents, \$1,018. Insurance on building is carried in the Phoenix of England, Employers' Liability and Springfield Fire Insurance Companies. Insurance on contents is carried in the Phoenix Insurance Company.

Orillia, Ont.—The Royal Bank was damaged. The building was owned by Mrs. Breen, and the loss was \$780. Royal Bank supplies were damaged to the extent of \$150. Insurance was carried in the Liverpool and London and Globe Insurance Company.

Saskatoon, Sask.—Fire Chief Heath submits the following report for the month of February to *The Monetary Times* :—

An apartment block, owned by Mr. J. D. Ferguson, was damaged on February 9th. Caused by dropping of lighted match into varnish can. The estimated damage to building was \$50, and the insurance was carried in the General Accident Insurance Company to the amount of \$63,000.

On February 15th a dwelling-house, owned by Murray and Munroe, and occupied by Mr. Morton, was damaged. The cause was reported as children playing with matches. The estimated damage to building is \$300; to contents, \$100.

A total insurance of \$10,800 is carried in the Atlas, Commercial Union and Fidelity Phoenix Fire Insurance Companies.

Toronto, Ont.—February 26—The Hunter, Rose building, occupied by the Hunter, Rose Company, Limited, on Sheppard Street, was destroyed. The cause was reported as spontaneous combustion. Estimated damage to building, \$5,000; to machinery, \$20,000. The total insurance carried on building is \$40,000, and is divided among the following companies: British America Assurance Company, \$5,000; British Dominions General Insurance Company, \$5,000; Caledonian Insurance Company, \$5,000; Employers' Liability Assurance Corporation, \$5,000; Law, Union and Rock Insurance Company, Limited, \$5,000; National Fire Insurance Company, of Hartford, \$5,000; Northern Assurance Company, Limited, \$5,000; Nova Scotia Fire Underwriters, \$5,000.

The total insurance carried on machinery is \$85,000. The following companies are interested: Dominion Fire Insurance Company, \$10,000; Employers' Liability Assurance Corporation, \$5,000; Liverpool and London and Globe Insurance Company, Limited, \$5,000; London Guarantee and Accident Company, Limited, \$2,500; London Guarantee and Accident Company, Limited, \$2,500; London and Lancashire Fire Insurance Company, \$5,000; London and Lancashire Insurance Company (Fire), \$5,000; National Fire Insurance Company, of Hartford, \$5,000; New York Underwriters' Agency, \$5,000; Niagara Fire Insurance Company, \$2,500; Norwich Union Fire Insurance Society, \$5,000; Ocean Accident and Guarantee Corporation, Limited, \$2,500; Phoenix Assurance Company, of London, \$10,000; Provincial Insurance Company, Limited, \$5,000; Union Insurance Society, of Canton, Limited, \$5,000; Yorkshire Insurance Company, Limited, \$10,000.

Vancouver, B.C.—Fire Chief Carlisle submits the following report for the month of February to *The Monetary Times* :—

The fire department responded to 46 alarms during the month of February.

The estimated total damage resulting from fires for this period was \$5,586, of which amount \$5,056 was covered by insurance, leaving the property loss above insurance at \$530. The total value of the property involved was \$277,550.

The following shows the cause of fires, alarms, etc., for the month: Children playing with matches 1, carelessness with matches, cigarettes 1, chimney fires 16, city limits (out of) 1, defective chimney and stovepipe connections 1, electrical origin (short circuit in wiring) 2, false alarms 5, fire escaping through check-draft in furnace pipe 1, firewood left on top of furnace and too near stove to dry 2, flying sparks (from chimney) 3, match in shavings on floor 1, overheated hot air furnace 1, overheated range 1, overheated stove 1, overheated stovepipe 1, smoke scares 3, stove placed too near wall 1, too big a fire in open fireplace 1, trucks loaded with matches caught in passing 1, unprotected chimney pipe 1, and unknown 1.

The following shows the value of property involved by fire, the total loss and the insurance carried: Fires where damage occurred, 17; total value of property involved by fire, \$277,550; total insurance carried, \$191,150; total loss, \$5,586; insurance paid, \$5,056; property loss above insurance, \$530.

Victoria, B.C.—Fire Chief Davis submits the following report for February to *The Monetary Times* :

Loss by fire on buildings, \$353; Loss by fire on contents, \$55. Total loss by fire on buildings and contents, \$408. Insurance on buildings, \$18,800; insurance on contents, \$1,000. Total insurance on buildings and contents, \$19,800. Property at risk, \$330,400.

NOTICE TO APPLICANTS FOR PRIORITY ASSISTANCE

The war trade board desires to make the following suggestions to firms in Canada making applications for priority assistance: If all applicants for steel plates, for instance, would attach to their applications a letter giving full details of dimensions, sizes, and, when necessary, analyses, it would assist materially in the consideration of their application by the war trade board. The board has also sent out report blanks to dealers in scrap, and the prompt filling in and return of these would go a long way to assist the board in compiling correct statistics as to the quantity of this material in Canada. Report blanks have also been sent for the same purpose to those dealing in tin ingots, and the prompt return of these is equally desired.

COINSURANCE CLAUSE IN FIRE POLICIES

Percentage of Coinsurance Principally Used in Fire Insurance is Eighty—An Interesting Explanation

"The percentage of coinsurance principally used in fire insurance is 80," said Mr. Fred. A. Burgess, manager of the insurance department of Messrs. Waghorn, Gwynn and Company, Limited, of Vancouver, in his address on February 11th, before the Insurance Institute of that city, "and the clause is usually worded as follows:—

"It is a part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the insured shall maintain insurance concurrent in form with this policy, on each and every item of the property hereby insured, to the extent of at least 80 per cent. of the actual cash value thereof, and that, failing so to do, the insured shall be a coinsurer to the extent of an amount sufficient to make the aggregate insurance equal to 80 per cent. of the actual cash value of each and every item of the property hereby insured, and, in that capacity, shall bear his, or her, or their proportion of any loss that may occur."

Added to Clause.

"To this clause," he continued, "is generally added the following:—

"In the event that the aggregate claim for any loss is less than \$2,500 (provided, however, such amount does not exceed 2 per cent. of the total amount of insurance upon the property described herein and in force at the time such loss occurs) no special inventory or appraisal of the undamaged property shall be required."

"The 80 per cent. coinsurance clause," said Mr. Burgess, "is an obligation on the part of the assured to maintain insurance during the currency of the policy equal in amount to at least 80 per cent. of the actual value of the property insured. The fixing of values in advance—i.e., at the time of the effecting of the insurance—as a basis for the settlement of the loss in connection with this clause, is not sufficient. In the actual settlement of losses account must be taken of changes in values, by reason of increased or decreased cost of materials or labor or depreciation through age, use or fluctuation in market prices of commodities. A revaluation of buildings or plants after a term of years, and stocktaking at least once a year, or at seasons when stock fluctuates should therefore be recommended."

When Property is Destroyed and Insured.

"The 80 per cent. coinsurance clause would not affect the settlement of a loss under a policy in the following cases: 1st. When the property insured is totally destroyed, as the full amount of insurance would be paid upon satisfactory proof of such total loss. 2nd. When the property is insured for not less than 80 per cent. of its actual cash value, whether the loss be total or partial."

"A percentage coinsurance clause affects the settlement only when both the amount of the loss and the percentage of insurance carried to value are below the coinsurance percentage stated in the policy as per the following example:—

"Assured sustains a loss of \$400 on property worth at the time of the fire \$1,000. He holds a policy for \$700 subject to the 80 per cent. coinsurance clause. Sound value of the property at the time of fire, \$1,000; amount of insurance required under the 80 per cent. clause, \$800; amount of insurance actually held, \$700; showing a deficiency (which is the amount the assured contributes on as a coinsurer) of \$100. The loss, amounting to \$400, is apportioned as follows: The company insured \$700 and contributes 700/800ths of the loss, \$350; the assured is a coinsurer for \$100 and contributes 100/800ths of the loss, \$50, showing the assured a loser by \$50 for not having maintained insurance up to 80 per cent. of the value, as agreed upon under the 80 per cent. coinsurance clause."

"One of the first features noticed by the underwriter in examining a report of a policy issued on a building of ordinary, substantial or fire resistive construction is whether the contract carries a coinsurance clause, and this also applies to risks on stocks or to special hazards, after the commercial rating of the assured has been accepted as passable."

"It will thus be seen that from the standpoint of the insurance company coinsurance is considered one of the most important features in the contract, and it naturally follows that there must be sound reasons for this. If you will kindly bear with me I shall endeavor to elucidate."

"For example, a building is not encumbered in its revenue producing career by a mortgage, and therefore not compelled to carry insurance at all. The owner finds he has a very valuable piece of ground in the heart of this city and decides to erect a fine building of such construction and appearance as to last many years and thus insure tenantry. He studies the fire-fighting apparatus, water supply and personnel of the city's fire department and decides that on account of the class of exposing buildings and the class of any new ones likely to be erected, he does not believe his block will have one chance in a hundred of being totally destroyed or even damaged to a very high percentage by fire. Like every other human being he wants a very low rate of insurance, claiming that on account of the superior construction of his block and of those blocks exposing, his building cannot be totally destroyed by fire. He obtains his very low rate, not only because he wants it, but because the system of rating gives it, and then proceeds, after being canvassed very ardently, to place an amount of insurance, say, \$30,000, which, to his mind, is about the maximum amount of damage which could be done before the city's department extinguished a fire. The agent may be successful in persuading his company, he tries hard anyway, and succeeds if the company represented by him is hungry for premiums or is new in the agency and wants to cultivate it, to write the risk."

Company Gets Advice.

"The company will, no doubt, be in receipt of some very nice letters telling it how to properly underwrite and what a lot of new risks it will get if it takes this line; but on the other hand the owner of the building will be probably told by the agent that he is in receipt of a letter from his company to the effect that it does not care to only insure the painting, wood trim, glass and fresco work of the building without insuring the rest of the structure. This argument or stand of the company is no doubt considered by the owner to be unreasonable and befogging, but the agent says the company knows that its stand is not clear to the owner, but if he will agree to insure his block up to 70, 80 or 90 per cent. of the value and maintain that amount of insurance, they will give him certain percentages of reduction from the very low rate which the owner at present enjoys."

Universal Schedule.

"In 1902, after several years of labor, a committee of 34 eminent fire insurance men of the United States closed its work of endeavoring to form what was called a universal schedule. This committee went into the question of coinsurance very carefully, and in the universal schedule the reasons for the coinsurance clause from the companies' standpoint are carefully set forth and give a clear conception of the why of coinsurance and the reduction of rate therefor."

"The experiences of companies as to the distribution of losses according to percentage of value in fire department cities is about as follows: 68 per cent. are under \$100 in amount; 15 per cent. are over \$100 and under 25 per cent. of the value of the property; 7 per cent. are between 25 per cent. and 50 per cent. of the value of the property; 5 per cent. are between 50 per cent. and 80 per cent. of the value of the property; 5 per cent. are total losses."

"It will be apparent that coinsurance or contribution is of no value to the insurance company on total losses or those under \$100 as the coinsurance clause has a waiver."

"It is on the remainder, or 27 per cent. of the losses (those that are over \$100 in amount, but not total), that the coinsurance clause is a benefit, but the fact must not be lost sight of that insurance companies grant reduction in rate on policies written with a coinsurance clause. Therefore, they have a chance to receive a benefit salvage on but 27 per cent. of the losses, and reduce their premium income without securing a resultant benefit on 73 per cent."

No Allowance in Rate.

"In the part of the Dominion where the Canadian Fire Underwriters' Association rating schedule is in use, no greater allowance is made in the rate for the 90 per cent. coinsurance clause than for the 80 per cent. clause. In British Columbia a greater reduction is allowed from the rate, for the higher percentage of coinsurance. In Eastern Canada blanket cover is allowed for 90 per cent. or 100 per cent. coinsurance and in British Columbia we do the same, only in the blanket cover we do not allow a greater reduction for the 90 per cent. than for the 80 per cent. specific as the blanket cover is obviously worth something to the assured. So that in the matter of reduction in the rate for coinsurance British Columbia is more lenient than they are in Eastern Canada. If we adopt the Canadian Fire Underwriters' Association system, we must

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ESTABLISHED IN 1864

Capital Paid-up - - - - - \$7,000,000
Reserve Fund and Undivided Profits 7,421,292
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Brandon	Macgregor	Oak Lake
Carberry	Morris	Portage la Prairie
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The Standard Bank of Canada

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

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Established 1874

94 Branches in Canada

Capital paid up	\$4,000,000
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Interest added half-yearly to Savings Balances

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Head Office and Eight
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78 Church Street.
Cor. Queen West and Bathurst.
Cor. Queen East and Ontario.
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236 Broadview, Cor. Dundas St. East.
1871 Dundas St., Cor. High Park Ave.

BRANCHES AND CONNECTIONS
THROUGHOUT CANADA

fall into line with the rate reduction for coinsurance and will be bound to have an argument to face from the intelligent assured. Our system is certainly more scientific, but may be too fine to be of much practical use.

Gambling or Carelessness.

"A great amount of either gambling or carelessness takes place in the amount of insurance carried, and the following are the figures of the adjustment of the loss of the Quaker Oats Company, of Peterborough, Ont., by the fire of December 11, 1916. It will be observed that through under insurance the assured became a coinsurer to the extent of nearly \$800,000:—

Sound value as adjusted	\$2,228,416.03
Adjusted loss	1,852,218.46

Insurance required under 90 per cent. coinsurance clause	\$2,005,574.43
Insurance carried	1,206,500.00

Deficit	\$ 799,074.43
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	Apportionment.	
Insurer.	Insures.	Pays.
Companies	\$1,206,500.00	\$1,114,245.14
Assured (shy)	799,074.43	737,973.32
	\$2,005,574.43	\$1,852,218.46

"The Quaker Oats plant was sprinklered and 'fireproof,' but that did not prevent an immense loss. Owing to conflagration experience the insurance companies fortunately no longer use the word 'fireproof,' they use the term 'fire resistant.' One manager said that he missed the Quaker Oats loss because the coinsurance clause had a 10 per cent. waiver in it, and he refused to write the risk, which shows his good judgment, and he certainly cannot be classed as one of the insurance gamblers.

Are Clauses Traps?

"It has very often been claimed by those ignorant of the application of coinsurance conditions, that such clauses are tricks or traps laid by insurance companies to catch the unwary and as a matter of fact some States in the United States have legislated against the coinsurance clause. Nothing is further from the truth, however, and court decisions are sufficient evidence to refute any such statement. The name of the clause is bad and tends to misunderstanding and if we in Canada changed it to 'reduced rate average clause,' it would be much better.

"The coinsurance clause should be explained to the assured on every possible occasion, and for this reason I am of the opinion that a clause by another name and more simply worded should be used. I like the 'reduced rate average clause' as follows:—

"In consideration of the reduced rate at which, and the form under which this policy is written, it is expressly stipulated and made a condition of the contract that, in the event of loss, this company shall be liable for no greater proportion thereof than the amount hereby insured bears to 80 per cent. of the actual value of the property described herein at the time when such loss shall happen, nor for more than the proportion which this policy bears to the total insurance thereon. This clause, however, shall not apply to any loss which does not exceed 2 per cent. of the total insurance on the property.

"If this policy be divided into two or more items, the foregoing conditions shall apply to each item separately."

Ignorant of Coinsurance.

"Those not engaged in the insurance profession are to a very great extent entirely ignorant of the meaning of coinsurance and look upon the slight saving of premium at the outset only too readily and then, when caught by not living up to their end of the contract, blame the agent for not explaining more fully. I have from time to time been told by business men that the insurance business is not brought out enough as an educational factor, as it is the bulwark of business and the backbone of all credit and being such a very important feature it should be studied. Speaking along this line I wish to mention a point pertaining to the mortgage business. A man loans a sum of money on a property and often takes in perfectly good faith a policy with loss payable to him as mortgagee, the amount of which is equivalent to his loan. The policy has a coinsurance clause in it and the mortgagee thinks he is fully protected, seeing he has a good

company. He may, or may not be, but the fact that his policy reads for, say, \$5,000, is by no means evidence that it is \$5,000 of insurance. If the mortgagor wishes to take advantage of the lower rate by having his policies subject to a coinsurance clause then he should hand over to the mortgagee, and the mortgagee should also insist on it, all his insurance with loss, if any, payable to the mortgagee as his interest may appear. I saw an article on a case where the mortgagee being caught brought suit to the effect that the mortgage clause over-rode the coinsurance clause; but the decision was against him. The case was tried in New York State. The mortgage document provides that the mortgagee may demand insurance up to the full insurable value of the property with loss payable to him, and in my opinion the mortgagee should take advantage of this feature, as he is not called upon to take unnecessary chances when putting out his funds. This is particularly important at the present time when values are appreciating so rapidly. In fact, it is very dangerous just now for a mortgagee to accept as security a policy which is subject to a coinsurance clause.

Coinsurance was Compulsory.

"I have been informed through reliable sources that very many years ago the British government exacted a duty on all fire insurance contracts and at that time there was a law to the effect that no one could recover under a fire insurance policy more than a proportion of his loss unless he was carrying coinsurance up to 100 per cent. of the value of the property. To this extent 100 per cent. coinsurance was mandatory or compulsory at that time.

"There are, of course, many very simple examples of the coinsurance clause which could be set out, such as insurance on two or more buildings under one sum or the subject of blanket insurance.

"The point I wish to bring out most forcibly is the fact that there is not sufficient educational propaganda in the insurance business for the benefit of those engaged in other lines of endeavor and from whom we must obtain premiums.

"The insurance profession is an honorable one. It is the backbone of all credit, the bulwark of business and a most generous, economical and efficient collector and distributor of funds for those in adversity by reasons of calamity, and as such an important part of the business of the world, I hold it should command the dignity and respect it so ably deserves."

LIFE INSURANCE IN CANADA

Commenting on life insurance in Canada, the Insurance Press, New York, says:—

Attempts to approximate the effect of war upon the insurance production of United States companies by a comparison with the experience of English companies have proven unsatisfactory by reason of the general difference in human traits and office practices between the two nations.

A more reliable basis for comparison is furnished by the preliminary reports of life insurance transactions in Canada in 1917. Conditions across the border, both with respect to public attitude, agency management and business customs, are somewhat akin to conditions in the United States.

Despite the fact that the Dominion has loyally borne a heavy burden in the form of taxation and drafted men, the people of Canada last year purchased 10 per cent. more life insurance than in any previous year, the total being closely estimated to be \$260,000,000, against \$231,101,625 in 1916.

One might naturally suspect that the heavy mortality from war losses, and the financial drain upon the public of providing for war taxes and war loans would cause a high lapse ratio of outstanding insurance. But, according to the estimated figures, it would appear that the insurance gained last year was considerably greater than the increase for any preceding year, thus indicating that the war actually produced a stabilizing effect upon life insurance in force.

It may be difficult to explain satisfactorily these two significant increases, by reason of the fact that Canada is not presumed to enjoy a corresponding prosperity with the United States. However, the experience of Canadian companies and agents last year should be most reassuring and encouraging to their comrades on this side of the boundary, who, by reason of the tremendous impetus to United States industry as an outgrowth of the production of war necessities, have vastly superior opportunities, and accordingly should secure a proportionately greater share of the nation's prosperity.

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The National Bank of Scotland

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Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825

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

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BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)
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PAID UP CAPITAL -	\$ 19,524,300.00
RESERVE FUND -	14,375,000.00
RESERVE LIABILITY OF PROPRIETORS	19,524,300.00
	\$ 53,423,600.00
AGGREGATE ASSETS 30th SEPT., 1917	\$285,767,140.00



J. RUSSELL FRENCH, General Manager

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ESTABLISHED 1865

Union Bank of Canada

Head Office - WINNIPEG

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

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HEAD OFFICE, HAMILTON

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CAPITAL PAID UP	3,000,000
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Brantford	" Deering	Niagara Falls	Toronto
" East End	" East End	Niagara Falls, S.	" Queen &
Burlington	" North End	Oakville	" Spadina
Chesley	" West End	Orangeville	" College &
Delhi	Jarvis	Owen Sound	" Ossington
Dundalk	Kitchener	Palmerston	" Yonge &
Dundas	Listowel	Paris	Gould
Dunnville	Lucknow	Port Arthur	West Toronto
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Carrievale	Loreburn	Mortlach	Tuxford

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Salmon Arm	(Cedar Cottage P.O.)
Vancouver	

CANADIAN BANKRUPTCY LAW

Montreal Barrister Makes Strong Plea for Its Enactment
—Banks and Other Creditors

"Why is it that year after year bills should have been introduced into our Federal parliament, having for object to correct abuses and simplify the law, without legislative effect being given to them?" This question was asked by Mr. S. W. Jacobs, K.C., barrister, Montreal, in a plea for a Canadian bankruptcy law, at the recent meeting of the Ontario Bar Association. After outlining the attempts to obtain this legislation Mr. Jacobs stated that it was admitted on all sides that a universal bankruptcy act makes for stability in commercial relations throughout the country. "It unifies the various provinces to this degree that it makes the law on this subject the same in all parts of Canada, permitting the lawyer to advise his Halifax client on the law as it exists in Vancouver," continued Mr. Jacobs. "It familiarizes the Bar of one section with the jurisprudence of the other section. It permits merchants throughout the country to know exactly what their legal position is, with regard to their various customers, and does away with the old feudal idea which in some parts of Canada would seek to prevent outsiders from having similar rights to those of their own province. (An instance of this may be cited from one of the Maritime Provinces, where a few years ago, and probably still to this day, traders assigning for the benefit of their creditors had the right, under the provincial act, to mention, in the deed of assignment, the parties whom they wished to have preferred over other parties and the court was bound to give sanction to such preferred creditors, to the detriment of others not so preferred.)

Duty of Parliament.

"Is it not the paramount duty of parliament to brush away every obstacle standing in the road of a uniform bankruptcy act, simple in its design, unequivocal in language, and expeditious in procedure? The great difficulty has been with regard to the provisions regarding discharge to the insolvent debtor, and this difficulty has no doubt been responsible for the failure of the measure to go through. The Federal authority, as already observed, by virtue of the British North America Act alone, is empowered to grant a discharge, and provincial legislative bodies are, under the British North America Act, prevented from dealing with this phase of bankruptcy law. Indeed, so far as the power of provincial legislatures is concerned, these can only apply the provisions of their respective local acts to the distribution of the debtor's assets, and nothing more, and it is therefore more or less of a misnomer to refer to statutes of the legislatures dealing with insolvent traders as 'insolvency' and 'bankruptcy' laws. It can readily be seen that any act which would seek to deprive a certain class of creditors of the full amount of contract obligations due to them, would meet with organized and concerted opposition at their hands.

Discharge to Insolvents.

"The Fortin and Monk bills were careful in their provisions to deal as lightly as possible with the question of discharge to insolvents, Mr. Fortin's bill providing that to obtain a discharge it was necessary to secure the consent of three-quarters, in value, of the creditors, as well as the payment of all privileged and preferred claims, and that the discharge to the debtor would not operate a discharge to the endorser on promissory notes, and further, that banks could in no way be affected by the provisions of the bill respecting discharge. Mr. Monk's bill contained provisions that all privileged and preferred claims were to be paid, and the consent of the creditors of at least one-half of the amount of the claims should be obtained, to give the insolvent his discharge.

"The objection, in my view, to these provisions, is that they did not deal widely enough in the matter of discharge. Where a debtor has been obliged to go through the insolvency courts, through misfortune, and as a result of uncontrollable circumstances, the law ought to give him an opportunity of obtaining a clean bill of health, without interference by his creditors, and any bankruptcy law which gives the creditors the right to declare whether a debtor should or should not be given his discharge is an infringement on the rights of the court, which alone, after hearing the evidence, ought to decide whether the circumstances justify a release from obligations. Were this not the case, the door is left open to abuses produced through the desire by certain cred-

itors to obtain advantages over others. The debtor could be harassed by his creditors, with the threat that failure to pay an increased dividend, on the side, would bring about organized opposition of those who have it in their power to prevent the victim's rehabilitation.

Debtor and Misfortune.

"I do not presume to suggest that discharge be granted lightly or without careful investigation of the debtor's entire management of his business. Were this to be done, it would put a premium upon inefficiency and shiftlessness, and it must be the duty of the court to decide the extent to which the debtor has been responsible for his own misfortune, and where it is shown that the disordered state of his business is brought about through no dishonesty or wilful negligence, the law ought to consider it a matter of public policy to see that after a certain length of time the debtor is once more permitted to engage in business on his own account. This is in line with the well-considered opinion of the present day in all civilized communities, and differs materially from the rule which at one time prevailed throughout the world.

Banks and Other Creditors.

"Banks should have no rights different from general creditors, and any attempt to place these institutions on a footing different from others is bound to carry in it the germ which will ultimately destroy the benefit sought to be given to honest traders, and incidentally to the general community.

"Creditors recognized as privileged and preferred by law, such as landlords, might very well be brought into line also, in such a way that large portions of the assets belonging to the insolvent should not be diverted for the payment of these preferred claims, to the exclusion and detriment of general creditors, as is now the rule, particularly in the province of Quebec.

"Official assignees ought not to be given the extensive powers, or permitted to occupy the autocratic positions held by them under the old bankruptcy acts, and provisions whereby insolvent estates should be placed in the hands of an officer of the court, and under the direct supervision of such court, ought to find a place in any new bankruptcy measure brought before the House."

DENOUNCES PREMIUM BONDS AS LOTTERY

The proposal that Great Britain issue "premium bonds" with the view of stimulating the sale of its war loans has been criticized, and recently the Government Select Committee, which investigated the subject, decided against the measure. Among the severest critics of the plan is Sir Robert M. Kindersley, a director of the Bank of England and a financial expert of high standing. In view of the beginning of some talk in the United States in favor of a similar issue, his remarks may be of interest.

"The advocates of premium bonds," he says, "argue that to buy a premium bond is not gambling, because the purchaser can never lose his capital. This argument is hardly convincing when a certain portion of his yearly interest is to be used for a pure lottery. What they, in fact, say is this: 'If you will invest your money in a certain government security we will give you leave to subscribe a portion of your interest each year to an out-and-out government lottery.'

"But apart from the specious excuse that no gamble is involved in the issue of premium bonds, let us examine the real basis of the appeal. Is it to patriotism? Is it to the wise provision for old age or sickness? Is it to self-denial for the sake of those we have sent to fight for us? Is it to steady, continuous effort to help win the war? Surely it is to none of these. The appeal of the premium bond is frankly to the baser instinct of cupidity—to the desire to 'get-rich-quickly-without-effort.' It is suggested that the state should deliberately play upon and cultivate what is well known to be a weakness of human nature—a weakness which has probably wrought to mankind more mischief in the economic sphere than almost any other failing."

Discussing what would happen after the war, Sir Robert says: "Even the most ardent supporters of premium bonds only look upon them as a war measure. Is it reasonable to suppose that, having cultivated this gambling spirit, the millions of small investors would return to the ordinary solid but unexciting investments? It is much more probable that they would become the prey of any financial shark who might dangle in front of them the possibility of a big increment of capital from some worthless mining or other speculative share, while their betting propensities would be found to have been greatly intensified."

— THE —

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HEAD OFFICE: WINNIPEG, CAN.

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LOAN COMPANY'S AFFAIRS WILL BE CONSIDERED

Mr. J. A. C. Cameron, the Official Referee, has announced that a meeting of the debenture-holders, depositors and creditors of the defunct Dominion Permanent Loan Company will be held at Osgoode Hall on March 21st for the purpose of considering the position of the company's affairs. The shareholders' meeting, at the same place and for the same purpose, will be held on the following day. Prior to these meetings Mr. G. T. Clarkson, who has been acting in the capacity of provisional liquidator, will be appointed permanent liquidator.

On April 22nd the official referee will sit at Osgoode Hall to hear the report of the liquidator upon the claims of the creditors submitted, at which all parties interested are invited to attend. It has also been directed by the official referee that debenture-holders, depositors and all others having claims against the company must submit the same to Mr. G. T. Clarkson not later than March 18th.

LARGE FIRES IN MANITOBA

Mr. H. O'Connor, deputy fire commissioner for Manitoba, has made a report to Hon. Edward Brown, provincial treasurer, as to recent fires in that province. He says: "During February 91 fires were reported. Of these, 74 were in Winnipeg and 17 in other parts of the province; 41 of these have been adjusted at losses amounting to \$174,141, and 50 fires in course of adjustment. Further adjustments have been made with respect to fires occurring during January with losses amounting to \$129,001.83, bringing the total adjustments for that month to \$201,413.34. In connection with the Caldwell Block fire, at the corner of Main and McDermot, the Riverview fire, the fire at 1010 Magnus Avenue, McLaughlin farm, Neepawa, and at La Riviere, there has been deplorable loss of life—seven in all. Carelessness in the use of matches and on the part of smokers is responsible for numerous fires, involving serious loss."

LIFE INSURANCE AND BANK CREDITS

Relation of One to the Other — Some Considerations for Business Men

"The corporations and partnerships of the nation are only beginning to awaken to the part which life insurance can be made to play in the affairs of not only large, but of the moderate and small sized business as well," said Mr. A. Gordon Ramsay, assistant superintendent of agencies of the Canada Life Assurance Company, Toronto, at a recent meeting of the Kiwanis Club, Hamilton.

"Until a few years ago," he continued, "the protection of the family was the only function of life insurance to be generally appreciated or even recognized. One of Canada's foremost bankers in referring to the intimate relationship between commercial life insurance and the extension of credit by his bank, recently said:—

"This bank always regards it as a favorable feature in a borrower's application when he is able to show that both his family and his business have been protected by life insurance against the contingency of his unexpected death. It often happens that the prosperity of a business is, in a large degree, dependent upon the continuance of a single life. In such a case, it is more than usually important to cover by insurance the risk of disaster to the business through the unexpected death of that individual. The bank, moreover, is always glad to see the position of a firm fortified by partnership policies, especially where the capital is so moderate in proportion of the volume of the business that no portion of it could be withdrawn without embarrassment."

Success in Business.

"Commercial life insurance also interests the banker when he is passing on a credit risk from a moral standpoint. Of this the president of the Chase National Bank of New York says:—

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

"Until lately, business insurance has been considered mainly in connection with the affairs of the larger firms. It is, however, becoming recognized that this form of protection is just as necessary, if not more so, to the smaller corporation, partnership or business man. One need only look round the city corner or enter a village to discover a modest partnership, be it a grocery, butcher or drygoods store, or a general store, which at this moment needs a class of protection for its business and its credit which the life insurance company alone can provide.

Death of Partner.

"The banker and wholesaler feel they are vitally interested in how this partnership customer will be affected by the death of one of the partners. What funds will be available for the purchase of his interest or for the continuation of the business? There may not be available sufficient capital or borrowing power to enable the surviving partner to purchase the interest of the deceased. Another partner with capital is difficult to find, particularly in a hurry. Frequently, it means a winding up of the business with loss to all concerned.

"If the estate retains its interest in the business, a situation in all probability develops which produces lack of harmony damaging to the efficiency of the surviving partner and hence damaging to the business. A partnership with his friend John's widow or executor will be very different from the old partnership.

"There are other aspects of this subject in which the bank is interested. To cite a few only. Business insurance protects the firm against the direct financial loss due to the death of, say, its highly trained technical man, who may be the only one familiar with an important chemical formula in their manufactured product. There may be a silent partner who is depended upon for regular or periodical endorsement of the firm's paper.

"A manager of a department or branch may have connections belonging to the firm which would be seriously affected by the death of that manager. For instance, a firm of cattle commission merchants with widespread interests insures the lives of its branch managers.

"Many businesses depend upon the capital, experience, initiative or technical ability of one or more individuals. The business may be largely protected from the loss due to the death of such a man by business insurance. Apart from the protection against death, business insurance provides a convenient means which appeals strongly to a banker, for gradually building a reserve or surplus, whether its purpose be to retire a mortgage, or a bond issue, or merely an ordinary precaution."

TIN PLATE FOR CANADIAN CANNERS

The War Trade Board of Canada has been successful in making an arrangement with the War Trade Board of the United States whereby the fruit, vegetable and fish canners of Canada will be enabled to obtain supplies of tin plate from the United States at a price which will approximate to the price of \$7.75 per base box of 300 pounds, now paid by United States canners.

An order-in-council has been prepared by which the Canadian government will take power to purchase on behalf of the canners the total supply of tin plate necessary to meet the requirements of the canning industry. The individual canners will through their organizations indicate their requirements to the government, supplemented by the guarantee of a chartered bank, and in due course the government will see that tin plate is shipped to them. The government will act as a clearing house for the transactions, but the trade will facilitate the work.

It is estimated that through the work of the War Trade Board a saving of \$600,000 a year will be effected for the food canning industry.

BRITISH AMERICA ASSURANCE COMPANY

Fire, hail and marine insurance are written by the British America Assurance Company, a Toronto underwriting corporation which has been doing business for eighty-four years. During that period the British America has built up a substantial financial position, which is clearly reflected in its latest balance sheet, presented to the shareholders at the company's recent annual meeting. Its reputation for efficient service, fair treatment and prompt payment has been strengthened year by year, until to-day it ranks as one of the leading underwriting corporations of this continent, with a world-wide reputation.

The results of operations last year in the company's fire and hail department show premiums, less reinsurances, amounting to \$2,442,577 and losses (paid and outstanding) amounting to \$1,236,646. After charging agents' commissions, taxes and general expenses here is a credit balance of \$266,957.

The premiums, less reinsurances, in the marine department amounted to \$1,390,785, and the losses (paid and outstanding) totalled \$748,934. After charging agents' commissions, taxes and general expenses there is a credit balance of \$379,220.

Including interest and rents, there is a total balance to the credit of the year's operations of \$726,791, a satisfactory outcome of the year's work.

From the fire and marine profits of \$646,177, plus interest and rents of \$80,613—a total of \$726,791—the company paid dividends on preference stock up to 30th June, 1917, have taken care of the decrease in the market value of securities and have reduced the value of head office buildings to \$220,000. The company also got rid of the item of \$6,958, which appeared in assets last year for insurance maps, although these have a marketable value in the insurance world of at least four times that amount. Then the directors have earmarked a special reserve for hail business. The new Dominion Insurance Act of 1917 calls for a special hail reserve of one-half of the profits until that reserve reaches one-half of the year's net premiums, but instead of this the directors have set aside the total amount of the year's profits in this branch. The company have made provision for taxes to the extent of \$30,000. In this connection Mr. Meikle, president, said that the insurance business meets levies for taxes in nearly every country in the world, and in some parts the tax is so heavy as to make an insurance manager think he is working for the governments instead of for his stockholders. However, with all these payments and provisions, the company have the large balance of \$482,020 to carry to reserves.

Mr. W. B. Meikle is president and general manager of the British America Assurance Company, and Mr. John Sime is assistant general manager. Mr. E. F. Garrow is the secretary of the company.

**THE
TORONTO GENERAL TRUSTS
CORPORATION**

DIVIDEND No. 87

Notice is hereby given that a dividend of Two and one-half per cent. (2½%) has been declared upon the paid-up Capital Stock of this Corporation for the quarter ending March 31st, 1918, being at the rate of Ten per cent. (10%) per annum, and that the same will be payable on and after the Second day of April, 1918.

The Transfer Books of this Corporation will be closed from Saturday, March 23rd, to Saturday, March 30th, both days inclusive.

By Order of the Board,

A. D. LANGMUIR,

Toronto, March 5th, 1918.

General Manager

Your Estate may be Small, But—

whether it involves one or one hundred thousand, it is equally entitled to the advantages of Trust Company administration.

This Company welcomes its appointment as executor of small estates, and gives them the same care, the same business experience and judgment and the protection of the same safety measures as larger estates.

Read "I Give, Devise and Bequeath." Copy on request.

**The Union Trust Company, Limited
Toronto**

HENRY F. GOODERHAM,
President

J. M. McWHINNEY,
General Manager.

**Chartered Trust and Executor
Company**

(Formerly The Title and Trust Company)

Is authorized to act as Administrator, Receiver, Executor, Liquidator, etc., without giving security.

An estimate of the Company's charges for acting in any Trustee Capacity will be gladly given. Enquiries solicited.

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E. F. B. Johnston, K.C., *President*. Hon. W. A. Charlton, W. J. Gage, Noel Marshall, *Vice-Presidents*. W. K. George, W. R. Hobbs, Jas. B. Tudhope, R. Wade, Jacob Kohler, A. McPherson, D. B. Hanna, John J. Gibson, *Managing Director*.

**Chartered Trust and Executor Company
Traders Bank Building Toronto**

In Appointing Your Executor—

Let us suggest that you write or ask for YOUR copy of our recently-published brochure on WILLS. It will interest you and give you conclusive reasons also for the appointment of a corporate instead of an individual Executor and Trustee.

Ask at the same time for YOUR copy of farm land listings. These are assets arising out of estates in process of being wound up and where it is necessary to realize. Prices and terms moderate.

The Standard Trusts Company

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TRUSTEE EXECUTOR ASSIGNEE

Agents for investment in all classes of Securities.

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Security**

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

**The Empire
Loan Company**

WINNIPEG, Man.

**National Trust Company
Limited**

DIVIDEND NOTICE.

Notice is hereby given that a dividend for the three months ending March 31st, at the rate of

TEN PER CENT. PER ANNUM,

has been declared upon the Capital Stock of the Company, and that same will be payable on and after April 1st.

The Transfer Books will be closed from the 21st to the 31st of March, both days inclusive.

By order of the Board.

W. E. RUNDLE,

Toronto, March 6th, 1918.

General Manager

NOVA SCOTIA STEEL COMPANY

Pig Iron Produced Cheaply—Investment Bankers' Views
—Merger Discussion

Messrs. Hayden, Stone & Company, the New York-Boston investment banking house which has taken so large an interest in the affairs of Nova Scotia Steel & Coal Company, in their current weekly letter express complete confidence in the outlook of the company. They believe that nowhere on the continent, with possibly the exception of Alabama, will pig iron be produced any cheaper than, if as cheap as, at the plant of the Nova Scotia Steel, when the plans of the present management have made reasonable progress.

As the view of the banking house which stood behind the company's recent \$5,000,000 stock issue, the following comment is of interest in Canada, especially because of current discussion on the possibilities of a merger between Scotia and Dominion Steel Corporation.

Report Somewhat Disappointing.

"The report for 1917 will be, on the face of it, somewhat disappointing. It is, however, very satisfactory to those who have realized the necessities of this business as well as its opportunities. There is ahead of this company a great programme of development of its ore and coal properties, and a reconstruction and vast enlargement of its manufacturing plant. Obviously this is not the wisest time in which to indulge in expenditures for plant enlargement, and, in fact, the programme in that respect, as well as with respect to development of coal and ore properties, is not fully matured.

"Meanwhile, the work of the management is to consolidate its position and increase in every way its available working capital. Great progress in that respect was made in 1917, particularly by the issuance of new common stock, and to a very large extent by conversion of slow and very uncertain assets into the quickest form of assets. The result is that the net working capital on December 31st, 1917, was \$5,750,525 against \$2,281,730 on December 31st, 1916.

Eastern Car Company.

"One of the departments of the Nova Scotia Steel Company which has absorbed a great deal of working capital, and which has hitherto yielded very unsatisfactory results, is the Eastern Car Company. At one time in 1917 there was practically \$5,000,000 of Nova Scotia money locked up in that business. Since the year 1918 opened some very substantial amounts on that lockup have been converted into cash, and there is a good prospect that within the next few months the remaining amounts will be materially reduced.

"The programme such as we have hinted at above will require time and considerable investments. The fundamental fact about Nova Scotia Steel which appeals to us, and which we are sure will make it a big winner in time, is that it has a very high grade iron ore deposit within a very short distance of a good coal deposit, and transportation between the two, or to an assembling plant, is very inexpensive.

"Meanwhile, there is no incentive to display net earnings other than are necessary to give shareholders a moderate rate of interest on their investment. Everything else should be reserved and go back into plant or working capital."

As to Merger Discussions.

The Scotia-Dominion Steel merger discussion may be resumed shortly, but expressions of opinion as to whether anything will come of the plans are showing greater divergency. The financial editor of the Montreal Gazette says:—

"One obvious reason for greater scepticism is furnished in the financial statement of the Scotia company made public early last week. With a large number of Iron shareholders the effect of the statement has probably been to raise new questioning as to whether the merger was desirable from their standpoint, the presumption with such shareholders being that Dominion will make a better showing than Scotia. In Scotia quarters, on the other hand, there is some resentment against the attitude that the Scotia statement is to be read unfavorably in view of the fairly obvious fact that the company, under new management, set about what has been described as a house cleaning.

"With all that, there are indications of a feeling that the possibilities of a merger becoming a fact have been hurt by premature discussion of supposed details, which at the best could be only guesswork at this stage of negotiations."

MANITOBA'S WORKMEN'S COMPENSATION BOARD

Mr. Herbert G. Wilson is to be retained as commissioner to administer the Manitoba Workmen's Compensation Act. In accordance with the recommendation of the Fallis Commission, the responsibility of the administration is to be shared by two directors to be appointed by order-in-council.

CANADA'S NET DEBT SHOWS LARGE INCREASE

Canada's net debt stood at \$1,010,780,470 on February 28th, an increase during February of \$13,251,263. The total gross debt of the Dominion on February 28th was \$1,996,393,359. Total assets were \$985,612,889. Total war expenditures for the eleven months' period to the end of February was \$207,849,726.

Revenues show an increase. In February, 1918, the revenue was \$21,225,872, as compared with \$17,513,473 in February of last year. Expenditure on account of consolidated fund was \$11,323,497 in February of the present year, in comparison with \$12,581,954 in February, 1917.

WESTERN LEGISLATION CRITICIZED

Judicial methods in Manitoba and Alberta were the subject of pointed comment by Mr. H. S. Osler, K.C., vice-president of the Canadian Mortgage Investment Company, at the company's recent annual meeting.

"In the western provinces," he said, "there has been no modification of the injurious legislation to which we referred a year ago. On the contrary, the Alberta legislature has since given a finishing touch to its almost spoliatory enactments by depriving lenders of the customary recourse under the personal covenants of borrowers. In fact, had the purpose of the governments in the provinces of Manitoba and Alberta, which have been pre-eminent in the devising of legislation of this character, been to impair the value of mortgage investments, and to drive capital from their provinces, it may be questioned whether any course could have been better suited to that end.

"In addition to those legislative acts, we have had to deal, in the two provinces named, with judicial decisions of so grave a character as ought not, it seems to us, in the public interest, to be passed over without discussion. It is impossible to refer to these matters here with the fullness and details necessary. For the present, it is sufficient to say that six judges in Manitoba and three in Alberta have concurred in rendering decisions of such a character that no directors or trustees responsible for the investment of moneys on mortgage in the provinces named, can, in our opinion, wisely overlook their significance. We have been forced to the conclusion that there are now in office a certain number of judges for whose conduct in the exercise of judicial functions government and parliament should be invited to assume responsibility. If the subversion of mortgage contracts and the spoliation of investors is to be brought about judicially by deliberate loading of the scales of justice in favor of debtors, then, in our judgment, it will become necessary that government and parliament be told that the power that appoints these men to the Bench must find a way of controlling them, or accept responsibility for the consequences that must follow. A few more such judgments as those we refer to, and this country will be in danger, in our opinion, of reaching the level of a Latin American republic, as regards insecurity of contracts and cynical perversion of the forms of law.

"The fount and origin of the evil is everywhere recognized, and need not here be referred to. Contrary to a common impression, judicial appointments are not made for life, but 'during good behavior'; and there appears to be a growing conviction that in this country a definition of judicial good behavior is overdue. An instructive debate on this subject took place in the Senate a few months ago, and the trenchant and learned addresses delivered by some of the members on the subject indicated a full realization of the nature of the conditions existing, as well as the altered mental atmosphere in which the question is likely in future to be discussed and considered.

"At a time of tension like the present, and with the many emergent matters demanding attention, it would be inadvisable to ask the first minister and parliament to deal immediately with the question of the subversion of contracts which has been attempted in Manitoba and Alberta. But the facts in the case will, in good time, be submitted in the proper quarters, and steps taken to secure a full and public discussion of the considerations involved."

The Hamilton Provident and Loan Society

Capital Subscribed	\$2,000,000.00
Capital Paid-up	1,200,000.00
Reserve and Surplus Funds	1,163,994.20
Total Assets	4,697,757.31

Debentures issued for terms of from one to five years at highest current rate of interest.

Savings Department Deposits received, and interest allowed on daily balance. Withdrawable by cheque.

Trustees and Executors are authorized by Law to invest Trust Funds in the Debentures and Savings Department of this Society.

MONEY TO LOAN.

Head Office, King Street, HAMILTON, Ont.

GEORGE HOPE President

D. M. CAMERON, Treasurer

CANADA PERMANENT MORTGAGE CORPORATION

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of TEN PER CENT. PER ANNUM

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

TUESDAY, THE SECOND DAY OF APRIL

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

By order of the Board.

GEO. H. SMITH, Secretary

Toronto, February 27th, 1918.

THE HURON AND ERIE MORTGAGE CORPORATION

QUARTERLY DIVIDEND No. 122

Notice is hereby given that a Dividend of Three per cent. for the quarter ending March 30th, 1918, being at the rate of TWELVE PER CENT. PER ANNUM upon the Paid up Capital Stock of this Corporation, has been declared, and will be payable at the Corporation's office in this City on and after Monday, April 1st, 1918, to shareholders of record at the close of business on March 15th, 1918.

By Order of the Board.

M. AYLSWORTH,

London, Canada, Feb. 26th, 1918.

Secretary

The Ontario Loan and Debenture Co.

DIVIDEND No. 123

Notice is hereby given that a QUARTERLY DIVIDEND of 2 1/4 PER CENT. for the three months ending 30th March, 1918, (BEING AT THE RATE OF 9 PER CENT. PER ANNUM) has been declared on the paid up capital stock of this Company, and will be payable at the Company's Office, London, Ontario, on and after the 2nd April next, to Shareholders of record of the 15th March.

By order of the Board.

A. M. SMART,

London, Canada, February 26th, 1918.

Manager

Six per cent. Debentures

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

The Canada Standard Loan Company

520 McIntyre Block, Winnipeg

WRITE FOR BOOKLET ON "PROFITS FROM SAVING"



STANDARD RELIANCE MORTGAGE CORPORATION
Head Office, 82-88 King St. E. Toronto

One of the best AUTHORIZED investments for TRUST FUNDS is our

5% DEBENTURE

Ask for Booklet "About Debentures."

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

The Great West Permanent Loan Company

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

THE DOMINION SAVINGS AND INVESTMENT SOCIETY

Masonic Temple Building, London, Canada

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

T. H. PURDOM, K.C., President

NATHANIEL MILLS, Manager

London & Canadian Loan & Agency Co., Ltd.

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

W. WEDD, JNR., Secretary.

V. B. WADSWORTH, Manager

THE COMMERCIAL LOAN AND TRUST CO.
Head Office WINNIPEG

THOS. D. ROBINSON, President. C. W. N. KENNEDY, Vice-President.
WESTERN MORTGAGE INVESTMENTS UNDERTAKEN FOR CLIENTS. Correspondence Solicited.

W. H. SPROULE, Manager.

THE TORONTO MORTGAGE COMPANY
Quarterly Dividend

Notice is hereby given that a Dividend of Two per cent., being at the rate of Eight per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st April, 1918, to shareholders of record on the books of the Company at the close of business on 15th inst.

By Order of the Board,

7th March, 1918.

WALTER GILLESPIE, Manager.

FIXED EXCHANGE FOR THE EMPIRE

Exchange in Canada is Naturally More Closely Associated With New York Than With London

The remarks made by Mr. Goodenough, general manager of Barclays Bank, at the annual meeting of the shareholders of that institution, as to the desirability of securing an inter-Imperial trading preference by establishing and maintaining a fixed rate of exchange within the Empire, has naturally excited much interest in Anglo-Canadian banking and financial circles. The question is one about which the average business man hesitates to express an opinion—at least for publication. It is one rather for the expert in economic questions. Mr. Moreton Frewen's writings on such subjects have made him a recognized authority, and when asked by a representative of the Canadian Gazette, of London, to give his opinion, he made the following statement:—

Winnipeg and Chicago.

"Any suggestion from Mr. Goodenough is entitled to respect, but on the face of it I can see no possible method by which we could maintain a fixed exchange within the Empire. What regulates exchange is the bill market—some relation between exports and imports, which again depends upon weather, harvests and other things. The exchange, again, of Canada must always be more closely associated with the exchange with New York, Chicago and St. Louis than with London. Nothing we could do that I see could dissociate the exchange of Winnipeg with Chicago. As far as I can foresee Canadian exchange on London after the war should strongly favor Canada. In Britain we are likely to see strange results. I should think our exchange on New York and thus on Montreal may go for a long period to some point well below \$4.50, perhaps to \$4; that will make the American market a better market for Canada to sell in than this English market. On the other hand it will greatly stimulate British exports to Canada and the United States, and in this way ultimately restore exchange.

Form of Steady Exchange.

"There is a form of steady exchange which is extremely important and which could be easily obtained, and that is the exchange between silver-using nations (all Asia) and gold-using nations. If that is fixed it would be the reddest of red letter days in the financial history both of Canada and the United States, immensely improving all trade across the Pacific. The exchanges with Asia have fallen with the great fall in silver to a point where China, for example, can often no longer buy gold exchange at all. Last September the great advance in silver had really returned China to the world's finance and trade as a solvent and prosperous customer. The rise in silver then had enabled the Shanghai merchant to buy a bill on London for a gold sovereign with, say, four of his taels, whereas a couple of years earlier such a bill had cost him eight taels.

"But while I see quite easily how the exchange of silver money for gold money can be fixed and maintained, I see no possible means of fixing exchange between distant points in the Empire. If Mr. Goodenough has a plan in his mind, we would all gladly consider it; for the rest there is no exchange trouble ahead for Canada, but there is a perplexing position growing up in England. I think, however, the issue of the small five-shilling notes here, now pending, will relieve the strain on our depleted gold stocks and have other beneficial results."

WILL WRITE AUTOMOBILE INSURANCE

The British America and the Western Assurance Companies, Toronto, will write automobile insurance. In announcing this, Mr. W. B. Meikle, president of the companies, stated that it is not likely that the business transacted in this new department will be large.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ending March 8th, 1918:—

Dominion Reduction Mine, 88,000; Silver Queen Mine, 74,615; Buffalo Mine, 131,930. Total, 294,545 pounds, or 147 tons.

The total shipments since January 1st, 1918, now amount to 2,071,422.8 pounds, or 9,031 tons.

COPPER PRODUCTION LAST YEAR

It was Less Than in 1916—New Refinery at Trail—United States War Industries Board Fixed Price

The production of copper in 1917, amounted to 108,860,358 pounds, valued at \$29,588,254, as against 117,150,028 pounds valued at \$31,867,150 in 1916, a decrease of 7.08 per cent. in quantity and 7.15 per cent. in value, according to the preliminary statement of Mr. John McLeish, B.A., Chief of Division of Mineral Resources, Ottawa. Though less than the previous year, the 1917 production was greater than any other previous record. In 1916, the increase over the production of 1915 had been 16.2 per cent. in quantity and 83.0 per cent. in value. The electrolytic copper refinery installed at Trail, B.C., began operations about November 1, 1916, with a capacity of 10 tons of refined copper per day, which has been increased to 20 tons per day.

Of the total 1917 production, 86,508,758 pounds were contained in blister copper and in matte produced in Canada, and 22,351,600 pounds estimated, as recovered from ores exported.

In addition to the recoveries from domestic ores, there were also recovered in British Columbia smelters, 5,033,630 pounds of copper from imported ores.

From Pyrite Ores.

The production in Quebec from pyrite ores was 5,013,560 pounds, valued at \$1,362,636, as against 5,703,347 pounds valued at \$1,551,424 in 1916. These are the quantities reported as being paid for; the actual metal contents were much higher.

The Ontario production is derived chiefly from the nickel-copper ores of the Sudbury district and of the Alexo mine in Timiskaming supplemented by a small recovery from the Cobalt district silver ores and by shipments made from a few copper properties under development. The total production in 1917 amounted to 42,796,213 pounds valued at \$11,632,014, as against 44,997,035 pounds valued at \$12,240,094 in 1916 a decrease of 4.0 per cent. in quantity.

There was an important copper production in Manitoba in 1917 derived from the ore deposits at Schist Lake northwest of The Pas operated by the Mandy Mining Company. These sulphide ores as well as those at Flin Flon Lake in the same district, have had a very large amount of development work expended upon them during the past two years. The ore shipments which amounted to 3,388 tons were made under great difficulty of transportation having been hauled 40 miles by sleigh in winter, then 100 miles by barge during summer and then 1,500 miles by rail to the smelter at Trail.

British Columbia Production.

The British Columbia production was 57,717,535 pounds valued at \$15,687,631, as against 63,642,550 pounds valued at \$17,312,046 in 1916—a decrease in quantity of over 9 per cent.

The production included 40,720,413 pounds recovered in blister and matte and 16,997,122 pounds being the estimated recovery from ores shipped to United States smelters.

The production from the Yukon in 1907 amounted to 2,182,050 pounds valued at \$593,081, as against 2,807,096 pounds valued at \$763,586 in 1915. The production is derived from the mines of the Whitehorse district in southern Yukon.

Prices: The New York price of electrolytic copper, which was 28 cents early in 1917, increased to a maximum of 32 cents towards the middle of February though small lots sold as high as 34 cents. Then there was a gradual falling-off till it reached 24½ in July. The price remained uncertain until October when the United States War Industries Board, by agreement with the copper producers, fixed the price at 23½ cents which remained the price for the last quarter of 1917.

The dividend on the common stock of Twin City Rapid Transit Company, which has been 6 per cent. per annum since 1910, was reduced to 4 per cent. this week, with a declaration of 1 per cent. for the current quarter. The 1917 statement of the company, issued about a month ago, showed a heavy rise in expenses, with a reduction in net that left only \$8,050 to be carried forward after the common stock dividend had been paid. The total net income available for dividends was only \$1,538,050, against \$2,237,547 in 1916, and the final surplus of \$8,050, compared with \$707,547 the previous year.

Western Assurance Company

INCORPORATED A.D. 1851

FIRE, MARINE & EXPLOSION INSURANCE

STATEMENT AS OF DECEMBER 31st, 1917

Fire Premiums for 1917.....	\$2,907,772.79	
Marine Premiums for 1917	4,232,714.87	
		\$7,140,487.66
Interest and Rents		133,989.26
		<hr/>
TOTAL INCOME.....		\$7,274,476.92
Fire Losses.....	\$1,572,995.10	
Agents' Commissions	597,089.50	
Taxes.....	82,819.68	
General Expenses	418,102.79	
		\$2,671,007.07
Marine Losses.....	\$3,321,911.93	
Agents' Commissions.....	466,897.77	
Taxes	72,946.92	
General Expenses	98,283.57	
		3,960,040.19
		<hr/>
		6,631,047.26
		<hr/>
PROFIT FOR THE YEAR		\$ 643,429.66
<hr/>		
CAPITAL STOCK (fully paid up)		\$ 2,484,625.65
<hr/>		
TOTAL ASSETS AT 31st DECEMBER, 1917		\$6,393,588.75
<hr/>		
LOSSES PAID SINCE ORGANIZATION IN 1851, OVER.....		\$70,000,000.00

BOARD OF DIRECTORS

SIR JOHN AIRD	W. B. MEIKLE, President
ROBERT BICKERDIKE (Montreal)	DR. JOHN HOSKIN, K.C.
H. C. COX	Z. A. LASH, K.C., LL.D.
ALFRED COOPER (London, Eng.)	GEORGE A. MORROW, O.B.E.
D. B. HANNA	LT.-COL. THE HON. FREDERIC NICHOLLS
E. HAY	BRIG.-GEN. SIR HENRY PELLATT, C.V.O.
	E. R. WOOD

BOARD AT LONDON, ENG.

RT. HON. SIR JOHN H. KENNAWAY, Bart., C.B., Chairman
SIR ERNEST CABLE ALFRED COOPER SIR CHARLES JOHNSTON, Bart.

LONDON OFFICE: 14 CORNHILL, LONDON, E.C.

Head Offices: Corner Scott and Wellington Streets, Toronto

NO TEMPORARY LOAN FOR TORONTO

Board of Control Agrees With Finance Commissioner's Recommendation

A temporary loan to meet war expenditure will not be made by the city of Toronto, according to a recommendation of the board of control, based on a report of Finance Commissioner Bradshaw, whose expert advice cannot, without serious results, be ignored by the civic authorities, especially in these difficult days of financing. In his report, the commissioner said:—

"The suggestion of seeking a temporary loan was no doubt prompted by the hope that it would lower this year's tax rate, but I fear that consideration has not been given to the effect that such a course would have on the rate in future years, when such loan with interest would have to be paid."

Effects of Loan Policy.

Commissioner Bradshaw presented a classified statement of the city's war expenditures totalling \$4,340,324.09, of which \$1,100,025 was incurred but not paid last year.

The amount was partially offset by a special credit of \$1,540,420.16, which would pay last year's balance of war debts and leave \$350,394 to meet those of the current year.

On the assumption that a loan of two million dollars was obtained at six per cent, for one year, Mr. Bradshaw showed the effect on the 1919 war expenditures, first, if the war is over this year, and, secondly, if it was not, as follows:—

Debt charges on the \$4,500,000 debentures already issued	\$ 580,372
Balance of \$1,000,000 grant to the Toronto and York Patriotic Fund, which Council decided should be passed over to 1919	500,000
Repayment of temporary loan and interest	2,120,000
One-half of life insurance liability and of civic employees' wages during period of demobilization	1,034,609
	<hr/>
	\$4,235,071

Second case (war not over) the war expenditures would be the foregoing, and the other half of life insurance liability and of civic employees' wages	1,034,609
Total	<hr/>
	\$5,269,770

In the first case the amount meant 7½ mills on the present assessment and 8½ mills in the second case, which the commissioner stated would not be offset by special credits.

Means Adding to Burden.

"If the loan were obtained for a longer period, say two or three years," said Mr. Bradshaw, "it would simply mean that the agony would be deferred, but would be intensified through interest charges."

After dealing with the taking over of the street railway, outstanding debentures and the extent to which the city is now leaning on the banks, Mr. Bradshaw said, in concluding his report:—

"While the prospective tax rate is high, yet citizens generally are well aware of the reason. Moreover, in meeting it they will have the assurance that debts and debt charges are not piling up; that there are no deferred liabilities to increase next year's rate, and that when normal times come we shall again get back to a reasonable rate, which will not only relieve the taxpayer, but will tend to encourage the establishment of new industries and manufacture in our midst, and especially in the new industrial area which the city harbor commission is preparing."

Mayor Favors 27 Mill Rate.

The mayor said he did not agree with the report, and thought that the tax rate could be brought down to 27 mills by a short-term loan. The banks, he held, were full of short-time money which could be procured at 4½ or 5 per cent.

Asked by Controller O'Neill if this were so, the commissioner said he could doubtless bring the tax rate down to 25 or 24 mills, but thought it would be a crime to do so, as it would load next year with an unbearable tax rate. When he entered office there were \$17,000,000 of floating loans and that was a condition which should not be repeated.

Mineral Production of Canada in 1917.

Preliminary figures, subject to revision, of Mr. John McLeish, Chief of Division of Mineral Resources, Ottawa.

	Quantity.	Value.
METALLIC.		
		\$
Antimony ore (exports).....*	Tons 774	50,476
Cobalt, metallic contained in oxide, etc.....	Lbs. 1,089,134	1,742,514
Copper, value at 27.180 cents per lb.....	108,860,358	29,588,254
Gold.....	Ozs. 747,366	15,449,426
Iron, pig from Canadian ore.....	Tons 46,022	768,783
Iron ore sold for export.....	169,192	590,336
Lead, value at 11.137 cents per lb.....	Lbs. 32,072,269	3,571,889
Molybdenite (MoS ₂ , contents at \$1 per lb.).....	" 271,530	271,530
Nickel, value at 40 cents per lb.....	" 84,470,970	33,778,388
Platinum.....	Ozs. 49½	5,090
Silver, value at 81.417 cents per oz.....	22,150,680	18,034,419
Zinc, value at 8-901 cents per lb.....	Lbs. 31,227,351	2,773,547
Total.....		106,630,752
NON-METALLIC.		
Actinolite.....	Tons 120	1,320
Arsenic, white and arsenic in ore.....	" 144,185	7,215,389
Asbestos (b).....	" 9,956	18,688
Asbestos.....	" 958	16,000
Barytes (b).....	" 36,352	490,001
Chromite (a).....	" 14,015,588	47,843,646
Coal.....	" 188	32,153
Corundum.....	" 11,493	54,555
Feldspar (not complete).....	" 4,249	68,756
Fluorspar.....	" 3,714	402,892
Graphite.....	" 2,279	44,037
Grindstones.....	" 399,418	887,170
Gypsum.....	" 58,090	728,275
Magnesite.....	" 158	14,836
Manganese.....	" 9,372	350,732
Mica.....	" 9,372	81,685
Mineral pigments: iron oxides.....	"	145,276
Mineral water.....	"	5,003,342
Natural gas.....	M. cu. ft. 205,332	478,937
Petroleum.....	Brls. 403,243	1,886,091
Pyrites.....	Tons 205,851	440,444
Quartz.....	" 138,909	1,047,792
Salt.....	" 15,812	76,539
Talc.....	"	
Total.....		67,249,514
STRUCTURAL MATERIALS AND CLAY PRODUCTS.		
Cement, Portland.....	Brls. 4,768,488	7,699,521
Clay products: \$4,603,755—		2,017,046
Brick: Common.....	"	589,406
Brick: Pressed and paving.....	"	9,594
Kaolin.....	Tons 533	122,878
Pottery.....	"	210,858
Refractories: Fireclay, firebrick, etc.....	"	778,159
Sewerpipe.....	"	434,465
Tile.....	"	441,369
All other: Fireproofing, hollow blocks, etc.....	"	1,517,918
Lime.....	Bush 6,338,212	1,908,773
Sand and Gravel.....	Tons 7,157,279	143,393
Sand-lime brick.....	No. 12,432,990	7,789
Slate.....	Sq. 1,422	613,588
Stone: \$3,221,422—		2,291,692
Granite.....	"	55,820
Limestone.....	"	280,322
Marble.....	"	
Sandstone.....	"	
Total structural materials and clay products.....		19,102,571
All other Non-Metallic.....		67,249,514
Total value Metallic.....		106,630,752
Grand Total, 1917.....		192,982,837

* Tons of 2,000 pounds.

(a) Shipments by mine operators. The final shipment of ores and concentrates (including customs mill shipments) were 23,327 short tons valued at \$572,115 and containing 8,465 tons of Cr₂O₃.

(b) Owing to delay in receipt of returns, the value of the production of barytes and part of the production of asbestos is not included in the total value.

The N. Bawlf Grain Company has bought all the elevators, thirty-two in number, of the Imperial Elevator Company of Alberta.

A London despatch announces that for the protection of holders of Russian railway, municipal and government bonds, for the instance of which they have been responsible, the following six banking institutions have agreed to work together: Barings, Hambro, Lloyds, London County and Westminster Bank, Rothschilds, and Schroeder.

A Dominion license has been issued to the Security Mutual Casualty Company authorizing it to transact in Canada the business of employers' liability insurance and workmen's compensation insurance, restricted to the issue of policies to the Swift Canadian Company, Limited, and allied interests in Canada.

Royal Bank Absorbs Northern Crown

Purchase Price Will Be Approximately \$200 Per Share, Part Stock and Part Cash—Finance Minister Consents to Amalgamation—There Are Now 20 Chartered Banks Compared With 29 Nine Years Ago—Latest Accounts and Figures of the Two Banks.

ARRANGEMENTS have been completed for the purchase by the Royal Bank of Canada of the Northern Crown Bank. Shareholders of the Northern Crown benefit from the transaction by receiving a relatively high price for their holdings. Approximately \$200 a share, partly in cash and partly in Royal stock, will be paid to the stockholders of the Northern Crown. As the stockholders had to submit to their stock being cut in two in 1916, the price paid by the Royal will give them back their full capital. Their loss will be confined to the loss of interest sustained through the suspension of dividends between November, 1914, and the early part

of 1917. The minister of finance has officially given his consent to the sale, it is announced.

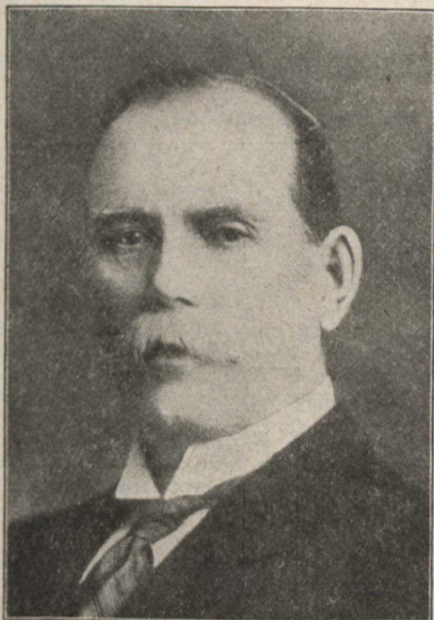
The Royal Bank, prior to the purchase of the Northern Crown Bank, had paid-up capital of \$12,911,700. The paid-up capital of the Northern Crown Bank was \$1,431,200.

The purchase of the Northern Crown Bank by the Royal Bank places the Royal Bank second in standing in Canada, according to assets. By the addition of over \$27,000,000 of assets of the Northern Crown Bank to those of the Royal Bank, the latter now has total assets of \$348,396,309.

PERSONNEL OF THE TWO BANKS

Royal Bank Recently Introduced System of Officers in Vogue in London

Sir Herbert Holt, president of the Royal Bank of Canada, has been aptly described as "a power in constructive Canadian finance." His career is one of practical attainment

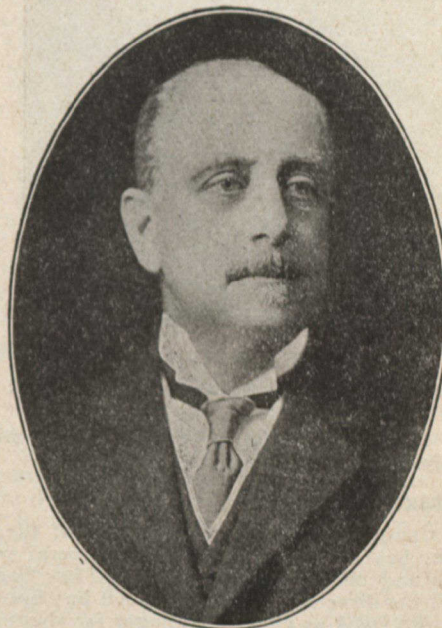


SIR HERBERT HOLT,
President, Royal Bank of Canada, which has purchased the Northern Crown Bank.

closely associated with the period of marked railway expansion in Canada occupying the two decades from 1870-1890.

Born in Ireland in 1856, in the pursuit of his chosen vocation of engineering, Sir Herbert came to Canada in 1875. During 1883 and 1884 he was engineer and superintendent of construction for the Prairie and Mountain sections of the Canadian Pacific Railway, and successfully carried out extensive contracts for the same corporation in the Rocky Mountains, the province of Quebec and the State of Maine. He built lines aggregating five hundred and fifty miles for the Mackenzie and Mann interests in the Canadian West from 1889 to 1892, and since then has devoted himself exclusively to financial affairs. In 1911 Sir Herbert joined the board of directors of the Sun Life of Canada.

Mr. Edson L. Pease, who was appointed in January, 1916, as managing director and chief executive officer of the Royal Bank, had been general manager since 1900. He resigned that office, Mr. C. E. Neill succeeding him. These changes were made in conformity with the bank's plan to introduce the system of officers in vogue in British banking houses in London. Mr. Pease has been a banker all his business life. Born in Quebec province, he entered the service of the Canadian Bank of Commerce at Montreal in 1874. In 1883 he joined the Merchants Bank of Halifax (afterwards absorbed



E. L. PEASE,
Vice-president and Managing Director, Royal Bank of Canada.

by the Royal Bank) as accountant. In 1887, he went to Montreal and became successively branch manager, assistant general manager, general manager and vice-president of the Royal Bank. Like most of the chief executives of Canadian banks, therefore, Mr. Pease has risen from the ranks to his present high and responsible position. He is a good banker, and is well liked. As one would expect, he is associated as director with a number of financial and business concerns. His present position as managing director and chief executive officer of the Royal Bank has given him time to forward still further the best interests of the institution and its clients.

Mr. Pease, at the last annual meeting of the Royal Bank, created widespread comment by his suggestion that a bank of re-discount should be established in Canada, patterned after

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

General Manager Neill.

Mr. C. E. Neill, who was appointed general manager of the Royal Bank in January, 1916, had acted as assistant general manager since 1907. He is a capable banker and measures fully the high standard required in his responsible position. Mr. Neill comes from the Maritime Provinces, from whence so many expert bankers have been drawn. He was born at Fredericton, N.B. Some years ago he managed the Vancouver branch of the Royal Bank, later becoming supervisor of the branches, and then inspector. Mr. Neill has been closely associated with Mr. Pease for a number of years, and his latest appointment was taken as an indication of the



C. E. NEILL,

General Manager, Royal Bank of Canada.

continuance of the successful policy which has marked the bank's administration in the past.

General Manager Campbell.

Mr. R. Campbell, the general manager of the Northern Crown Bank, has held that position for several years. He is a capable and conservative banker and has had the full confidence of his directors. Mr. Campbell has been with the Northern Crown Bank as general manager for about ten years. At the annual meeting of the bank held at Winnipeg in February, 1910, Mr. Edward Gurney, then vice-president of the institution, said:—

"The bank may now be considered to have passed through the infantile stage, which has in it more or less of solicitude. The bank now has secured the services of an efficient staff, and I think no one but a banker can appreciate the import of this. To secure a staff of bank men capable of handling real money, is one of a very serious character, and I think it may be said that we have after the usual vicissitudes of such a performance, secured an efficient staff of men well qualified for the work and thoroughly and loyally identified with the institution. The servant of a bank needs to have a good degree of initiative, plenty of enterprise tempered by thorough conservatism. He must not be a speculator, either for himself or the bank, and he should not be a borrower from the institution, and I think I may say that the staff which we have working for us is thus well described."

The following is the directorate of the Royal Bank of Canada: Sir Herbert S. Holt, K.B., E. L. Pease, E. F. B. Johnston, K.C., Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, Wm. Robertson, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dymont, C. E. Neill, Sir Mortimer B. Davis, K.B., G. H. Duggan, C. C. Blackadar, J. T. Ross, R. MacD. Paterson, G. G. Stuart, K.C. Sir Herbert S. Holt is president, Mr. E. L. Pease vice-president and managing director, and Mr. E. F. B. Johnston, K.C., second vice-president.

The following is the directorate of the Northern Crown Bank: Capt. Wm. Robinson (president), A. McT. Campbell, E. F. Hutchings, John Stovel (vice-president), Geo. Fisher, Sir D. C. Cameron, W. R. Bawlf and H. J. Symington.

Two directors from the Northern Crown board will be elected to the board of the Royal in due course. The Royal already has two directors in the west, and it is the intention to form an advisory committee of these four western directors, the committee to meet at Winnipeg and deal with matters of direct importance to the western provinces.

TWENTY CHARTERED BANKS NOW

Thirty Years Ago, There Were 41 and Nine Years Ago, 29 —Advantageous to Shareholders

Only two bank mergers have occurred in Canada since the war commenced. One was the absorption of the Quebec Bank by the Royal; the other was announced yesterday—viz., the purchase of the Northern Crown Bank by the Royal. A third might have been consummated had the department of finance approved, and that was the proposed amalgamation of the Bank of Hamilton with the Royal.

The first banking amalgamation in Canada since July, 1914, occurred in 1916, when the Royal Bank purchased the Quebec Bank. The directors of the banks reached an agreement whereby for every three shares of Quebec Bank stock shareholders of the Quebec Bank received one share of Royal Bank stock and \$75 in cash.

Tendency of Banking Business.

The directors of the Quebec Bank informed their shareholders that "with the present condition of business in the west, your directors cannot hold out the hope that if the separate existence of the bank is maintained, the dividends would be continued. On the contrary, your directors feel that it is necessary for them, owing to severe competition, if the proposed amalgamation were not sanctioned by shareholders, to reduce the dividend for some years to come."

It was also pointed out that "the tendency of modern banking business has been towards the amalgamation of banks and the creation of financial institutions having large resources for the purpose of financing modern industries. It has happened that your directors have been obliged to refuse advances to some of the bank's best customers because, in their opinion, the amount asked for, though safe and profitable, bore an undue proportion to the resources of the bank."

Advantageous to Shareholders.

It was added that the experience of banks, both in Europe and in Canada, had shown that amalgamations such as that proposed were highly advantageous to the shareholders.

The bank amalgamation of 1916 reduced the number of chartered banks in Canada to 21, and the present merger to 20. How this compares with the position in certain previous years is shown in the following table compiled by *The Monetary Times*:—

Year	No. of chartered banks in Canada.
July 1860	27
1870	40
1880	41
1890	38
1900	29
1912	26
1914	22
1916	21
*1918	20

*March.

ROYAL BANK HAS 425 BRANCHES

**Merger Does Not Duplicate Branches at Many Points—
Strong Connection With West Indies**

A comparison of the situation of the bank branches of the Royal and Northern Crown banks, indicates that there will be little duplication of branches as a result of the merger. The following table, compiled by *The Monetary Times*, shows the number of branches which the two banks had at the end of 1917 in the various provinces and abroad:—

	Royal.	Northern Crown.
Ontario	123	25
Quebec	52	..
Nova Scotia	54	..
New Brunswick	19	..
Prince Edward Island	5	..
British Columbia	38	7
Manitoba	4	22
Saskatchewan	37	55
Alberta	28	4
United States of America.....	1	..
England	1	..
Newfoundland	6	..
West Indies	47	..
British Honduras	1	..
British Guiana	3	..
Costa Rica	2	..
Venezuela	4	..
Totals	425	113

In Ontario and West.

The Northern Crown Bank has branches only in Ontario and the four western provinces. The Royal Bank is represented in every province and also in the United Kingdom and the United States.

By the acquisition of the Northern Crown, the Royal has strengthened its position in the two provinces in which the system was weak, namely, Manitoba and Saskatchewan. The Royal has only 3 branches in Manitoba, against the Northern Crown's 22; in Saskatchewan the Royal is better represented, but it was late in getting into the field, while Northern Crown was in early, so that the Royal has been as strategically weak as the Northern Crown is strong in this particular territory.

There are fifteen towns and cities where the two banks have been competing and where branches will be closed. These include Toronto, Winnipeg, Vancouver, Victoria and Ottawa. In Toronto the Northern Crown Bank has three branches and the Royal Bank has thirteen branches. In Winnipeg there are three branches of the Crown Bank and two of the Royal Bank. There are three branches of the Northern Crown in Ottawa and three branches of the Royal Bank. Vancouver has ten branches of the Royal Bank and two branches of the Northern Crown Bank. In Victoria there are three branches of the Royal and one of the Crown Bank. The other places in which the banks overlap are: Brandon, Man.; Calgary, Alta.; Edmonton, Alta.; Kingston, Ont.; Marpole, B.C.; Moose Jaw, Sask.; Regina, Sask.; Saskatoon, Sask.; Swift Current, Sask., and Woodstock, Ont.

West Indies and South America.

It has developed strong connections in the West Indies and South America, in which sections it has no less than 57 branches.

During the winter of 1917 six of the directors of the Royal Bank, including Sir Herbert Holt, the president, and Mr. E. L. Pease, the managing director, made a tour of inspection of the branches in the south. None of the directors had previously visited any branch south of Cuba. They returned most favorably impressed with the excellent connection acquired in Cuba, Porto Rico, Santo Domingo, Costa Rica and the British West Indies by many years of patient work. It was distinctly advantageous to obtain a personal knowledge of local conditions, and to meet the bank's leading customers. The directors were pleased with the buildings erected by the Royal Bank and the locations in general, and were happy to learn that the Royal Bank is held throughout the south in the highest esteem. They also visited the republics of Venezuela and Colombia. Since then the bank has opened 4 branches in Venezuela, where the outlook is promising. The directors were gratified to receive from Viscount Grey, the late Foreign

Secretary, his approval of the establishment of branches in that country, and a promise of support from the British government.

The Royal Bank has 2,948 employees for its 425 branches, an average of 6.93 employees per branch. The Northern Crown Bank has 477 employees for its 113 branches, an average of 4.22 employees per branch.

FINANCE DEPARTMENT'S SANCTION RECEIVED

**Bank Merger Has Official Approval—In Public Interest—
What Bank Act Says**

The proposed purchase of the Northern Crown Bank by the Royal Bank of Canada has been sanctioned by the department of finance.

It will be recalled that when the Royal Bank in August, 1915, desired to amalgamate with the Bank of Hamilton, Sir Thomas White, on behalf of the government, refused consent, and issued the following statement:—

"With regard to the tentative proposals for the amalgamation of the Royal Bank of Canada and the Bank of Hamilton, which have been placed before him, the minister of finance, Hon. W. T. White, has stated that after giving the matter very careful consideration he has reached the conclusion that as both the banks in question are strong, favorably known and well-established institutions, and are actual and potential competitive factors in the Canadian banking field, it would not be in the public interest that he should give the consent required from him under the terms of the bank act, and the interested parties have been notified accordingly."

Early in 1916, there were persistent stories that negotiations were proceeding with a view to the absorption of the Northern Crown Bank. Several banks were named as likely purchaser. While an amalgamation was discussed in January of that year with a bank with head office in Montreal, the negotiations fell through. The finance department at Ottawa was not then approached on the matter by either of the banks concerned, and no formal application was made to the finance minister. The matter was mentioned to the minister, however, by an agent interested in the affair and Sir Thomas White informed him that any application would be considered on its merits and that good reasons for a merger would have to be presented.

The fact that the present amalgamation has been sanctioned by the finance department is a plain indication that the government deem the purchase of the Northern Crown by the Royal to be in the public interest.

What Bank Act Says.

The bank act allows any bank to sell the whole or any portion of its assets to any other bank which may purchase such assets. The minister of finance must consent to the entering into of an agreement between the two banks before an agreement is made. Nothing in the act "shall be construed to prevent the governor-in-council or the treasury board from refusing to approve of the agreement or to recommend its approval."

It is interesting to recall the report of Professor Joseph French Johnson, New York University of Finance and Commerce, on Canada's banking system, prepared for the National Monetary Commission of the United States about four years ago. He said: "The tendency in Canadian banking, as in all forms of business activity, is unmistakably toward combination. . . . It will not be surprising, therefore, if Canada has fewer banks ten years hence than now. One or two mergers would give the country a bank as dominant in its field as is the Bank of France or Bank of Germany."

The Canadian Pacific Railway's surplus available for dividends on the \$260,000,000 ordinary stock—including in surplus the amount earned in special income as well as railway account—amounted to \$41,334,215 during the year ended December 31st last. That represented earnings at the rate of 15.89 per cent. on the ordinary stock, against 16.76 per cent. in the twelve months to June 30th, 1916, the last full year for which complete figures are available.

CANADIAN BANK AMALGAMATIONS TO DATE

COMPILED BY "THE MONETARY TIMES"

Name of Purchasing Bank	Name of Bank Absorbed	Date of Absorption	Details of Terms of Amalgamation or Purchase	Price of Stock of two Banks concerned at time of Absorption.
Bank of Montreal.....	Exchange Bank of Yarmouth, N.S.....	May 15th, 1903	The assets of the Exchange Bank of Yarmouth were purchased by the Bank of Montreal, who assumed all liabilities of the former; the shareholders netted about \$82.00 per share, par value \$70.00.	Bank of Montreal, 257 Exchange Bank of Yarmouth, not obtainable
	People's Bank of Halifax, N.S.....	May 9th, 1905	The Bank of Montreal issued \$400,000.00 new stock at 253 in exchange for People's Bank of Halifax stock at 115.	Bank of Montreal, 260 People's Bank of Halifax, not obtainable
	Ontario Bank.....	October 13th, 1906	Bank of Montreal took over the assets of the Ontario Bank and assumed its liabilities, and agreed to liquidate its affairs, with open doors.	Bank of Montreal, 260 Ontario Bank, last quoted, in June, 1906, 137.75
	People's Bank of New Brunswick.....	April 30th, 1907	The assets of the People's Bank of New Brunswick were purchased by the Bank of Montreal, who assumed all liabilities of the former on a basis of 230 for People's stock and 238 for Bank of Montreal stock.	Bank of Montreal, 248.50 People's Bank of New Brunswick, not obtainable
	Union Bank of Prince Edward Island.....	October 1st, 1883	The Bank of Nova Scotia issued \$114,300.00 stock to shareholders of Union Bank of Prince Edward Island, representing \$102,222.22, the surplus of the Union Bank of Prince Edward Island assets and earning power over liabilities.	No record
*The Bank of Nova Scotia.....	The Bank of New Brunswick.....	February 16th, 1913	The Bank of Nova Scotia issued 10,000 shares stock and paid \$100,000.00 cash to shareholders of Bank of New Brunswick, being one share of Bank of Nova Scotia stock and \$10.00 cash for each share of Bank of New Brunswick.	Bank of Nova Scotia, February, 1913, high 263½, low 260 Bank of New Brunswick, no record—last 260½, April, 1912
	The Metropolitan Bank.....	Novemb'r 16th, 1914	The Bank of Nova Scotia issued 5,000 shares stock and paid \$1,000,000.00 cash to shareholders of The Metropolitan Bank, being one share Bank of Nova Scotia stock and \$200.00 cash for each two shares of The Metropolitan Bank.	Bank of Nova Scotia, 261 Metropolitan Bank, last quotation March, 1914, high 211, low 206
†The Merchants Bank of Canada.....	Commercial Bank of Canada.....	June 1st, 1868	One share of Merchants for one share of Merchants Bank of Canada, and one share of the Merchants Bank of Canada for three shares of the Commercial Bank of Canada.	Union Bank, high 150½, low 150
Union Bank of Canada.....	United Empire Bank of Canada.....	April 1st, 1911	The shareholders of the United Empire Bank of Canada received in exchange for their holdings an equal amount of stock in the Union Bank of Canada.	Gore, 60—61 Commerce, 108—109
	Gore Bank.....	May 19th, 1870	\$445,104.00 stock.....	
	Bank of British Columbia.....	January 2nd, 1901	\$2,000,000.00 stock and \$312,000.00 cash.....	Bank of British Columbia, no quotation Commerce, 147—149
The Canadian Bank of Commerce.....	Halifax Banking Company.....	May 30th, 1903	\$700,000.00 stock and \$6,000.00 cash.....	Halifax Banking Co., no quotation Commerce, 164—166
	Merchants Bank of Prince Edward Island.....	June 1st, 1906	Purchased for cash.....	Merchants Bank of P.E.I., unlisted stock Commerce, 175
	Eastern Townships Bank.....	March 1st, 1912	\$3,000,000.00 stock.....	Eastern Townships Bank, 175 Commerce, 215

CANADIAN BANK AMALGAMATIONS—Continued

Name of Purchasing Bank	Name of Bank Absorbed	Date of Absorption	Details of Terms of Amalgamation or Purchase	Price of Stock of two Banks concerned at time of Absorption
Royal Bank of Canada	† Union Bank of Halifax	November 1st, 1910	For every five (5) shares, par value \$50.00, of Union Bank stock, shareholders of Union Bank received two (2) shares, par value \$100.00, of Royal Bank of Canada stock.	Royal Bank of Canada, 242—245 Union Bank of Halifax, 195
Royal Bank of Canada	Traders Bank of Canada	September 1st, 1912	For every four (4) shares of Traders Bank stock, shareholders of the Traders Bank received three (3) shares of Royal Bank of Canada stock.	Royal Bank of Canada, 228 Traders Bank, 1663—168
Royal Bank of Canada	Quebec Bank	January 2nd, 1917	For every three (3) shares of Quebec Bank stock, shareholders of the Quebec Bank received one (1) share of Royal Bank, plus \$75 in cash.	Royal Bank, 211—213 (Nov. 30th) Quebec Bank, 103—106 (Dec. 30th)
The Standard Bank of Canada	Northern Crown	March, 1918	Northern Crown stock purchased at \$200 per share, being paid partly in Royal Bank stock and partly cash.	Royal Bank of Canada, 208 Northern Crown, 87
Imperial Bank of Canada	The Western Bank of Canada	February 13th, 1909	Stockholders of the Western Bank were paid in cash, \$160 per share.	Standard Bank, 238—228† Western Bank, not listed
The Home Bank of Canada	Niagara District Bank, St. Catharines... La Banque Internationale du Canada	June 21st, 1875 April 15th, 1913	6,000 fully paid up shares of Home Bank of Canada for net assets of La Banque Internationale du Canada.	Neither stock listed
The Northern Crown Bank	The Northern and Crown Banks of Canada amalgamated under the name of "The Northern Crown Bank"	July 2nd, 1908	Share for share allotted	No quotations available

* In addition to those shown in this table, the Bank of New Brunswick, which was amalgamated with the Bank of Nova Scotia on February 16th, 1913, had in 1901 taken over the Summerside Bank.
† The Merchants Bank opened for business on May 9th, 1864. In February, 1868, the name was changed to The Merchants Bank of Canada, and a proposition was made to the Commercial Bank of Canada. On May 22nd, 1868, authority was received from the Government, and the amalgamation took place June 1st 1868.
‡ The Union Bank of Halifax absorbed the Commercial Bank of Windsor in 1902.

HOW THE BANKS COMPARE

Royal and Northern Crown Accounts as Shown in January Statement—Position of Other Banks

The following figures taken from the January statement of the Canadian banks to the department of finance, compare the principal accounts of the Royal and Northern Crown banks:—

	ASSETS.	
	Royal Bank.	Northern Crown Bank.
Current gold and subsidiary coin	\$ 15,018,263	\$ 185,684
Dominion notes	18,203,844	1,534,141
Deposit for note circulation	645,585	75,500
Deposit in central gold reserves	13,500,000	1,500,000
Notes of other banks	5,852,959	166,865
Cheques on other banks	11,423,897	1,307,079
Deposits due from other Canadian banks	233,720	706,382
Due from banks in United Kingdom	315,413	40,000
Due from banks in Canada and in United Kingdom	10,271,883	162,096
Dominion and provincial government securities	14,329,219	8,210,371
Canadian municipal securities and Colonial public securities	22,763,884	2,921,760
Railway and other bonds, debentures and stocks	12,571,974	1,424,743
Call loans in Canada	11,866,288	269,735
Call loans elsewhere	8,574,785	.....
Current loans in Canada	96,747,073	7,733,169
Current loans elsewhere	60,487,539	.....
Loans to provincial governments	367,660	138,690
Loans to municipalities	2,597,818	83,853
Overdue debts	581,759	156,681
Real estate	1,116,833	79,382
Mortgages on real estate	.....	86,407
Bank premises, cost	6,468,104	354,407
Liabilities of customers	7,072,712	717
Other assets	133,996	113,400
Total assets	\$321,145,219	\$27,251,090

LIABILITIES.

	Royal Bank.	Northern Crown Bank.
Capital authorized	\$ 25,000,000	\$ 6,000,000
Capital subscribed	12,911,700	1,431,000
Capital paid up	12,911,700	1,429,666
Amount of reserve fund	14,000,000	715,600
Rate per cent. of last dividend	12	5
Notes in circulation	25,042,322	2,704,825
Balance due to Dominion government	13,953,061	948,727
Balance due to provincial government	833,863	1,012,315
Deposits payable on demand	70,991,936	9,099,663
Deposits after notice	108,938,079	11,017,184
Deposits elsewhere	59,056,308	.....
Deposits made in Canada	502,640	1,919
Due to banks, United Kingdom	198,392	.....
Due to banks elsewhere	5,800,593	16,539
Bills payable	410,988	.....
Acceptances	7,072,712	717
Liabilities, others	8,878	4,072
Total liabilities	292,809,778	24,805,964
Amount of loans	448,668	403,108
Amount of current coin	14,563,105	181,614
Average amount of Dominion notes	21,252,683	1,526,760
Amount of notes in circulation	28,118,471	3,203,905

Position of Royal after Merger.

The principal items of the balance sheets of the two banks compare as follows, and the position of the Royal, after the merger, is shown in the third column:—

	(Three last figures omitted.)		
	Royal.	Northern.	(Amal.)
Capital authorized	\$ 25,000	\$ 6,000	\$ 31,000
Capital paid up	12,911	1,429	14,340
Reserve fund	14,000	715	14,715
Demand deposits	70,991	9,099	80,090
Notice deposits	108,938	11,017	110,955

	(Three last figures omitted.)		
	Royal.	Northern.	(Amal.)
Current coin	15,018	185	15,203
Dominion notes	18,203	1,534	19,737
Canadian government securities	14,329	8,210	22,539
Municipal and foreign securities	22,763	2,921	25,684
Railway and other bonds	12,571	1,424	13,995
Call loans	11,866	260	12,135
Call loans outside	8,574	.....	8,574
Current loans	96,747	7,733	104,480
Total liabilities	292,809	24,805	317,614
Total assets	321,145	27,251	348,396

How Other Banks Compare.

The relative standing of the leading six Canadian banks so far as assets are concerned, according to 1918 returns, are as follow:—

Bank of Montreal	\$392,625,438
Royal Bank	348,396,300
Bank of Commerce	333,531,870
Union Bank	132,847,130
Bank of Nova Scotia	130,608,152
Merchants Bank	130,510,378

The following statement shows the relative position of the three largest Canadian banks, with the Northern Crown figures included in those of the Royal, as they will be from now on:—

	(Three last figures omitted.)		
	Commerce.	Montreal.	Royal.
Capital authorized	\$ 25,000	\$ 25,000	\$ 31,000
Capital paid up	15,000	16,000	14,340
Reserve fund	13,500	16,000	14,715
Demand deposits	95,324	108,250	80,090
Notice deposits	118,198	143,559	119,955
Current coin	19,045	20,668	15,203
Dominion notes	20,099	57,253	19,737
Government securities	17,307	11,139	22,539
Canadian and other government securities	25,195	40,128	25,684
Railway and other bonds	6,108	12,504	13,995
Call loans (Canada)	14,767	.....	12,135
Call loans (outside)	19,314	77,623	8,574
Current loans (Canada)	130,767	99,780	104,480
Total liabilities	303,022	356,954	317,614
Total assets	333,531	392,625	348,396

The acquisition of the Quebec Bank by the Royal, brought the latter institution third in the matter of paid-up capital, the Bank of Montreal leading, and the Canadian Bank of Commerce being second. The present merger places the Royal Bank second in point of total assets, although the Canadian Bank of Commerce leads all the banks in the matter of commercial loans in Canada, with a total of \$139,767,000.

BOTH BANKS REPORTED STRONG

"Never Freer from Doubtful Debts"—Royal. "Funds Safely Invested"—Northern Crown

Discussing the position of the Royal Bank at the last annual meeting, held in January, Mr. E. L. Pease, managing director of the bank, said:—

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

Funds Safely Invested.

Reviewing the operations of the Northern Crown Bank for the past few years at the last annual meeting of the bank in January, Capt. Robinson, president, said:—

"We may congratulate ourselves upon what has been accomplished and the position we now find ourselves in. Increased resources have enabled us to take up our full allotment of loans made to the government by the banks for the purpose of financing the war, and on more than one occasion to take considerably more than was expected of us. We have

at the same time always been in a position to amply supply the needs of our clients. Our funds are now safely and profitably invested, and, owing to the liquid nature of a large proportion of our loans, we are in an excellent position to take up any new business of a desirable character that may be offered to us."

When Capital Was Cut.

At the annual meeting of the Northern Crown Bank in January, 1917, Mr. J. Ashdown, a director of the institution, referring to the position of the bank, said:—

"A year ago, when we cut our stock in half, I was one of the strongest advocates that this should be done. I cannot see that the position of the shareholders was in any way impaired by it, but we put ourselves in a better position. There was some opposition to this, but I noticed that in all the financial journals it was favorably commented upon, and the passing of the dividend in the same way. Now we have gone on, and we are in a very strong position. With the number of other large and strong institutions to compete with we have not got the amount of mercantile business that we would like to have, and we have been obliged to invest the money largely in government loans. These loans do not pay the percentage of profits that you expect, because you have got a large proportion of your deposits, which are themselves interest bearing. You must take into consideration the expenses of maintaining an institution of this sort."

DOMINION FIRE INSURANCE COMPANY

In commenting upon the excellent report of the Dominion Fire Insurance Company in these columns last week, it was stated that the fire premiums received by the company last year amounted to about \$46,000 and the hail premiums \$50,000. It should have been stated that these amounts were the increases in the premium receipts during the year, as would be observed from an examination of the company's financial statements for the past two years. As stated in our issue last week, the Dominion Fire Insurance Company is making substantial progress and has an unusually good reputation for prompt payment and adjustment of claims.

PETROLIA SELLS BONDS

The Canada Bond Corporation, of Toronto, have purchased a block of \$26,752.42 6 per cent. bonds of Petrolia, Ont., payable in nineteen annual instalments. These bonds have been issued for general purposes.

ALLIED BONDS IN NEW YORK

The following table shows the high and low prices since issued and the last price on March 7th, 1918, of the active foreign bonds dealt in on the New York Stock Exchange:—

British and French.			
Bonds.	High.	Low.	Last.
Am. Foreign 5's	99 $\frac{3}{4}$	90 $\frac{3}{4}$	95 $\frac{3}{4}$
Anglo-French 5's	98 $\frac{3}{4}$	91 $\frac{3}{4}$	99 $\frac{3}{4}$
Bordeaux 6's	88	74	86 $\frac{3}{4}$
Lyons 6's	98 $\frac{3}{4}$	74	87
Marseilles 6's	98 $\frac{3}{4}$	74	86 $\frac{3}{4}$
Paris 6's	99 $\frac{3}{4}$	73 $\frac{3}{4}$	84 $\frac{3}{4}$
French 5 $\frac{1}{2}$'s	101	91 $\frac{3}{4}$	96 $\frac{3}{4}$
U.K. 5's	101	93 $\frac{3}{4}$	98 $\frac{3}{4}$
U.K. 5 $\frac{1}{2}$'s (1919)	98 $\frac{3}{4}$	93 $\frac{3}{4}$	96 $\frac{3}{4}$
U.K. 5 $\frac{1}{2}$'s (1921)	98 $\frac{3}{4}$	84 $\frac{3}{4}$	92 $\frac{3}{4}$
U.K. 5 $\frac{1}{2}$'s (1910), new	101 $\frac{3}{4}$	95 $\frac{3}{4}$	98 $\frac{3}{4}$

Canadian.

Canada 5's (1921)	100 $\frac{3}{4}$	90	94
Canada 5's (1926)	101 $\frac{3}{4}$	80	94 $\frac{3}{4}$
Canada 5's (1931)	102 $\frac{3}{4}$	87 $\frac{3}{4}$	92 $\frac{3}{4}$
Canada 5's (1919)	98	96 $\frac{3}{4}$	95 $\frac{3}{4}$
Alberta 4 $\frac{1}{2}$'s (1924)	95 $\frac{3}{4}$	91	93

Other Allies.

Japanese 4 $\frac{1}{2}$'s (1925)	98 $\frac{3}{4}$	73 $\frac{3}{4}$	89
Japanese 4's (1931)	94 $\frac{3}{4}$	63	75 $\frac{3}{4}$
Russian 6 $\frac{1}{2}$'s (1919)	102 $\frac{3}{4}$	39	42
Russian 5 $\frac{1}{2}$'s (1921)	94 $\frac{3}{4}$	34	38



THE DOMINION INCOME WAR TAX

Its Meaning and Application

THE Dominion Income War Tax Act, passed at the last session of Parliament, is now in force, and all those liable to taxation under the provisions of the Act must file the required returns for the year 1917, on or before 31st March, 1918.

The Act provides that there shall be assessed, levied and paid upon the 1917 income of every person residing or ordinarily resident in Canada, a tax upon income exceeding \$1500 in the case of unmarried persons and widows, or widowers without dependent children, and upon income exceeding \$3000 in the case of all other persons.

Corporations and joint stock companies carrying on business in Canada, no matter how created or organized, shall pay the normal tax upon income over \$3000. The fiscal year of corporations and joint stock companies may be adopted if desired.

Your Immediate Obligation.—You are now required by law to fill out in triplicate, one or more of the five special forms enumerated below. Read the particulars about the forms provided, then note the form or forms that fit your case. Don't forget to make three copies. You keep one copy, and in the case of Forms T1 and T2, deliver two to the Inspector of Taxation for your district. In the case of Forms T3, T4 and T5, two copies must be filed with the Commissioner of Taxation at Ottawa.

Penalties.—Default in filing returns renders the person or persons liable on summary conviction to a penalty of one hundred dollars for each day during which the default continues. Any person making a false statement in any return or in any information required by the Minister of Finance shall be liable on summary conviction to a penalty not exceeding ten thousand dollars or to six months' imprisonment, or to both fine and imprisonment.

FORMS TO BE FILLED IN AND FILED

Individuals—Form T1 is for all individuals having the requisite income. Fill in pages 1, 2 and 3, make no marks on page 4.

In giving particulars of dividends received, state amount received from each company, listing Canadian and Foreign Companies separately.

Partnerships as such need not file returns, but the individuals forming the partnerships must.

Corporations and Joint Stock Companies must fill in Form T2, showing total income. Amount paid during the year to Patriotic and Canadian Red Cross Funds, and other approved war funds, should be shown under Exemptions and Deductions. A financial statement should also be attached. In giving particulars of dividends received, state amount received from each Company, listing Canadian and Foreign Companies separately.

Trustees, Executors, Administrators of Estates and Assignees use Form T3, to state particulars of the distribution of income from estates they are handling. A separate form is required for each estate and total incomes must be given as well as distribution thereof.

Employers.—On Form T4 employers shall make a list of the names of employees and amounts paid to each in salaries, bonuses, commission, or other remuneration wherever the combined sum of such remuneration for the calendar year 1917 amounted to \$1000 or more. This applies to all classes, regardless of number of such employees.

Corporations Listing Shareholders.—Corporations and Joint Stock Companies shall list on Form T5 Shareholders residing in Canada to whom Dividends were paid during the calendar year 1917, stating the amounts of dividends and bonuses paid to each.

Don't wait to the last minute. Get the necessary forms now, and make your information accurate and complete.

Forms may be obtained from the District Inspectors of Taxation and from the Postmasters at all leading centres.

Postage must be paid on all letters and documents forwarded by mail to Inspector of Taxation.

*Department of Finance
Ottawa, Canada*

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

Shaunavon, Sask.—Tenders are called up to March 16th for \$10,000 7 per cent. debentures on annuity basis. Mr. F. G. Horsey is the town clerk.

Moncton, N.B.—The city will make application to the legislature for authority to issue \$30,000 bonds for permanent streets contracted for in 1917.

Etobicoke, Ont.—Messrs. G. A. Stimson & Company have purchased \$30,000 6 per cent. 40-year debentures. This sum will be used by the township for hydro-electric extensions.

Port Coquitlam, B.C.—An issue of \$30,000 treasury certificates on security of 1917 unpaid taxes, amounting to \$38,904, has been purchased by the National Bond Corporation at 86.

North Vancouver, B.C.—A temporary loan by-law which was introduced on February 28th provides that the corporation may borrow up to \$170,000 from their bankers, to be secured by this year's taxes.

Gananoque, Ont.—A rate of 37 mills on the dollar taxes has been decided upon by the town council for 1918, made up as follows:—22 mills for general purposes and local improvement, 12 mills for schools, half-mill for public library, one and a half mills for patriotic fund and one mill provincial war tax.

Red Deer, Alta.—The following particulars are given in the pamphlet recently issued with the auditors' report for 1917, which was printed in *The Monetary Times* last week:—Assessment, 1917—City, \$3,195,580; business, \$52,700; public school, \$4,753,880; and separate school, \$146,800. Tax rate—General, 8.5; debenture, 7.5; school, 6.5; total, 22.5 mills. Mr. A. T. Stephenson is secretary-treasurer of the city.

Trail, B.C.—Permits have been given to the city for three separate bond issues, namely: To issue and offer for sale \$50,000 in sewer debentures, 20 years, at six per cent., the money having already been borrowed by the city from its banker and the work completed; to issue and offer for sale \$6,400 in waterworks debentures, 20 years at six per cent., being the balance of last year's issue, on account of the discount on the \$80,000 issue of 1917; to issue and offer for sale \$15,000 school debentures for 20 years and six per cent. interest, to furnish the city's part of the funds for the much-needed four-room wing to the Central School building.

Saskatchewan.—The following is a list of authorizations granted by the local government board from February to March 1st, 1918:—

School Districts.—*Boakview, \$600 5-years not ex. 8 per cent. instalment; W. E. Martin, Saltcoats. *Poolcapelle, \$1,200 10-years not ex. 8 per cent. annuity; Mike Filijsourch, Swan Lake. *Rippowan, \$2,000 10-years not ex. 8 per cent. annuity; R. F. Campbell, Hawarden. *Arras, \$2,000 10-years not ex. 8 per cent. annuity; J. Bonas, Muenster. *St. Quentin, \$1,750 10-years not ex. 8 per cent. instalment; F. Hamm, Dana.

Rural Telephone Company.—Lanigan, \$1,500 15-years not ex. 8 per cent. annuity; Robt. Hackwarl, Lanigan.

Town.—Govan, \$3,000 15-years 7 per cent. annuity; A. Graham, Govan.

The following is a list of debentures reported sold from February 25th to March 1st, 1918:—

School Districts.—Moon Lake, \$1,400, Riverhurst, \$4,000; J. H. Kern, Moose Jaw. Cut Arm, \$1,600. Chris. Thorvaldson, Bredenbury. Green Corn, \$1,800; Nay & James, Regina.

Rural Telephone Companies.—Idaleen, \$1,800, Scott, \$10,900, Penzance, \$7,000, Aneroid North, \$1,500, East Margo, \$4,000, Quill Plains, \$2,800, Wheat Valley, \$3,600, Yellow Lake, \$5,800, Lloyd George, \$5,400, North Ceylon, \$1,300; W. L. McKinnon & Company, Regina. East Mount, \$3,000; Nay & James, Regina. Mazenod, \$1,250; F. Somerville, Regina. Eden Valley, \$1,000; Bond & Debenture Corporation, Winnipeg. Lewiswyn, \$3,800; J. A. Thompson, Winnipeg.

Village.—Prelate, \$1,500, \$7,500; Wm. J. Shaw, Prelate. **Rural Municipality.**—Bitter Lake, \$5,000; Kerr, Fleming & Company, Regina.

*Being sold by the local government board.

INDUSTRIAL BOND ISSUE

A block of \$200,000 five-year bonds, issued by the Page Wire Fence Company of Canada, Limited, has been purchased by Credit Canadien Incorpore. The bonds are unconditionally guaranteed by the city of Three Rivers. The proceeds are intended for the establishment of a new plant for the company at Three Rivers, Que..

SHAWINICAN NOTES TAKEN UP

As the market quotation of the rights indicated at the close of subscription on March 1st, the entire issue of Shawinigan Water and Power's \$1,500,000 convertible notes, offered to shareholders, was taken up by either the shareholders or those who purchased subscription rights from them. There was no unsold balance left over for subsequent placing.

INTEREST RATES ON ALLIED LOANS INCREASED

Interest rate on loans by the United States to Allies has been raised from 4¼ to 5 per cent. as a result in the recent increase in the rates on certificates of indebtedness from 4 to 4½ per cent.

Since it now costs the United States government more to borrow money from the American people, Secretary McAdoo felt it necessary to charge more for the allied loans.

The interest rates on allied loans have risen gradually from 3 per cent. on the first credits last April.

Credits to the allies now amount to \$4,734,400,000, and \$4,386,400,000 has actually been paid. Of the \$348,000,000 unpaid balance, \$137,000,000 is still credited to the Russian government.

WESTERN ASSURANCE COMPANY

Including interest and rents, there was a total balance of \$643,429 to the credit of the year's operations by the Western Assurance Company, Toronto. This is a very satisfactory record, the business of the company's marine department contributing largely to the result. The directors' report, presented at the company's annual meeting recently, showed that the premiums received by that department, less reinsurance for the year, amounted to \$4,232,714, the very large increase being due to the continued demand for insurance covering the increased risks due to war. The losses (paid and outstanding) amount to \$3,321,911, and after charging agents' commissions, taxes and expenses of all kinds, the credit balance in this department was \$272,674.

In the fire department the premiums, less reinsurance, for the year, amounted to \$2,907,772. The losses for the year (paid and outstanding), after deducting recoveries under reinsurance, were \$1,572,995, and after charging agents' commissions, taxes and expenses of all kinds, this department gave a credit balance for the year of \$236,765.

Out of the large credit balance of \$643,429 the company used \$21,566 to reduce the value of the head office buildings to \$200,000, a figure which the directors are convinced is not too high for the two buildings the company has in a busy corner of Toronto, especially when it is borne in mind that in recent years considerable amounts have been expended on modernizing them, and that these amounts have been paid from time to time out of current revenue. The directors have struck out the item of \$15,479, which appeared in last year's assets for insurance maps, although they have had these valued as being marketable for at least four times that sum. They think it better to charge any outlay for furniture or maps in future to general expenses. After providing for these writings-down, for dividends on preference stock up to 30th June last, for writing off the net decrease in the market value of securities, and for some small adjusting entries, the balance in hand has been increased by the sum of \$488,948, making the balance now \$1,920,011. An analysis of the company's balance sheet indicates the maintenance of a strong position.

The Western Assurance Company has an excellent reputation, and is one of the veterans in the Canadian underwriting field, having served the public for sixty-seven years. Mr. W. B. Meikle is president and general manager. He is a capable and conservative underwriter, and has an experienced assistant in Mr. John Sime. Mr. C. C. Foster is secretary, and Mr. C. C. Wainwright and Mr. A. R. Pringle are assistant secretaries of the company.

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ROYAL BANK BUILDING, TORONTO.

LIMIT PROFITS OF PACKERS

Must Not Exceed Two Per Cent. on Gross Sales in Any Year—Cannot Evade Tax

Regulations providing for the licensing of abattoir companies and meat packing companies whose annual sales exceed \$750,000 and for limitation of their profits are set forth in an order-in-council just passed by the government and made public. The restrictions upon profits are the same which the Union government shortly after its organization announced it would impose, and they are to be effective as from January 1st last.

Licensed companies are required so to fix their selling prices that their profits will not exceed 2 per cent. of their gross sales in any one year. If a company makes a profit in excess of 7 per cent. upon the capital actually invested in its business, it may retain only one-half of such excess up to 15 per cent., in excess of 15 per cent. it may not retain any profits. In no cases, however, are the profits of a company to exceed 2 per cent. on its gross sales; that is to say, no packing concern will be permitted to earn profits in excess of 11 per cent. on its invested capital or 2 per cent. on its gross sales, whichever is the lesser amount. All additional profits will be taken by the government. Furthermore, meat packers will not be allowed to charge up taxes, paid under the business profits war tax act or the war income tax act, to expenses, or to deduct them from profits. Instead, such Federal taxes will be levied "only upon the profit properly retained" by such companies under the order-in-council.

Subject to Business Profits Tax.

Packing concerns are permitted to retain as much as 11 per cent. profit on their invested capital. The profit so retained would therefore be subject to taxation under the business profits tax to the extent of 25 per cent. of the amount whereby it exceeded 7 per cent. on capital or to the normal income tax of 4 per cent. upon income in excess of \$3,000, whichever produced the greater sum.

The limitation of profits of packing houses, fixed by the Canadian government, is thus more onerous than that adopted in the United States. In the latter country packing concerns are divided into two classes. The first class, known as "The Big Five," comprises only five corporations, each of which boasts annual sales in excess of \$100,000,000. The profits of those five companies are restricted to 2½ per cent. of their gross sales in any year or to 9 per cent. on their capital. The capital upon which the percentage is to be calculated is the average necessarily used by the packer in his business. In his capital, however, the United States packer is allowed to include borrowed capital, which the Canadian packer will not be allowed to do.

The second class of American packers, those whose sales amount to less than \$100,000,000 a year, within which Canadian companies would come, is subject only to one restriction—namely, that profits must not exceed 2½ per cent. of the gross annual sales. Packers of that class in the United States are therefore allowed one-half of 1 per cent. on their annual turn-over in profits more than are the Canadian abattoir or meat packing companies.

Cannot Evade Tax.

Some features of the order-in-council are interesting. Licensees, in fixing prices and determining profits, are not to discriminate as between different kinds of livestock, classes of materials or products, plants, localities or persons, to the injury of any competitor, of any livestock producer, or of the public. Packers will not be permitted, for the purpose of evading the limitation of profits, to transfer stock of any subsidiary company or to divest themselves of ownership of such companies. They are warned against adopting any method of computing profits which will conceal or understate the full and true value thereof, or which will divert to any other person or business the profits which properly accrue to them. Capital, actually invested in the business of a packing company, is defined in the same manner as is capital for the purposes of the business profits tax act.

In view of the intention of the William Davies Company, recently advertised in the Canada Gazette, to increase its capital stock from \$2,000,000 to \$5,000,000 one clause of the order is worthy of attention. That section provides that "the minister of finance may determine the amount of the capital of any incorporated company issuing stock after January 1st, 1918, and if, after that date, the capital stock of a company is increased or additional stock is issued, or if the stock is,

in any way, changed or reorganized in such manner as to increase the amount of the capital for the purposes of the regulations, the minister of finance may decide whether or not it is fair and proper to include such increases, or any part thereof, when determining the capital of such company for the purposes of the regulations; and the decision of the minister shall be final and conclusive."

Details in Regulation.

The regulations deal in detail with the status of subsidiary companies, methods of computing sales, businesses included in the operation of the order and businesses excluded from its operation, computation of profits and of capital, allowances for deterioration, repairs and maintenance, the right of the minister of finance to information as to licensed companies' businesses and of his representatives to access to the books of packing companies and their subsidiary corporations. Excluded from the computation of sales and profits of such companies are: "The slaughtering of livestock and the manufacture of any product of livestock in any foreign country, any business which has nothing to do with human food, livestock or products of slaughtered livestock, the raising, fattening or feeding of livestock, any business other than the slaughtering of livestock, the manufacture of products therefrom which may hereafter be excluded by authority of the minister of finance." The sale in any other country of products manufactured in Canada is not excluded from the operation of the order.

The regulations will remain in force during the continuance of the war, and any violation of them may be punished by a fine not exceeding \$5,000, or imprisonment for not more than six months, or both fine and imprisonment.

SASKATCHEWAN MUNICIPAL HAIL LOSSES

The sixth annual convention of the Saskatchewan Hail Insurance Association was opened in the City Auditorium recently, with A. E. Wilson, of Indian Head, the president of the association, in the chair. The preliminary business was, however, commenced, and the minutes of the last convention, held in Regina, were adopted as read by the secretary, E. G. Hingley.

The president of the association read the directors' report for the period from March 1st, 1917, to February 28th, 1918, which reviewed the work done by the association, and the report was received by the delegates and laid on the table for discussion later. The report of the board of directors called particular attention to the auditors' report for the same period, which showed that a surplus of approximately \$68,000 was brought forward to 1918. During the year 1917 the amount paid out in insurance claims amounted to \$823,362.42, the claims numbering 4,978. The revenue received was 930,799.35, and the cost of administration amounted to \$36,506.68. The hail losses in the province were comparatively small until August 21st, when a storm swept over the central portion of the province.

MARINE INSURANCE

Commenting upon the marine insurance business by companies in Canada, Mr. W. B. Meikle, president of the Western Assurance Company, Toronto, at the recent annual meeting said:—

"Submarines were exceedingly active in the spring and early summer, and the losses in the marine department poured in day after day during the first part of 1917. Fortunately, the latter part of the year gave better results. As the business in this branch is composed mainly of war risks and of cargoes on steamers, the duration of the risks is short, and so the outstanding liability at the end of any month is small compared to the total premiums for the year.

"The premiums in the marine department for 1917 reached a figure that will not likely be attained by us again for some years. As 90 per cent. of the cargo space on all steamers from this side is reserved for government shipments, and these government shipments are not insured, and as the number of vessels on the ocean has been gradually decreased by submarine warfare, it will be readily seen that for some time to come there cannot be the same volume of marine business as formerly. With a reduced business, competition between marine insurance companies will naturally be keener, and this will tend towards cheaper rates, and the time may soon come when it will be better judgment to stay out of the business altogether rather than to write it at what we may consider inadequate rates."

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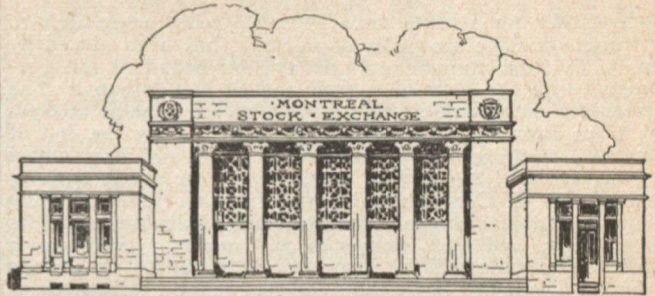
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Montreal Stock Exchange

STEEL RAILS FOR CANADIAN RAILWAYS

An order for 100,000 tons of steel rails, or enough to lay tracks on some 800 miles of railroad, has been placed by Hon. J. D. Reid, minister of railways, on behalf of the government, with the Dominion Iron and Steel Company. The rails are to be manufactured at the company's plant at Sydney, Cape Breton, and all are to be delivered by the end of July next. Rolling will begin on April 1st, and it is hoped that during April 10,000 tons can be ready for use in making replacements on Canadian railways. In May, June and July it is expected that the rail mill will be producing up to its full capacity, and that deliveries will reach 30,000 tons a month. The rails will be heavy ones, probably 85 pounds to the yard, and will be suitable for renewals on railway main lines.

QUARTERLY AUDIT IN BRITISH COLUMBIA

Many additional responsibilities fall upon the government of the province of British Columbia, as compared with those provinces which have no control over their natural resources, and emphasize the need for a comprehensive and thorough accounting and audit system, such as has been put in force by that government, in charge of Mr. A. N. Mouat, comptroller general.

At various points considered to be most advantageous to the public, government agencies have been established for the sale of lands, the recording of pre-emptions and mining claims, the registration of births, deaths and marriages. Applications for water rights and coal lands are also made through the district agent, who transmits them to Victoria. In addition to his duties as district commissioner of lands, mining recorder and registrar of births, deaths and marriages, a government agent is usually appointed a stipendiary magistrate (with no jurisdiction over city cases), official administrator, gold commissioner, registrar of voters, registrar of the supreme and county courts, and registrar under the marriage act for the performance of civil marriages. While in some instances a government agent holds the appointments of mining recorder and assessor, these offices are usually held by other officers attached to the agency.

To take a concrete instance, here are set out the various offices held by the government agent at Kamloops, together with the staff engaged in carrying on the work appertaining to these offices, also members of his staff holding specific appointments and their assistants:—

Government agent: district commissioner of lands; district registrar of the supreme court; registrar of the county court; registrar of voters; registrar under the marriage act; district registrar of births, deaths and marriages; stipendiary magistrate; recording officer, Kamloops cattle district; water recorder, Kamloops water district; collector of revenue; clerk of the peace. Staff for above duties: two male clerks, one female clerk, one female stenographer.

There is also at the agency an official who holds the combined offices of assessor and mining recorder, with a staff of two male clerks.

The government agent, in addition to being collector of revenue, is also disbursing officer, paying all official salaries, wages and accounts against the government in his district after proper certification, and within the sums voted by the legislature.

There are 37 government agents, located from the international boundary in the south to the Yukon territory in the north, and from the eastern boundary to Queen Charlotte Islands in the west. There are, in addition, a considerable number of collectorates throughout the province, and it is the government's endeavor to overtake the work ahead, so as to bring these, and all other outside offices, including registries and other legal offices, within a quarterly audit.

The fire department of Red Deer, Alta., consists of a paid chief, two teamsters, who sleep in the hall, and about twenty-four volunteers, six of whom sleep in the hall, the city furnishing rooms and bedding free. A combination chemical and hook and ladder truck and a separate hose wagon are used. A fire pressure of 120 pounds is provided. Fire losses for the past few years were: 1908, \$1,175; 1909, \$1,350; 1910, \$1,415; 1911, \$1,275; 1912, \$1,307; 1913, \$858; 1914, \$2,330; 1915, \$800; 1916, \$520; 1917, \$65. Red Deer has the lowest insurance rates of any city of similar size in Western Canada.

INSURANCE ON ORIENTAL RUGS

L. Babayan, dealer in Oriental antiques, receives \$5,350 insurance for loss sustained in a fire at his premises, 77 Bay Street, Toronto, on March 27th, 1916, and not \$47,500 as was claimed. Mr. Justice Kelly at Osgoode Hall recently rendered judgment in five actions instituted by Mr. Babayan against the following companies: Union Fire Insurance Company, Continental Insurance Company, Phoenix Assurance Company, of London, and the North British and Mercantile Insurance Company. The award of \$5,350 is to be shared by the companies in proportion to the amount of insurance held in each by Babayan. This is fixed by his lordship as follows: Union Fire, 2-19ths; Law, Union and Rock, 4-19ths; Continental, 2-19ths; Phoenix, 4-19ths; North British and Mercantile, 7-19ths. In all cases the plaintiff is awarded interest from September 10th, 1916, and costs.

The trial of Babayan's action lasted for fourteen days. In his judgment Mr. Justice Kelly remarks that the over-valuation of stock in Babayan's store was largely due to the fact that the estimator considered the increased cost of such goods as Oriental rugs, embroideries, draperies, brassware and Oriental furniture, owing to the war. Justice Kelly also comments upon a code by which the plaintiff indicated the value of rugs, etc. "There is a great difference between the cost prices of rugs such as these," he says, "and the prices usually quoted to and frequently obtained from the customer."

At another point he says: "The plaintiff's books and records were in a chaotic condition, and had been so, extending back as far as the investigation of them went at the trial."

In connection with the over-valuation of the goods his lordship says that Babayan was not wholly blameless, but the adjuster was also to blame.

PULP AND PAPER INDUSTRY

The investigation into the pulp and paper industry by a Dominion government commission is a cause of uneasiness to the trade, and this has been increased by similar action in the United States, which is the chief market for a great part of the Canadian product. During the last decade there has been a very remarkable development in the volume of production and of exports, and this development under normal trade conditions would tend to continue, owing to the natural advantages possessed by Canada as regards raw materials and manufacturing facilities.

The effect of the investigation has been to check development very considerably. It cannot be expected that new capital will seek employment in an industry in which selling prices are arbitrarily fixed at a point which, in the opinion of practical men, does not provide a sufficient margin of profit and a reserve against the hazards of the times. If the extraordinary demand is to be met more plant will be essential, yet very little is being built. The cost of new plant would be now about double what it would have been in pre-war times, and prices for the chief paper products are regarded as inadequate to provide interest upon the necessary capital and a sufficient amount for depreciation so that the fixed charges may be normal after the war.

This industry and its development are of great national importance because of its present contribution to the value of our exports and of its great possibilities. Since 1912 the annual exports of the various classes of pulp and paper products have been as follows:—

Year ending March 31st.	Paper.	Chemical Pulp.	Mechanical Pulp.	Pulp Wood.	Total.
1912	\$ 3,867,119	\$ 1,587,535	\$ 3,506,700	\$ 5,697,901	\$14,659,355
1913	6,324,810	2,100,842	3,408,702	6,806,445	17,640,799
1914	12,075,036	2,923,083	3,441,741	7,388,770	26,428,630
1915	15,478,338	4,806,622	4,459,539	6,817,311	31,561,810
1916	20,021,270	6,801,011	3,575,537	5,743,847	36,141,665
1917	26,072,646	14,032,920	6,371,133	6,448,189	52,924,888

The paper referred to in the above classification is largely newsprint. About the middle of January the minister of finance fixed the price in Canada at \$57 per ton, effective for three months from February 1st. It is understood that the actual average cost of this class of paper is slightly above that figure, in view of which those mills which do not export are at a decided disadvantage, as they are not benefited by the higher price of \$60 per ton fixed in the United States. The investigations being carried on are not yet completed and the restrictions as to price may, therefore, be only temporary. It is however, very important that the growth of an industry which is able to contribute so substantially to our export business should not be obstructed.—Canadian Bank of Commerce statement.

BRITISH COLUMBIA TIMBER

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GRADUATED WAR TAX ON INCOMES

If the income war tax law, about to be applied, did nothing more than cause a national stock-taking, it would serve a most useful purpose.

The taking of an inventory of one's resources invariably induces a desire to save and a desire to save when translated, as it very frequently is, into a determination to save means getting on with the war, as well as happiness all around. This process, first an inventory of one's resources, then a desire to save, applied to every unmarried person, or widow and widower without dependent children, receiving an income of \$1,500 and over, and to all other persons receiving an income of \$3,000 and over, will unquestionably result in a large proportion of cases, in a determination to save. And that means more general prosperity and renewed national strength.

But a national stock-taking is only incidental, of course, to the chief purpose of the income war tax, which is to provide

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revenue for the prosecution of the war in as equitable a manner as possible. The tax is to be graduated, according to one's ability to pay. Those who are in receipt of only a living wage or salary will not be called upon to pay; those enjoying the highest incomes will be called upon to pay the greatest amounts, and the great body of income receivers between, will be called upon to pay in their due proportion.

Moreover, the purpose of the act is to distribute the burden equitably among all classes. By way of illustration, the farmer will be required to add to the value of his actual income, the value of the home-grown products which his own family consumes. This places the farmer on a plane with the salaried man, the value of whose services is wholly represented in the income received and against which he must charge all his living expenses.

Canada has established a war record that is the envy of the world. It is certain that the Canadian people will run true to form in answer to this latest call of their war government.

PUBLICATIONS RECEIVED

Municipal Finance.—Auditors' Report, 1917, City of Red Deer, Alta.

Coal.—"Where it is and how to get it." Issued by the Coal Operators of Northern Alberta.

Mining.—Preliminary report of the mineral production of Ontario in 1917. Issued by the Bureau of Mines, Parliament Buildings, Toronto.

Empire Trade.—"Empire Building from Within," paper read at the Bristol Branch of the Royal Colonial Institute, by Mr. Henry L. Riseley.

Mining.—Preliminary report on the mineral production of Canada during calendar year, 1917. Prepared by Mr. John McLeish, B.A., Chief of the Division of Mineral Resources and Statistics, Ottawa.

Statistics.—Statistical Year Book of Quebec, 1917. Compiled by G. E. Marquis, head of Bureau of Statistics, Provincial Secretary's Department, Parliament Buildings, Quebec. A very useful volume of over 550 pages, well arranged and indexed.

Municipal Finance.—"Taxation in the Urban Municipalities of Saskatchewan," by Robert Murray Haig, Ph.D., Assistant Professor of Economics, Columbia University. Issued by the Department of Municipal Affairs, Parliament Buildings, Regina.

Banking.—Home Bank Monthly, February, 1918. Issued by The Home Bank of Canada, Toronto. Contents: Early Efforts to Secure Banks; Thrift in the Sixteenth Century; the Comic Movies; Savings Accounts; our Flueless Homes; Heard Across the Roll Top Desk; the Case of John Walrinson; the Big Problem of the U.S.; and the Chain Letter.

Tropics.—Bulletin of the Imperial Institute. A quarterly record of progress in tropical agriculture and industries and the commercial utilization of the natural resources of the Dominions, Colonies and India, edited by the director and prepared by the scientific and technical staff of the Imperial Institute and by other contributors. Published by John Murray, Albemarle Street, London, W., England.

Bank Map.—An excellent bank map of Ontario and Quebec has been issued by the Department of the Interior at Ottawa. The map is on a scale of 25 miles to the inch and embodies several important features. Every city or town in which a chartered bank branch is located is indicated by a circle. If more than one branch exists in said location, the exact number is shown in the circle. But what is almost of more importance is the railway feature of this map, under which all the railways, great and small, operating in the two provinces, are indicated by a color scheme. The four large systems—the Canadian Pacific, Grand Trunk, Canadian Northern and Canadian Government Railways—are represented by a different colored line, while the smaller roads are grouped under one color. The merchant or fish dealer of the Maritime Provinces as well as the farmer of Western Canada can each determine at a glance, the shortest and most convenient route by which manufactured goods may be shipped to him, and at the same time ascertain the most feasible method of routing his own products to the markets of Central Canada.

Statistics.—Now that improvement of the statistical records of Canada is in hand, a volume on statistical methods, just published, will prove of service to the Dominion and provincial government officials, who deal with Canadian statistics and to those who interpret statistics. It also makes a good textbook for college students, a manual for statisticians and business executives. The volume regards statistical methods as means rather than as ends, as constituting simply one phase of general methodology, and as including not only methods of analysing but also of collecting and assembling statistical data. The methods discussed are of general application although the illustrations, for the most part, are drawn from economic and business fields. The order of treatment is the same as that followed in the planning and analysis of a statistical problem. Statisticians, business executives and students of statistical methods generally will find the volume not only a compendium of statistical procedure but also a guide in the process of logical statistical analysis. Emphasis is given to the necessity of a clear formulation of the problem in mind, to the meaning, collecting and assembling of data, and to the necessity of a rigid interpretation and use of units of measurements. All of these steps are held to be preliminary but indispensable to the

formulation of a statistical judgment, and to the employment of the refinements of mathematical analysis which alone are too generally associated with "statistical methods."

"An Introduction to Statistical Methods." By H. Secrist, Ph.D. Published by The Macmillan Company of Canada, St. Martin's House, Bond Street, Toronto. Price, \$2.00.

National Prosperity.—The permanent causes of the wealth of nations is the subject discussed in a timely volume of studies in the conservation of permanent national resources. The work emphasizes the thought that conservation is to be regarded as a treatment of the foundations of national prosperity. The war makes it important to emphasize the fact that in the treatment of conservation we are dealing with national preparedness both for war and peace. "There is danger," as stated in the preface to the volume, "that in dealing with measures of preparedness we may direct our attention too exclusively to the needs of to-day and to-morrow, whereas nothing stands out more clearly as a result of our world war than the fact that preparedness must be a permanent, all-round condition; for otherwise our preparations may be in vain. While it is true that this book deals mainly with permanent conditions of prosperity and preparedness, it also has lessons for the immediate present." The book is written by Richard T. Ely, Professor of Political Economy in the University of Wisconsin, Ralph H. Hess, Associate Professor of Political Economy in the University of Wisconsin, Charles K. Leith, Professor of Geology in the University of Wisconsin, and Thomas Nixon Carver, David A. Wells Professor of Political Economy in Harvard University. It is an opportune work and will be read with great interest and benefit by the many Canadians who are interested in our national problems.

"The Foundations of National Prosperity." By Ely, Hess, Leith and Carver; price \$2.00. Published by the Macmillan Company of Canada, St. Martin's House, Bond Street, Toronto.

INQUIRY INTO DOMINION PERMANENT SITUATION

Declaring that the estates of the late J. R. Stratton and the late D. W. Karn, former presidents of the Dominion Permanent Loan Company, should be compelled to repay any profits made from their association with the Dominion Permanent Loan Company, Mr. U. A. Buchner, a London lawyer, recently addressed a meeting of nearly a hundred London and Western Ontario debenture owners and stockholders in that city.

Mr. Buchner, who personally is in danger of a loss of between \$4,000 and \$5,000, told the meeting that years ago he was a legal adviser of the Dominion Permanent Loan Company. Thus, he said, he has learned a good deal which he could use in delving if he is made a member of an advisory committee which he hopes to see named to co-operate with Assignee Clarkson.

He claims that years ago he had attended a meeting of the company at Toronto and had asked for information concerning the assets of the corporation. He was told by officers to wait until after the directors' meeting for the information, but he says he is waiting yet.

VALUE OF WAR ORDERS IN CANADA IS LARGE

Orders for munitions, marine engines and other supplies for war purposes to an estimated value of \$50,000,000 have been placed by the United States in Canada during the past five months. Of the total, orders to the amount of \$35,000,000 have been placed by the Imperial Munitions Board. The latter mentioned orders include contracts for 7,000,000 shells, 2,000,000 cartridge cases and 10,000,000 forgings. Such orders from the United States have an important influence in redressing the balance of trade between Canada and equalizing exchange between the two countries.

British orders for munitions to the value of some \$880,000,000 have been placed in Canada. In April, May, June and July last the amount of British orders ran as high as from \$45,000,000 to \$50,000,000 a month. Since then there has been a diminution of orders owing to the growth of the munition industry in Great Britain, and also in some measure to the shipping situation. Now, the Imperial Munitions Board is still expending about \$25,000,000 a month in Canada on behalf of Great Britain. The largest type of shell now being produced is a 6-inch high-explosive howitzer shell, and the manufacture of fuses has to a great extent been discontinued.

DIVIDENDS AND NOTICES

PENMANS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and one-half per cent. (1½%) has been declared on the Preferred Shares of the Capital Stock of this Company for the quarter ending 30th of April, 1918, payable May 1st, 1918, to Shareholders of record of 22nd day of April, 1918. Also a Dividend of one and one-half per cent. (1½%) on the Common Shares for the quarter ending 30th day of April, 1918, being at the rate of six per cent. per annum (6%), payable 15th of May, 1918, to Shareholders of record of the 6th of May, 1918.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer

Montreal, 4th March, 1918.

PENMANS, LIMITED

BONUS ON COMMON STOCK

Notice is hereby given that a Bonus of one per cent. (1%) has been declared on the Common Shares of the Capital Stock of this Company, payable 15th of May, 1918, to Shareholders of record of 6th of May, 1918.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, 4th March, 1918.

PROVINCIAL PAPER MILLS CO., LIMITED

Head Office, Toronto.

Notice is hereby given that dividends of One and Three Quarters (1¾%) per Cent. on Preferred Stock and One (1%) per Cent. on Common Stock of this Company have been declared for the current quarter, both payable April 1st, 1918, to shareholders of record at the close of business, March 15th, 1918.

By Order of the Board.

S. F. DUNCAN,
Secretary-Treasurer.

Dated Toronto, March 7th, 1918.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A dividend of one and three-quarter per cent. (1¾%) on the Common Stock of the Dominion Textile Company, Limited, has been declared for the quarter ending 31st March, 1918, payable April 1st to shareholders of record March 15th, 1918.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 4th March, 1918.

OTTAWA LIGHT, HEAT & POWER COMPANY, LIMITED

DIVIDEND NO. 47.

Notice is hereby given that a quarterly dividend of 1½% (one and one-half per cent.) being at the rate of 6% per annum, on the Capital Stock of this Company, has been declared for the period ending March 31st, 1918, payable on April 1st, 1918, to Shareholders of record at the close of business on the 20th day of March, 1918.

The transfer books of the Company will not be closed.

By order of the Board.

D. R. STREET,
Secretary-Treasurer.

Ottawa, March 11th, 1918.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

Notice is hereby given that a Dividend of two dollars and thirty cents per share on the Capital Stock of this Institution (65% paid up) has been declared and will be payable at its Head Office, in this city, on and after Tuesday, the second day of April next, to Shareholders of record on the 15th day of March next, at three o'clock p.m.

By order of the Board.

A. P. LESPERANCE,
Manager.

Montreal, February 25th, 1918.

PATON MANUFACTURING COMPANY OF SHERBROOKE

Notice is hereby given that a Dividend of (4%) Four per cent. and a bonus of (2%) Two per cent. for the half-year ending January 31st have been declared payable on the 15th day of March next, to Shareholders of record of the 28th instant.

By order of the Board.

A. D. BRODIE,
Secretary.

Sherbrooke, February 20th, 1918.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st MARCH, 1918, payable APRIL 15th, to shareholders of record March 31st, 1918.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, March 4th, 1918.

THE CANADIAN CROCKER-WHEELER COMPANY, LIMITED

DIVIDEND NOTICE

The Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three-quarters per cent. (1¾%) dividend on the preferred stock of the Company for the three months ending March 31st, 1918, to Shareholders of record March 20th, 1918. Also a dividend of One and Three-quarters per cent. (1¾%) on the common stock of the Company for the three months ending March 31st, 1918, to shareholders of record March 20th, 1918.

The stock books will be closed from the 20th to the 31st of March, both days inclusive.

Checks will be mailed to shareholders on March 30th, 1918.

By order of the Board.

L. R. GRIMSHAW,
Secretary-Treasurer.

St. Catharines, March 8th, 1918.

CONDENSED ADVERTISEMENTS

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

CAPABLE OFFICE ASSISTANT DESIRES POSITION.

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

CHARTERED ACCOUNTANT, young, energetic, capable executive, specially experienced in trust and loan company work wishes to associate with progressive company. Box 159, *The Monetary Times*.

INVESTMENTS AND THE MARKET

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

Algoma Steel Corporation.—An official of the company states that satisfactory progress is being made on the installation of the thirty coke ovens, which are expected to be completed by the end of June or early in July.

Goodwins, Limited.—Goodwins, Limited, department store, of Montreal, earned a net profit of \$150,985 in the year ended January 31st last after interest charges and increased allowances for reserves. As compared with 1916, net showed a gain of \$25,331, and represented earnings at the rate of 8.6 per cent. on the company's \$1,750,000 preferred stock. The total current assets are \$1,439,135, as against current liabilities of \$861,827.

Riordon Pulp and Paper Company.—The company reports earnings of \$1,943,651, including income from its investments, for the year ended December 31st last, an increase of \$417,036, or about 27 per cent., as compared with 1916. The figures are after the deduction of the 1916 war tax, but no provision has been made for the 1917 tax. An exceptionally large allowance for depreciation, which includes, this year, provision for exhaustion of timber areas, reduced the net balance after fixed charges and preferred stock dividend to \$962,942, a decrease of \$202,794, or about 21 per cent. Earnings on the ordinary capital, which were at the rate of 25.0 per cent. in 1916, appear as 21.4 per cent. for 1917. The depreciation allowance, which accounted for the reduction in net profits, was \$766,055, against \$149,480 the year before.

La Rose Consolidated Mines Company.—The company reports profits of \$71,372 for 1917. The production for the year was 437,337 ounces, having a net value of \$328,751. Against an average price of 64.89 cents an ounce for silver in 1916, the company last year received 82.94, but the increase was more than offset by higher costs of production, the average being 68.64 cents an ounce, against 46.39 in 1916. The company's surplus at the end of 1917 was \$485,286, against \$740,353 in 1916.

The report says that there is still a small amount of ore left in pillars and the backs and walls of old stopes, but no estimates as to the quantity or value can be made. The general manager states that options on two gold properties were dropped owing to unsatisfactory exploration results, and that while other properties were examined none was acquired.

Canada Cement Company.—Addressing the shareholders at the annual meeting of the company, held at Montreal on March 8th, the president, Senator W. C. Edwards, said that he had always looked forward to the time when he could make the statement that there was not a drop of water in the common stock. As a result of the excellent business of the past year, he was now in a position to make that statement.

Dealing with the facts presented in the annual report, the president emphasized the fact that the earnings from the cement business proper had been sufficient to take care of fixed charges, preferred dividends and ordinary dividends chargeable to the year's profits. The new business handled by the company had resulted most successfully.

F. P. Jones, vice-president and general manager, commenting upon the cement business proper of the company, remarked that it had never been a record one, especially in the country districts. The directors, however, expect that after the war there will be a greater demand for cement than at the present time. The company is in a position to take care of any extra business without further outlay of capital. The old board of directors was elected without change.

Dominion Cannery, Limited.—The report presented by the directors at the recent annual meeting of the company on March 6th was termed satisfactory by President J. J. Nairn. It showed that the operating profits for the past year, after providing for the business profits war tax, but before deducting bond interest was \$800,420. This, with the credit balance brought forward from 1916, made a total of \$1,258,944. The balance carried forward this year is \$990,338, after paying interest on bonds of \$108,263 and dividends on preferred stock of \$160,342. In addition to this reserve, the company has \$150,000 as an insurance reservation.

The report also announced that the directors have declared a dividend of 1¾ per cent. on the preferred stock, payable on April 1st.

The following are extracts from the report presented by the president:—

"Our stocks of canned goods on hand are unusually light, and we will probably go into next season with little or nothing in the shape of canned goods. No one can forecast the future. There are so many uncertainties, and it seems necessary to protect ourselves against the unforeseen.

"Regarding export business. Last year we advised you that we were diligently working up our export trade, and this particularly has been of material assistance to us, but owing to transportation and foreign financial conditions, this trade is now practically cut off. Labor has advanced considerably, tins have also greatly advanced; in fact, all those materials that enter into the pack, such as fruits and vegetables, range from 50 up to 100 per cent higher. Therefore, we cannot for the present expect to sell goods at normal prices."

Intercolonial Coal Company.—Profits for the year ended December 31st last totalled \$183,419, compared with \$122,734, an increase of \$60,685, or 49.4 per cent. Deductions included sinking fund, \$6,000; interest, \$14,579; discount debentures, \$2,102; depreciation, \$35,970; war tax, \$17,150; dividends, \$7,626, totalling \$83,427, and leaving a surplus for the year of \$9,992, which, added to the previous surplus, made the profit and loss total \$179,089.

Mr. Charles Fergie, president, stated at the annual meeting recently that the total quantity of coal raised was 170,700 tons, compared with 143,748 in 1916, an increase of 35,952 tons. A ready market was obtained for the output, the demand during the greater part of the year being much in excess of the supply.

The demand for fireclay products also continued extremely brisk, and the clay department experienced another very successful year. Outputs were at times, however, adversely affected owing to shortage of labor. There were during the year 5 per cent. debentures redeemed to the amount of \$52,500, leaving of this issue now only \$47,500 outstanding. Of the first mortgage issue, \$6,000 of the 6 per cent. bonds were also redeemed, but no part of the 5 per cent. bonds, thus leaving still outstanding \$177,500 of the 6 per cent. and \$17,500 of the 5 per cent. bonds.

With prospects of an increased production and the continuance of an excellent market, the outlook for 1918 is very promising, and another year's satisfactory and successful operations may reasonably be looked forward to.

Current assets totalled \$301,868, compared with current liabilities of \$42,098, leaving the net working capital \$259,770, compared with \$164,307 a year ago.

Paton Manufacturing Company.—The statement of the company for 1917 shows that the profits did not come up to the record level of 1916, being \$108,332, compared with \$314,311 for the preceding period. After paying the preferred and common dividends, amounting to \$72,000, there was a balance to profit and loss of \$36,426.

The balance of profit and loss from the previous year amounted to \$644,955, and from that was deducted war taxes for the accounting period from February 1st, 1915, to January 31st, 1916, amounting to \$30,787, to which was added a \$6,000 contribution to the Sherbrooke patriotic fund. This left the surplus slightly smaller than the preceding year, the amount carried forward being \$644,594, against \$644,955 at the end of the previous year.

The profit and loss account compares as follows:—

	1917.	1916.
Profit for year	\$108,332	\$314,311
Balance debt. recovered	94	479
	\$108,426	\$314,790
Dividends	72,000	78,000
Surplus for year	36,426	202,904
Total	\$644,504	\$644,955

The balance sheet shows that the current active assets were higher than a year ago. Total assets were \$1,371,499, compared with \$1,306,719 a year before.

The balance sheet compares as follows:—

	1917.	1916.
Current liabilities	\$126,905	\$61,763
Capital stock	644,955	600,000
Cash	1,903	162,672
Accounts receivable	172,671	134,855
Insurance	8,600	7,849
Stocks	563,924	404,135
Investment	185,410	24,525
Total active assets	932,518	824,037
Land, buildings, etc.	438,981	482,681
Total assets	1,371,499	1,306,719

BRITISH AMERICA ASSURANCE COMPANY

INCORPORATED 1833

FIRE, MARINE AND HAIL INSURANCE

STATEMENT AS OF DECEMBER 31ST, 1917

Fire and Hail Premiums for 1917.....		\$2,442,577.36	
Marine Premiums for 1917.....		1,390,785.47	
			\$3,833,362.83
Interest and Rents.....			80,613.63
			<hr/>
TOTAL INCOME.....			\$3,913,976.46
Fire and Hail Losses.....	\$1,236,646.55		
Agents' Commissions.....	534,700.77		
Taxes.....	66,760.49		
General Expenses.....	337,512.42		
		2,175,620.2	
Marine Losses.....	748,934.48		
Agents' Commissions.....	234,192.75		
Taxes.....	7,987.57		
General Expenses.....	20,450.07		
		1,011,564.87	
			3,187,185.10
			<hr/>
PROFIT FOR THE YEAR.....			\$ 726,791.36
			<hr/>
CAPITAL STOCK (fully paid up).....			\$1,399,029.79
			<hr/>
TOTAL ASSETS AT 31st DECEMBER, 1917.....			\$3,522,019.73
			<hr/>
LOSSES PAID SINCE ORGANIZATION IN 1833, OVER.....			\$43,000,000.00

BOARD OF DIRECTORS

W. B. MEIKLE, President

SIR JOHN AIRD	DR. JOHN HOSKIN, K.C.
ROBERT BICKERDIKE (Montreal)	Z. A. LASH, K.C., LL.D.
H. C. COX	GEORGE A. MORROW, C.B.E.
ALFRED COOPER (London, Eng.)	LT.-COL. THE HON. FREDERIC NICHOLLS
D. B. HANNA	BRIG.-GEN. SIR HENRY PELLATT, C.V.O.
E. HAY	E. R. WOOD

BOARD AT LONDON, ENG.

RT. HON. SIR JOHN H. KENNAWAY, Bart., C.B., Chairman		
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LONDON OFFICE, 14 CORNHILL, E.C.

Head Offices, Corner Scott and Front Streets, Toronto

Montreal and Toronto Stock Transactions

Stock Prices for Week ended Mar. 13th, 1918, and Sales.

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

Montreal Stocks	Asked	Bid	Sales
Abitibi.....com.			
Ames-Holden.....com.			
.....pref.			
Asbestos Corporation.....pref.			
Bell Telephone.....			4
British Columbia Fishing & Packing.....	46	44½	560
Brompton.....			50
Brazilian.....	38½	36½	516
Canada Car.....com.	24		80
.....pref.	60	50½	395
Canadian Converters.....			
Canada Cement.....com.	60½	60	675
.....pref.	91	90½	91
Canada Cottons.....			88
.....pref.			11
Canadian Con. Rubber.....pref.			
Canadian Pacific Railway.....			2
Canadian General Electric.....			170
Canadian Locomotive.....com.			
Canada Steamship Lines.....com.	40	36½	375
.....pref.	77½	76½	160
.....(Voting Trust)			150
Civic Investment.....	75	74½	339
Civic Power.....com.			
Cons. Mining and Smelting.....	25		340
Consumers Gas.....com.			
Dominion Bridge.....			10
Dominion Canners.....pref.	81	80	10
Dominion Iron.....pref.	93	91½	25
Dominion Steel Corporation.....com.	60	59½	1073
Dominion Textile.....pref.	85	81½	147
Goodwins Ltd.....	11		
Illinois Traction.....com.			17
.....pref.	80		
Intercolonial Coal.....com.	35		
Lake of the Woods Milling.....com.			20
Laurentide Co.....			35
Lyll Const.....com.			155
Macedonald.....	16½	15	960
Mackay Cos.....com.			
.....pref.			110
Maple Leaf Milling.....com.	98		
Montreal Tramway.....deb.	153		100
Montreal Telegraph.....	12		
Montreal Cotton.....com.			
.....pref.			
Nova Scotia Steel.....	151		
Ogilvie Flour Mills.....com.			25
Ontario Steel.....com.			25
.....pref.			49
Penmans.....pref.			17
Price Bros.....			50
Riordan Paper.....pref.			
Quebec Railway, Light, Heat & Power.....	17	16½	126
Shawinigan Water & Power.....rights	114	113½	244
Spanish River.....com.	13½		35
.....pref.	50		
Smart Woods.....	58		
Steel Co. of Canada.....com.	57½	57½	5132
.....pref.	90		57
St. Lawrence Flour Mills.....com.			50
.....pref.			
Toronto Railway.....com.			
Wayagamack.....			
Bank of British North America.....			
Bank of Commerce.....	185		12
Bank of Montreal.....	210		2
Bank of Ottawa.....	201		
Bank of Toronto.....			
Bank d'Hochelega.....	140		4
Banque Nationale.....deb.			
Bank of Nova Scotia.....	248		
Dominion Bank.....			
Merchants Bank.....	167		1
Molsons Bank.....			9
Quebec Bank.....			
Royal Bank.....			2
Standard Bank.....com.			
Union Bank.....			145
.....19			
Montreal Bonds			
Asbestos.....			260
Bell Telephone.....	93½		
Canadian Car.....	97		
Canada Cement.....			
Canadian Converters.....			900
Canada Felt.....			
Cedars Rapids.....			
Dominion Coal.....			
Dominion Cotton.....	86½	81	
Dominion Iron and Steel.....A			
.....B	97		
.....C			
.....D			
Lake of Woods Milling.....			
Laurentide.....			
Lyll Construction Co.....			
Montreal Light, Heat & Power.....			
Montreal Tramways.....			
National Breweries.....			
Nova Scotia Steel.....A			
Ogilvie.....B			
.....C			
Penmans.....			
Price Bros.....			

Montreal Bonds (Continued)	Asked	Bid	Sales
Quebec Railway, Light and Power.....	60		
Riordan Paper.....			
Sherwin-Williams.....			
First Dominion War Loan.....			13300
Second Dominion War Loan.....			6700
Third Dominion War Loan.....			10100
Wabasso Cotton.....	81		
Wayagamack.....			

Toronto Stocks	Asked	Bid	Sales
Ames-Holden.....	14½		
.....pref.	50		
American Cynamid.....	36	32	
B. & L. (Landed).....		52	
Barcelona.....	9½	9½	
British Columbia Fish.....	46	44	25
Brazilian.....	38½	36½	593
B. C. Packers.....			35
Canada Bread.....	17	16	
.....pref.	25	23	
Canadian Car & Foundry.....	58½	57	
.....pref.			23
Canadian Canners.....			53
.....pref.			106
Canadian General Electric.....cum div. pref.	104½	104	95
Canada Landed & National Investment.....		82½	225
Canadian Locomotive.....	162½		10
.....pref.	145½	143½	
Canadian Pacific Railway.....	40	39½	50
Canada Permanent.....	77	76½	507
Canada Steamship.....			240
.....pref.			110
.....(Voting Trust)			100
Can. Salt.....	60½	59½	
Cement.....com.			282
City Dairy.....		60	
Colonial Loan.....com.			1106
Coniagas.....com.	375		
Confederation Life.....	146½		
Consumers Gas.....	50		28
Detroit.....	860	820	
Dome.....	23	21	100
Dominion Canners.....pref.	81	79	
Dominion Iron.....com.			
.....pref.	60½	59½	485
Duluth Sup.....	41		20
F. N. Burt.....pref.	86	84½	5
Hamilton Provident.....		135	
Huron & Erie.....com.	207		
Lake of the Woods.....com.			200
La Rose.....	78	76½	46
Mackay Companies.....pref.	62½	61½	103
Mackinley Darragh.....com.			40
Maple Leaf Milling.....	98	96	25
.....pref.			40
Monarch.....		40	
.....pref.			50
Nat. S. Car.....	12	10	
.....pref.	36	34	
Nipissing.....	870	850	12
Nova Scotia Steel.....rights	66	64	60
.....pref.	50	45	
Penmans.....	82		
.....pref.	75	74	
Petroleum.....com.	1350	1275	
Riordan.....	121		
.....pref.			
Rogers.....com.			
.....pref.			
Russell Motor.....	58	52	
.....pref.	70	10	2
Sawyer-Massey.....	40		50
Shredded Wheat.....			
Spanish River.....			
.....pref.			100
Cons. Smelters.....	50		
Standard Chemical.....	254	24½	
.....pref.	67		533
Steel Company of Canada.....	57½	57	15
.....pref.	90	88½	
Toronto General Trust.....	72	65	
Toronto Paper.....			
Toronto Railway.....			
Trethewey S. Mines.....com.	58		500
Tucketts.....	16½	15½	
.....pref.	19		
Winnipeg Electric.....			160
Twin City.....	48		
Bank of Commerce.....	55	53½	
Bank of Ottawa.....	185		
Bank of Hamilton.....	201		22
Bank of Montreal.....		184	
Bank of Nova Scotia.....	210		
Bank of Toronto.....			5
Dominion Bank.....	187		23
Imperial Bank.....	202		
Merchants Bank.....		185	
Molsons Bank.....		167	
Quebec Bank.....	179½		
Royal Bank.....	208		
Standard Bank.....	200		
Union Bank.....			

Toronto Bonds	Asked	Bid	Sales
Canada Bread.....		145	
Canada Locomotive.....			
Penmans.....			
Riordan.....		80	
Sao Paulo, 1929.....			
Steel Company of Canada.....		88½	1000
First War Loan.....	94	93½	8500
Second War Loan.....	92½	92	7900
Third War Loan.....	92	91½	8700

CLARKSON, GORDON & DILWORTH
 CHARTERED ACCOUNTANTS, TRUSTEES, RECEIVERS, LIQUIDATORS
 Merchants Bank Building, 15 Wellington Street West, TORONTO
 E. R. C. Clarkson, G. T. Clarkson,
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LARGE EXPENDITURE ON RAILWAY EQUIPMENT

The Hon. Dr. Reid, minister of railways, is arranging for new rolling stock, locomotives and rails for Canadian railways this year aggregating a total cost of approximately forty million dollars. In addition to the 100,000 tons of steel rails to be rolled by the Dominion Iron and Steel Company and the rails secured in the United States, announced recently, the railway department is ordering 7,500 new freight cars, 150 locomotives and several hundred new colonist sleepers and other passenger cars. The colonist sleepers will be required to accommodate the big movement of troops to be expected when the influx of returning soldiers really starts in. The freight cars will include a large number of coal cars to relieve the scarcity evident this winter. All the new equipment will be ordered on government account, but deliveries will be allocated to all railways as needs require.

Prices submitted in the tenders received are very high as compared with pre-war prices. Box cars, for instance, now cost from \$2,600 to \$2,800 each, as compared with \$1,400 each before the outbreak of the war. Locomotives have increased in cost by 150 per cent., and now run at about \$60,000 each.

In an effort to reduce costs through pooling orders by the government, officials of the railway department are investigating costs of raw material and of manufacture, and arrangements may be made with the manufacturers for governmental purchase of iron and steel supplies at minimum cost, through co-operation with the United States government.

ALBERTA PREVENTS SALE OF SECURITIES

The results of legislation in Alberta are related in a report of the Public Utilities Board of that province. The Commissioners say that up to November 30th sales in Alberta of securities of approximately \$3,500,000 have been prevented by the operation of the act. This estimate apparently is based not upon the capitalization of the companies refused certificates, but upon the stock for the issue of which in Alberta formal application was made. The Commissioners say:—"The prosperity prevailing, particularly amongst the agricultural population, has caused company promoters to turn their attention to the province as a likely field in which to sell shares in their speculative enterprises.

"That the act has prevented the offer to the public of much stock in companies doomed from the very outset to failure there can be no doubt. Generally speaking, the sale has been barred by the refusal of the board to grant the certificate, but in some few instances this has resulted from the board's action in attaching to the safeguarding of the purchasers conditions that the promoters, though acquiescing in, have failed to comply with."

The tax rate in St. Thomas, Ont., will be about 30 mills, owing to the increase of expenditures outlined for the coming year. This increase will amount to about \$15,000, to cover special additional patriotic grants and increased wages of about \$6,000 to city employees.

GOVERNMENT FINANCE

PUBLIC DEBT		1917		ASSETS—		1917		REVENUE AND EXPENDITURE ON ACCOUNT OF CONSOLIDATED FD.		Total to 28th Feb. 1918		EXPENDITURE ON CAPITAL ACCOUNT, ETC.		Total 28th Feb. 1918	
		\$	cts.			\$	cts.			\$	cts.			\$	cts.
LIABILITIES—				Investments—Sinking Fds.		16,140,112	76	REVENUE—				War.....		207,849,726	63
Payable in Canada	655,862,008	91		Other Investments		242,618,809	35	Customs	130,485,189	58		Public Works, Railways and Canals	24,776,356	50	
Payable in London	362,703,312	40		Province Accounts		2,296,327	90	Excise	24,014,567	99		Railway Subsidies	720,404	75	
Payable in New York	75,878,000	00		Miscel and Bkg. Accounts		724,557,609	32	Post Office	18,250,000	00					
Temporary Loans	199,184,484	06		Total Assets		985,612,889	33	Pbc. Works, R'lways & Canals	25,427,976	61					
Bank Circul'n Redemp. Fd.	5,799,609	27		Total Net Debt 28th Feb.		1010780470	48	Miscellaneous	31,588,193	64					
Dominion Notes	256,672,765	34		Total Net Debt 31st Jan.		997,529,207	28	Total	229,766,627	82					
Savings Banks	52,562,415	21		Increase of Debt		13,251,263	20	EXPENDITURE	124,781,421	79					
Trust Funds	10,893,231	83													
Province Accounts	11,920,481	20													
Miscel. and Bkg. Accounts	27,017,071	39													
Debt	1,996,393,359	81													

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto (Week ended Mar. 13th, 1918.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power.....com.	49	47	Canada Machinery...com.	10	14	Ford Motor of Canada...	190	225	National Telephone...5's	52	...
.....pref.	80	88	.....pref.	44	50	Home Bank.....	60	65	North. Crown Bank.....	87.50	...
Alberta Pac. Grain...com.	97	...	.....6's	71	76.50	Imperial Oil.....	275	300	North Ont. L. & P....6's	75	82
Amer. Sales Book...pref.	90	...	Continental Life.....	17	25	Imper. Trust Co. Toronto	...	37.50	Ont. Pulp Bonds.....	76	81.50
.....	90	...	Can. Westinghouse....	103	118	Goodyear Tire.....	175	200	Peoples Loan.....	81	90
Arena Bonds.....	90	...	Consumers Cordage pref.	70	85	Lambton Golf Club....	350	390	Rosedale Golf Club....	335	365
Atlantic Sugar.....pref.	20	28	Chapman Ball Bearing..	20	28	Loews Theatre.....	77	83	South Can. Power.....	12	15
.....com.	4	8	Dom. Explosives.....	...	25	Maple Leaf Con.Mk. pref.	50	...	Sovereign Life.....	12	20
Beiding Paul.....	75	80	Dom. Fire.....	18.50	21	Massey Harris.....5's	67	71	Sterling Bank.....	...	82.50
.....pref. xd	71	78	Dom. Iron 5's, 1939...	73	78.50	Matthew-Blackwell com.	112	130	Sterling Coal.....com.	9.50	11
Can. L. & P.....5's	40	45	Dominion Glass.....com.	30	...	Matthew Laing.....6's	93	96.50	Toronto Paper.....6's	69	72
Black Lake.....6's	20	26	Dom. Power.....com.	52	...	M'Donald.....75	82	82	Toronto Y'k Rad. 5's. 1919	85	90
Brand-Henderson...com.	45	51.50	D. Po'er & Trans.....5's	80	85.50	Marrow Screw.....6's	85.50	92	West. Assurance.....	5	6.75
Brand Roofing.....	90	...	Dunlop Power.....pref.	90	96.50	Milton Pressed Brick...	25	35	Wt. Can. Flour. 6's (1931)	90	96
Can. Cereal & Flour..6's	...	90	Dunlop Tire.....6's	96.50	100	Mississauga Golf.....	65	65	(1928)	96	101
Can. Cons. Felt.....pref.	30	...	Eastern Car.....6's	90	94						
Can. Fairbanks.....pref.	83	90									
Can. Marconi.....	1.75	2.50									

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

CANADA'S JANUARY TRADE

Canada's aggregate trade during January last amounted to \$161,182,305, as compared with \$177,946,907 during the corresponding month last year, a decrease of \$16,764,602. The comparative figures, compiled by the Department of Trade and Commerce, Ottawa, are as follows:

	Month of January		10 Months ending January	
	1917	1918	1917	1918
	\$	\$	\$	\$
Total Imports entered for Consumption—				
Dutiable goods.....	39,855,400	34,257,484	370,646,468	460,976,855
Free goods.....	32,467,674	26,419,930	304,318,080	362,082,846
Total	72,323,074	60,677,414	674,964,548	823,059,701
Coin and Bullion.....	2,928,278	526,869	25,922,701	10,774,845
Grand total	75,251,352	61,204,283	700,887,249	833,834,546
Duty collected.....	12,762,621	10,542,643	119,141,351	136,339,474
Total Exports from the Dominion of Canada—				
The mine.....	6,836,464	5,528,992	70,562,024	61,027,608
The fisheries.....	2,784,824	3,390,587	20,860,380	24,900,767
The forest.....	3,695,352	3,110,324	49,833,800	45,622,438
Animals and their produce.....	11,745,761	15,918,079	105,332,667	152,271,401
Agricultural products.....	22,550,924	26,390,294	340,002,369	501,728,297
Manufactures.....	50,814,082	41,383,115	368,655,496	564,256,545
Miscellaneous.....	678,852	494,893	5,489,336	4,004,128
Total merchandise	99,106,259	96,216,284	960,736,072	1,353,811,184
Coin and bullion.....	9,560	49,210	85,952	287,143
Grand Total exports	99,115,819	96,265,494	960,822,024	1,354,098,327
Total Canadian Trade—				
Merchandise entered for consumption.....	72,323,074	60,677,414	674,964,548	823,059,701
Merchandise, domestic—exported.....	99,106,259	96,216,284	960,736,072	1,353,811,184
Total merchandise, for consumption and domestic exported	171,429,333	156,893,698	1,635,700,620	2,176,870,885
Coin and bullion entered for consumption.....	2,928,278	526,869	25,922,701	10,774,845
Coin and bullion exported.....	143,489	231,838	196,190,607	2,972,822
Merchandise, foreign—exported.....	3,445,807	3,529,900	20,470,769	38,874,724
Grand total Canadian trade	177,946,907	161,182,305	1,878,284,697	2,229,293,276

ORDERS FOR SHELLS FROM UNITED STATES

The Imperial Munitions Board, asked as to the orders for shells from the United States, placed in Canadian factories, stated this week that no large orders were received recently. Some three months ago orders were received for the machin-

ing of 6,500,000 seventy-five millimetre shells, the manufacture of ten million seventy-five millimetre forgings from steel supplied by the United States, and the making of two million cartridge cases. In addition to these orders another has been received for 425,000 4.7 shells. This comprises the total of the orders received by the Imperial Munitions Board from the United States for Canadian factories.

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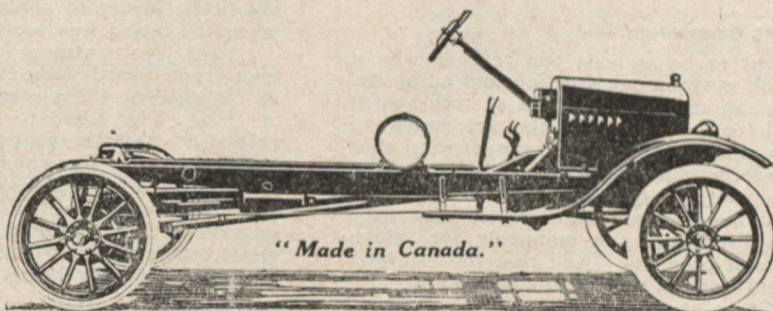
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READJUSTMENT OF INDUSTRY

How to Secure Remunerative Trade Without Unrestricted Competition

How to secure remunerative trade without unrestricted competition; how to maintain efficient production with competitive co-operation. These two problems were discussed at length by Colonel David Carnegie, M.I.C.E., F.R.S., Edin., member and ordnance adviser, Imperial Munitions Board, Ottawa, at the annual meeting of the Canadian Mining Institute, Montreal, last week. In dealing with the first problem, Colonel Carnegie said:—

"I believe there is a place where each consumer, buyer, manufacturer and employee can do the most efficient service, and at the same time have his share in the responsibility and profits of the industry. By the union of these interests a social service would be developed and dissipate servile fear and eye service.

"By restricting competition in securing trade on the one hand, and inspiring competitive co-operation in production on the other, a combination of the complete forces in industry can be obtained. To secure these ends I suggest for your consideration the formation of two distinct organizations. The first, which might be named National and District Trade Boards, composed of representatives of buyers and manufacturers, possessing the sanction and authority of government to trade in the manner I am about to outline, with a view to the abolition of unrestricted competition between each manufacturer of the same industry in each district. The second, the formation of District Production Boards, composed of representatives of the employers and the employees, having government sanction and authority to deal with provisions for the maintenance of efficient labor, processes and plants for the production of the products of their industry. It may be found eventually that one organization for the control of buying and selling as well as production, instead of two organizations as I have suggested, will be more efficient, but it appears for the present that two boards would give fuller and freer opportunity for the exercise of the gifts of administration on the one hand and technical skill on the other if each board had independent control.

"Some may ask why should a body of manufacturers require government sanction and authority to direct their own industry? Is the industry not able to look after its own interests without having one of its representatives approved and secured by government to overlook its operations? Is not industry already sufficiently trammelled by officialism and government red tape?

Reasons for Government Connection.

"There would appear to be at least two reasons why it is advisable to have such government sanction and authority. First, because the chairman and vice-chairman of such boards in this country would have free access to the department of trade and commerce as officials of that department, and thus obtain more quickly information necessary to carry on the work of the board. Second, the general public would look upon any such combination of manufacturers, if they were not under government direction, as a monopoly for selfish gain and to raise prices of products. And that the interests of the community would not be sufficiently safeguarded.

"These national and district trade boards would be distinct from the district production boards in both the personnel and duties performed. The former board would have representatives of the manufacturers and buyers concerned in the commercial and financial administration in securing and distributing orders to the manufacturers, as well as seeing to the final delivery of the manufactured products. The latter board would have representatives of manufacturers and employees, and would be concerned in all matters relating to the technical and human problems in the production of the industry.

"On these boards the administrator, the buyer, the manufacturer and the worker are all represented, each in his own sphere where the maximum of service can be rendered by each in the most efficient and harmonious manner.

"The functions of production boards I will define more fully when dealing with the second problem.

"In describing these trade boards, I wish to avoid giving the slightest impression that the district and national boards have for their object private monopoly.

"1. I propose the formation of trade boards for each industry, in each district and nation, consisting of representatives of the buyers, merchants or consumers elected by them in sufficient number to represent their interests. The chairman to be nominated by the elected board from one of the manufacturers, and the vice-chairman from the buyers. Both these officers to have their nominations confirmed by government and their services secured by government for the period covered by their election. Both to have full administrative powers granted to them to act with the executive representatives of the manufacturers and buyers in carrying on the duties of their office.

"2. Each trade board to be incorporated as an association to carry on the business of the board on behalf of the industry represented and within a definite geographical area.

"3. The trade boards to be known as district and national boards, having a distinct number or geographical designation and bearing the nature of the industry. For instance, the steel and iron industry of Canada might have two district boards and one national board. The board in the one district might be called the eastern steel and iron trade board, the other the western steel and iron trade board, having the geographical boundaries fixed for each.

"The national board might be styled the Dominion steel and iron trade board.

Functions and Duties of Boards.

"4. The functions of the district trade board:—

"(a) To tabulate the rated capacities of all works in the specific industry of the district over which it presides. To receive from manufacturers monthly or periodically, rates of surplus capacities available at their works for production for definite periods.

"(b) To tabulate the domestic requirements of the district and submit to the national board schedules giving the surplus available capacity of factories in the district which could be used for foreign trade.

"(c) The district trade board would be the recognized medium approved by government through which all enquiries would be submitted for work usually offered to competition by buyers, users or consumers in the district over which the board presided. The government or board, however, would not prevent any user, consumer or buyer from sending similar enquiries to any foreign market or prevent them from purchasing the goods from a foreign market, if after receiving tenders from the board they were not so favorable as those received from foreign competitors.

"(d) The board, as a rule, would receive tenders from manufacturers to guide it in tendering and in negotiating contracts with buyers, or if it had sufficient information to enable them to prepare tenders for competitive work it would not be necessary to apply to the manufacturers in each case when the board was tendering for work.

"(e) No contracts for work to be concluded by the district trade board without the approval of the chairman, or in his absence the vice-chairman of the board.

"(f) The board to place orders with manufacturers at prices at which the contracts are negotiated with the buyers. prices for work for which tenders are not called to be fixed by the board. From time to time schedules of prices to be made by the board of different standard articles, based upon quotations from manufacturers and upon rates of raw materials, rates of labor and other conditions of local importance to guide the board in quoting buyers.

Responsible for Delivery.

"(g) The district trade board to be held responsible for the delivery of the work in accordance with the specifications, drawings and terms of contract, inasmuch as the board negotiates the contracts with the buyers.

"(h) The board to have full authority to allocate to the manufacturers orders for execution in accordance with the rated capacity and general ability of each manufacturer to fulfil the contracts.

"(i) The board to have authority to purchase any raw materials required in the fulfilment of contracts undertaken which it would be obviously more economical to purchase for all and distribute among the manufacturers rather than each manufacturer himself procuring the raw materials to be required.

"(j) The district trade board to receive all payments for work placed with the individual manufacturers by the board and completed and delivered to the customers. Payments to be made by the board to the manufacturers for all products

(Continued on page 48.)

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BANK AMALGAMATIONS IN ENGLAND

No Fusions of Such Importance for Two Decades—Causes and Consequences

Commenting on the number and nature of bank amalgamations in England, the London Financial Times says:—

"Amalgamation epidemics in the banking arena, like their counterparts in the pathological world, tend to recur in cycles, but their origin may be due both to local and national causes. A time of war one would hardly have predicted as a favorable period for fusions and absorptions, yet the past year was noted for the number of bank amalgamations and for the importance of the various institutions involved. No corresponding arrangements of such outstanding significance, indeed, had occurred since 1896, when by the merging of Gurney and Company, J. Backhouse and Company, and Barclay, Bevan, Tritton, Ransom, Bouverie and Company, and twelve other private firms, the present concern of Barclays was founded. In that year, too, there were seven other fusions, including the swallowing up of the Channel Islands Bank, the Carlisle City and District Banking Company, and the Huddersfield Banking Company by what is now the London City and Midland. Prior to that the most remarkable season was 1891. The absorption tendency first showed itself in 1878-79, and may be said to have been started by the failure of the City of Glasgow Bank and the West of England and South Wales District Bank.

Primary Cause of Mergers.

"The original incentive may therefore be described as the desire of individually small institutions to strengthen their position and to enlarge their scope for action by union on more or less mutual terms. This principle, no doubt, underlies to a considerable degree most amalgamations, but in later years there has also sprung up among the big banks a fierce spirit of emulation which at times has passed into such keen competition as to occasionally run dangerously near to hostility. Apart from factors appertaining specially to the banks themselves there have been external causes which have favored concentration and consolidation. The multiplicity of small institutions which served very well a quarter of a century or more ago would be useless to our modern commercial methods and to the extent that banks have adapted themselves to the bigger trading conceptions of to-day the amalgamation policy has been merely a phase of the general evolution of our mercantile system. The most important changes of the past year illustrate this argument. While off-hand, as we have already remarked, a time of international crisis might be supposed to leave no room for attention to fusion questions, it has in reality forced them to the front. The chief deals—at all events the first—did not arise out of the recrudescence of a desire on the part of their participators to assume yet bigger dimensions, but solely out of the need to supplement their activities in directions the expansion of their business showed to be imperative.

Pressure of War Work.

"The war has thrown enormous additional work on the banks and has opened up to them spheres of usefulness they would have fought shy of not so very many years ago. It was often a case then of an institution threatening to become 'pot-bound'; its existing boundaries menaced the vitality of activities which had grown beyond them. Then the only alternatives were to launch out on a new programme involving the raising of fresh capital and challenging other banks or to seek alliance with another concern which could give ready-made what was wanted, and would find to hand in return something it needed itself. There were three characteristics of last year's mergers. There was an extension of local enterprise in the acquisition by the Union Bank of Manchester of the Halifax and District Permanent Banking Company; there was the invasion of Ireland by the big Metropolitan institutions exemplified in the passing of the control of the Belfast Banking Company to the London City and Midland and of the Ulster Bank to the London County and Westminster; and the reciprocal expansion of spheres of operation illustrated by the fusion of the London and Provincial and the London and South Western and the Union of London and Smiths and the National Provincial of England. Since the close of 1917 we have had the arrangement between the London County and Westminster and Parr's, which has introduced a new element into the movement and suggested rather a revival of the competitive spirit. The announcement of this fusion was only made known at the beginning of this month,

but undoubtedly it is strictly a phase of last year's boom, and that boom cannot be properly renewed without taking it into consideration.

"Contrast these noteworthy deals with the relatively insignificant performances of 1916 and 1915. There was none actually in the former year, but only the completion of the arrangement between Barclays and the United Counties of Manchester, which was negotiated in 1915, but had been hung up through the delay of the New Issues Committee of the treasury in sanctioning the necessary creation of shares. The only other fusions in 1915 were the acquisition of the Bank of Whitehaven by the Manchester and Liverpool District Banking Company and the purchase of Thomas Barnard and Company by Parr's. Various methods of payment distinguished last year's deals. The Union of Manchester bought the Halifax and District outright for cash, the London City and Midland and Belfast deal was carried through by an exchange of shares, the London County and Westminster paid the Ulster shareholders partly in cash and partly in shares, and the London and Provincial and South Western, the National Provincial and Union, and the London County and Westminster and Parr's arrangements are to be entirely on a share basis. Though these movements among banking institutions indicate a general trend of development not confined to this country, it is not difficult to outline the objectives of the individual institutions.

Invasion of Ireland.

"The invasion of Ireland in more pronounced form by leading London houses was inevitable sooner or later if they were to hold their own there. The industrial expansion in the Emerald Isle of recent years has led to much increased activity on the part of the banks, and the growth of their deposits reflects the rapid expansion of internal trade. New branches are being opened up in all directions and assistance given with a good deal of foresight to new lines of industry. English banks naturally wish to share in the prosperity this means, and by far the easiest method of doing this was the course adopted—the taking over of an existing national institution and carrying it on in its native guise. The Union of Manchester's acquisition exemplifies the same principle in a qualified degree in the North of England. The trend of its business required better representation in the Yorkshire area, and the purchase of the Halifax and District gave it what it needed and widened still further the scope of its possibilities in the Northern area.

As to the London Fusions.

"The three big London fusions are all of a complementary and supplementary character. How necessary the London and Provincial and the South Western have always deemed themselves to each other is proved by the fact that they have flirted together for nearly half a century, though only now has the marriage been arranged. The South Western is mainly a metropolitan institution, with the addition of a strong foreign connection, but with only a weak hold on the industrial centres and the seaports. There, on the contrary, the London and Provincial is powerful, and it has a specially good business in South Wales, though it was comparatively limited in action in the metropolis and had no direct foreign feeders. The combination of the two produces an almost ideal undertaking, and its future development will be well worth watching. The case of the Union of London and the National Provincial is almost as convincing, and anyhow there are plenty of grounds to justify the deal. The Union's principal interests are in the metropolis, though from time to time it has materially expanded its connection in the provinces by judicious acquisitions. But these expansions have not carried it much into the ground covered by the National Provincial, so that it remains true that out of a combined total of 700 officers the two concerns outside of London meet in only about thirty-five places. The National Provincial, on the other hand, is notably a Midland and Northern undertaking, and its association with the metropolis is primarily for the convenience of its country connections, and it certainly does not clash there with the Union. The amalgamation of two such concerns should result in a highly useful institution and, anyhow, the fusion makes it the third biggest bank in the United Kingdom—no mean ideal to live up to.

"The main reason put forward for the London County and Westminster and Parr's merger is that the latter brings to the former a big and much needed northern connection, and that the former will give the latter a very convenient foreign outlet, principally in France and Spain. It is obvious, however, that this cause of amalgamation has not just sprung into being, but has existed for some time, and that the contagion

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of the other deals must have acted as an incentive to bring it about at this particular moment. Nevertheless, there is good reason for believing that the closer association of interests will be mutually beneficial. Parr's is much more a provincial than a London house, and has built itself up by a very pronounced policy of absorption which it seems fitting should end by the self-denying ordinance which now causes it to coalesce with the London County and Westminster. The latter has probably the most extensive business abroad of all

the metropolitan institutions, and besides its own branches oversea it is the agent here for numerous foreign banks. It has plenty of country branches, too, but they happen to lie in almost every direction but the north, so that the alliance with Parr's will certainly fill a gap in its sphere of operations in this respect. The arrangement makes the combination the second largest bank in the United Kingdom, judged by the list of deposits, and not very far either behind the first, which is still the London City and Midland."

READJUSTMENT OF INDUSTRY

(Continued from page 44.)

passed and shipped, less the amount required to pay for working expenses of the board. The amount deducted to be mutually arranged between manufacturers and board.

"(k) The board to be responsible for the transportation of the materials produced and to make such arrangements with railways and shipping boards as required for the most economical and rapid means of transportation.

"The district trade board would have authority to form committees from its members or co-opt members from the buyers' and sellers' representatives of the same industry, for directing, selling, distributing, financing and for the control of any other departments in aid of the full and proper conduct of the board's business.

Manufacturers and Board.

"5. Manufacturers associated with the district trade board would be required to enter into agreement with the board that they would abide by the conditions of the incorporation, which would have for its object the securing of remunerative trade without unrestricted competition.

"Manufacturers, however, would have the right to continue any arrangement they might have for the supply of customers with products for which orders may be received direct from time to time without competition.

"However, should enquiries for competitive work be sent to any manufacturer after buyers have been notified that the district trade board would handle competitive business, such enquiries would be forwarded to the board for its attention.

"6. Each manufacturer would be entirely free to organize and operate his works just in the manner he considered best to obtain the maximum output of the best quality.

"He would have the opportunity of being a member of the production board, and derive the benefits of such membership in helping him to maintain efficient production.

"7. Periodic meetings of the various district trade boards of the same industry to be held for conference, with a view to improving methods of operating boards.

"8. To avoid overlapping of services, all buyers would be kept supplied with list of products manufactured within the various districts, to help them in sending to the board of the district where the articles were being produced, and where freight charges would be less in delivering the goods.

Formation of Useless Companies.

"9. The district trade board would have the right to appeal against the formation of new companies within its district if in the opinion of the board there was insufficient trade to keep in operation any additional capacity without general loss to the community. Such appeals would be lodged with the provincial or Dominion governments and contain facts regarding the condition of the industry. These would be placed before the promoters for their information. In spite of any appeal, however, the board would have no right to interfere with the process of company formation, so long as the promoters were prepared to take the risks. If additional factories were required it would have the right to encourage the formation of new companies or the extension of existing factories.

"Other duties in regard to free inter-communication and harmonious efforts between the boards of different industries to facilitate the flow of products from all industries would naturally follow.

"I have gone into details more fully than was perhaps necessary to explain the functions of the board for securing trade without unfair competition, but I am sure I haven't, by any means, exhausted the uses of such boards in developing industry without all the hurtful influences which accompany fierce competition for trade, particularly when dull times come.

"I will now describe briefly the constitution and functions of the national trade board.

National Trade Boards.

"The constitution and functions of these boards would be similar to the district trade boards, excepting that they would be responsible for foreign trade only.

"1. The board would be a properly incorporated body composed of representatives of manufacturers, together with representatives of the buyers, just as in the case of the district boards. These would be elected by the votes of the various district boards in the same industry. Each district

board would have the right to have a representative on the national board, not necessarily one of the members of the executive of the district board. The chairman would be nominated from the manufacturers and the vice-chairman from the buyers by the national board, and if government approved of their selection their services would be secured by the government for the period covered by the term of office for which they were elected.

"2. The functions of each national trade board would be as follows:—

"(a) To tabulate the markets of the world for the nation's surplus production in the industry it represented.

"(b) To tabulate the world's capacity to produce the articles made by manufacturers in the country represented by the board.

"(c) To secure through the industrial consular and diplomatic foreign services, outlets for the nation's surplus productive capacity. For instance, instead of trade commissioners' reports which are now published in journals by the department of trade and commerce, being searched by each manufacturer so that enquiries for work may be noted and tenders prepared and sent to the foreign government or buyers, by each individual manufacturer, such reports would be passed immediately by the department of trade and commerce to the national trade board, who would handle the matter for all the manufacturers.

"(d) To undertake the distribution of orders and payments for products through the district boards. All transportation of export goods to be undertaken by the national boards.

"(e) To promote international negotiation with all industrial countries who carry on an export trade, with the object of securing trade for each other without unrestricted competition, by the establishment of international boards.

"3. The national board to have full authority to requisition any information from the manufacturers of the industry represented, in regard to methods and costs of manufacture, wages and hours of labor, conditions of labor and other matters affecting production."

Colonel Carnegie's remarks on the second problem—namely, how to maintain efficient production with competitive co-operation, will be printed in *The Monetary Times* next week.


BANK CLEARINGS

The following are the bank clearings for the weeks ending March 8th, 1917, and March 9th, 1918, respectively, with changes.

	Week ending March 9, '18.	Week ending March 8, '17.	Changes.
Montreal	\$ 74,798,454	\$ 78,530,409	— \$ 3,741,045
Toronto	61,917,233	53,220,675	+ 8,696,558
Winnipeg	44,845,382	37,761,116	+ 7,084,266
Vancouver	9,039,130	6,536,790	+ 2,502,340
Ottawa	6,503,530	5,287,511	+ 1,216,019
Calgary	6,738,214	5,328,402	+ 1,409,722
Hamilton	4,874,536	4,380,640	+ 484,887
Quebec	4,591,871	3,987,381	+ 604,490
Edmonton	3,483,857	2,460,402	+ 1,014,455
Halifax	3,790,261	2,336,603	+ 1,453,658
London	2,722,451	2,391,379	+ 331,072
Regina	2,023,597	2,654,423	+ 269,174
St. John	2,506,586	2,322,222	+ 184,364
Victoria	1,758,260	1,520,104	+ 238,156
Saskatoon	1,607,642	1,450,519	+ 148,123
Moose Jaw	1,108,145	944,619	+ 253,526
Brandon	615,598	403,704	+ 211,894
Brantford	1,110,367	837,410	+ 272,957
Fort William	791,959	502,839	+ 289,120
Lethbridge	710,571	610,811	+ 99,760
Medicine Hat	454,328	436,115	+ 18,213
New Westminster	400,087	267,867	+ 132,220
Peterboro	747,191	707,247	+ 39,944
Sherbrooke	880,472	673,117	+ 216,355
Kitchener	620,547	651,214	— 30,667
Total	\$239,639,269	\$216,239,708	+ \$23,399,561

The Toronto bank clearings for the current week are \$57,020,370, compared with \$50,840,452 for the same week in 1917, and \$40,298,328 in 1916.

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

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