STEEL MERGER AND THE INDUSTRY — *See Page 5.*

The Monetary Times

Trade Review and Insurance Chronicle OF CANADA

ESTABLISHED 1867

TORONTO, FEBRUARY 22, 1918

TEN CENTS
$3 PER ANNUM

Published Every Friday
by
The Monetary Times
Printing Company
of Canada, Limited

Publishers also of
"The Canadian Engineer"

Monetary Times
Trade Review and Insurance Chronicle
of Canada

Established 1867 —— Old as Confederation

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Big Steel Merger is on the Way

Dominion Steel Corporation and Nova Scotia Steel and Coal Company are Discussing Amalgamation Proposals—No Official Announcements Have Been Made—Review of the Companies' Position—The Outlook for Our Iron and Steel Industry.

To those who have closely followed the careers of the Nova Scotia Steel and Coal Company, Limited, and the Dominion Steel Corporation the proposed merging of these two concerns was anticipated. It remained merely to convince the shareholders of the respective companies that their interests would be better served by joint management and to find some satisfactory basis of exchange of stock. It is understood that tentative efforts have been made in the past to merge the two companies, but no satisfactory progress was attained until they came under their present management. It is said by those who are in close touch with the situation that Mr. Frank H. Crockard, the new president and general manager of Scotia, and Mr. Donald H. McDougall, the general manager of the Dominion Steel Corporation, are the men who have convinced the financial interests behind the companies of the advisability of a merger. Mr. McDougall, who was formerly general manager of the Dominion Coal Company, is one of the leading mining engineers on this continent, and few men have a better knowledge of the mining and metallurgical conditions under which the companies have been operating, especially in regard to the coal properties.

Mr. Crockard, who surrendered the vice-presidency of the Tennessee Coal and Iron Company a few months ago in order to take charge of Scotia's destiny, is said to have realized at once the strong position in which such a merger would place the companies. There are, no doubt, many extensions and improvements which Mr. Crockard would like to make in the Scotia plant, and it is understood that the Dominion Company was considering, before the war, the expenditure of a large sum of money for new construction and equipment. While neither concern is disposed to sacrifice output during the war by undertaking any work of remodelling plants, there is little doubt that immediately after the war both plants will be considerably enlarged and rearranged. The logical time for merging the two companies' interests is before such a programme of reconstruction is commenced. It was therefore expected that these companies would eventually merge, but just what causes have led to the merger nearing consummation at the present time is not known. Mr. Crockard and Mr. McDougall will no doubt be at the head of the merged companies, as Mr. Crockard's experience as an iron and steel maker and metallurgist is surpassed by few, if any, on this continent

Export trade will be an important factor in the success of these companies after the war. With Mr. Crockard and Mr. McDougall working together rather than competing and with the interests and resources of Scotia and Dominion combined the new company would unquestionably be able to place their plants in a better condition to compete with foreign concerns. The proposed large plant of the United States Steel Corporation at Ojibway may have been a decisive factor in the decision of Scotia and the Dominion companies to combine for self-protection, as both our maritime province steel concerns, in the opinion of many, will experience keen competition from the Ojibway plant.

The Scotia and the Dominion companies have considerable resources in iron ore and metallurgical coal. It is known that the policy of the two companies has become much more progressive of late and that the directors of the properties desire to convert their natural resources into all shapes for which there is a good demand. As this will entail the building of larger plate mills and the installation of mills for rolling all kinds of structural shapes, such as are at present imported from the United States, including beams, channels, angles, piling, etc., such a programme, if individually and competitively carried out by the two companies, would involve unnecessary duplication of expenditure and effort. The ore and coal resources of Scotia are so intermixed, and the two companies in many ways so complement each other, that a merger of the concerns has been anticipated as the most logical and probable event. It will probably have the support and concurrence of financial and other interests in Canada, resulting as it will in stronger and more efficient operation of these large Canadian properties and enabling them to compete to better advantage in the world's markets. One of the chief conditions of the merger, so far as the Canadian people are concerned, is that the control of the company shall remain in the Dominion and the British Empire.

That the companies will amalgamate is now generally accepted as a fact. On previous occasions when *The Monetary Times* put the question to the heads and directors of these enterprises, the reply was that a merger was not contemplated. To-day when similar questions are asked, there is no attempt to deny that negotiations are in progress. Answering a query of *The Monetary Times* this week, Mr. Frank H. Crockard, the capable and progressive general manager of Scotia, regretted that "at this time" he is "unable to give any authentic statement."

A somewhat similar statement comes from Mr. Mark Workman, president of the Dominion Steel Corporation. In a statement to *The Monetary Times* on Monday, Mr. Workman said that so far there is no information he could give regarding the suggested amalgamation other than that which has already appeared in the press. It will be recalled that he had previously stated that the merger of the two concerns will "be a matter of weeks and not months." He has also indicated that in the event of an amalgamation, the Dominion Steel Corporation will be the controlling factor, for one reason because it would dispose of the objection raised that United States interests might obtain control of the two companies. According to Mr. Workman, Canadian interests will be supreme. Mr. Workman referred to the desire of the Dominion government that the erection of mills for the manufacture of ship plates should be undertaken by one of the steel companies in Canada. He intimated that the action that might be taken by the two companies would therefore be a matter of concern to the Dominion government. The development programme of the Dominion Steel Corporation in the way of blast and open-hearth furnaces he estimated at from $10,000,000 to $12,000,000. For the present, at all events, he declared, his company had no plan or intention of erecting a shipbuilding plant.

The Dominion Steel Corporation's capital is $7,000,000 preferred, and $32,097,700 common stock. The common stock capital of the Nova Scotia Steel and Coal Company is $15,000,000, and $1,000,000 preferred, so that the total common stock capital of the merged companies would be $47,000,000, and the preferred about $8,000,000. Against this capital the two companies had at the end of 1916 excess current assets over liabilities of about $16,000,000. This amount will be further enlarged as the result of operations for 1917. In 1914, the excess of current assets over current liabilities of the Dominion Steel Corporation amounted to 4.7 per cent. on the entire capitalization. In 1917 this had increased to 18.95 per cent. For the same periods, the Nova Scotia Steel and Coal Company, in 1914, had excess current assets equal to 1 per cent. on the total capital, against 12.47 per cent. in 1916.

The current cash position of the two companies is shown in the following table:—

	Dominion Steel Corporation.	Nova Scotia Steel & Coal Company.
Total stock and bonds outstanding	$69,265,066	$18,287,196
Current assets	15,446,396	5,725,287
Current liabilities	2,315,238	3,443,558
Excess current assets over liabilities	13,131,158	2,281,729
Percentage surplus assets to total capital	18.95	12.47

Dominion Steel figures are for year ended March 31st, 1917. Scotia Steel figures are for year ended December 31st, 1916.

Some new financing will probably be required to complete the plans of the merger, but it will not likely be considerable in amount. The cash holdings of the two companies combined would provide a nucleus for an extensive programme of extensions and improvements and would be supplemented out of earnings as the work progressed.

If the amalgamation goes through, it will be on the basis of the present capitalization of the companies, without watered stock.

The general opinion is that the companies will merge on a share-for-share basis. There is, however, discussion of a cash bonus for the Scotia shareholders. This is mentioned at $10 a share or a total payment of $1,500,000. Little has been heard from the shareholders on this matter or indeed on any phase of the amalgamation proposals, as the subject has not been officially brought to their attention as yet. Mr. L. G. Beaubien, who owns and controls a very large block of stock of the Dominion Steel Corporation, has stated that while he was personally in favor of an amalgamation, as in the best interests of the Dominion Steel Corporation, he would like to know more of what was being done. "I would like to be given a chance to pass judgment before a decision is reached by the board. As the largest shareholders, we haven't been consulted in the negotiations that are going on, and we ought to have some say. We are thinking of writing a letter to some of the shareholders and friends explaining the whole matter."

Mr. Mark Workman, president of the Dominion Steel Corporation, and Mr. N. B. McKelvie, a director of the Nova Scotia Steel and Coal Company, have been in conference on several occasions during the past few weeks. Mr. McKelvie was chiefly responsible for the interest of American capital in the Nova Scotia Company. Mr. W. D. Ross has been the company's chief financial adviser.

Messrs. Hayden, Stone and Company, of New York, the brokerage firm which is understood to be interested in the suggested merger, has written the following letter to the press: "There has been considerable publicity regarding the proposed merger of Dominion Steel Corporation and the Nova Scotia Steel and Coal Company, and such merger would bring under one ownership raw material in the shape of iron ore and coal that would compare favorably with the ownership of such materials by any other company on this continent, and from the point of view of the British Empire would represent one of its great assets.

"To say that we are back of such a merger is hardly correct; but we do feel that an operation of the coal and iron ore deposits under one ownership instead of by any man-made division would result in economies, both from the point of operation and by avoiding the necessity of duplication of plant, that would be of the greatest benefit to the security-holders of both companies.

"However, if the talked-of merger is not consummated it will not in any way interfere with present plans of the Nova Scotia Steel and Coal Company, as the property has enormous supplies of raw materials, and we feel that the company has in Mr. Frank H. Crockard one of the ablest steel men on this continent to direct its development and operations, and there would not be any reason to delay proceedings with a plant commensurate with the company's supplies of raw material."

As to the selection of the management of the amalgamated concerns, it is stated, unofficially, that under certain circumstances Mr. Mark Workman, president of the Dominion Steel Corporation, would continue to give the company the benefit of his business experience, probably as chairman of the board of directors, while a technical man would fill the position of president and active head of the amalgamated company. There is precedent for such an arrangement, for when the United States interests took over control of Nova Scotia Steel, one of the most expert steel men in the United States was selected to fill the presidency, namely, Mr. F. H. Crockard, who is understood to receive a salary of $100,000 a year, in addition to a bonus on production.

GROWTH OF CANADA'S TWO LARGEST STEEL COMPANIES

NOVA SCOTIA STEEL AND COAL COMPANY, LIMITED

	1909	1910	1911	1912	1913	1914	1915	1916
CAPITAL—	$	$	$		$	$	$	$
Bonds	3,500,000	4,960,000	4,933,900	5,946,809	5,911,809	5,873,809	5,333,309	5,787,196
Debenture Stock	1,000,000	1,000,000	1,000,000	1,000,000	3,000,000	3,000,000	4,000,000	4,000,000
Preferred Stock	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000	1,000,000	1,000,000
Common Stock	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	7,500,000	7,500,000
Total Capital	11,530,000	12,990,000	12,963,900	13,976,809	15,941,809	15,903,809	18,333,309	18,287,198
Cost of Properties	12,582,191	13,490,553	14,489,286	15,670,614	16,829,076	17,705,408	18,533,724	**20,036,596
Investments in other Companies	....	....	....	....	....	....	144,740	239,338
Balance due on Houses sold	....	....	....	....	....	....	....	71,405
Deferred Charges to Operations	....	....	....	....	....	....	389,366	395,599
CURRENT ASSETS—								
Inventories	1,134,259	1,245,681	1,338,128	1,714,184	1,776,575	2,041,039	2,358,688	4,022,668
Accounts and Bills Receivable	662,280	606,857	590,543	907,485	483,161	728,381	2,091,013	1,042,623
Cash	207,029	498,787	397,290	328,594	263,416	18,186	566,189	540,559
War Loan	....	....	....	....	....	....	....	119,437
Total Current Assets	2,003,568	2,351,325	2,325,961	2,950,263	2,523,152	2,777,606	5,105,890	5,725,287
CURRENT LIABILITIES								
Accounts and Bills Payable, Bank Loans	801,009	304,597	1,215,691	1,024,020	589,931	2,383,876	1,598,938	3,156,637
Bond Interest	87,500	124,842	124,888	150,199	150,317	148,847	147,440 }	266,921
Debenture Stock Interest	30,000	30,000	30,000	30,000	88,560	90,000	120,000 }	
Preferred Dividend	20,600	20,600	20,600	20,600	20,600	....	....	20,000
Common Dividend	60,000	75,000	90,000	90,000	90,000	....	....	....
Funds at Credit of Eastern Car Co.	....	....	....	971,599	....	....	....	....
Total Current Liabilities	999,109	555,039	1,481,179	2,286,418	939,408	2,622,723	1,866,378	3,443,558
EXCESS CURRENT ASSETS	**1,004,459**	**1,796,286**	**844,782**	**662,845**	**1,593,744**	**154,883**	**3,149,512**	**2,281,729**
Advances to Eastern Car	....	....	....	....	....	....	....	‖ 1,911,449
RESERVES—								
General Depreciation and Renewals	924,562	994,623	1,023,332	1,029,270	1,085,694	1,139,549	1,778,423 }	
Fire Insurance Fund	45,280	51,613	62,191	72,223	29,153	32,782	.... }	2,000,000
General Reserve	750,000	750,000	750,000	750,000	750,000	600,000	600,000 }	
Reserve for Relining and War Tax	....	....	....	....	....	....	....	808,832
Total Reserves	1,719,842	1,796,236	1,835,523	1,851,493	1,864,847	1,772,331	2,373,423	2,808,832
PROFIT AND LOSS (Gross)	907,949	1,140,504	1,019,393	1,000,610	1,255,954	415,164	§2,094,170	4,222,373
LESS CHARGES—								
Sinking Fund	35,700	....	24,800	26,105	32,660	34,410	36,310	....
Depreciation and 1916 War Tax	77,669	79,371	96,124	92,196	70,185	76,169	not shown	¶1,490,586
Bank and Bond Interest	247,837	248,000	291,169	352,311	395,576	421,070	291,665	387,309
Debenture Stock Interest	30,000	60,000	60,000	60,000	109,560	180,000	189,452	240,000
Preferred Dividend	82,400	82,400	82,400	82,400	82,400	41,200	†123,600	80,000
Common Dividend	60,000	270,000	360,000	360,000	360,000	180,000	....	....
Common Stock Bonus	*1,000,000	....	....	....	....	....	....	....
Bond Discount written off	184,453	218,103	....	....	....	....	....	....
Fire Insurance Fund	7,630	6,334	10,577	10,032	10,104	3,630	....	....
Improvements, written off	52,174	....	73,881	61,009	107,682	86,605	....	....
Directors' Fees	12,500	12,500	12,500	12,500	12,500	12,500	not shown	not shown
Total Charges	1,790,363	976,608	1,011,451	1,056,554	1,180,667	1,035,584	641,027	2,197,895
Surplus for year, after all payments	*Note bonus div.	163,896	7,942	‡55,944	75,287	‡620,420	1,453,143	2,024,478
Deferred Charges to Income	....	....	....	....	....	....	....	305,000
Sinking Fund Liability	....	....	26,101	53,556	88,278	126,684	....	....
Profit and Loss Balance	336,807	500,602	508,545	452,601	527,887	‡57,466	1,510,609	3,535,087

‡ Deficit † 1½ Year's Div. § Profit shown after Depen. ¶ Incl. prov. for War Tax 1915-1916. ** Based appraisal value less depen. ‖ Included on statement in current assets.

DOMINION STEEL CORPORATION, LIMITED

	(Dom. Iron & Steel Co. only) 1911	1912	1913	1914	1915	1916	1917
CAPITAL—	$	$	$	$	$	$	$
Dom. Coal Co. Bonds	....	7,026,888	6,884,728	6,735,174	6,609,000	6,482,500	6,300,500
Dom. Iron & Steel Co.'s Bonds	14,152,838	14,057,847	13,911,873	14,721,860	14,510,173	14,286,107	14,078,533
Preference Shares of Corp.	....	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Preferred Stock (D. I. & S. Co.)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Preferred Stock (D. Coal Co.)	....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Dom. Iron & Steel Co. (Com.)	20,000,000	....	....	....	....	....	....
Common Stock (Dom. Steel Corp.)	....	30,656,800	31,896,200	32,097,700	32,097,700	32,097,700	32,097,700
Debentures & Notes (Dom. Steel Corp.)	....	1,531,843	1,550,948	4,963 460	4,965,336	3,733,470	646,333
Cumberland Ry. & Coal Co.'s Bonds	....	979,000	1,167 000	1,167,000	1,167,000	1,167,000	1,142,000
Total Capital	39,152,838	69,252,378	70,410,749	74,685,194	74,349,209	72,766,777	69,265,066
PROPERTIES AND INVESTMENTS	43,000,897	65,885,428	68,749,181	69,949,635	69,804,716	68,712,971	67,401,089
DEFERRED CHARGED TO OPERATIONS	185,081	289,053	388,060	314,208	365,199	507,588	554,888
DISCOUNT ON SECURITIES (not written off)	....	....	3,286,992	3,699,218	3,528,108	3,279,104	wiped out of surp
BOND SINKING FUND ASSETS	374,319	315	1,079	150,763	151,264	100,211	124,448
CURRENT ASSETS—							
Inventories	2,148,140	4,398,678	4,996,698	6,904,478	5,574,723	5,596,854	5,607,619
Accounts and Bills Receivable	1,820,478	2,542,954	2,738,392	2,363,256	2,125,476	2,601,456	3,894,939
Cash and Securities	512,369	*3,449,413	125,036	259,884	795,165	1,120,269	5,943,838
Total Current Assets	4,480,987	10,391,045	7,860,126	9,527,568	8,495,364	9,318,579	15,446,396
CURRENT LIABILITIES—							
Accounts and Bills Payable	1,348,411	5,264,122	6,122,680	5,476,940	3,865,958	1,871,413	1,572,530
Dividends Payable	175,000	483,924	493,962	175,000	nil	175,000	495,977
Accrued Interest on Bonds	120,039	295,505	291,754	354,025	356,124	320,420	246,731
Loans for purchase of Coal Co. Stock	1,753,020	....	....	....	....	....	....
Total Current Liabilities	3,396,470	6,043,551	6,908,396	6,005,965	4,222,082	2,366,833	2,315,238
EXCESS CURRENT ASSETS—	**1,084,517**	**4,347,494**	**351,730**	**3,521,603**	**4,273,282**	**6,951,746**	**13,131,158**

DOMINION STEEL CORPORATION, LIMITED—*Continued*

	(Dom. Iron & Steel Co. only) 1911	1912	1913	1914	1915	1916	1917
RESERVES	$	$	$	$	$	$	$
Relining	121,787	Inc. in other ids.	....	....	....	....	....
Exhaustion of Minerals	224,105	....	....	....	....	....	....
Contingent and other Funds	409,728	204,854	365,650	440,432	567,397	903,498	1,238,657
Accrued Dividends	....	35,000	105,000	107,000	105,000	280,000	105,000
Depreciation	2,367,484	Deducted from cost of properties		....	....	....	....
Reserve for Const. and War Tax	....	....	....	....	....	....	3,000,000
Outstanding Com. Stock Constituent Companies	....	245,612	57,212	54,576	23,245	5,247	5,967
Total Reserves	3,123,104	485,466	527,862	600,008	695.643	1,188,745	4,349,624
PROFIT AND LOSS (Gross)	2,201,186	7,388,261	4,714,058	4,442,032	3,571,059	7,004 317	12,967,875
LESS CHARGES							
Provision for Sinking Fund, Exhaustion of Minerals and Depreciation							
Interest on Bonds and Loans	419,866	1,624,806	1,009,651	903,889	920,093	1,192,824	1,859,596
Preferred Dividend	678,503	1,957,878	1,246,951	1,575,994	1,651,523	1,590,086	1,230,204
Preferred Stock. Constituent Companies	291,667	980,000	437,500	420,000	420,000	420,000	420,000
Dividend on Common Stock	....	....	560,000	560,000	210,000	560,000	†910,000
Proportion discount on Bonds sold	....	1,225,204	1,277,101	960,931	....	nil	320,977
Special Appropriation for Depreciation and Renewals	....	115,426	84,788	107,323	144,187	226,182	326,909
1917 Provision for Const. Expenditure and War Tax, 1916	500,000	700,000	....	....	....	....	....
	....	....	....	....	....	....	3,000,000
Total Charges	1,890,036	6,603,314	4,615,991	4,528.137	3,345,803	3,989,092	8,067,686
SURPLUS FOR YEAR	311,150	784,947	98,067	§86,105	225,256	3,015,225	4,900,189
(Less Special Appropriation to write off Discounts on securities carried as asset)		....	....	....	....	....	2,899,395
PROFIT AND LOSS BALANCE	2,369.375	784,946	‡2,438,431	2,350,220	2,577,718	5,596,099	7,596,893

* Securities included, held for sale, $3,163,773. ‡ Surplus incl. $1,555,418 surplus of Constituent Companies at acquisition. § Deficit. † Paid Div. in arrears.

The above figures are taken from a table compiled by The Montreal Financial Times.

INCREASED CANADIAN STEEL PRODUCTION

It is a Factor Considered by the Industry in the United States—Preparing for Peace

In a recent issue of The Wall Street Journal is contained a quotation from a business man of excellent judgment, who says that those in the United States reckoning upon a large sale of steel and iron products to Great Britain and to other European countries after the war is ended are in error. For it is asserted that Great Britain, Canada and Germany have greatly enlarged their steel-producing capacity; they have, in addition learned economy and efficiency. Furthermore, the Wall Street Journal says that the prevailing opinion that after the war is ended we shall be found leading the world in our exports of steel and iron products, is not taken seriously by steel men, who have watched the development of the steel industry since the beginning of the war.

Will not Buy Heavily.

One of the reasons given by the authority which the newspaper quotes for his belief that European countries will not buy heavily of steel and iron from the United States after the war, is to be found in the fact that these countries will then be debtor nations, possibly by as much as $100,000,000,000. They certainly will owe the United States many billions—in fact they do now. Therefore, they will not be disposed to increase their indebtedness by making heavy purchases of steel and iron in the United States. Instead of that the manufacturers will strain themselves to the utmost to command the greater part of the steel and iron trade of the world. For in that way they will be able to secure some part of the funds by which they may meet their obligations. They will make a great drive against the United States; they will attempt successfully to compete in our own markets with American iron and steel manufacturers They will rely to some extent for success upon high cost of production of steel and iron in the United States, due chiefly to the wages and salaries which are paid to the artisans.

Discussing these statements, "Holland," in an article in the Wall Street Journal, says that undoubtedly the view set forth by this authority is the one taken by the leaders of the steel and iron industry, yet with a mental reservation. These leaders believe that we can hold and increase our world trade in steel and iron products, notwithstanding the high cost of labor, if there be satisfactory legislation, part of it so enacted as to prevent the dumping into the United States of steel and iron products and part of it so enacted as to enable us with facility and at reasonably low cost to approach the markets of the world.

On the office wall of one of the high executive officers of the United States Steel Corporation is conspicuously placed a legend reading as follows: "In time of war, we should prepare for peace." Undoubtedly, the managers of the Steel Corporation and, in fact, the managers of all the independent steel and iron industries of the United States, are now, as far as possible, preparing for conditions which will arise immediately after the war is ended They hope to secure the passage of an act which will enable steel and iron manufacturers who are exporters, to act in co-operation and in combination, so far as foreign markets are concerned. Action of that kind was one of the reasons why Germany was able to secure rapidly a considerable share of the world's trade in the iron and steel products. Then, again, these industrial leaders hope that after the war is ended they will have available a large amount of ships. Lack of shipping facilities was one of the reasons why the iron and steel makers of the United States were not able always to compete with the Germans and the English manufacturers of iron and steel.

Furthermore, it is hoped that legislation, which will modify the existing anti-trust laws, will be enacted. For if, for instance, the United States Steel Corporation should be dissolved through the judgment of the Supreme Court upon the action now pending, then it is inevitable that the United States will lose a large part of her exports of iron and steel products.

France and Belgium.

Apparently the managers of the United States iron and steel industries do not now contemplate entering the markets of Great Britain or of Germany with their products after the war. They do believe that France and Belgium, if Belgium is quickened, will become heavy purchasers of American iron and steel products, provided conditions as well as legislation are favorable They look for great markets in South America and in the Far East, and if they are not handicapped by unfavorable conditions or by stringent legislation they believe that they will be able to meet whatever competition Great Britain or Germany, should Germany try to compete, may offer in the South American and Far Eastern markets. They are not concerned about the high cost of labor, for they believe this is offset by the greater productive capacity of highly-paid labor, by the utilization of the best labor-saving machinery, by the employment of highly competent men of science, and also by our favorable situation with regard to coal and iron deposits.

This is the contingency which the industrial leaders, whose achievements since the war began in iron and steel commodities, have been noteworthy, hold in reserve while they are disposed to admit that Great Britain and the European nations will not only refrain from purchasing American iron and steel, but will also attempt to dump enormous amounts of these commodities into the United States. The British manufacturers may be able to do this unless the United States

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Monetary Times

Trade Review and Insurance Chronicle of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1208 McArthur Building. Telephone Main 2663. G. W. Goodall, Western Manager.

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WAR TRADE BOARD

The appointment by the Dominion government of a War Trade Board is a commendable step. One of the few criticisms that might reasonably be offered is that the creation of the organization was delayed too long. The personnel of the board combines many qualities and experiences which will be of great value in the important work ahead. The board is representative not only of departmental experience, but also of practical industrial, financial, labor, and executive experience. It might perhaps be strengthened by the addition of engineering and technical authorities.

The powers and duties of the board, which were officially announced in *The Monetary Times* last week, are very wide. The organization will have direction of licenses for export and import. They may supervise when necessary, industrial and commercial enterprises with a view to preventing waste of labor, raw materials, and products. They will make recommendations for the maintenance of the more essential industries and will also investigate the country's stock of raw materials, partly finished and finished products and, when necessary, direct their distribution. In addition, they will co-operate with the Canadian War Mission at Washington which, by the way, might profitably have been appointed many months ago, instead of in the early part of 1918. The board naturally will co-operate with the several departments of the government.

Our War Trade Board has been constituted, as the prime minister has stated, "following very careful consideration of more effective organization for the purpose of the war, and having regard to the necessity of more effective measures for maintenance of industries essential for that purpose."

It is not unlikely that one of the first matters which the Board will consider is the prohibition or taxation of imports which may properly be considered as luxuries. These imports have been the subject of much criticism during the past two years. The next few months may witness their government regulation.

CONTROL OF STEEL MERGER

Discussing the proposed merger of the Nova Scotia Steel and the Dominion Iron and Steel Corporation, The Halifax Herald recently printed an editorial strongly expressing the opinion that such an event would be dangerous to the national interests of Canada and of the Empire because of the greater possibility thus afforded of control of coal and iron ores passing some day into enemy alien hands. The article concluded by calling on the Nova Scotia and the Dominion governments to take preventive action. *The Monetary Times* sees no objection to the suggested amalgamation as such. It would undoubtedly prove the foundation of a great steel industry in Canada which would constitute a valuable factor in our national development and prosperity. The control of that industry should not, however, be allowed to be taken away from British interests. It has been unofficially suggested that there will be no difficulty in regard to this point, since arrangements could be made to form a voting trust with the voting power in the hands of English or Canadian interests. In that connection the name of a prominent Canadian has been mentioned. The interests of the various units of the British Empire are rapidly being brought into closer harmony. The events of war have given an impetus in that direction. The loss by Canada, and the Empire, of the control of any of the big industries or railroads would be an unfortunate check to that movement and our national achievements and ambitions. We feel sure that the directors and shareholders of the companies concerned in the proposed steel merger are of this opinion and that during their negotiations they will act accordingly.

INFORMATION AND THE NATION

One of the most significant of many important statements in the recent address at Orillia, of Mr. S. R. Parsons, president of the Canadian Manufacturers' Association, and printed in *The Monetary Times* last week, was his reference to what he termed the "popular cry." He said: "Is it not possible that the government, in yielding to the popular cry for a curbing of the profits of manufacturing in one particular line, has been unfair and unwise in singling out any industry for its control?" Aside from the specific industry he cites and aside from industrial matters generally, there has been a danger—and it remains—that our government might be stampeded by that same "popular cry" whenever it is loud enough and is backed by a sufficiently large delegation. The popular impression and opinion of current matters of national importance, are frequently correct; sometimes they are quite wrong. The danger is the possibility of the adoption of policies merely because of popular impressions supported by an array of votes depending on the government's decision, and not as a result of an investigation of the facts.

There is little doubt that many government policies have been framed during the past two or three decades, without the possession of sufficient data upon which to base those policies. We will never have a tariff, for example, which will be fair to the manufacturer, to the farmer, to the general consumer, to the countries to which we extend preferences, and so on, until we have a complete analysis of our national position in industry, agriculture, finance, marketing, etc., made by experts, for the benefit of our legislators. It will be a large task to obtain that information but in the meantime we are legislating with the help, comparatively speaking, of scraps of information gathered here and there, with little effort to discover the relation of one scrap to the other. This is not a criticism of our government departments; it is a reminder of a vital weakness in our national conduct.

The business which is operated on such a plan is heading for disaster or at least for a poor position in relation to its competitors. A nation, to succeed in business and to harmonize as far as possible the interests of its people, must have and analyze all possible information as to the units which make up the nation. With that, we will know when the popular cry should be followed, when it should be answered negatively, and most important of all, when it should be anticipated.

VALUE OF STOCK EXCHANGE

The Montreal and Toronto stock exchanges are telling the people of Canada, in a series of public announcements, how they are able to serve investors, who are rapidly increasing in number. While only 40,800 subscribers purchased our third war loan a year ago, no less than 820,000 purchased Victory Bonds. This year, the Canadian people will be required not only to take up another substantial war loan but also to absorb most of the bonds issued in the Dominion. In addition, they will have to finance issues of approximately $65,000,000 which will mature in the United States this year. The value of the Canadian bond houses and banks in our securities business, including war loans, is generally known. The value of the stock exchange, however, is not as widely known, chiefly because its functions are not properly appreciated. As Mr. G. Tower Fergusson pointed out in his interesting article in *The Monetary Times* of January 4th, the success of those at the helm of the world's stock exchanges in safely piloting them through the time of crisis at the outbreak of war, and on several occasions since, is an earnest that during the coming period of reorganization, they will be equally well handled and will prove a valuable factor in the financial upbuilding of the country during the development of the coming years.

The popular impression of the stock exchange is not always complimentary to the institution. The object of the publicity campaign of our stock exchanges is to give the people of this country a better idea of the functions and workings of the exchanges. The latest and most reliable quotations of both listed and unlisted securities can be secured from their members. Not only do the members of our stock exchanges handle stocks and bonds, but they will buy or sell any securities which their clients desire. By dealing with a member of the Canadian stock exchanges, the investor in any class of securities, is assured of proper treatment and good service. The name stock exchange has been misinterpreted by many to mean that the institutions trade only in stocks. This is incorrect, as they are in addition bond exchanges, dealing in government, municipal and corporation bonds as well as other securities. If the story of the Canadian stock exchanges, now being placed before the public, will dispel the unreasonable prejudice which has existed against the exchange as an institution, a valuable national service will have been performed.

MONTREAL CITY AND DISTRICT SAVINGS BANK

In Canadian banking spheres, the Montreal City and District Savings Bank ranks as one of the veterans, having served the public for seventy-one years. Its shareholders are largely residents of Montreal and Quebec cities. Hon. R. Dandurand is president and the head of an influential directorate, which is guiding the affairs of this substantial institution. Mr. Richard Bolton is vice-president, the other directors being such well-known men as Mr. G. N. Moncel, Hon. C. J. Doherty, Hon. Sir Lomer Gouin, Mr. Donald A. Hingston, Mr. Fred W. Molson, Mr. Clarence F. Smith, Hon. Sir Evariste LeBlanc and Mr. H. H. Judah. Mr. A. P. Lesperance is the capable manager of the bank, and he has had a most successful regime. The institution, which has a paid-up capital of $1,200,000 and an exceptionally strong reserve fund of $1,350,000, has its headquarters in Montreal, and serves that city with a large number of branches there. It is represented also in London, England, New York and Paris by responsible foreign agents.

In presenting the annual report of the bank's affairs at the recent annual meeting, Mr. Dandurand was able to report net profits of $222,189. The balance brought forward from last year's profit and loss account was $172,308, making a total of $394,498 for distribution. From this amount were paid four quarterly dividends to the shareholders and $15,000 was contributed to the Canadian Patriotic and Red Cross funds, leaving a good balance at the credit of profit and loss account of $214,023 to be carried forward to next year.

An examination of the assets shows a large amount of cash on hand and in charge of banks, namely, $5,614,346. The Montreal City and District Savings Bank also holds $14,956,589 of city of Montreal and other municipal school bonds and debentures. It has a substantial holding of Dominion and provincial government bonds amounting to $5,635,633. Its call and short loans secured by collaterals total $7,776,754. The confidence reposed in the institution by clients in Quebec province is reflected in the large deposits of the bank, which at the end of the past year amounted to $32,956,769.

BIG STEEL MERGER IS ON THE WAY

(Continued from page 8)

manufacturers are favored by legislation and are aided by such facilities as, for instance, the proposed foreign commerce bank would offer. Given fairly even conditions the American manufacturers believe that they can not only hold the trade they have already secured but can increase it, no matter what competition Great Britain and Germany may offer.

How the Two Steel Plants Compare

Dominion Iron & Steel Company.

Iron furnaces and supplies.	Annual capacity.
6 blast furnaces of 250 G.T. capacity each per day	550,000 G.T. basic and foundry pig iron.
Company owns Wabana Ore Mines, Newfoundland	850,000 tons.
By-product coke plant, consisting of 620 ovens	650,000 N.T. coke.
By-product recovery plant for Benzol, Toluol, Naphtha, Naphthaline and Sulphate of Ammonia	
Plant for manufacture of cement from blast furnace slag	
Limestone quarries in Nova Scotia and Newfoundland ...	630,000 tons.

Steel works.	Annual capacity.
10 Basic open hearth furnaces (50-ton)	400,000 N.T. (Ingots used only for desiliconizing, dephosphorizing, and decarburizing molten pig iron for open hearth furnaces).
3 Basic Bessemer converters (15-ton)	
35" 2 high reversing blooming mill	
16" Morgan cont. billet mill ...	375,000 tons blooms, billets and slabs.
Morgan cont. rod mill	90,000 tons wire rods.
Morgan semi-cont. rod and bar mill with 12" roughing and 9½" finishing trains	60,000 bars.
16" Merchant mill	75,000 tons bars.
28" Rail mill	300,000 tons.
Wire department	50,000 tons.
Wire nails	30,000 tons.

Nova Scotia Steel & Coal Company.

Iron furnaces.	Annual capacity.
1 Blast furnace at Sydney Mines of 250 G.T. daily capacity ..	90,000 G.T. basic and foundry pig iron.
1 New blast furnace under construction	80,000 G.T.
By-product coke plant, consisting of 150 ovens	110,000 N.T. of coke.

Steel works.	Annual capacity.
5 Basic open hearth furnaces at Sydney Mines	50,000 N.T. steel and fluid compressed ingots.
28" Cogging mill	Total 60,000 tons of finished, rolled and forged products, including merchant bars, angle bars, tie plates, etc.
20" Plate mill	
18" and 19" Rolling mills	
9" Guide mill	
Hammer and forging presses ..	
2 Railway spike machines	7,500 tons.

Mines.	
Ore mines at Wabana, Newfoundland	600,000 tons.
Coal mines at Sydney Mines ..	800,000 tons
Limestone quarries in Nova Scotia	70,000 tons.

The Eastern Car Company, a subsidiary concern of the Nova Scotia Steel and Coal Company, manufactures steel and wooden cars, car wheels, etc. It utilizes a considerable portion of the plates and bars made by the Nova Scotia Steel Company, and has important and growing facilities for steel shipbuilding. The Nova Scotia Steel Company operates a number of ocean vessels, which carry its ore and coal to export markets.

The plants of the Dominion Steel Company and the Nova Scotia Steel Company are favorably situated for the utilization of the large iron and coal resources in that territory. A large tonnage of Wabana ore is exported by these companies to Europe and the United States.. These exports comprise about two-thirds of the total ore mined, the balance being used in their own blast furnaces in which pig iron is produced for conversion into basic steel, although this iron contains high percentages of phosphorus, silicon and sulphur. The coal supply also is well suited for coking and steam purposes. The cost of transportation to these plants both of ore from Newfoundland and coal from Cape Breton mines is low, compared with that in other important iron districts.

Both companies export a large proportion of their products, notably, rails, forgings and wire products to the United States, the United Kingdom and other countries, and should be able to expand their plants so as to increase the variety and tonnage of iron and steel products for export; while their low cost of production and shipping facilities should enable them to compete for export trade with producers in the United States or Germany.

WIDER RANGE OF STEEL PRODUCTS

That is One of Needs of Canadian Industry—Review and Outlook

One of the needs of the Canadian steel industry is a wider diversification of its products, according to Lieut.-Col. Thomas Cantley, chairman of the board, Nova Scotia Steel and Coal Company, in a review of the industry published in Industrial Canada, the organ of the Canadian Manufacturers' Association. He points out that at the present time there is an absolute dependence on the United States for certain shapes, large sections and heavy steel plates. This applies both to shipbuilding and structural material. The difficulties in connection with the production of these in Canada are not insuperable. To lay down the necessary plant at the present time, in view of the scarcity of material, high prices and existing labor conditions, would call for an excessive capital expenditure. But Canada's needs in this respect are now imperative, and if the government are prepared to meet existing conditions, the requirements of the Dominion in this connection can be met within a reasonable time.

Col. Cantley states that the production of iron and steel during the past year, 1917, has been attended by ever-increasing difficulties, due largely to shortage of important supplies, scarcity of labor, and delay in transportation. It is, therefore, particular gratifying that the production of steel ingots and direct castings in Canada for the year will approximate nearly 1,700,000 tons, creating a new record, the previous banner year being 1916, when some 1,300,000 tons were produced. He continues:—

The production of pig iron in the Dominion has likewise been relatively heavy, it being estimated that the output will proximate 1,200,000 tons in 1917, as compared with 1,150,000 tons in 1916. Of this total some 13,000 tons of so-called pig iron were produced in electric furnaces at different points throughout Canada.

Role of Electric Furnace.

The electric furnace is playing a much larger part in Canada's steel production than heretofore, and it is probable that 45,000 tons of steel will have been produced by this method in the Dominion in 1917. This shows a quite rapid growth, the output from electric furnaces in 1916 amounting only to some 19,000 tons. The growth of this process has been particularly rapid in the United States and Great Britain. In the latter country 131 furnaces are now operated or under construction; of the total number 70 are in the Sheffield district. This probably makes the largest number of such furnaces in any one group in the world.

The development of this branch of the steel industry is directly due to the unprecedented demand for steel for war purposes. The advocates of this process of manufacture claim that it has many inherent advantages, which, together with

the pressing demand for output, has led them to take advantage of the opportunity.

The production of steel ingots and direct steel castings in Canada for the past four years, 1914 to 1917, inclusive, was as follows:—

	1914. Tons.	1915. Tons.	1916. Tons.	1917. Tons.
Steel ingots	811,567	989,829	1,397,703	1,686,005
Direct steel castings	17,074	31,067	30,546	42,807
Total steel	828,641	1,020,896	1,428,249	1,728,812

The total quantity of electric steel produced for the four years was as follows:—

	1914. Tons.	1915. Tons.	1916. Tons.	1917. Tons.
Electric steel	61	5,625	19,639	39,069

The figures for 1917 may be slightly altered when the December actual figures are obtainable, December outputs being estimates supplied by the operators. The total production of electric steel for 1917 may prove to be about 45,000 tons, the uncertainty as to this being due to inability or failure of the British Forgings, Limited, to report as to their output.

Great Britain's Production.

Great Britain, likewise, has largely increased her steel production. It is difficult to obtain official figures, but in a forecast by the minister of munitions some few months ago, it was stated that whereas the output tonnage of steel prior to 1914 had remained more or less stationary around 7,000,000 tons, it was expected that some 10,000,000 tons would be produced in 1917, and they hoped with the new construction under way, to produce at least 19,000,000 tons in 1918. And if the war continues into the latter part of 1918, it would find the nation with a capacity for steel production 50 per cent. greater than before the war.

In the United States the output of steel ingots will amount to approximately 42,000,000 tons, this being practically the same tonnage as produced in 1916. The output of pig iron, it is estimated, will be somewhat less than in 1916.

The production of coal in Canada during 1917 will probably total 13,000,000 tons, as compared with 14,483,395 tons in 1916, and 13,267,023 tons in 1915. The coal mines have been operated at the highest possible pressure, but under very severe disabilities. Lack of transportation accommodation, difficulty in obtaining supplies, but chiefly acute labor troubles and labor indifference have greatly hampered operations. There has been a good deal of labor unrest, and one wage increase has followed another, with further demands as yet unsettled. The labor shortage, however, was primarily caused by the great number of young, able-bodied, skilled miners who, in the early days of the war, enlisted in the armies of the Empire, and indeed have freely enlisted until about a year ago, when recruiting was discontinued in the colliery districts. Unfortunately, too many of the skilled men have been withdrawn from the mines, men not only skilled, but the bravest, most vigorous, intelligent and all-round men, whom it will take years to duplicate. Naturally the coal output suffered during the past year. Whether the output in 1918 can be materially increased is an open question—it all lies with the men, for with steady work, reasonable hours, and the desire to honestly help in the war, a large increase could be obtained.

As to Coal Situation.

More soft coal—about 50,000,000 tons—was mined in the United States in 1917 than ever before in the country's history—the total output being over 550,000,000. This is an increase of about 10 per cent. But the demand during the year has been abnormal, and the tonnage of bituminous coal mines was entirely inadequate to take care of the current needs, it being estimated that some 50,000,000 additional tons, or say 20 per cent. over normal needs, were required to meet industrial and domestic requirements. One of the most serious disabilities under which the United States coal trade labored was the lack of transportation accommodation, and the car shortage has prevented the operators of bituminous coal from shipping, during the latter part of the year, in the vicinity of thirty million tons.

Perhaps it may be axiomatic to say that the world's actual progress in industrial lines may be measured more or less by its consumption of iron and steel. The growth of this industry in Canada during the past ten years has been phenomenal, this being more particularly true of the past three years. Possibly the raw material resources of the Dominion were never appreciated as they are to-day. Canada has within its borders or within easy access (in Newfoundland), all the essentials such as ore, coal and the necessary fluxes requisite for the manufacture of iron and steel. Her coal fields are located at relatively good distributing points, her ore fields are easy of access and her steel plants, particularly on the eastern seaboard, are excellently situated for both domestic and foreign business. Canada, therefore, with its present steel development as a nucleus, and its great natural resources, should, under wise direction, make important progress in the coming year, provided always that the necessary labor is available, and that labor is content with reasonable hours and wages in keeping with present living conditions.

Ruling Prices Higher.

The prices ruling during the greater part of the year were considerably higher than those prevailing in 1916, Bessemer pig iron, for instance, selling in Pittsburg, in September, 1917, at $48, as compared with $37.25 in November, 1916. Prices quoted during the year for other steel products were proportionately remunerative. In September, 1917, however, the United States government, in conjunction with representatives of the steel trade, materially reduced the prevailing prices, arranging a fixed scale which practically covers all iron and steel products. These prices applied equally to the public, the government and the allies, and were voluntarily acquiesced in the by the steel manufacturers as a whole.

While very high prices have ruled, costs have been on an unprecedented scale. Nevertheless, the industry has enjoyed a year of signal prosperity. This prosperity is shared with the country, as a large part of the earnings return to the government in the form of war taxes, thus bearing its proportionate cost of the war.

The Canadian iron and steel industry, since the outbreak of war, has made a magnificent response to the calls made upon it. Production has been speeded up, old plants enlarged, a very large sum of money has been spent on new equipment, and many labor and transportation difficulties overcome; the results obtained, in view of the obstacles encountered, generally speaking, being most satisfactory.

As to Munitions Industry.

Immediately on the outbreak of war Canada embarked on the manufacture of munitions. That it was possible to undertake this work was due to the satisfactory condition of the iron and steel industry, particularly in Nova Scotia, where the first experimental work was carried on. Shell forgings were produced in the latter months of 1914, since which time, until about mid-summer, 1917, an ever-increasing flow of munitions, from the finished 18-pounder shrapnel to 9.2-in. high explosive shells, have gone forth, which undoubtedly has been of incalculable value to the Empire.

The benefits accruing from the development of the munition business in Canada have been many. Use has been made of the by-products from the coke ovens, and a large quantity of benzol and toluol is being produced. The lead, copper and zinc industries have been put on a strong basis, and it is anticipated that as a result of the stimulus given during the past three years, within the near future Canada, as regards the latter-named metals, will be practically self-supporting.

For the past year the munition business has been erratic. During the spring months, contracts for heavy H.E. shells (both forging and finishing) were cancelled, without, it is claimed, due regard to the contract conditions on which these were based. Friction developed in connection with the inspection, which contractors claimed was due to lack of experience on the part of the local inspectors, to the impractical and highly technical demands of the district inspectors, and the intolerant and high-handed methods of some of the chiefs. Despairing of improvement in method, and failing to obtain redress, a number of munition manufacturers withdrew from the business, and forging presses and finishing plants alike were idle.

Cancellation of Contracts.

At the time when contracts for hundreds of thousands of shells were cancelled, an extensive plant, comprising electric furnace and forging units, was being laid down in Toronto, to compete with existing plants laid down in good faith. These existing plants were developed and put in working condition under abnormal and unheard of difficulties, and their contracts were cancelled before it was possible from the work

then executed to amortize anything like the cost of these plants.

In view of the conditions then prevailing, it became necessary for various manufacturers to again devote their attention to commercial work and find a market for their products. It speaks well for the adaptability of the iron and steel trade that they quickly adjusted the industry to changed conditions, and assisted by the keen demand for steel in the United States, due to the alignment of that nation as an active factor with the Allies, and the insistent demand for railway material in France, very little loss and comparatively no delay resulted. The Scotia Company restarted their plate mill, and have turned out a very considerable tonnage in sheets up to 48 inches wide from one-eighth to three-quarters inch thick. This output has been exceedingly helpful in meeting a demand which at times seemed insatiable.

Within the past few weeks further munition orders have been placed in Canada, and it is rumored that large orders will be given out in the near future.

Some of our people appear to think that under war conditions state control is necessary in Canada as regards many, if not most, forms of the country's activities. Great Britain, of all parts of the Empire, has had most experience with this practical socialism, and Britain is most heartily sick of it. The London Economist expresses the opinion that "the war has done more to make all classes hate the very idea of state socialism than could have been achieved in the past if all the newspapers, books and speeches delivered had been concentrated on this one purpose. It then shows how a committee is much less intelligent collectively than its individual members. It is asserted that experiences in Great Britain with state controlled railroads, ships, coal mines, engineering works, food, drink, and newspapers causes an intense longing for the day when the Defence of the Realm Act will pass out of existence."

Individual Enterprise.

Canadians in general believe that the present and the future of the Dominion and the Empire can best be conserved and advanced by individual liberty, individual initiative and individual enterprise. One of the dangers now confronting the country, and causing discouragement, is the fear that it must deal with inexperenced men acting as controllers of some sort for the government.

The paramount blunder abroad has been the selection of men for places of authority because of their recognized capacity in their own line of activity, but in lines quite apart from and devoid of any experience in or knowledge of the department or work which they have to deal with on behalf of the government. The result in many cases is misdirected energy, unnecessary meddling, unwarranted restrictions, friction, lack of results, and a general bedevilling and paralyzing of effort.

The outlook for a continuation of the present heavy demand for steel during 1918 is promising, and the probabilities are that all the steel plants will be operating at full capacity throughout the year. In the United States the demand for steel runs greatly in excess of the supply, and this condition will likely continue until the war preparations of that nation are completed. The result of this will be that Canada can only import from the United States such steel products as are absolutely necessary for war purposes.

Regarding Shipbuilding Industry.

Canada is slowly developing a shipbuilding industry. During the past year many yards were built and are now turning out vessels of moderate tonnage. Old yards have been enlarged, and while the total steel tonnage produced in the year was small, the energetic action taken will result in considerable new tonnage being floated during the present year.

This industry, properly developed, will be a large consumer of steel. It has been announced that the Union government will take up, at the coming session of parliament, a shipbuilding programme on a broad basis, and lay down a policy for the future which will add greatly to existing steel shipbuilding and engineering capacity. Concurrently, it is reported that orders will be placed for a considerable steel steamship tonnage.

The Dominion has never been in a better position to embark on this enterprise on a large scale, and by making the most of the present opportunity and by wise legislation, Canada can now build up and ensure a permanent shipbuilding industry, which will be of material benefit, not only as an outlet for our industrial population while building, but by ensuring both coasting and overseas transport of Canadian agricultural, fishery and mine products, concludes Colonel Cantley.

DOMINION LIFE ASSURANCE COMPANY

In whatever particular direction one examines the financial statement and report of the Dominion Life Assurance Company for 1917, a strong and satisfactory position is revealed. The assets are large and well placed. There is a substantial net surplus. Interest earnings have been good, and a very satisfactory volume of first-class business was placed on the company's books during the past year. The Dominion Life is among our leading insurance corporations and its officers, directors, shareholders and policyholders may feel well satisfied with its general position and the results of the past year.

The gross assets amount to \$4,677,876, made up of cash on hand and funds invested, \$4,247,581, interest due and accrued \$264,382 and premiums outstanding, etc., \$165,911. The liabilities to policyholders amount to \$3,614,649, and to the public, including taxes accrued, but not due, loans and other items, \$34,115, leaving the gross surplus on policyholders' account of \$1,029,111. From this may be deducted the shareholders' account, including paid-up capital of \$202,440, and the contingent account of \$100,000, leaving net surplus \$726,671.

The company's net cash income for the year was \$1,000,070, composed of premiums \$707,636, interest and rents \$290,880 and sundries, \$1,554. This is an increase of \$129,169. The expenditure was: (1) To policyholders, \$324,979; (2) to shareholders, \$17,099; (3) for taxes, \$11,959; and (4) for general expenses, \$248,353. This is a total of \$602,392, leaving available for investment \$397,678.

The company received during 1917 2,474 applications for assurances amounting to \$4,958,403, an increase for the year of \$1,003,093, and have issued policies therefor, including revivals and bonus additions amounting to \$4,974,170, an increase of \$941,283. There was terminated (1) by death \$177,847, (2) by maturity and expiry \$87,458, (3) by surrender \$295,789, (4) by lapse \$930,750, (5) by changes, decreases and not taken \$517,671, a total of \$2,009,515. The net addition to the business in force of the Dominion Life was \$2,964,655, being \$1,217,685 more than the increase of last year. This is an excellent record. The total business now in force is \$22,271,831.

YIELDS ON INVESTMENTS IN STOCKS AND BONDS

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

Feb. 20th, 1918.

	Div. Rate	Price about	Yield about
Preferred :			
Canada Cement	7	90	7.77
Canada Steamships	7	77	9.09
Canadian Locomotive	7	83	8.43
Mackay Companies	4	61	6.66
Maple Leaf Milling	7	95	7.36
Penmans	6	82	7.31
Steel of Canada	7	86	8.14
Common :			
Bell Telephone	8	130	6.15
B. C. Fishing and Packing	4	38	10.53
Canada Cement	6	57	10.53
Canadian Locomotive	6	57	10.52
Canadian General Electric	8	103	7.76
Consumers' Gas	10	146	6.85
Canadian Pacific Railway	10	147	6.80
Consolidated Mining and Smelting	2½	25	10.00
Dominion Foundry & Steel	8	62	12.90
Dominion Steel Corporation	5	61	8.19
Mackay Companies	6	77	7.79
Maple Leaf Milling	10	98	10.20
Penmans	4	74	5.41
Steel Co. of Canada	6	54	11.11
Toronto Railway	8	61	12.69
Twin City	6	66	9.09
Bonds :			
Canada Bread	6	90	6.66
Canada Cement	6	96½	6.22
Canada Steamships	6	81	7.41
Canadian Locomotive	6	88	6.82
Penmans	5	86	5.81
Steel of Canada	6	89	6.74
First War Loan, 1925	5	94¾	5.70
Second War Loan, 1931	5	93½	5.70
Third War Loan, 1937	5	93⅛	5.60
Victory Loan	5½	98⅞	5.60
....	....	....	....

CANADIAN NORTHERN STOCK HELD IN TRUST

Railway Advanced Money to Mackenzie, Mann & Company to Develop Mines

Government counsel Mr. Tilley, K.C., obtained a partial history of the deal from Mr. D. B. Hanna, third vice-president of the Canadian Northern Railway, at the morning session on February 12th, of the arbitration proceedings at Osgoode Hall to determine the value of the Canadian Northern Railway stock. Mr. Hanna explained that the Rosedale Coal Company, owning a coal mine at Drumheller, was purchased by money advanced by the Canadian Northern Railway. The stock thus acquired by Mackenzie and Mann was held in trust by Mr. Hanna and the coal mine was developed to a point of profitable production. Mr. Hanna insisted that if the property had failed to realize the prospects of its promotors the investment loss would have been borne by Mackenzie and Mann. There was, he said, a verbal agreement assuring this, backed by his personal concern for his own reputation. The loss would not have been loaded on to the Canadian Northern Railway. Asked why, when the property had been developed as a profit maker by funds advanced by the Canadian Northern Railway, it was not taken over as an asset by the railway, the witness said that the limitation of the Canadian Northern Railway's charter rights opposed the transaction, but Sir William Meredith and government counsel pointed out that the railway act empowered a railway company to acquire coal lands.

Sums Due Mackenzie and Mann.

The money advanced by the Canadian Northern for the development of the mine, according to Mr. Hanna's explanation, was on account of sums already due from the railway to Mackenzie and Mann for construction work and so on. "There was nothing to be ashamed of," said Mr. Hanna. The Canadian Northern owed the money to Mackenzie and Mann for terminal properties and other roads, for the purchase of which they, Mackenzie and Mann, had had to find funds. "I, acting as trustee for them, paid the money for the development of the mines," he said.

Further examination by government counsel produced evidence that Mackenzie and Mann control other coal deposits, the product of which is vital to the operation of the Canadian Northern system. They held interests in the Vancouver Island mines, the coal from which was used for the operation of the line as far as Tollerton, B.C. At Brazeau, from which mine 1,200 tons a day were obtained for the operation of the divisions of the Canadian Northern Railway west of Brandon, Mackenzie and Mann shared their interests with Belgian and German shareholders. "But for these mines," said Mr. Hanna, "the road would have been at a standstill this winter." Mr. Tilley then proceeded to establish his point that the fuel requirements essential to the operation of the Canadian Northern Railway depended upon supplies from mines privately owned or controlled by Mackenzie and Mann.

As to Land Holdings.

Mr. Hanna was then questioned as to the extent of the land holdings that Mackenzie and Mann had secured because of their intimate relations with the Canadian Northern enterprise. "Mackenzie and Mann had retained 102,000 acres of the 4,102,000 acres earned as subsidies, the balance being turned over to the railway," he said, "and Mackenzie and Mann also had possession of the Canadian Northern Townsites Company." Mr. Hanna could not say how the townsites properties had been acquired or what percentage had been given by municipalities as subsidies for railway services.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended February 15th, 1918:—

McKinley-Darragh-Savage Mines, 107,893; Dominion Reduction Company, 64,000; Penn Canadian Mines, 52,909; Buffalo Mines, 241,895. Total, 466,697 pounds, or 233 tons.

The total shipments since January 1st, 1918, now amount to 859,174.8 pounds, or 4,295 tons.

BANKS AND VICTORY LOAN

When the Canadian Bankers' Association held its annual meeting last fall, Mr. A. E. Ames, chairman of the Dominion Executive Committee for the Victory Loan, addressed the members of the association. His request was that the banks should earmark a total fund of, say, $100,000,000, which would be available in the form of advances to companies and individuals subscribing for substantial amounts of the Victory Loan to meet the instalments after the initial payment had been made by the company or individual, such advances to be made in cases where there was a reasonable certainty that repayment of the advance out of income or profits would be made within a reasonable time.

Mr. Ames was informed that it was not considered advisable that the banks should unitedly commit themselves to such an undertaking. He was assured, however, that the banks would, individually, within the limits of available funds, sympathetically consider applications of this character.

After Mr. Ames retired there was discussion as to the rate to be charged to borrowers other than the small investor. The question was whether it should be 5½ per cent. or 6 per cent. In the end it was understood that the rate to these borrowers on Victory Loan account should be left to the discretion of the individual bank.

MANUFACTURERS LIFE INSURANCE COMPANY

Many new records were established by the Manufacturers Life Insurance Company as a result of its operations last year. The gain of $9,010,272 in insurance, for example, was the largest in the company's history. The income, which exceeded $5,100,000, also established a new record. The mortality experience was exceptionally favorable, despite claims due to the war, the mortality being more than 25 per cent. below that for which provision was made.

The insurance issued and reinstated last year amounted to $16,485,403, an increase over 1916 of $2,856,190. The report presented at the annual meeting last week shows an increase in premium income of $298,915. The premium income was $3,672,513, and the interest income was $1,436,496. This is a total income of $5,109,000.

After further strengthening the policy reserves, increasing the special reserve to $300,000, and setting aside $357,483 dividends payable to policyholders in 1918, there was a surplus of $2,530,054. Reflecting the conservative method adopted in preparing the balance sheet, it is noted that had the company complied with the Canadian government requirements only, a surplus of $3,670,589 would have been shown, an increase of $226,805 over 1916.

The company last year increased the percentage of its holdings in government bonds. This form of security, first mortgages, policy loans and cash comprises over 93 per cent. of the company's invested assets. The assets total $24,585,000 on the valuation of the Dominion Insurance Department, and the return to the company on this substantial sum was 6.52 per cent., despite heavy investments in Dominion war loans.

The following table shows the percentage invested in each class of security:—

	Per cent.
Government, municipal, rural telephone and school bonds	39.89
First mortgages	35.83
Policy loans	15.38
Cash	2.28
Other bonds, call loans, real estate and other assets	6.62
	100.00

Government bonds, first mortgages, policy loans and cash comprise over 93 per cent. of the company's invested assets.

The Manufacturers Life Insurance Company is one of our strong underwriting corporations. Mr. J. B. McKechnie, the general manager and actuary, combines, in formulating the company's policy, the enterprise and caution which is representative of the two positions. He is supported with a capable head office staff, the majority of whom have had long experience in life insurance, and with this company. A strong directorate is headed by Mr. W. G. Gooderham as president. The company may feel well satisfied with its achievements during the past year.

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DOMINION FINANCES SATISFACTORY

Sir Thomas White's Budget Statement Will Show Good Results—Increase in Revenue

When Sir Thomas White makes his annual budget speech shortly after the House meets in March, he will be able to present a good financial statement, considering the strain the war has placed upon Canada's resources.

The revenue by the end of the financial year, March 31st, will total around $250,000,000, or an increase over the previous year of some $18,000,000.

Revenue Nearly Doubled.

The revenue of Canada has nearly doubled since the war began. For the first year of the war from all sources it was about $130,000,000. It rose during the second year to $170,000,000. The third year of the war it jumped to $232,000,000. For the ten months of the present fiscal year ended January 31, the revenue was $208,540,755, and at the present rate should touch $250,000,000 by the end of the year.

The economy which has been practised by the government is reflected in the financial statement. For the ten months of the fiscal year the expenditures were $113,457,924 on account of consolidated fund. On capital account outside of the war the expenditure was $21,841,533, or a total of about $125,000,000. In other words, the balance of revenue over expenditure for the ten months was some $83,000,000 and for the twelve months will total $100,000,000.

Canada's Savings.

Canada has saved sufficient during the past year to pay one hundred million dollars of her war expenditure.

The war expenditure for the year, according to the financial statement, was less than anticipated, and is given for the ten months as $188,355,015, or six million dollars less than the year previous for the same period. These figures are, however, perhaps a little misleading as they are the expenditures only in Canada. The Canadian war expenditures in England are being met temporarily by the British government on account of the difficulty of exchange. On the other hand, Canada is paying British bills for provisions, war supplies, etc., in Canada. These accounts will about counterbalance.

Customs Revenue Is Largest.

Of the Canadian revenue the customs is still furnishing the largest portion. The customs revenue for the ten months of the fiscal year was $121,764,535, an increase over the same period of about thirteen million dollars.

The revenue was as follows for the ten months ended January 31, 1917, and 1918:—

	1917.	1918.
Customs	$108,868,302	$121,764,535
Excise	20,561,709	21,965,878
Post office	15,881,627	16,550,000
Public works and railways	21,701,730	23,704,225
Miscellaneous	20,890,194	24,556,115
Total	$187,903,565	$208,540,755

The national debt now totals $1,000,000,000, although it is $200,000,000 less than the prediction of Sir Thomas White a year ago.

CONSCRIPTION OF CAPITAL

Financial cables from London reflect some dissatisfaction over further indefinite references by the chancellor of the exchequer on the subject of conscription of capital.

Sir Felix Schuster at the annual meeting of the stockholders of the Union Bank, held recently in London, Eng., said that if capital were nothing more than the helpmeet of the idle rich, he would say take it, but workers should know that capital is essential to industry, new enterprise, employment, better conditions and a higher standard of living for the people.

Regarding the future, he said it will test the powers of the wisest statesmen to devise means of raising money by taxation and at the same time interfere as little as possible with industrial development. The country must produce more and buy less, he added, advocating taxation on expenditure, especially luxuries.

MUTUALIZATION OF EQUITABLE LIFE

The mutualization plan of the Equitable Life Assurance Society, calling for the purchase from T. Coleman du Pont of 564 shares of capital stock, has been approved by Insurance Superintendent Phillips, of New York State. The project, which received the sanction of the majority of policyholders at a vote taken a few weeks ago, involves the acquisition of 501 shares at $5,400 each, and $1,500 for 63 other shares, the entire purchasing price amounting to $2,779,900. This is to be paid in semi-annual instalments between November 1st, 1917, and May 1st, 1937. Holders of minority shares of capital stock are to be privileged to sell them to the society for $1,500 per share.

Superintendent Phillips, in his statement issued on February 6th, approving the mutualization plan, said:—

"There has been no serious objection from any reliable interested person urged against the adoption of the plan, except upon the part of certain minority stockholders, who sought by legal proceedings in the United States court to restrain the society from carrying out and submitting the proposed plan. They alleged that the stockholders, and not the policyholders, were entitled to the 'free surplus' of the society, and, therefore, it had not the legal right to pay one stockholder a greater price for his stock than for the stock of the other shareholders, it being their chief contention that all stockholders must be treated upon an equal basis, and the same price should be paid for all the stock. The United States Circuit Court of Appeals, however, held in substance that all the surplus of the company belonged to the policyholders; that there was no obligation upon the stockholders to sell their stock at the price fixed in the plan, and their rights were in no way violated."

SUPPORTS LOTTERY BONDS

"The problem of floating the forthcoming Liberty Loan would be astonishingly simplified, in my opinion, by the issue of premium-drawing bonds," said Mr. Joseph W. Harriman, president of the Harriman National Bank, in a recent interview.

"There is a universal human instinct that reacts with promptness to the prospect of a prize. Mark the effort of the government to touch this instinct in offering war savings stamps at $4.12 to be repaid at $5. If war savings stamps, why not premium bonds? This underlying principle produced for the Hero Land Bazaar $580,000.

"Assuming an issue of $5,000,000,000 maturing in thirty years, to bear interest at the rate of 3 per cent., $25,000,000, or only one-half of 1 per cent. of the entire issue could be appropriated each year for redeeming at a premium a certain number of the bonds by semi-annual drawing by lot. If the prospect is for the necessity of a rate of 4½ per cent. on the next loan, this plan would effect a saving in the interest rate equal to $50,000,000 annually, or $1,500,000,000 during the life of the issue. There would be a further saving of interest in the semi-annual extinguishment of an appreciable amount of the debt."

Mr. Harriman gave the following schedule of semi-annual drawings of two thousand and one $1,000 bonds, or four thousand and two a year, with the premiums attached suggested, showing interesting results:—

$ 1,000	at a premium drawing $500,000	$ 1,000,000
10,000	at a premium drawing $100,000	2,000,000
40,000	at a premium drawing $50,000	4,000,000
100,000	at a premium drawing $25,000	5,000,000
200,000	at a premium drawing $10,000	4,000,000
400,000	at a premium drawing $5,000	4,000,000
1,250,000	at a premium drawing $2,000	5,000,000
$2,001,000	Total drawings per year	$25,000,000

"I venture the prophecy," Mr. Harriman continued, "that subscriptions to the suggested Premium Drawing Bond issue would be overwhelming. We should promptly make an initial subscription of $5,000,000. We would offer to the public participation in the bonds to which we subscribed, so that the office boy who could subscribe but one dollar would receive 3 per cent. per annum upon his participation, and if the Harriman National Bank's bonds happened to include the $1,000 bond which drew the $500,000 prize, he would receive $500 for his investment of one dollar."

GRAND TRUNK'S SIXTY-SIXTH ANNIVERSARY

Bond and Shareholders Have Always Been Ready to Supply Capital for the Road's Development

The Grand Trunk Railway, the oldest steam transportation system in Canada, is celebrating this year its 66th anniversary. A company which built from La Prairie to St. John's and afterwards passed into the Grand Trunk system was chartered in 1832 and opened its line in 1836. At the latter date there were only 1,100 miles of railroad in the whole of the United States. It was in 1825 that the first real railroad was opened in Great Britain. This beginning of the Grand Trunk was designed to be part of a route between Montreal and New York via Lake Champlain and the Hudson River. In 1845 a company was chartered to build from a point opposite Montreal to the Vermont state line, connecting there with the line of another company chartered in Maine, New Hampshire and Vermont to build from the connecting point to Portland. The purpose was to connect Canada with an all-year port.

Contract with U.S. Roads.

It was from 1850 to 1860 that the principal portion of the main line was laid. It originally had a gauge of five feet six inches. Contact with United States roads at Sarnia and later at Detroit, led to the gradual adoption of their gauge of four feet eight and a half inches as standard for the Grand Trunk and by 1874 all of its lines had been relaid to that width. But so liberally were the original standards of construction laid out that they have remained with little change even under the tremendous increase in weight of equipment during recent years. It is noteworthy that the company's bridge across the St. Lawrence at Montreal, constructed in 1854 to 1859, was provided with a new double-track superstructure of modern bearing capacity in 1898 on the old piers and abutments.

Bond and shareholders of the Grand Trunk have steadily supplied it with the increasing capital demanded by the growth and development of its territory. Throughout its history the company has steadily paid its bond interest and dividends on some classes of its share capital. The ordinary shares have never paid a dividend. The company has received little government assistance and that in the earliest stages of its career. The Royal Commission on Railways last year expressed the judgment that the shareholders had never at any period obtained excessive profits, while the road built up the first Canadian railway system in competition with the railroads of the United States, with their immensely greater resources, and later met the competition of heavily subsidized Canadian roads.

RECEIVER FOR THE CENTRAL RAILWAY

Judgment has been rendered by Sir Walter Cassels, sitting in the exchequer court, Montreal, rejecting the petition of the directors of the Central Railway Company of Canada for confirmation of a scheme of arrangement between that company and its creditors. Immediately following the rejection of the scheme of arrangement an application was made by John W. Cook, K.C., counsel for the City Safe Deposit and Agency Company, Limited, of London, England, who are trustees for the bondholders, asking for the appointment of F. Stuart Williamson, of Montreal, as receiver. This application was made in a suit taken by the trustees, which has been pending for some time. The application was granted and Mr. Williamson was sworn in as receiver in Ottawa on Wednesday of last week.

These judgments are the culmination of various legal proceedings in the exchequer court concerning the affairs of the Central Railway Company, of which Mr. C. N. Armstrong is president, having succeeded to this office upon the death of the late Senator Owens.

The other directors of the railway are Messrs. W. D. Hogg, K.C., E. A. D. Morgan, J. T. Bethune, J. O. Dupuis and J. D. Wells, the latter having also acted as secretary of the company. Apart from certain subsidiary roads, it was intended that the main line of the Central Railway should run from Montreal to Midland, but only twenty miles have been partially constructed. Bonds to the value of more than £427,000 have been issued, these being largely held in England and France. These bonds do not seem to have been highly regarded by the Canadian investing public.

LANDED BANKING AND LOAN COMPANY

One of the outstanding features of the latest annual report of the Landed Banking and Loan Company of Hamilton, is the size of the reserve fund. From the earnings of the past year $55,000 was transferred to the reserve, which brought that account up to $830,000, equal to 83 per cent. of the paid-up capital. Another evidence of strength is the satisfactory condition of the assets, all of which have been examined by a committee of the company's directors. The total assets amount to $3,794,472, of which the greatest part is represented by loans secured by first mortgages on real estate, this item being $3,103,866. The company holds blocks of Dominion war loan, municipal and other bonds and has loans of $52,960 on stocks and bonds. Its head office premises at Hamilton are valued at $65,000. There is a large sum, $268,237 cash on hand and at bankers. The net profits for the past year, after deducting all charges, amounted to $143,710. With the balance of $6,348 brought forward from last year, there was a sum of $150,058 for distribution. Dividends at the rate of 8 per cent per annum accounted for $80,000 of that sum; $55,000 went to the reserve fund and the remainder to various taxes and Patriotic Fund grants, with the exception of $7,232, the balance carried forward. The profit and loss account gives details of management expenses, which we think is a commendable feature of the statement. The expense of the management, including salaries, office expenses, directors' and auditors' fees, were $19,255, a moderate sum. Land inspection, including inspectors' salaries, cost $5,383. Valuators' commissions were $1,221 and debenture expenses $457.

The company's liabilities to the public total $1,917,240, made up as follows: Savings deposits, $1,090,693; currency debentures, $340,936; sterling debentures, $474,986; accrued interest, $8,319; and sundry unpaid accounts, $2,304.

The Landed Banking and Loan Company is one of Ontario's oldest loaning corporations which, as a group, have such an excellent record. Mr. C. W. Cartwright is managing director, his colleagues on the board being Messrs. C. S. Scott, F.C.A., president; Robert Hobson, vice-president; E. H. Ambrose, Charles Mills and Paul J. Myler.

STANDARD TRUSTS COMPANY

A block of $250,000 of the stock of the Standard Trusts Company, of Winnipeg, will shortly be offered to the company's shareholders. In this connection the president, Mr. J. T. Gordon, said at the annual meeting last week: "Of the remaining 5,000 shares of $50 each, each shareholder is to have the right or option to subscribe, in the ratio of his holding, one share to every three held, and that at a premium of 25 per cent., or $12.50 on every $50 share—the same premium that was asked before, five years ago, when the capital was increased from $500,000 to $750,000. Your directors have decided upon this course not only on patriotic grounds, but also for the business reason that the new capital would at once absorb the said company's excellent mortgage investments without disturbance to the Standard Trusts Company, with profit to your company, and with the full approval and knowledge of its client. It is the intention that only the premium and 10 per cent. of the subscription for the new shares will be required at the time of subscription, and thereafter no greater calls than 10 per cent. monthly until the full amount is paid."

The directors presented an excellent report at the annual meeting, held at the company's head office at Winnipeg last week. The profits for the past year totalled $94,171. A balance of $27,158 was carried forward after paying $67,500 dividends and transferring $20,000 to the reserve. The authorized capital is $1,000,000, of which $750,000 has been subscribed and paid up. The other $250,000 is to be offered to the shareholders as noted above. The contingent fund of $25,000, which was established two years ago by the directors in view of the disturbed conditions then prevailing, has now been found unnecessary, and as a result this amount has now been merged into the company's general reserve, which now stands at $500,000.

The directors and shareholders of the Standard Trusts Company have good reason to be satisfied with the results of the year's operations and the sound financial position of the company. Mr. William Harvey, the vice-president, has proved a capable manager. He and his directors, headed by Mr. J. T. Gordon, have combined, in regard to the company's policy, the caution of the East with the progress of the West, with beneficial effect upon the position of the corporation.

WHEAT LOAN OF HUNDRED MILLIONS

It Was for One Year at 6 Per Cent. and Payable Quarterly —History of the Transaction

Some interesting details regarding the Canadian banks and the wheat loan were presented at the annual meeting of the Canadian Bankers' Association held last fall and to which little publicity has been given. The report of the secretary of the association reviewing this matter pointed out that a wheat loan of $100,000,000 for one year, 6 per cent., payable quarterly, with a renewal privilege for another year, had been arranged through the minister of finance with the British treasury. "All the members of the association are aware of the difficulties experienced in properly closing the negotiations," the report says. With the banks scattered from Quebec to Weyburn, dealing with the minister at Ottawa, as the intermediary, who in turn communicated with the British plenipotentiary at Washington and later with London, and with changes in the instalment terms after the provisions of the agreement were first settled, it was not an easy matter for the president of the Canadian Bankers' Association to keep the terms in order from the bankers' standpoint.

"Lord Reading confirmed on November 6th, in a communication to the minister of finance, the authority of the Wheat Export Company, Limited, to receive the proceeds of the loan in the terms following:—

" 'I authorize on behalf of the British government credit arranged with Canadian bankers for purchase of grain to be placed at the disposal of the Wheat Export Commission. Should be glad if you would be so good as to arrange accordingly.'

British Treasury Bills.

"The deputy minister of finance was at once advised that while the name 'Wheat Export Commission' was first used over a year ago, when Messrs. Stoddart and Stewart were representing the British treasury in making purchases of grain, that with the approval of the British authorities a corporation known as 'The Wheat Export Company, Limited,' of which Mr. J. Stewart is president, was subsequently organized for the purpose of buying and shipping the western crop. Mr. Boville, deputy finance minister, undertook to communicate with Lord Reading at once, and ask him to substitute for the Wheat Export Commission in his telegram the name the Wheat Export Company, Limited.

"Lord Reading's authority in view of the course of the negotiations to bind the British treasury in the opinion of counsel to the association is without question. Lord Reading first made the arrangements for the $100,000,000 advance through the minister of finance with the association. Under this arrangement the banks were to have the right to a security in the form of British treasury bills deposited to the order of the minister of finance. When the arrangements with Lord Reading were completed the minister cabled through the High Commissioner to the British treasury outlining the terms and asking that treasury bills as security be deposited for account of the minister with the Bank of England and further asking for authority to deposit the advances in the banks making the advances to the order of the Wheat Export Company, Limited. The deposit of the securities was made by the treasury thus recognizing and confirming Lord Reading's authority in the premises. When Lord Reading has by an amendment of the message authorized a deposit of the advances to the credit of the Wheat Export Company, Limited, the matter, as advised by counsel, can be regarded as satisfactorily settled.

"On November 8th, 1917, the British treasury, by communication through the minister of finance, confirmed the terms of the contract and the authority of the Wheat Export Company, Limited.

Funds in New York.

"In connection with the wheat advances the following letter was by direction of the president written on October 30th, 1917, to J. Stewart, president of the Wheat Export Company, Limited:—

" 'I am directed by the president to suggest to you the expediency of using your credit in New York in conjunction with the $50,000,000 to be placed at your disposal by the Canadian banks on or about the 1st proximo. The president desires me to point out that if the Wheat Export Company uses the $50,000,000 without any drawings from the funds available in New York there will probably be a violent reaction in exchange to be succeeded by a still more violent reaction the other way when you begin to use New York funds exclusively after the $50,000,000 has been exhausted. This I need scarcely point out, will result in a serious loss to your principals as well as otherwise disturbing Canadian financial conditions.

" 'The president would be glad if you would communicate your views on the matter.'

"To which the following reply was received dated November 3rd, 1917:—

" 'Referring to your letter of the 30th of October, in which you refer to the matter of New York exchange, I agree with you, that on certain conditions, your suggestion appears a good one, but before giving any decided opinion, I must necessarily ascertain the financial arrangement at the New York end. As soon as I have that before me, I will again communicate with you.

" 'If at any time there is any information which you require which we can give your association with regard to this credit, we shall be very glad to do so. As stated in to-day's wire, I fully appreciate that in order to obtain the best results, we must co-operate as much as possible.'

New York Exchange.

"The following telegram, dated November 6th, 1917, from the secretary of the western sub-section of the Canadian Bankers' Association at Winnipeg was read:—

" 'Re Wheat Export Company, sub-section desirous of immediate decision by parent association as to rate of commission on New York exchange, whether one-tenth or one-sixteenth on basis bills sent for collection and credited account only when paid and on advice of sale of relative New York funds. Opinion members of sub-section divided.'

"After discussion it was resolved that the Wheat Export Company's drafts on New York be deposited for collection pro rata with the banks and that the proceeds be placed at the credit of the Wheat Export Company on the day of payment in New York with a net commission of one-tenth based on the rate for the day between banks."

Improve Financial Position.

The president of the Bankers' Association, discussing the same matter at the annual meeting, said: "We are endeavoring to arrange with the Wheat Export Company to help to stabilize exchange rates by utilizing the credit established by the Canadian banks when New York funds are at a considerable discount. Despite the large shipments of wheat to the American seaboard in the fall of 1916, for which payment was received in New York funds, New York exchange ruled throughout the following month of January, 1917, at from one-half to three-quarter premium, which indicates the great commercial demand in this country for New York funds to settle our trade balances.

"The sale of a large proportion of our wheat for cash at a phenomenal price will greatly improve the financial situation. It is also satisfactory to hear that the United States government are placing orders for munitions in Canada, and that these may extend to large figures. Their purchases will reduce Canada's adverse balance of trade with the United States, and if payment for them is made in Canada, will prove a solution of the exchange question."

TORONTO SAVINGS AND LOAN COMPANY

One of Ontario's many loaning institutions, which several years ago came of age, and which has an excellent reputation, is the Toronto Savings and Loan Company. Its president, Mr. Herbert C. Cox, recently presented the thirty-third annual report of the directors, and it reflects a sound financial position. After payment of interest on deposits and debentures, and all expenses of management, there remained net earnings amounting to $150,554. This amount, together with the balance brought forward in profit and loss account from 1916 of $36,147, made a total of $186,701, which amount was disposed of in the following manner: By payment of four quarterly dividends at the rate of 10 per cent. for the year, amounting to $100,000; by transfer to reserve fund, $50,000; by balance left in profit and loss account, $36,701; total, $186,701. The reserve fund now stands at $1,050,000. All payments maturing during the year on the company's investments were satisfactorily met, and the rentals from the property owned by the company were also promptly paid.

The following directors were elected for the ensuing year: Messrs. Herbert C. Cox, Richard Hall, W. G. Morrow, D. W. Dumble, E. R. Wood and E. T. Malone, K.C. At a subsequent meeting of the directors, Mr. Herbert C. Cox was elected president and Mr. Richard Hall and Mr. W. G. Morrow vice-presidents.

CANADA'S COAL PROBLEM

Vital Question Has Come to the Forefront — Press References to Recent Article in The Monetary Times

The territory between Winnipeg and Ottawa depends almost entirely upon the United States for coal. This, certainly, is a serious matter.

Following the publication of the valuable review of the fuel situation contributed to *The Monetary Times*, of January 4th last, by Mr. Arthur V. White, numerous press notices, personal letters and other comments have been received. All these have been of so distinctly favorable a character that it seems evident that much good must necessarily result, especially since greater effort is now being made by governmental, municipal and other authorities to secure action along the various lines which the article suggests. Mr. White for many years has been directing attention to this subject in a broad and statesmanlike manner. He has written with authority. For several years he practised his profession in London, England, where his work necessitated extensive travelling in England, France, Belgium and the United States. He is consulting engineer to the Commission of Conservation and to the International Joint Commission, Ottawa and Washington, on the Lake of the Woods Investigation. It is proposed here to cite some of the press comments so that it may be evident how increasingly great is the demand for positive, widespread and adequate action in this exceedingly grave national fuel problem:—

Referring to Mr. White's article, the *Toronto Sunday World* emphasized the fact that he directs early attention to the necessity before Canada "to develop, and that as rapidly as possible, her own fuel and power resources, and by co-ordination of transportation and other cognate agencies to provide for the early annual distribution, including reasonable reserves, of fuel to all communities in the Dominion. In some respects it is more important to move coal and have it adequately stored and distributed throughout Canada than it is to move the grain out of the country." He, continues the *World*, warns us: "Let it be appreciated that Canadians need never expect to have electrical energy replace coal and other fuel for heating purposes, except to a relatively limited extent.' The use of electric power to save fuel, and the greater conservation of fuel resources for heating purposes must be the national policy. Steps should at once be taken to give such a policy form and action. The first cost would be nothing as compared with the interests at stake."

Problem Treated on Statesmanship Basis

The people of Canada are becoming seized with the importance of grappling with the problem of our fuel supply; this fact is clearly reflected in recent press comments. The Kitchener (Ont.) *News Record*, discussing the article in *The Monetary Times*, is of the opinion that Mr. White treats the problem from a national standpoint and strictly with regard to the future. "That his treatise has been published at this juncture," it says, "doubtless was due to the hope that Canadians, who now are suffering from a shortage of fuel and power, would be the more deeply impressed by his plea that the situation demands national action. He avers that the alternative open to Canada is to develop, and that as rapidly as possible, her own fuel and power resources, so as to provide for an early, annual distribution of fuel to all communities in the Dominion. His article will appeal to the business and general public as both sensible and timely. Canadians will be impressed and led to request the federal government to take action and ascertain to what extent Mr. White's vision can be realized."

Argument is Sound—On National Grounds

That the argument set forth in *The Monetary Times* is essentially sound, is believed by *The Canadian Engineer*, Toronto. "For many years," it says, "Mr. White has studied and written about the fuel problem in Canada, not in its temporary aspect, but upon broad, national grounds. In the article above-mentioned, which is well worth perusal by all who are interested in Canada's economic situation, he makes it clear that the government should take immediate and forceful action."

Canada is possessed of raw material which is equally essential to the United States, and Mr. White's advice is to develop and conserve our resources in water-power, in pulpwood and other vital resources as a medium of international exchange against the day of necessity. When the United States shall say: "We have no more coal to sell for money," then we can reply, "Perhaps not, but how much will you exchange for so much electrical energy, or so much pulp? That is likely to be the new form of barter in the not distant future and for which we must be prepared if we are not to endure terrible suffering and industrial paralysis," says the *Quebec Chronicle*.

The *Hamilton Spectator* refers to the apathy of those who should take the initiative in solving our fuel problem. "Perhaps one of the first questions to which the new Union Government will address itself," it says, "will be an early utilization on a commercial basis, of the peat and lignite deposits of Ontario and the west. Would it be too much to expect some appreciable progress in this direction before the beginning of next winter?"

Fuelless Countries Coerced

Recalling the humiliating position into which Holland, Denmark, Norway, Sweden and Switzerland have been reduced through their dependency upon belligerent nations for their supplies of fuel, the *Toronto News* says:—"We have seen Germany reach out to control the iron and coal deposits of Northern France and the water-powers of Switzerland. Our own fuel resources will prove equal to our needs if we develop them on an adequate scale, acquire reasonable reserves, and provide the necessary shipping facilities. As Mr. White remarks, 'it is in some respects more important to move coal and have it adequately stored and distributed throughout Canada than it is to move the grain crop out of the country.' The fuel problem is easily one of the most vital questions with which the Unionist government has to deal."

Commenting upon the friendliness of the United States towards this country and its importance re the question of coal supply, the *Hillsboro Journal*, New Brunswick, properly points out that circumstances are conceivable in which our neighbor to the south might feel compelled in the interests of her own population completely to shut off the export of anthracite, and to barter her bituminous output for particularly necessary Canadian products, such as electrical power.

Warnings that the anthracite coal fields of the United States are within reasonable distance of exhaustion have been made with increasing frequency in late years. The extreme limit, at the rate of consumption before the war, has been placed so low as one hundred years, but it may be taken as reasonably certain that long before the expiry of that period—and earlier rather than later—the United States authorities will take steps to limit or even prohibit its further export. Having these points in mind, the *Daily Times*, St Thomas, Ont., says:—"Canada as a loyal and convinced ally in the war against German militarism has received, and, no doubt, will continue to receive, special consideration during its course. But the United States government will also and naturally place the needs of its own people first and have regard to their future rather than to that of Canada. Fortunately, however, Canada is not without compensations that may in some degree alleviate that situation when it comes. It must develop and make available its own resources both of coal and of water power under a system that will protect its people."

Work of National Necessity

Too often we hear people in positions of responsibility, or politicians in the heat of an election campaign, dilating on the great natural resources of Canada, as though they were some sort of a fathomless ocean of gold into which our people could dip and scoop for all time to come without any fear of diminishing the supply or endangering the source of it. Mr. White takes direct exception, for example, to a statement made in Montreal on December 6th, 1917, at the annual meeting of a bank, when the president said:—"Our natural resources are unbounded and our credit is irreproachable." As far back as 1908 the officials in the United States saw that natural resources in that country had their limits and the same thing applies to Canada.

"Ontario, of all the provinces," says the *Guelph Mercury*, "should be interested to the point of action. It may be that the best results would be obtained were it undertaken as a work of national interest, rather than as private speculation. The private companies, for instance, have not succeeded in the development of the great coal areas of southern British Columbia. Many of these mines are run as a matter of convenience for American railroads. If the Canadian people are ever to receive the direct advantage of their great coal-bearing areas, it will only be by tremendous national effort, in which

(Continued on page 30)

CANADA'S FUEL PROBLEM IS URGENT

Representative Press Notices Endorsing the Articles by Mr. Arthur V. White in *The Monetary Times* and Supporting this Paper's Advocacy of Immediate and National Action Respecting Canada's Fuel Problem.

Canada's Enormous Coal Resources Should Be Developed

THE LONDON ADVERTISER, LONDON, ONTARIO FRIDAY, JANUARY 4, 1918.

CANADA HAS 313 BILLION TONS OF SOFT COAL WHICH COULD WELL BE DEVELOPED

Besides, There Are Nearly a Billion Tons of Semi-Anthracite—Engineer Says There Is No Need To Start Learning A.B.C. of Fuel Problem—Govt. Has Facts.

THE CALGARY NEWS-TELEGRAM

FRIDAY, JANUARY 4, 1918.

Canada Must Develop Coal Resources, Says Conservation Engineer

Alberta Has, in Addition to Billions of Tons of Lignite, 845,900,000 Tons of Semi-anthracite, 218,000,000 Tons of Bituminous, and 1,000,000,000,000 Tons of Sub-bituminous Coal—No Reason for Canada, with Her Vast Fuel and Water Power Resources, to Go Cold, Says Arthur V. White.

ALBERTA'S VAST COAL RESOURCES

NO REASON FOR CANADA TO GO COLD

EVENING EXAMINER, PETERBOROUGH, THURSDAY, JANUARY 10, 1918

NATIONAL ACTION IS CAPABLE OF SOLVING CANADA'S FUEL PROBLEM

MAIL AND EMPIRE, TORONTO, SATURDAY, JANUARY 26, 1918.

QUEBEC CHRONICLE, JANUARY 19, 1918.

COAL PROBLEM OF CANADA DEMANDS NATIONAL ACTION

A SOLUTION OF A VITAL NATIONAL AND INTERNATIONAL QUESTION OUTLINED.

(By Arthur V. White.)

NEW BRUNSWICK POSSESSES 161,000,000 TONS OF COAL

Canadian Fuel Problem Serious One and in Time United States Supply May Not Be Available—New Brunswick and Nova Scotia ave Plenty of Coal and Mines Should Be Developed.

Toronto, Jan. 3—The Monetary Times published a four-page article by Arthur V. White on Canada's coal problem. Mr. White is consulting engineer to the conservation commission.

Canada at present imports annually from the United States 4,500,000 tons of anthracite, and from ten to fourteen millions of tons of bituminous coal, the latter largely for power purposes. It is believed that the American anthracite fields, even at the pre-war rate of production, will be exhausted in a hundred years. The friendliness of the United States towards this country has recently been emphasized in this question of the coal supply, but circumstances are conceivable in which our neighbor to the south might feel compelled in the interests of her own population, to completely shut off the export of anthracite, and to barter her bituminous output for particularly necessary Canadian products, such as electrical power.

Much Coal in N. B.

... regions, may not prove available. The peat bogs of Canada are estimated to produce twenty-eight billion tons, equal in fuel properties to sixteen billion tons of good coal.

MUST DEVELOP COAL RESOURCES

Expert Says Every Effort Needed to Deal With Situation.

CONSERVE POWER SUPPLY.

American Anthracite Fields Will Last But 100 Years.

THE REGINA DAILY POST, SATURDAY, JANUARY 5, 1918

BILLIONS OF TONS OF COAL IN CANADA AWAIT ONLY MINING

Resources in Alberta Reach Beyond Trillion Ton Mark, Greater Effort Needed

GUELPH EVENING MERCURY

WEDNESDAY, JANUARY 16, 1918.

CANADA'S BIG PROBLEM.

ALBERT JOURNAL HILLSBORO, N. B., JANUARY 16, 1918

COAL DEPOSITS IN NEW BRUNSWICK

THE DAILY INTELLIGENCER

BELLEVILLE

SATURDAY, JANUARY 5, 1918.

DEVELOP OUR OWN COAL RESOURCES.

DAILY INTELLIGENCER MONDAY, JANUARY 7, 1918.

CANADA SHOULD WAKE UP.

THE ST. CATHARINES STANDARD.

COAL PROBLEM OF CANADA DEMANDS NATIONAL ACTION

A Solution of a Vital National and International Question Outlined—Our Natural Resources Not Inexhaustible—Canada's Present Dependence Upon the United States for Coal—The Dominion Possesses Independent Fuel Resources Which Must be Developed

WOODSTOCK-INGERSOLL

The Sentinel Review

FRIDAY, JANUARY 4, 1918.

THE FUEL PROBLEM.

The Toronto World

FRIDAY MORNING JANUARY 4 1918

Canada's Coal Problem

THE SASKATOON DAILY STAR.

FRIDAY JANUARY 4, 1918.

MINE ENGINEER SAYS CANADA MUST DEVELOP ALL COAL RESOURCES

THE TORONTO WORLD

SATURDAY MORNING JANUARY 5 1918

Shall We Perish Like Butterflies?

In a country with an Arctic climate there is no alternative between the coal dealer and the undertaker. We have heard of a doctor who has three years' coal supplies in his cellars and outhouses. He did what everybody else did—bought all he could. Some of us, the poor children of the nation, could buy no coal in advance. In the last week we have heard of mothers burning their furniture to keep the children warm; of new-born babes, of invalids, of the dying, without coal in the house; of the hospitals, even, not sure of the next day's supplies.

We started an agitation last April about the coal shortage, and the ... pooh-poohed it. They assured us the coal dealers would grapple with the situation. ... is worse this year than last. Next winter, if the war continues, it will be worse yet.

Sir William Hearst's government refused Toronto permission to have a municipal coal yard. Mayor Church can lay facts before him now that may lead him to change his mind. There must be an emergency coal depot—several of them in the city. Government theories must give way to facts.

There is no anthracite coal proper in Canada. Mr. Arthur V. White's able article, which everybody should read, tells us about the semi-anthracite of Alberta. This and a big supply of soft coal, lignite, peat, with oil, gas and wood, are all we can depend upon to keep life in our bodies if the United States fails us. All these resources should be nationalized and organized for distribution. If we do not prepare, we shall freeze to death some winter like butterflies.

The Quebec Chronicle

Printed and published by The Chronicle Printing Company, D. Watson, General Manager, at the building of the Company, 8 Buade Street, Quebec. Subscribers: Daily, $3.00 per annum; Weekly, $1.00 per annum; payable in advance. Advertisements: 15 cents per agate line each insertion.

QUEBEC, JANUARY 7, 1918.

INTERNATIONAL EXCHANGE.

A few days ago the Chronicle reproduced from the Monetary Times certain far-sighted observations on the coal situation by Mr. A. V. White, Consulting Engineer of the Conservation Commission, who is a widely known expert on the subject.

The high price of coal and the serious shortage in supply are matters of common knowledge, but it is probable that these phenomena are almost entirely associated with war causes. On the contrary this is a situation that was already developing prior to 1914 and which events subsequent to that time have only served to accentuate.

We have it on high authority that the rapidly disappearing fields of hard coal in the United States have long been causing uneasiness to the Commission of Conservation there, and that the Government was ... experts to limit its export from the ... than three years ago. ... was aimed principally at Canada ... for the most part upon American coal ... and industrial consumption, and ... be recognized that, at the present ... into Canada only on the license ... Government, which can be withdrawn.

... done, we can imagine the hardship that would result during the long winter. Canada is nearly helpless in the ... hard coal is limited and could be ... at prohibitive cost, nor can we ex... to shiver in order to fill our fur... price.

... however, is possessed of raw material ... essential to the United States and ... is to develop and conserve our ... power, in pulp-wood and other ... a medium of international exchange ... of necessity.

... United States shall say "We have no ... for money" then we can reply, ... how much will you exchange for ... energy, or so much pulp"? That is ... new form of barter in the not distant ... we must be prepared, if we are not ... suffering and industrial paralysis.

LET CANADA EXCHANGE ELECTRIC POWER FOR COAL

In "The Monetary Times" Mr. Arthur V. White has a comprehensive article on the coal problem of Canada, and below will be found part of the article that has an intimate relation to Niagara Falls:

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

Coal Scarcity and Coercion

"There is, apart from food, raiment and shelter, perhaps no single commodity which has been found so necessary for the maintenance of life and for the carrying on of commerce and transportation as fuel—chiefly coal. During the past few months the public interest has been keenly aroused respecting the nation's fuel supply and increasing dependence upon hydro-electric energy. The present war conditions are going to drive home to Canadians as never before the treme... ...spect to fuel.

"Countrie... Switzerland—... dependent upo... selves serious... been forced t... which posses... such coal wi... k, Holland and ...are practically ...ve found them... ...ity. They have ... the countries ... the terms upon

THE NEWS RECORD

(Established in 1878).

The News-Record is published every afternoon (holidays and Sundays excepted) at 49 West King St., Kitchener (Berlin), Ont., by its proprietor The News-Record Limited.

THE COAL AND POWER PROBLEM OF CANADA.

MONCTON, N. B., FRIDAY MORNING, JANUARY 4, 1918.

THE DAILY TIMES

CANADA'S COAL PROBLEM DEALT WITH BY CONSERVATION COMMISSION ENGINEER

(Canadian Press)

ALBERTA HOLDS MOST OF CANADA'S COAL DEPOSITS

COUNTRY HAS VAST RESOURCES BUT THEY ARE DIFFICULT TO DISTRIBUTE.

SIXTEENTH ANNUAL REPORT OF

The Canada Trust Co.

HEAD OFFICES - - LONDON, CANADA

(Managed in connection with The Huron and Erie Mortgage Corporation.)

The Sixteenth Annual Meeting of the Shareholders was held at the Company's Offices in London, Ontario, on Tuesday, February 12th, 1918.

The Annual Report and Financial Statement were submitted as follows:—

After defraying the expenses of management and other charges, and making allowance for actual and possible losses, the balance available for distribution is $139,359.83 as follows:—

Brought forward from the previous year's account	$ 4,093.43
Net profits upon the past year's business	135,266.40
	$139,359.83
of which the following disposition has been made:—	
Two half-yearly dividends at 7 per cent. per annum	$ 69,993.00
Government and Business Tax	4,038.79
War Tax	1,928.31
Set aside for transfer to Patriotic and Red Cross Fund, Queen Alexandra Sanatorium Fund, and British Red Cross Fund	3,125.00
Transferred to Reserve Fund	50,000.00
Balance carried forward	10,274.73
	$139,359.83

The Reserve Fund now amounts to $550,000 or 55 per cent. of the Company's Paid-up Capital.

The sum of $3,125.00 has been set aside for Patriotic purposes as above noted. The Shareholders will be asked to approve these donations.

The accounts, vouchers and securities have been duly examined by the Auditors, whose report is appended.

The Directors desire to bear testimony to the very efficient manner in which the Officers of the Company have discharged their respective duties.

All of which is respectfully submitted.

T. G. MEREDITH,
President.

London, February 1st, 1918.

Statement as at 31st December, 1917.

LIABILITIES.

Capital Account:			
Capital Stock Paid-up		$1,000,000.00	
Dividend payable 1st January, 1918		34,996.50	
Reserve Fund:			
30th December, 1916	$500,000.00		
Added 31st December, 1917	50,000.00		
		550,000.00	
Balance at Credit of Profit and Loss		10,274.73	
			$1,595,271.23
Guaranteed Funds:			
Sum for Investment		$4,461,357.90	
Interest Accrued but not Due		67,224.06	
			$4,528,581.96
Estate Funds:			
Estate Moneys for Investment		$1,625,583.38	
Unrealized Assets		1,164,607.00	
			$2,790,190.38
			$8,014,043.57

ASSETS.

Capital Account:		
Cash Value of Mortgages	$ 869,700.75	
Less amount Retained to pay prior Mortgages	19,674.65	
	$ 850,026.10	
Canadian Municipal, School District and Rural Telephone Debentures	332,350.00	
Bonds of Great Britain, the Dominion of Canada and its Provinces	291,084.00	
Other Bonds and Securities	41,420.00	
Real Estate	12,679.73	
Cash on hand and in Banks	67,711.40	
		$1,595,271.23
Guaranteed Funds:		
Cash Value of Mortgages	$3,699,789.00	
Canadian Municipal, School District and Rural Telephone Debentures	633,619.00	
Bonds of Great Britain, the Dominion of Canada and its Provinces	1,063,657.00	
Other Bonds and Securities	14,000.00	
Cash on hand and in Banks	117,616.96	
		$4,528,581.96
Estate Funds:		
Cash Value of Mortgages, Bonds and Debentures	$1,455,276.00	
Unrealized Assets	1,164,607.00	
Cash in Banks	170,307.38	
		$2,790,190.38
		$8,014,043.57

HUME CRONYN, General Manager.

We hereby certify that for the year ending December 31st, 1917, we have audited the Books and Accounts and have examined the Securities of The Canada Trust Company, except those of its branches at Regina, Winnipeg and Edmonton. All our requirements as auditors have been complied with, and in our opinion the above statements are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by its books.

The Books and Accounts of the Branches at Regina, Winnipeg and Edmonton have been audited and the Securities there have been examined by Mr. J. C. Pope, C.A., and by Messrs. F. C. S. Turner & Company, C.A., and by Messrs. Baldwin, Dow & Bowman, C.A., respectively, and the results as certified to by them are incorporated in the above statements.

M. H. ROWLAND, J. F. KERN, } Auditors.

London, February 1st, 1918.

The following Directors were elected for the ensuing year:—

T. G. MEREDITH, K.C., President.
E. R. ECCLES, M.D., LL.D., Vice-President.

H. S. BLACKBURN.
GEO. T. BROWN.
I. CAMPBELL, K.C.
E. P. CLEMENT, K.C.
JOHN COWAN, K.C.
V. CRONYN, K.C.
ROBT. FOX.
H. E. GATES.
A. H. M. GRAYDON.
F. E. LEONARD.
HON. F. G. MACDAIRMID.
J. B. McKILLOP.
R. O. McCULLOCH.
PHILIP POCOCK.
HUME CRONYN, M.P.

FIFTY-FOURTH ANNUAL REPORT OF

The Huron and Erie Mortgage Corporation

HEAD OFFICES - - - - LONDON, CANADA

The Fifty-fourth Annual Meeting of the Shareholders was held at the Corporation's offices in London, Ontario, on Wednesday, February 13th, 1918.

The Annual Report and Financial Statement were submitted as follows:—

After defraying the expenses of management and all other charges, and making allowance for actual and possible losses, the balance available for distribution is $535,710.78, as follows:—

Brought forward from the previous year's account	$ 85,518.87
Net profits upon the past year's business	450,191.91
	$535,710.78

of which the following disposition has been made:—

Four quarterly dividends of 3 per cent. each (making the total distribution 12 per cent.)	$300,000.00
Government and Business Tax	8,381.48
War Tax	11,234.48
Set aside for Transfer to Pension Fund	10,000.00
Set aside for Transfer to Patriotic Fund, Canadian Red Cross Fund, British Red Cross Fund, Military Y.M.C.A. Fund, Queen Alexandra Sanatorium Fund and Halifax Relief Fund	9,425.00
Transferred to Branch Extension Fund	10,000.00
Transferred to Reserve Fund	100,000.00
Balance carried forward	86,669.82
	$535,710.78

The Reserve Fund now amounts to $3,100,000.00, or one hundred and twenty-four per cent. of the Paid-up Capital.

The sum of $10,000 has been set aside for transfer to the Pension Fund, and the sum of $9,425.00 for Patriotic purposes as above noted. The Shareholders will be asked to approve these transfers.

The Corporation has no real estate on hand other than office premises, all properties which have come into the possession of the Corporation by foreclosure, failure to obtain purchasers under power of sale, or otherwise, having been sold.

The Directors desire to bear testimony to the very efficient manner in which the Officers of the Corporation have discharged their respective duties.

All of which is respectfully submitted.

T. G. MEREDITH, President.

London, Ontario, January 28th, 1918.

Statement for Year Ending December 31st, 1917.

ASSETS AND LIABILITIES.

DR.

Liabilities to the Public:		
To Sterling Debentures	$ 4,032,950.64	
To Canadian Debentures	4,703,191.04	
To Deposits	3,025,255.02	
To Interest accrued but not due	103,650.88	
		$11,865,047.58
To the Shareholders:		
To Capital Stock paid up	$ 2,500,000.00	
To Reserve Fund	3,100,000.00	
To Officers' Pension Fund	10,000.00	
To Branch Extension Fund	10,000.00	
To Quarterly Dividend No. 121, due 2nd January, 1918, at 3 per cent.	75,000.00	
To Balance	86,669.82	
		$ 5,781,669.82
		$17,646,717.40

CR.

By Cash Value of Mortgages	$10,626,306.00	
Less amount retained to pay prior mortgages	41,532.65	
		$10,584,773.35
By Office Premises		211,913.99
By Canadian Municipal, School District and Rural Telephone Debentures		3,182,951.00
By Bonds of Great Britain, the Dominion of Canada and its Provinces		1,409,654.00
By Other Bonds and Securities		93,208.00
By Canada Trust Company Stock at cost (Value on basis of Reserve, $1,507,995)		1,180,860.00
By Cash in Office	$ 71,829.99	
By Cash in Bank	911,527.07	
		983,357.06
		$17,646,717.40

HUME CRONYN, General Manager.

RESERVE FUND AND UNDIVIDED PROFITS.

Reserve on 30th December, 1916	$3,000,000.00	
Transferred from Profits on 31st December, 1917	100,000.00	
		$3,100,000.00
Undivided Profits for 1917		86,669.82
Reserve Fund and Undivided Profits on 31st December, 1917		$3,186,669.82

AUDITORS' REPORT.

We hereby certify that for the year ending December 31st, 1917, we have audited the Books and Accounts and have examined the Securities of the Huron and Erie Mortgage Corporation, except those of its branches at Regina, Winnipeg and Edmonton.

All our requirements as Auditors have been complied with, and in our opinion the above statements are properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as shown by its books.

The Books and Accounts of the Branches at Regina, Winnipeg and Edmonton have been audited and the Securities there have been examined by Mr. J. C. Pope, C.A., Messrs. F. C. S. Turner & Company, C.A., and by Messrs. Baldwin, Dow & Bowman, C.A., respectively, and the results as certified to by them are incorporated in the above statements.

London, January 28th, 1918.

M. H. ROWLAND, F. G. JEWELL, C.A., } Auditors.

The following Directors were re-elected for the ensuing year:—

T. G. MEREDITH, K.C., President.

HUME CRONYN, M.P., First Vice-President. F. E. LEONARD, Second Vice-President.

GEORGE T. BROWN. F. R. ECCLES, M.D., LL.D. ROBT. FOX. H. E. GATES. A. H. M. GRAYDON. PHILIP POCOCK.

CANADA'S COAL PROBLEM

(Continued from page 26)

all our talent in labor, science, and organization must be brought directly to bear on the solution of the problem. Nothing else will do it. A half-measure or a faint-hearted attempt would be disastrous."

"If we do not prepare, we shall freeze to death some winter like butterflies," says the *Toronto World*, and it adds:—"There is no anthracite coal proper in Canada. Mr. Arthur V. White's able article, which everybody should read, tells us about the semi-anthracite of Alberta. This and a big supply of soft coal, lignite, peat, with oil, gas and wood, are all we can depend upon to keep life in our bodies if the United States fails us. All these resources should be nationalized and organized for distribution."

Look to Our Own Resources

The Monetary Times pointed out in an editorial article last month that if our outside supply of coal is cut off, we must look to our peat, lignites, and coal areas in east and west. Under the circumstances, the public naturally want to know what is being done to obtain this coal in east and west, and what is being done for its distribution to the central portions of the Dominion. There is a proper and rapidly strengthening desire on the part of the public to know what action the Dominion government is taking in these matters; what conferences are being held; whether expert knowledge is being applied; and what time and funds are necessary to obtain lignite and peat in order satisfactorily to relieve the situation, not only for the present but for the future also.

"Canada need not be dependent on the United States for good coal," says the *Mining Record*, Stellarton, N.S., "either for power or domestic purposes. Why is Nova Scotia not producing twelve, instead of six million tons. The chief reason is shortage of labor and lack of transportation facilities. Nova Scotia in the past could have shipped millions of tons of coal to Ontario had there been facilities for transportation. If Canada is not to continue to be dependent on the United States for coal, let those in authority begin to see to it that arrangements are made to carry coal right through from the Atlantic to the Province of Ontario. As soon as assurance is given that five to ten million tons of coal will be transported at a reasonable rate of freight, then, if there be a coal problem, it will be readily solved."

"That there is no reason for Canada, with her vast resources of fuel and water power to go cold or to have her industries throttled by reason of power shortage," is the opinion concurred in by the *Star*, Saskatoon, "but Canada," it adds, "may have a sore trial in both these respects unless every possible effort is speedily made to deal with the fuel and power situation in a comprehensive manner."

[Further Press references will appear in next issue.—*Editor*.]

LONDON & CANADIAN LOAN & AGENCY COMPANY.

The net earnings of the London and Canadian Loan and Agency Company, Limited, during 1917, were $163,000, or $4,600 in excess of those of 1916. This is equal to over 13 per cent. of the capital, as compared with 12.7 per cent. in 1916 and 15.4 per cent. in 1915. The year's earnings are equal also to 8 per cent. on the capital and reserve. The reserve was increased by $50,000 at the end of the year, and is now $850,000, or 68 per cent. of the capital. After making these provisions, and after paying the regular 8 per cent. dividend, the company was able to carry forward $22,000 to revenue account of the current year. These are satisfactory results, and reflect credit upon the work of Mr. Wadsworth, the manager and his staff and upon the conservative, yet progressive policy of the directorate, over which Mr. Thomas Long presides. Mr. Long informed the shareholders at the recent annual meeting that payments on mortgage accounts during the year had been satisfactory. He called their attention to the fact that the company's mortgages at the end of the year amounted to $4,286,000. These mortgages are almost entirely on improved farm property, all of which have been inspected by the company's own inspectors. The other items of assets shown in the statement are $329,000 of securities, $17,510 of call or short-term loans, and $223,418 cash.

Debentures outstanding decreased from $2,641,000 in 1915 to $2,409,000 in 1916, and to $2,231,000 last year, this circumstance indicating conditions in the debenture fields.

Mortgages and interest outstanding show a notable contraction. In 1915 this item was $4,627,000 and in 1916 $4,463,000, and last year $4,285,000. The changes in the character of the assets are indicated by the following table:—

	1916.	1917.
Mortgages	$4,463,643	$4,285,997
Call loans	80,660	17,510
Securities	311,927	329,017
Cash	112,720	223,418
	$4,968,953	$4,855,944

The London and Canadian Loan and Agency Company is one of our oldest loaning corporations, having been in business for forty-four years. While its head office is at Toronto, it has also branch offices at Winnipeg, Regina, Saskatoon and Yorkton. The Canadian organization consists of a Canadian board, including the president, Mr. Thomas Long, and the vice-president, Mr. Casimir S. Gzowski. The other directors are Messrs. A. H. Campbell, Charles C. Dalton, Goldwin L. Smith, Colin M. Black, W.S. (Edinburgh) and William C. Noxon. The manager is Mr. V. B. Wadsworth, who has guided the affairs of the company for so many years with great success, and the secretary, Mr. William Wedd, jr. In addition, the company has a Scottish advisory board, comprising the following members: Messrs. W. H. Murray, W.S., Ian Macintyre, W.S., and Colin M. Black, W.S., all of Edinburgh.

CANADA TRUST COMPANY

The Canada Trust Company, of London, Ontario, is operated largely in conjunction with the Huron and Erie Mortgage Corporation. The company was established sixteen years ago, and has a paid-up capital of $1,000,000. Its president, Mr. T. G. Meredith, K.C.; general manager, Major Hume Cronyn, M.P.; and secretary, Mr. M. Aylsworth, occupy similar positions with the mortgage corporation. The company held its annual meeting last week, and an excellent report was presented. After defraying the expenses of management and other charges, and making allowance for actual and possible losses, the balance available for distribution was $139,359 as follows: Brought forward from the previous year's account, $4,093; net profits upon the past year's business, $135,266; total, $139,359. The following disposition of that sum was made: Two half-yearly dividends at 7 per cent. per annum, $69,993; government and business tax, $4,038; war tax, $1,928; set aside for transfer to Patriotic and Red Cross fund, Queen Alexandra Sanatorium fund and British Red Cross fund, $3,125; and transferred to reserve fund, $50,000, leaving a balance carried forward of $10,274; total, $139,359. The reserve fund now amounts to $550,000, or 55 per cent. of the company's paid-up capital.

An interesting feature of the meeting was the reference made to the importance of appointing a reputable trust company, such as the London corporation, for the administration of estates. During 1917, there was an increase of over 25 per cent. in the number of wills deposited in the company's vaults in which the company had been named as executor. Mr. T. G. Meredith, the president, stated that it was most encouraging to note that the public are rapidly showing a preference for the appointment, as executor, of such companies instead of for the old method of obtaining the uncertain service of individuals in that capacity. Mr. J. B. McKillop, a director of the company, said he was not surprised at this development when the advantages to be gained by such appointment were considered. "Unlike individual executors," he continued, "this company's existence is perpetual. It keeps accurate and continuously audited accounts, and renders regular reports to beneficiaries; it cannot be influenced by family sentiment or quarrels; it has ample financial responsibility; and last, but not least, the fees allowed to this company for its services are fixed by the judge of the Surrogate Court at the time of the passing of the accounts, and in many cases they are less than the amount that would be allotted to individuals acting in the same capacity. Considerable weight was attached to Mr. McKillop's remarks, as he acts as crown attorney for the county of Middlesex.

An analysis of the Canada Trust Company's financial statement indicates that this corporation remains in a strong position.

The Dominion Savings and Investment Society

The Forty-Fifth Annual General Meeting of the Society was held at their Head Office in the Dominion Savings Building at 11 a.m., on Tuesday, the 12th day of February, 1918.

There were present: T. H. Purdom, K.C., President (who occupied the chair); John Ferguson, Vice-President; W. J. McMurtry, Toronto; James T. Moses, London; George Angus, John Purdom, H. Bapty, Alexander Purdom, E D. Parke, W. W. Purdom, Nathaniel Mills and others.

The Managing Director, Mr. N. Mills, then read the following report:—

Forty-Fifth Annual Report to the Shareholders of The Dominion Savings and Investment Society

The Directors beg leave to submit their report for the year ending December 31st, 1917, together with the duly audited balance sheet.

The net profits for the year amounted to the sum of $58,125.87. The balance at the credit of the Contingent Account was the sum of $2,541.03, making together the sum of $60,666.90. This sum provided for the payment of two half-yearly dividends, at the rate of five per cent. per annum, amounting to the sum of $46,741.42, the addition of $10,000.00 to the Reserve Fund, which now amounts to the sum of $260,000.00, leaving the Contingent Account a balance of $3,925.48.

The assets are more than double the amount of the liabilities, and the Reserve Fund alone is almost twenty-five per cent. of the total liabilities to the public.

The books of the Society have been regularly audited by Messrs. John Lochead and W. J. Harvey, whose certificate is attached to the financial statement.

All the Directors retire annually and are eligible for re-election.

Respectfully submitted, T. H. PURDOM, President.

Financial Statement for the Year ending December 31, 1917

PROFIT AND LOSS.

Dr.

To Two Permanent Stock Dividends—		
30th June, 1917	$23,357.50	
31st December, 1917	23,357.50	
		$ 46,715.00
To Two Accumulating Stock Dividends—		
30th June, 1917	$ 13.05	
31st December, 1917	13.37	
		26.42
To Interest paid Savings Bank Depositors		27,876.37
To General Expense Account, including Salaries, Directors' and Auditors' Fees, Advertising, Printing, etc..		12,743.00
To Commission Account		1,175.15
To Currency Debenture Coupons		3,139.08
To Currency Debenture Coupons due 2nd January, 1918...		3,121.80
To Sterling Debenture Coupons		7,618.95
To Sterling Debenture Coupons, Interest accrued but not due		1,054.20
To Municipal and Government Taxes		2,099.85
Carried to Reserve Fund		10,000.00
Carried to Contingent Fund		3,925.48
		$119,495.30

Cr.

By Earnings for year ending 31st December, 1917........	$116,954.27
By Balance of credit of Contingent Account, 1st, January, 1917	2,541.03
	$119,495.30

LIABILITIES.

TO THE PUBLIC:		
To Savings Bank Depositors	$ 761,378.40	
To Currency Debentures	175,230.00	
To Currency Debentures, Coupons due 2nd January, 1918.	3,121.80	
To Sterling Debentures	171,888.15	
To Sterling Debentures Coupons (Interest accrued but not due)	1,054.20	
	$1,112,672.55	
TO THE SHAREHOLDERS:		
To Permanent Stock	$ 934,300.00	
To Permanent Stock Dividend, payable 2nd January, 1918	23,357.50	
To Accumulating Stock	95.00	
To Accumulating Stock Dividends	453.33	
To Reserve Fund	260,000.00	
To Contingent Account	3,925.48	
	$2,334,803.86	

ASSETS.

By Cash Value of Mortgages and other Securities........	$2,297,941.16
By Cash in Banks	33,192.13
By Cash in Office	3,670.57
	$2,334,803.86

NATHANIEL MILLS, Manager.

We hereby certify that we have made a regular audit of the books of The Dominion Savings and Investment Society for the year 1917. The cash, bank accounts and vouchers have been kept under careful examination. All postings have been checked, all entries in the Society's ledgers have been verified, and the accompanying statements of "Profit and Loss" and "Assets and Liabilities" are, in our opinion, a correct showing of the affairs of the Society.

London, January 26th, 1918.

JOHN LOCHEAD, W. J. HARVEY, } Auditors.

The President moved the adoption of the Report, which was seconded by the Vice-President, Mr. John Ferguson, and carried unanimously.

The Directors: T. H. Purdom, K.C., John Ferguson, W. J. McMurtry, John Purdom, Samuel Wright, John Milne and Nathaniel Mills, Managing Director, were re-elected, and at a subsequent meeting of the Directors, T. H. Purdom, K.C., was elected President, and John Ferguson, Vice-President for the ensuing year.

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

The decision to govern the city of Montreal with the assistance of a businesslike commission will materially help the credit of that city, credit which has suffered in the past by maladministraton of the city's affairs. The appointment of the Bureau of Municipal Research to investigate the city's affairs was also a desirable innovation. The bureau has just made its report, which shows that by certain economies and readjustments the city would save more than $1,000,000 annually. Undoubtedly, the better elements of the city and of the province generally have decided that Montreal must have a thorough civic housecleaning, and the recommendations of the Bureau of Municipal Research are, therefore, likely to be adopted. In view of the financing which the city has to do, this is an important consideration.

The report of the bureau condemns the police department, drawing attention in detail to inefficiency, over-officering, the presence of outside influences in the appointments and promotions, and the defective platoon system. The fire department is praised, and a few suggestions for further work and further efficiency are made. The elimination of the clerical staff of the board of control is advised, such work to be done by the city clerk's staff. The establishment of a civil service commission, the sitting of the Recorder's Court on Sundays and holidays are among the recommendations of the elaborate report.

In a tabulated table under the heading of "savings" the report declares that on a conservative estimate $689,000 may be economized by the adoption of the various suggestions submitted. In addition to the $689,000 of savings listed are innumerable other instances where savings can be made if the recommendations in the report are adopted, the amount of which cannot be concluded in advance, but will bring the aggregate to more than $1,000,000.

Certain details of the $689,000 are of interest. Under the head of central government there is an amount of $40,000, which would mean the elimination of council, mayor and commissioners and office of the board of commissioners, the total being $90,000, less $50,000, which the system, the report suggests, would cost. On the purchasing department, spending $1,500,000, there could be saved, says the report, 5 to 10 per cent. of $100,000. Several small amounts are included, such as $8,000 on the board of assessors, $15,000 on the department of privileges and licenses, $10,000 under the head of comptroller and auditor, $15,000 from the city bulletin and city clerk's office, $121,250 under the police department head, $36,450 in the fire department, $100,000 in the public works, $4,000 in the sewers department, $136,700 on the water supply, $18,000 on municipal buildings, $8,000 in the incineration department, $9,000 in parks, $9,250 on building inspection, $2,800 on the markets, $15,000 on hygiene and health, and $30,000 under municipal assistance, and other small amounts, making the total of $689,000.

Manitoba.—Mr. J. A. Thompson, Winnipeg, reports the purchase of Manitoba school district debentures as follows: Makinak S.D., $7,000 6½ per cent. 20-years; Eden Con. S.D., $4,000 6 per cent. 20-years; Rocky Hill S.D., $2,000 7 per cent. 15-years.

Saskatchewan.—The following is a list of authorizations granted by the local government board from January 2nd to February 8th, 1918:—

School Districts.—*Granlich, $2,000 10-years not ex. 8 per cent. annuity; R. L. Smith, Macklin. *Hazel Ridge, $1,300 10-years not ex. 8 per cent. annuity; J. Hunt, Shellbrook. Grosmont, $1,500 10-years not ex. 8 per cent. instalment; J. B. Lewis, Lemsford. *Bolney, $1,500 10-years not ex. 8 per cent. annuity; R. Isted, Bolney. Atkins, $1,800 10-years not ex. 8 per cent. annuity; Hans Soum, East End. Hill Point, $1,800 10-years not ex. 8 per cent. annuity; J. Chesters, Rossduff. Montro, $2,000 10-years not ex. 8 per cent. instalment; H. Skinner, Maymont. *Cavendish, $1,500 10-years not ex. 8 per cent. instalment; Geo. Rettig, Quinton. *Cut Arm, $1,600 10-years not ex. 8 per cent. annuity; Geo. Mess, Bredenbury. Pinto Head, $2,000 10-years not ex. 8 per cent. annuity; A. M. Fulcher, Buffalo Horn.

Rural Telephone Companies.—Mazenod, $1,250 10-years not ex. 8 per cent. annuity; Jas. H. Thomas, Masenod. Haultain, $4,000 15-years not ex. 8 per cent. annuity; Wm Waters, Haultain. Weyburn Plains, $2,000 15-years not ex. 8 per cent. annuity; W. J. Bullis, Weyburn. Dilke, $600 15-years not ex. 8 per cent. annuity; Thos. Ritson, Dilke. Prairie Lily, $250 15 years not ex. 8 per cent. annuity; M. R. Kraemer, Rouleau. Tribune, $3,100 15-years not ex. 8 per cent. annuity; F. W. Johnston, Tribune. River Ayr, $3,200 15-years not ex. 8 per cent. annuity; J. N. R. Finlayson, Broadview. Westbrook-Gladwin, $500 15-years not ex. 8 per cent. annuity; C. J. Smith, Theodore. Bridgeford, $5,800 15-years not ex. 8 per cent. annuity; F. E. Mann, Bridgeford. Verdun, $1,700 15-years not ex. 8 per cent. annuity; A. F. Ransom, Kipling.

Villages.—Prelate, $7,500 15-years instalment not ex. 8 per cent; J. J. Keelan, Prelate. Lancer, $2,700 10-years instalment not ex. 8 per cent.; W. G. McGillvary, Lancer. Moss Bank, $3,000 10-year instalment not ex. 8 per cent.; J. Phillips, Moss Bank.

The following is a list of debentures reported sold from January 2nd to February 8th, 1918:—

School Districts.—Earl Grey, $1,500, Muriel, $1,900; Canada Landed and National Investment Company, Winnipeg. Dickson, $1,600; A. Davis, Perdue. Wideview, $2,000, Gavrelle, $3,700, Sand Hill, $1,200, Glentworth, $2,000, Snowdon, $2,000; Waterman-Waterbury Manufacturing Company, Limited, Winnipeg. Bausley, $2,000; Great-West Life Assurance Company, Winnipeg. Korbel, $800; J. H. Kem, Moose Jaw.

Rural Telephone Companies.—Hawarden, $2,200, Lake Johnston, $800; Union Bank of Canada, Souris. North Quill Lake, $5,400; E. L. Sinclair, Foley, Alabama. Shallow Lake, $200; Mrs. N. M. Lee, Marchwell. Sceptre, $1,500; J. W. Moore, Sceptre. Blucher, $2,900; Regina Public School Sinking Fund. Shaunavon-Eastern, $11,300; G. T. Brander, Regina. East Borden, $1,400; A. H. Wensley, Borden. Ridgeway, $4,800; Canada West Electric, Florien Becker, Wm. Packham, et al. Prairie Queen, $3,700; Bond and Debenture Corporation, Winnipeg. Western Edam, $17,000, Eastern Edam, $16,000; T. D. Rourke, Regina. Star City, $13,300; H. O'Hara and Company, Toronto. Unity, $36,400; W. D. Craig, Regina.

*Being sold by the local government board.

BANK CLEARINGS

The following are the bank clearings for the weeks of February 15th, 1917, and February 16th, 1918, respectively, with changes:—

	Week ended Feb. 16, '18.	Week ended Feb. 15, '17.		Changes.
Montreal	$ 61,066,430	$ 62,335,837	—	$ 1,269,407
Toronto	43,124,838	47,869,381	—	4,744,543
Winnipeg	36,382,301	30,143,170	+	6,239,131
Vancouver	8,717,659	6,009,756	+	2,707,903
Ottawa	3,691,966	4,077,174	—	385,208
Calgary	6,118,017	3,706,114	+	2,411,903
Hamilton	3,334,455	3,763,077	—	428,622
Quebec	2,410,952	3,400,574	—	989,622
Edmonton	2,871,103	2,249,732	+	621,371
Halifax	3,129,090	2,467,675	+	661,415
London	1,545,576	1,787,111	—	241,535
Regina	2,535,911	2,144,607	+	391,304
St. John	1,832,912	1,751,837	+	81,075
Victoria	1,672,261	1,381,415	+	290,846
Saskatoon	1,378,287	1,235,895	+	142,392
Moose Jaw	1,006,291	918,886	+	87,405
Brandon	494,492	401,348	+	93,144
Brantford	684,891	634,959	+	49,932
Fort William	510,129	446,392	+	63,737
Lethbridge	557,941	491,509	+	66,432
Medicine Hat	507,870	371,634	+	136,236
New Westminster	401,444	243,039	+	158,405
Peterboro	463,232	453,304	+	9,928
Sherbrooke	419,623	513,166	—	93,543
Kitchener	337,729	470,742	—	133,013
Total	$185,195,400	$179,268,334		$5,927,066

The Toronto bank clearings for the current week are $53,601,982, compared with $48,556,682 for the same week in 1917, and $39,992,288 in 1916.

BRANDRAM-HENDERSON LIMITED

General Statement of Assets and Liabilities as at 30th November, 1917.

ASSETS.

Fixed:			
Real Estate, Buildings, Plants, Equipment, Goodwill, Patent Rights	$1,785,920.42		
Investments	3,630.00		
Total Fixed Assets		$1,789,550.42	
Current:			
Merchandise	$ 712,756.75		
Accounts Receivable	348,096.94		
Bills Receivable	2,121.75		
Cash on hand and in Banks	29,030.00		
Total Current Assets		1,092,005.44	
Deferred Charges		8,416.92	
		$2,889,972.78	

LIABILITIES.

Fixed:			
Capital Stock Common	$970,000.00		
Capital Stock Preferred	500,000.00	$1,470,000.00	
Bonds		382,300.00	
Bond Redemption Reserve		117,700.00	
Bond Premium Account		3,806.35	
Reserve for Depreciation		47,500.00	
Total Fixed Liabilities			2,021,306.35
Current:			
Loans from Banks		$ 267,981.74	
Bills Payable		1,352.09	
Accounts Payable		152,902.67	
Reserve for Dividend No. 25 on Preferred Stock, Payable January 2nd, 1918.		8,750.00	
Reserve for Bond Interest		3,846.30	
Reserve for War Tax		21,648.71	
Total Current Liabilities			456,481.51
Surplus			412,184.92
			$2,889,972.78

Audited and Verified,

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, January 4th, 1918.

Profit and Loss Account for Year ended 30th November, 1917.

CR.

By Balance brought forward December 1st, 1916		$ 349,464.80
Net Profit after deducting Head Office Charges		221,429.22
		$ 570,894.02

DR.

To Bond Interest paid and accrued		$22,528.93	
Dividends on Preferred Stock paid and accrued		35,000.00	
Reserved for Depreciation	$ 7,500.00		
Reserved for Depreciation (special)	10,000.00		
		17,500.00	
Sinking Fund for Redemption of Bonds		15,600.00	
Dividend on Common Stock		29,100.00	
War Tax for two years to November 30th, 1916, less reserve for first year		31,917.67	
Patriotic Donations		7,062.50	
			158,709.10
Balance at credit of Profit and Loss Account, November 30th, 1917			$ 412,184.92

Audited and Verified,

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, January 4th, 1918.

DIRECTORS' REPORT.

To the Shareholders of
BRANDRAM-HENDERSON, LIMITED:

Your Directors submit herewith their Eleventh Annual Report with Statement of Assets and Liabilities and abstract of Profit and Loss Account for the year ended November 30th, 1917.

The Net Profits for the year amounted to $221,429.22, which, with the balance of $349,464.80 carried forward from the previous year, makes the sum of $570,894.02 to the credit of the Profit and Loss account. Out of this sum has been paid the interest on bonds to September 30th, and a reserve for interest accruing for October and November, also the dividend on the Preferred Stock paid and accrued. The sum of $7,500.00 has been provided as a reserve for depreciation, and a further sum of $10,000.00 as a special reserve for depreciation by way of provision for possible contingencies. The sum of $29,100.00 was absorbed by the 3 per cent. dividend paid on the Common Stock in February last, and the sum of $7,062.50 to cover patriotic donations during the year. Owing to insufficient information from the authorities an inadequate sum was set aside a year ago for the first year's War Tax, and in consequence it has been necessary to provide at this time the sum of $31,917.67. The sum of $15,600.00 has been applied for Sinking Fund purposes, leaving a balance of $412,184.92.

The entire cost of upkeep and renewals to property has, as in previous years, been charged to Operating Expenses.

The increase in the current Liabilities is due to a greater volume of business, necessitating larger stocks as shown by the inventories and to the higher cost of all raw materials.

Messrs. P. S. Ross & Sons, as in the past, have audited the books and accounts and their report is herewith submitted.

Your Directors are pleased to report that the sales and profits in all Divisions of the Company's activities, with the exception of the Munitions Division, have shown healthy increases. These increases have been sufficiently substantial to offset the material decline in Bullet sales, occasioned by the new methods of the Munitions Board explained in our last report.

In order to satisfactorily develop our British Columbia business it was found desirable to establish a depot in Vancouver, and, owing to the strong sentiment in favor of provincial organizations, a separate charter has been secured to do business in the name of Brandram-Henderson of British Columbia, Limited. We have thus completed our sales arrangements for the entire Dominion, with distributing points at Halifax, St. John, Montreal, Toronto, Winnipeg, Edmonton, Calgary, and Vancouver.

The establishment of a Marine Specialties Branch under its own Manager, was decided upon and effected in June last, in order to deal more effectively with the greatly increasing demand for technical paints and sundries for shipbuilding purposes.
foreign representatives, all of whom are doing well.

Your Directors have paid the usual dividends on the Preferred Stock, and now recommend a disbursement of 4 per cent. on the Common
A characteristic of the year's trading has been the rapidly increasing export trade, justifying the appointment of several additional
Stock, payable 1 per cent. quarterly on March 1st, June 1st, September 3rd, and November 30th to shareholders of record one month prior to dates of quarterly payments.

On behalf of the Directors,

Montreal, January 10th, 1918.

GEORGE HENDERSON, President.

LAKE OF THE WOODS MILLING COMPANY

The board of directors of the Lake of the Woods Milling Company in placing the common stock on a 10 per cent. per annum dividend basis on February 16th, as against the 8 per cent. rate which has prevailed for many years, announced that the earnings of the Sunset Company, a subsidiary, constituted the basis for the increase. The Sunset Company manufactures jute and cotton bags, and the last balance sheet of the Lake of the Woods Company showed among investments the $50,000 capital stock of that company.

The bonus is also stated to originate in the earning of the Sunset Company. The bonus is made up of 2 per cent. from the Sunset Company's earnings for the year ended August 31st last and ½ of 1 per cent. for the quarter ended November 30th last. As ½ of 1 per cent. of the present quarterly dividend of the Lake of the Woods is stated to come from the Sunset Company's earnings, the latter accounts for the advance in the regular dividend.

HOLLINGER CONSOLIDATED GOLD MINES

The annual meeting of the shareholders of Hollinger Consolidated Gold Mines, Limited, took place on February 14th, but only the usual routine business of presenting and adopting the annual reports took place. Nothing additional on the prospects of a dividend resumption was announced outside of that contained in the report of the directors recently issued.

Mr. Ross H. McMaster, assistant general manager of the Steel Company of Canada, will leave shortly for Washington to act on the new Canadian War Mission, of which Mr. Lloyd Harris, of Brantford, is the head. The commission will handle Canada's affairs in the United States until the end of the war, and Mr. McMaster's work with the mission will be principally in connection with the iron and steel industry, in which capacity he will be the buying agent for the Dominion of Canada.

CANADA CEMENT COMPANY LIMITED

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1917

ASSETS.

Property Account:		
Land, Buildings, Plant, Equipment, etc., at original cost with subsequent additions, less Depreciation to date (no account being carried for Goodwill)		$30,121,008.00
Investments:		
Government War Bonds and other Investments		914,442.12
Current Assets:		
Inventories	$ 2,662,858.82	
Accounts Receivable, less Bad Debts Reserve	398,900.80	
Bills Receivable	27,699.62	
Deposits on Tenders	66,453.45	
Call Loans, (secured)	721,900.00	
Cash	499,730.56	
		4,377,543.25
Deferred charges to operations		23,477.93
		$35,436,471.30

LIABILITIES.

Capital Stock:			
Authorized:			
Preference—110,000 Shares Seven Per Cent. Cumulative of $100 each		$11,000,000.00	
Common—190,000 Shares of $100 each		19,000,000.00	
		$30,000,000.00	
Issued:			
Preference—105,000 Shares Seven Per Cent. Cumulative of $100 each		$10,500,000.00	
Common—135,000 Shares of $100 each		13,500,000.00	
			$24,000,000.00
First Mortgage Six Per Cent. 20-Year Gold Bonds:			
Authorized and Issued		$ 8,000,000.00	
Less: Redeemed through Sinking Fund		944,926.69	
			7,055,073.31
Current Liabilities:			
Accounts Payable		$ 142,322.32	
Bond Interest Accrued at December 31st, 1917		105,826.11	
Preference Dividend No. 32 paid February 16th, 1918		183,750.00	
Ordinary Dividend No. 7 paid January 16th, 1918		202,500.00	
			634,398.43
Reserves:			
Extraordinary Repairs and Renewals		$ 225,000.00	
Cotton Sacks outstanding		150,000.00	
Industrial Accidents		45,000.00	
Contingent Reserve (a portion of which is available for Government Taxes)		750,000.00	
			1,170,000.00
Surplus:			
Income from Operations and Investments for the year 1917, after deducting $2,190,616.88 for Depreciation and Special Equipment written off	$2,861,246.90		
Deduct: Bond Interest	432,065.53		
		$ 2,429,181.37	
Deduct:			
Reserve for Repairs and Renewals	$ 50,000.00		
Transfer to Contingent Reserve	350,000.00		
		400,000.00	
		$ 2,029,181.37	
Deduct: Dividends—			
On Preferred Stock	$ 735,000.00		
" Ordinary Stock	810,000.00		
		1,545,000.00	
Balance of 1917 Profits		$ 484,181.37	
Balance of Surplus, December 31, 1916		2,092,818.19	
			2,576,999.56
			$35,436,471.30

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have examined the Books and Accounts of the Canada Cement Company, Limited, for the year ending December 31st, 1917, and have obtained all the information and explanations which we required; and we certify that in our opinion the above Balance Sheet at December 31st, 1917, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

Approved on Behalf of the Board:
F. P. Jones, Director.
H. L. Doble, Director.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.
Montreal, February 16th, 1918.

PUBLICATIONS RECEIVED

Municipal Finance.—Annual report of the assessment commissioner for the city of Toronto.

Trade.—Booklet on "Profit-sharing and Producers' Co-operation in Canada," by Mr. H. Mitchell.

Labor.—Report of the strikes and lockouts in Canada for the period 1901-1916. Published by the Department of Labor, Ottawa.

Business Conditions.—Annual review of business conditions in Canada. Issued by the Canadian Bank of Commerce, Toronto.

Coal Shortage.—"Wood Fuel to Relieve the Coal Shortage in Eastern Canada," by Clyde Leavitt. Issued by the Commission of Conservation, Ottawa.

Petroleum.—"Petroleum in Canada," by Victor Ross, financial editor of the Toronto Globe. This little book, which has been issued by the Imperial Oil Company of Canada, Toronto, is an excellent history of the petroleum resources and industry of the Dominion. Mr. Ross has written an interesting and instructive story confining his volume to the facts and deleting technicalities.

Iron and Steel.—The latest addition to the ranks of technical papers in the Dominion is "Iron and Steel of Canada," the first issue of which has just appeared. It is published by the Industrial and Educational Press, Montreal and Toronto. The initial number is very creditable and contains many interesting articles, including a review of the iron and steel industry.

EQUIPMENT OF C.N.R. WOULD RESULT IN BIG REVENUE

The proceedings of the board of arbitration, sitting at Osgoode Hall to hear evidence as to the value of the Canadian Northern Railway stock, on February 14th were enlivened by a debate between members of the board as to the feasibility of Mr. W. H. Coverdale's plan for extensions to the Canadian Northern Railway system in mileage and equipment, which, he declared, if put into execution, would result in practically doubling the earning capacity of the railway. Mr. Coverdale is the New York consulting engineer who examined the Canadian Northern Railway system and finances for the purpose of the Loomis-Platten report, and his programme of betterments involves the expenditure, before 1923, of a sum approximating $80,000,000. With this expenditure allocated as he suggests, he estimates that gross earnings standing at $35,476,000, as on June 30th, 1916, would be increased to $80,320,000, with a surplus over expenses of $4,615,000 by 1923. Mr. Coverdale declared that his estimate of increases in earnings was conservative, and pointed to the fact that for the 1917 period the railway had actually exceeded the amount estimated by $2,000,000.

The point of contention between members of the board was as to the possibility of finding the funds to pay for the betterments. Mr. Justice Harris expressed an opinion that no sane man would attempt such a programme of expenditures under present conditions, as he believed it would be impossible to get the money. Counsel for Mackenzie and Mann contended that the expenditures were vital and must be made if the railway is to continue its existence as a going concern. Sir William Meredith then broke into the argument in support of Justice Harris, and declared that the minister of finance had intimated that he would not put a dollar into additional expenditures on capital account. Wallace Nesbitt, K.C., disagreed with the chairman, and declared that the money would be available if the proposals proved to be sound.

MONEY MARKETS

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

	Buyers.	Sellers.	Counter.
N.Y. funds	1⅛ pm	1 5-32 pm	....
Mont. funds	5c. dis.	Par.	⅛ to ¼
Sterling—			
Demand	4.8050	4.8075	4.83
Cable trans.	4.8175	4.82	4.84

Rates in New York:—Sterling demand, 4.75¼.
Bank of England rate, 5 per cent.

RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Belleville, Ont.—February 11—A total insurance of $51,000 is carried on the premises of Quick and Robertson, which were destroyed, and is divided among the companies as follows: Liverpool and London and Globe, $4,500; Gore Mutual, $2,500; Mount Royal, $2,000; Waterloo Mutual, $1,500; Wellington, $1,000; Acadia, $3,000; National-Ben Franklin, $1,000; Fidelity Phœnix, $4,000; Phœnix of London, $2,500; Phœnix of Hartford, $1,500; Hand-in-Hand, $5,500; Dominion, $2,500; Merchants, $2,500; Hartford, $2,000; Economical, $2,000; Canadian, $1,000; Queen City, $3,000; London Mutual, $3,000; Insurance Company of North America, $2,000; Queen, $1,000; Commercial Union, $3,000.

February 19—Residence and contents of Harry Yanover on Front Street was damaged. Nearby stores and buildings were also slightly damaged.

Englehart, Ont.—February 12—The King Edward Hotel, offices of Dr. Lowrey, Inglis' livery and the Erret buildings were destroyed. Estimated loss, $12,000.

Esterhazy, Sask.—February 14—A business section was destroyed.

Halifax, N.S.—February 17—Building owned by the Furness Withy Company, and occupied by the Martin Senour Paint Company, was destroyed. Estimated loss on stock and paints, $50,000; on building, $20,000.

Hamilton, Ont.—February 13—The warehouse of P. H. Smye and Company, commission merchants, was destroyed. Estimated loss, $1,500.

Limoilou, Que.—February 18—Tenement of Mr. Delivas Pare was damaged. Estimated loss, $800. Insurance carried, $4,000.

Memiscam, Alta.—February 4—The Becker and Yates lumber yards and a quantity of hay were destroyed.

Montreal, Que.—February 14—A total insurance loss of $220,000 was involved when the Grey Nunnery was damaged. The following companies are interested: Royal, $50,000; Queen, $25,000; Liverpool and London and Globe, $25,000; Phœnix of London, $35,000; North America, $25,000; Guardian, $20,000; Scottish Union, $20,000; Fidelity Phenix, $10,000; Mutuelle de Charite, $10,000; total, $220,000.

Owen Sound, Ont.—February 12—Block on the corner of Eighth Street and Second Avenue, owned by Mr. Wm. Legate, was damaged. Estimated loss, $2,000.

Port Dover, Ont.—February 15—The Penman woolen mill was damaged. Estimated loss, $5,000.

Preston, Ont.—February 16—Clothing and furnishing store of J. P. O'Connor on King Street was destroyed. Estimated loss, $15,000.

Rosenfeld, Man.—February 17—The Lake of the Woods Milling Company's elevator and 1,000 bushels of barley were destroyed. Estimated loss, $30,000.

Toronto, Ont.—February 17—Home of Jack Templeman, of 101 Walton Street, was damaged. Estimated loss on building, $1,000; on contents, $1,500.

Winnipeg, Man.—January 31—A total insurance of $200,000 is carried by Chebrier and Sons on their premises, which were destroyed. The amount is divided among the companies as follows: On Stock—Ætna, $6,000; Alliance, $1,000; American, $5,000; British America, $10,000; British Crown, $5,000; British Dominions, $5,000; Canadian, $1,500; Continental, $5,000; Continental of Winnipeg, $7,500; Dominion, $1,000; Globe Indemnity, $17,500; Home, $5,000; North America, $5,000; London Guarantee, $5,000; London Mutual, $6,000; Millers National, $1,500; Minnesota Underwriters, $5,000; Mount Royal, $5,000; National-Ben Franklin, $1,500; National of Hartford, $12,500; National of Paris, $5,000; Northern, $2,500; Ocean, $6,500; Phœnix of London, $6,500; Provincial, $1,200; Quebec $5,000; Queen, $2,500; Royal Exchange, $5,000; Scottish Union, $4,000; Springfield, $10,000; Union, $5,000; Western, $2,500. On Building—Occidental, $35,000.

February 18—Store and office building on the south-west corner of Main and Bannantyne Streets was damaged. Estimated loss, $55,000.

ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

Saskatoon, Sask.—Fire Chief Heath submits the following report for the month of January to *The Monetary Times*. The description of property damaged or destroyed is as follows: Automobile garages, 2; departmental store, 1; dwelling-houses, 3; dry cleaner's store, 1; offices and apartment block.

The causes of the fires were as follows: Defective electric wiring, 1; defective fireplace, 1; gasoline explosion, 1; automobile backfiring, 1; defective chimneys, 2; waterfront explosion, 1; woodwork too close to furnace, 1.

The estimated damage to buildings was $1,760, and to contents, $2,307. The amount of insurance on buildings was $232,000, and the amount on contents $398,300, making a total of $630,800.

Winnipeg, Man.—February 5—The owners of the Riverview Hotel carried a total insurance of $42,500 on their property, which was destroyed. The amount is divided among the following companies: Ætna, $2,500; Alliance, $2,500; Employers, $2,500; Guardian, $5,000; London Assurance, $5,000; Liverpool and London and Globe, $5,000; London and Lancashire, $2,500; Firemen's Fund, $5,000; Niagara, $5,000; North America, $2,500 National Union, $2,500; St. Paul, $2,500.

CANADA CEMENT COMPANY

The balance sheet of the Canada Cement Company for the past year shows a notable improvement in the general position of the corporation. The earnings during 1917 were satisfactory, and helped materially to give a healthy complexion to the financial statement. The cash and capital position is substantial, and large sums were allowed for depreciation and special equipment written off. The report presented to the shareholders at the annual meeting reflected the able management of Mr. F. P. Jones, whose appointment as a member of the newly-created War Trade Board of Canada was recently announced. Mr. Jones is supported by a good technical and executive staff and by a directorate (headed by Senator Edwards as president) which takes a keen interest in the company's affairs.

The net earnings last year were $2,861,246, an increase of $642,398, or 29 per cent., over those of 1916, which up to then had been the best year in the company's history. This amount is arrived at after allowing $2,190,616 for depreciation and special equipment written off, a sum which would appear ample. After meeting fixed charges and paying the regular dividend on the preferred stock, the balance of $1,694,181 represented earnings of 12.6 per cent. on the common stock, as compared with $1,040,086, equal to 7.7 per cent., earned on the common in 1916.

The results as noted above are apparently before deduction of the war tax. The profit and loss figures for the year include two special appropriation for reserves, one of $350,000 for contingent reserve, and one of $50,000 for repairs and renewals. In the balance sheet the item, "contingent reserve," amounting in all to $750,000, is explained with the remark that a portion of this reserve is available for government taxes. The $350,000 reserved out of the year's profits for contingent account is presumably an offset against the liability for war taxes in respect to the year's earnings. After all deductions, including the $400,000 appropriated for reserves, the company carried forward $484,181 to surplus, bringing that account up to $2,576,999.

In presenting the report of the directors, Senator Edwards stated that earnings from the cement business proper were more than sufficient to take care of all fixed charges, preferred dividends and ordinary dividends chargeable to the year's profit.

The company's current liabilities, which increased substantially when the company commenced munition work, were reduced during the past year from $2,674,630 to $634,398. Current assets, including war loan investments, increased $400,000 to $5,291,985. The surplus of working capital rose to $4,667,587, compared with $2,221,625 in the previous year. The company has good reason to be satisfied with the year's results and its position.

The London and Canadian Loan and Agency Company, Limited

FORTY-FOURTH ANNUAL MEETING

The Forty-fourth Annual General Meeting was held in the Company's Head Offices, 51 Yonge Street, Toronto, on Wednesday, February 13th, 1918, at twelve o'clock noon.

The President, Mr. Thomas Long, occupied the chair, and the Secretary, Mr. William Wedd, Jr., acted as Secretary of the meeting. Messrs. D'Arcy Grierson and W. Ridout Wadsworth were appointed Scrutineers.

The Annual Report was unanimously adopted, and also the statements for the year ending 31st December, 1917, as presented by the Manager, Mr. V. B. Wadsworth. The Report was as follows:—

The Directors have pleasure in submitting to the Shareholders the Forty-fourth Annual Report of the Company and the Statement of Accounts for the year ending 31st December, 1917, the result being as follows:—

The gross revenue, including the balance ($8,018.13) brought forward from last year, amounted to	$356,363.45
And, after deducting the cost of management, interest on Debentures, Dominion, Provincial and Municipal Taxes (including War Tax) and other charges, amounting in all to	184,366.30
There remains a net profit of	$171,997.15
Out of which four quarterly dividends have been paid at the rate of 8 per cent. per annum, amounting to	100,000.00
Leaving a balance of	$ 71,997.15

Of which $50,000 has been transferred to the Company's "Rest Account," and $21,997.15 is carried forward at the credit of "Revenue Account" to next year.

The Rest Account now amounts to $850,000, being 68 per cent. of the subscribed and fully paid-up Capital Stock of the Company.

During the year applications for loans on mortgages were accepted and renewed to the amount of $716,620 on real estate valued at $2,021,000.

The total assets of the Company are now $4,855,944.

Repayments on mortgage account have been very satisfactory.

The Scottish Board and Agents have rendered very efficient service, and the Officers and Staff continue to discharge their duties in a faithful and satisfactory manner.

The books, accounts, vouchers and securities have been duly examined by the Auditors, and their certificate of audit is hereto appended.

THOMAS LONG,
President.

Toronto, January 15th, 1918.

Assets and Liabilities, 31st December, 1917.

ASSETS.

Loans on Mortgages and Interest		$4,285,997.32
Municipal and other Negotiable Debentures Owned, including Dominion of Canada War Loan Bonds	$329,017.69	
Loans on Call or Short Date on Bonds, Stocks and Other Securities	17,510.77	
		346,528.46
Cash in hand:		
With Company's Bankers in Canada	$119,820.80	
With Company's Bankers in Britain	103,598.17	
		223,418.97
(In addition to the above the Company hold, as Agents, for the benefit of certain clients, mortgages to the amount of $58,058.91).		
		$4,855,944.75

LIABILITIES.

Capital Stock, Fully Paid-up	$1,250,000.00
Rest Account	850,000.00
Debenture Stock	414,445.33
Debentures and Certificates, etc., payable at fixed dates	2,231,307.10
Reserved for interest accrued on Debenture Stock, Debentures and Certificates to date	54,332.00
Sundry Creditors	8,863.17
Dividend No. 107, payable 2nd January, 1918	25,000.00
Balance at Credit of Revenue Account carried to next year	21,997.15
	$4,855,944.75

REVENUE ACCOUNT FOR THE YEAR ENDING 31st DECEMBER, 1917.

DR.

Cost of Management, Including Head Office expenses, Inspectoin Charges and Directors' and Auditors' Fees.		$ 20,386.48
Commission on Debentures Issued and Loans Effected during the year, and Agency Charges in Edinburgh, Winnipeg and the North-West		23,422.40
Debenture and Certificate Interest paid and accrued to 31st December, 1917		129,339.10
Instalments paid on subscriptions to Patriotic, Red Cross and Hospital Funds		3,010.00
Dominion, Provincial and Municipal Taxes (including War Tax)		8,208.32
Dividend No. 104, paid 2nd April, 1917 (2 per cent.)	$25,000.00	
Dividend No. 105, paid 3rd July, 1917 (2 per cent.)	25,000.00	
Dividend No. 106, paid 1st October, 1917 (2 per cent.)	25,000.00	
Dividend No. 107, payable 2nd January, 1918 (2 per cent.)	25,000.00	
		100,000.00
Amount transferred to Rest Account		50,000.00
Balance at Credit of Revenue Account carried to next year		21,997.15
		$356,363.45

CR.

Balance at Credit of Revenue Account, 31st December, 1916	$ 8,018.13
Net Interest, etc., received and accrued to 31st December, 1917	348,345.32
	$356,363.45

1917.
December 31st—By Balance carried to next year................ $ 21,997.15

V. B. WADSWORTH, Manager.

Audited and found correct.

J. GEORGE, F.C.A., (Can.)
RUTHERFORD WILLIAMSON, C.A., } Auditors.

The Shareholders adopted a resolution confirming the Patriotic and Benevolent Grants for 1917, and approving of a grant of $2,000 to the Patriotic Fund for 1918.

The following gentlemen were elected Directors for the ensuing year: Thomas Long, Casimir S. Gzowski, A. H. Campbell, C. C. Dalton, Goldwin Larratt Smith, Colin M. Black, W. S., and William C. Noxon.

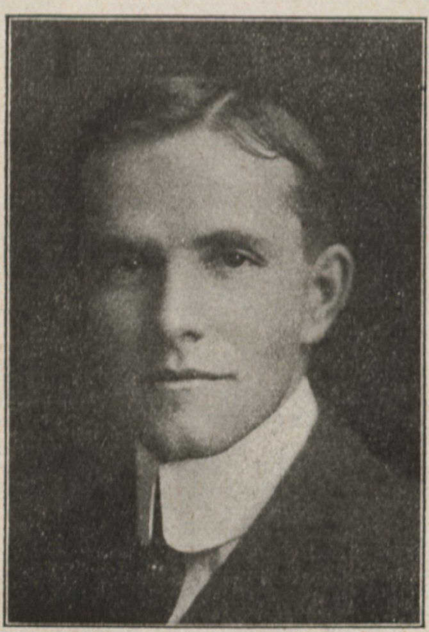
At a subsequent meeting of the newly-elected Board, Mr. Thomas Long was elected President, and Mr. Casimir S. Gzowski, Vice-President.

PERSONAL NOTES

Mr. R. Montague Davy was elected president of the Export Association of Canada, Limited, at the annual general meeting held at Montreal last week. Mr. R. E. Thorne was elected vice-president. These two gentlemen and Messrs. J. H. Sherrard, R. H. McMaster and Paul E. Joubert were appointed executive committee of the board of directors.

Mr. C. R. Drayton, manager for Canada of the Union Insurance Society of Canton, Limited, is at present on a business trip in western Canada. He is accompanied by Mr. C. H. P. Hay, the company's assistant general manager. Mr. Hay is on his way home to the head office at Hong Kong.

Mr. J. H. Gundy, of Toronto, is a member of the recently created War Trade Board of Canada. Mr. Gundy is recognized as one of the country's younger business men of exceptional ability and a financial authority. He brings to the personnel of the war trade board, energy, foresight and wide experience, which will prove of value in its important deliberations. During the recent Victory Loan campaign, he acted as vice-chairman of the Dominion Executive Committee and chairman of the Dominion Finance Committee, in connection with that campaign. He is a partner in the bond house of Wood, Gundy and Company, Toronto. Previously associated for several years with the Dominion Securities Corporation as secretary, he left that firm in 1905, and, with Mr. G. H. Wood, started the investment house of Wood, Gundy and Company. The War Trade Board, of which Mr. Gundy is a member, has very wide powers and authority.



J. H. GUNDY, TORONTO,

Elected Vice-President last week, Bond Dealers' Association of Canada. Mr. Gundy is also a member of the recently created War Trade Board of Canada.

Mr. James M. Bell, of Dundee, Scotland, has been elected to the board of Smart-Woods, Limited, to represent Scottish interests. He takes the place vacated by Mr. C. E. Archibald, Montreal. Mr. Bell is an authority on the jute industry, this being an important feature of the Smart-Woods business.

Mr. Charles Edward Clarke, of 25 Bedford Road, Toronto, died on Monday in the General Hospital. The late Mr. Clarke was president of Clarke and Clarke, Limited, leather manufacturers, Toronto. He was the son of the late John Clarke, of Peterborough, in which city he was born 52 years ago. The death of his brother only seven weeks ago left him as the surviving member of the firm. He was greatly interested in the promotion of the Penny Bank system in Toronto and was an energetic churchman and sidesman in St. Alban's Cathedral.

Mr. John G. Kent has been appointed permanent managing director of the Canadian National Exhibition. Mr. Kent has acted for many years as member of the board of directors, as president, and as honorary manager. He is president of the Toronto Board of Trade.

Mr. W. S. Hodgens, secretary of the Dominion Securities Corporation, Toronto, has been appointed secretary of the recently created War Trade Board of Canada. Mr. Hodgens is well known among the financial and business interests. He is a comparatively young man, capable, energetic and exceedingly conscientious. His work as chairman of the Dominion Business Committee in connection with the Victory Loan last fall was an example of his efficiency. He will make an excellent secretary of the War Trade Board.

Mr. E. P. Heaton, Ontario fire marshal, points that a great many fires, especially among foreigners, occur during the absence of the occupants and usually the "cause" is classed among the "unknown." These fires are entirely too prevalent and investigations point that over-insurance is primarily the cause. A more careful inspection and survey of the value of contents and buildings on the part of the insurance companies would do much to remedy this class of fire waste and prevent irresponsible persons burning up their property simply as a matter of gain.

Mr. R. J. Younge, general manager of the Export Association of Canada, has been asked to devote his time to the work of the Canadian War Trade Board at Washington. The directors of the association, appreciating the important opportunities now being opened for Canadian industries to assist the war programme of our ally, the United States, have agreed to this for such period of the present year as may be necessary. His duties during his absence will be fully taken care of by the assistant manager and the other members of the staff, and there is every reason to believe that the work of the Export Association of Canada will not be retarded. Mr. Younge has a lengthy experience in industrial work and marketing problems. His services will be of considerable value in connection with the work of the War Trade Board at Washington.

Mr. Walter J. Helm, who has just been appointed manager of the Midland Loan and Savings Company, Port Hope, Ont., might have been a banker instead of a loan manager to-day had he not always been what he terms "a crank where fresh air is concerned." On leaving school he entered the service of the Bank of Toronto, where he remained for eight years in various positions in Port Hope, London and Toronto. His experience during the last two years with the bank in an old building determined his resignation. He could not get enough open windows there so he decided to give up banking as an occupation. He then took a trip to Europe and upon his return was offered and accepted the position of secretary of the H. W. McNeill Company, Limited, a coal mine company operating in the Canadian Rockies, near Banff. After two years spent in the mountains in this situation, the position of assistant manager of the Midland Loan and Savings Company at Port Hope was offered to him, and this he has filled for the past twelve years, being recently appointed manager on the death of the company's late manager. He is well fitted for the position.

MONTREAL'S BOND OFFERING

The Bank of Montreal, acting as fiscal agent for the city of Montreal, announced last night that it was authorized to offer for public sale $6,900,000 five-year 6 per cent. refunding gold bonds of the city of Montreal at par flat. The bonds are dated December 1st, 1917, and as a full half-year's interest will be paid on June 1st, although subscriptions for the issue will not be due until April 8th, the privilege of the first coupon makes the net yield of the bonds about 6½ per cent.

Applications for the bonds will be received by the Bank of Montreal or any of its branches, beginning Monday, February 25th, and the offering is subject to withdrawal on or before March 18th. The bonds will be issued in coupon form in denominations of $100, $500 and $1,000, with principal and interest payable in gold at the city treasurer's office at Montreal or at the agency of the Bank of Montreal in New York.

The issue is being made to refund $6,900,000 three-year 5 per cent. notes of the city, which fell due in New York last December, temporary arrangements having been made through the Bank of Montreal at the time to finance the maturity.

ANNUAL MEETING OF

The Montreal City and District Savings Bank

SEVENTY-FIRST ANNUAL REPORT

To the Shareholders, MONTREAL, February 11th, 1918.

Gentlemen :

Your Directors have pleasure in presenting the Seventy-first Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1917.

The net profits for the year were $222,189.54, and the balance brought forward from last year's Profit and Loss Account was $172,308.66, making a total of $394,498.20. From this amount have been paid four quarterly dividends to our Shareholders and $15,000 has been contributed to the Canadian Patriotic and Red Cross Funds, leaving a balance at the Credit of Profit and Loss Account of $214,023.56 to be carried forward to next year.

In order to accommodate our clients in Notre Dame de Graces, it is our intention to open a branch there about the first of May next, and a site has been secured for the purpose on the north-west corner of Sherbrooke Street and Oxford Avenue.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND, *President.*

Statement of the Affairs of the Montreal City and District Savings Bank on the 31st December, 1917.

ASSETS

Cash on hand and in chartered banks	$ 5,614,346.71	
Dominion and Provincial Government Bonds	5,635,633.10	
City of Montreal and other Municipal and School Bonds and Debentures	14,956,589.18	
Other Bonds and Debentures	1,323,905.03	
Sundry Securities	227,000.00	
Call and Short Loans, secured by Collaterals	7,776,754.71	
Charity Donation Fund, invested in Municipal Securities approved by the Dominion Government	180,000.00	
		$35,714,228.73
Bank premises (Head Office and fourteen Branches)	$535,000.00	
Other Assets	79,949.30	614,949.30
		$36,329,178.03

LIABILITIES

To the Public :		
Amount due Depositors	$32,956,769.19	
" Receiver-General	146,177.21	
" Charity Donation Fund	180,000.00	
" Open Accounts	282,208.07	
		$33,565,154.47
To the Shareholders :		
Capital Stock (Amount subscribed $2,000,000), paid up	$1,200,000.00	
Reserve Fund	1,350,000.00	
Profit and Loss Account	214,023.56	2,764,023.56
		$36,329,178.03

On behalf of the Board,
R. DANDURAND, *President.*

A. P. LESPERANCE, *Manager.*

Auditors' Report

Having obtained all the information and explanations we have required, and having satisfied ourselves of the correctness of the Cash Balances, and examined the Securities held against the Money at Call and Short Notice, and those representing the investments of the Bank, and having examined the foregoing Balance Sheet and compared it with the Books at the Head Office, and with the Certified Returns from the Branches, we are of opinion that the transactions of the Bank have been within its powers, and that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs as shown by the Books of the Bank.

A. CINQ-MARS, C.A.
C. A. SHANNON, L.I.A. } *Auditors.*

MONTREAL, February 2nd, 1918.

TO DEVELOP FOREIGN TRADE

Export Association of Canada Ask for Government's Consideration

That the Dominion government should give special consideration to the encouragement of the export of manufactured products in Canada and help to place export business upon a sound permanent basis, was the subject of a resolution adopted at the annual meeting of the Export Association of Canada, held at Montreal last week. The resolution called for a national plan for the development of our natural resources, their conversion into finished products, and their eventual sale in the markets of the world. The directors of the association are strongly of the opinion that the whole subject of export in manufactured products from Canada should, at the present time, receive special consideration from the Dominion government.

Cultivation of Trade.

Pending the coming of peace, they recommend the continuance of their association's work along the lines originally adopted, the cultivation of trade connections with reliable sources throughout the British Empire and the other allied countries, and the encouragement of Canadian factories to compete for export business in these markets. Whether Canada will enjoy tariff preferences after the war, they say, is still doubtful. "If these materialize, so much the better," they continue, "but whether they do or not, our duty is clearly to organize in this present trying period so that, when more normal conditions prevail, we may do our share toward filling our munition factories with commercial orders, providing employment for our returning soldiers, and helping our country to arrive at a balance of trade which will enable her to meet her national obligations. Small as may seem the beginning we have already made in this direction, the organization work which we have already accomplished must eventually yield excellent results."

Shipping Difficulties.

The report of the directors of the association, presented at the annual meeting, pointed out that for the first nine months of the year, "shipping facilities to our chief markets, Australasia and England, were fairly satisfactory with respect to the number of shipping opportunities offered, and at the end of September, despite the fact that rates had been advanced and sailings had become less regular, the association completed shipment of practically all material which manufacturers then had ready against our orders.

"Beginning with the month of October, 1917, and continuing to date, conditions steadily became worse; at the present time shipping from the Atlantic seaboard to Australasia is practically impossible for the reasons: (a) There are no sailings from Canada; and (b) a strict embargo against the forwardance of export shipments from this country to the United States has existed since the first week of December, 1917.

"The reasons for the embargo are too well known to need comment here, while its serious effect upon the Canadian export trade must be quite obvious.

"In addition to these disadvantages the Allied governments have commandeered all the space in vessels plying between the Atlantic seaboard and England, and they have also taken the steamers belonging to the lines which took care of our Australasian and South African shipments. As a result, we are now confronted with great difficulties in the matter of getting goods to and away from the seaboard, but we are hopeful that any change in the situation will be in the direction of amelioration of these perplexing conditions."

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the month ended January 31st, 1918:—

Penn Canadian Mine, 62,858; Right-of-Way Mine, 103,085; Beaver Mines, 79,971; McKinley-Darragh-Savage Mines, 84,211; Hudson Bay Mine, 64,942; Kerr Lake Mine, 59,774; O'Brien Mine, 258,807; Coniagas Mines, 261,000; La Rose Mines, 238,352; Tretheway Mines, 140,709; Temiskaming Mining Company, 133,046; Aladdin Cobalt Mines, 119,200; Dominion Reduction Company, 583,300; Buffalo Mine, 727,955. Total, 2,917,210 pounds, or 1,458 tons.

MIDLAND LOAN AND SAVINGS COMPANY

The Midland Loan and Savings Company, which has its headquarters at Port Hope, Ontario, is another of the veteran loaning institutions in that province, having done business to the satisfaction of its clientele for the past forty-five years. Mr. William Henwood, the company's president, reported at the recent annual meeting earnings of the corporation of $41,298 for the past year, after deducting interest paid and reserved on deposits and debentures, cost of management, taxes, etc., and amounts written off. To this sum was added $18,974, the balance brought forward from 1916, making a total amount for distribution of $60,273. This amount was disposed of as follows: Dividend paid July 3rd, 1917, 4 per cent., $14,400; dividend payable January 2nd, 1918, $14,400; added to reserve fund, $10,000; and balance carried forward, $21,473; total, $60,273. Interest payments were satisfactory, being in excess of any previous year.

Mr. Walter J. Helm, who has been assistant manager of the company, has now been appointed manager. As Mr. Henwood stated in his address to the shareholders, Mr. Helm's twelve years' experience as assistant manager eminently qualifies him for this position.

TAXATION IN MANITOBA

Discussing, in his recent budget speech, the question of taxation, Hon. Edward Brown, provincial treasurer, said:—

"In advising the House as to ways and means for raising new revenue, I have no hesitation in saying that, in my opinion, the most equitable form of taxation is by way of income tax, and I would have no hesitation in recommending this course were it not for the fact that the Dominion government has resorted to this as a war measure, and we have been careful to avoid anything that would bring us into conflict with the Dominion under present conditions, as we think the Dominion should have the right-of-way for purposes of defense.

"You will recall that last session I made a specific declaration in favor of a direct levy on all the rateable property of the province rather than resorting to what might be called pin-pricking forms of indirect taxation. I have not changed my opinion since, but in view of the patriotic levy of two mills, no part of which has come into the revenues of the province, I have hesitated about further increasing this burden and have been looking in other directions for relief. However, on consideration of the matter from every angle, and after discussing the question fully with our supporters in the House, it has been determined that we will ask the legislature or authority to make a provincial levy of one mill, or 1-10 of 1 per cent., on all rateable property in the province under the title of 'Supplementary Revenue Taxation.'

"With respect to the levy for patriotic purposes of two mills, it is proposed to reduce this to 1½ mills, and to levy this for a period of six years if necessary. At the same time, the government is asking for authority to finance the Patriotic fund organization and the Red Cross by guarantee of overdrafts, issue of short-date treasury bills, or the issue of debentures of the province, the sum not to exceed the total amount of the levy in the six years, and to be absolutely retired out of the proceeds of the same.

"In view of the responsibility assumed by the administration in this connection it is deemed wise to provide for a representative of the government by way of an active member on the board of the Patriotic fund, and to further provide for the audit of its expenditures by the comptroller-general.

"The two levies just referred to will represent a total levy of 2½ mills a year, an increase of only half a mill, without interfering with the amount at the disposition of the Patriotic fund by their present levy of two mills.

"While providing for the major portion of the new revenue by way of a direct levy, it will, at the same time, be agreed that the entire burden should not fall on real estate, and that to tax amusements is a fair suggestion. A bill to this effect, is now before the law amendments committee, and will, I hope, be passed by the House in due course.

"In addition to these two bills already mentioned there will be brought down a measure providing for a tax on unoccupied lands in the province. However, the purpose of this measure will be rather to encourage settlement and production, than to raise revenue, and to demonstrate our sincerity in this connection the bill will exempt from this tax all lands whch are unfit for cultivation. No revenue is expected from this bill during the coming year as the tax will not necessarily be paid before the end of the fiscal year."

BASIS AND PRACTICE OF SCHEDULE RATING

Universal Mercantile Schedule Rating—Loss Situation Serious—Methods Used in Canada and United States

(Conclusion)

"The mercantile schedule of the Canadian Fire Underwriters' Association," continued Mr. John B. Laidlaw, of the Norwich Union Fire Insurance Society, in his recent address to the Vancouver Insurance Institute, "which has just been adopted in British Columbia, was formed about 15 years ago. The companies had been faced with a condition of abnormally heavy losses in Canada, and the loss ratio was about 100 per cent. of the income for two or three years, losing money steadily. The condition was becoming serious so it was necessary to revise the rates. At that time they were operating under a system of flat rating, that is, a tariff making one rate for brick and one for frame, and one for frame brick, veneered or metalled, etc., and different rates according to the business or manufacture carried on. Very little attention was paid to exposure. The towns were grouped into some five classes, but it did not enable them to make a proper distinction between one place and another. In order to deal with this, however, they would place extra rates upon certain classes of risks and on certain blocks of buildings in some cities or towns, such as a flat extra of 15 cents in certain cases, in others 25 cents, and in others 10 cents, so that every risk in that class or in that block would pay the same increased rate. The result was the consolidated antagonism of the public; but while they made much of cases where the individual risk seemed to be better than the average, where it was inferior to the average nothing was said about it. However, something had to be done, and I happened to be at that time chairman of the committee at Toronto that was trying to adjust the rates, and frequently discussed the problem with the late Mr. Kenney, manager of the Western Assurance Company, and with Mr. Simms, then secretary of the British-America. Visits were made to New York, Boston and different cities in the United States, and the matter talked over with various rating officers to see how they had handled such a situation and learned about the systems of rating they used. The universal mercantile schedule was also studied, it being the only real effort then made to deal with schedule rating. Every insurance man should read and study the universal mercantile schedule, for though it is not adopted here or anywhere to-day, it was the first effort, and it is really worth reading and studying by anyone who is going to be connected with the insurance business.

Schedule Discarded.

"As a result of that inquiry, the universal mercantile schedule was being discarded even then—it had been adopted in a few places. The great objection was that it worked on percentages. It was a schedule that ostensibly provided certain charges for certain conditions, and then there was a list of percentage additions or deductions, and you would have to add 5 per cent. or 2 per cent. or 10 per cent. to the sum of various items that made up the rate, or you would have to deduct 10 per cent. or 2 per cent. or 5 per cent. from it and the result was if you discussed with an assured how his rate was made up—and an insured always wants to know that—and you would explain it to him and he would say: 'I am charged 15 cents for an open stairway—that is costing me $150 a year—I can close that for $50.' You will say: 'Close that right away and you will get a reduction.' Instead, however, of the assured getting $150, this 15 cents reduction for the open stairway, there were percentages to be deducted for certain conditions and perhaps he would only get $50 instead of $150, and you could not explain that it wasn't a clever trick and sharp practice. Then, too, the difficulty of applying it. The manager of a rating bureau in Columbus, Ohio, said that he had a staff of clerks for the sole purpose of figuring out these alterations. Every time there was a little alteration in a risk, he had to hand it over to an arithmetical expert to figure the percentage additions and deductions. The result of that trip was a resolve for getting a schedule which would not require expert men to apply it, one that would be comparatively easy to explain to the public and also that our agents, managers and inspectors could quickly become familiar with. It was necessary to formulate a schedule that would meet the varying conditions and so was formed the mercantile schedule.

"The new schedule starts with a basic rate for each town, so many cents on the dollar, which is the rate for a standard brick building unoccupied and unexposed, and without special interior protection—that is to say—a three-story brick building with first-class roof, heated with hot water, without vertical openings unprotected, the area not exceeding 25 feet by 100 feet, and without exposure, that is, no building alongside or with independent walls parapeted 2 feet above the roof on each side, walls of standard thickness, 12 inches for the top story, 16 inches for the next story, and increasing four inches to the ground floor and with non-hazardous occupancy. That risk would rate at the basic rate, that is, in a town that is specified at 40 cents, it would rate at 40 cents. Then to that rate would be added extras for all the varying features of deficiencies. If finished in wood instead of plaster, if heated by stoves or by a furnace instead of hot water, if it is lighted with kerosene lamps, or occupied by a hazardous stock, or if a hazardous manufactory is carried on there, if exposed, or if it has wooden cornice or mansard roof—all such varying things are considered. Most men think his own risk is better than Tom Jones' across the street, but while he sees the good features he shuts his eyes to the defects. The purpose of the schedule is to take into consideration the details of construction and occupation, and fix a moderate charge for each feature, and when these are added up the result is the rate. Then in the schedule we allow for reductions if there be conditions better than the average, such as if the building be only one or two stories, a further reduction if there is no basement, and a further reduction if it has specially thick or double floors; another reduction if there are appliances on each floor to extinguish an incipient fire—if the stand pipe is carried up through the roof and a hose provided on the roof, so that the building can be protected in case of fire in an adjoining building, there is another reduction.

Every Item Discussed.

"There was a great deal of discussion among our own members when this schedule was proposed, and every individual item in the schedule was discussed at length. We tested the first schedule for a year by actual application, and then revised and changed it. When you begin to prepare a schedule you will say there is a building that has a shingle roof—that is worth at least 15 cents, and wooden ceilings, they are worth 10 cents, and there is a stove, 25 cents on for that, and so on. The rates soar high, and you have to revise the schedule by actual test of the various items. When the reports were read on the schedule, some said it would drive the business off the company's books, because the men whose rate was reduced would stay with us, while those whose rate was increased would go to the non-tariffs, and it would mean ruination, etc., and it had to stand the fire of fierce criticism.

Plan of Formulating a Schedule.

"Fifteen years ago there were not many fireproof buildings and they were only commencing to construct mill construction buildings for warehouses. We found that men were putting up new buildings, new warehouses, and decided to build substantially, but that as our system of rating did not quite fit the mill constructed buildings, we prepared a new schedule, and when prepared, one of the greatest difficulties was how to fix the rate on the risks which were not quite standard, and how we were going to deal with them in the way of co-insurance. After a great deal of discussion and testing, we hit upon the plan of formulating a schedule basing the rate for mill construction buildings on the same rate as the ordinary risk and charging for deficiencies. Then in the application of the co-insurance allowance, instead of it being 20 per cent. off the rate of a brick building and 15 per cent. off a frame building, we provided that if the mill construction building is of standard construction, that is to say, if the floors are completely cut off from one another, if there is an absence of combustible trim or finish in the building, and it is properly fitted with stairs and elevators in an outside brick tower so that a fire on one floor would burn a long time before it got to another floor, we would allow 55 per cent. off the schedule rate for co-insurance. On the other hand, we found a good many mill construction buildings which were only so-called mill construction buildings.

"They were in fact very much in the position of a man who will buy himself a heavy overcoat and gauntlets, and warm underclothing, and put them all on and go out on the wintry street in his bare feet. A good many people build mill construction buildings on that system. They have heavy walls and double floors, and then they will put a well hole in the centre or construct an open stairway or a chute and expect you to give them a low rate. They have merely built a good stove and the contents of such a building will be burned more thoroughly than in the ordinary joisted building. The latter will fall before it is half burned, and you may pick out $10,000 or salvage from the cellar, but the other will stand and everything in it will be consumed. We therefore provided that as the risk departs from the standard, we reduce the amount allowed for co-insurance, so that if there is a 10 cent deficiency there will be only 50 per cent off, and if the deficiencies require a charge up from 16 to 25, it makes 75 per cent. off. And so on, until when the charges for deficiency amount to 55 cents, the risk is rated as an ordinary building. This has worked out very satisfactorily. Where the value is great it is most important to see that the good construction and fire preventive appliances which have been factors in the rate be maintained, and it is necessary to inspect these risks at least twice a year. You cannot rely on an inspection every year or two, it is necessary the same as in sprinklered risks, that they should be inspected twice a year.

Fireproof Buildings Burned.

"Fireproof buildings are rated practically on the same schedule, with the same idea of the necessity of reducing the allowance for co-insurance if the building departs from the standard. In the Baltimore conflagration and in the San Francisco conflagration—especially in that in Baltimore—a number of fireproof buildings burned—about a dozen—and the loss on them averaged 66 per cent., that average being brought down by a few low buildings which escaped the hot blast of the conflagration, while in the large buildings, ten stories high, the loss ran in several cases to 80 per cent. of the value. If a man says to you: 'I don't need to carry much insurance, I think it unreasonable for you to ask me to carry insurance to 80 per cent. of the value,' you can tell him what has actually happened in city conflagrations. You might look from the street and perhaps not think the building was badly damaged, but the interior trim would be burned out and the elevators and stairways a mass of twisted iron, and in some cases it costs over $100,000 to tear out the debris, to chip out the wall, to insert the new trim, new wiring, new plastering, etc., to merely get ready to repair the buildings. Many owners of buildings forget that buildings must be repaired at present-day prices and they should insure their buildings on the basis of what they would cost to build to-day, less a proper depreciation for wear and tear. Many buildings which have been kept in good order are worth to-day considerably more than they cost to build 15 or 20 years ago and they should be insured on their present-day value.

"Now the experience we have had," said Mr. Laidlaw in conclusion, "emphasizes the advisability of having a schedule based as is that of the Canadian Fire Underwriters' Association on flat charges rather than on percentages. It enables an agent to explain to his client how his rate was arrived at, and we find that the antagonism between the insured and the companies has been greatly removed by that very fact. Under it we are charging higher rates where hazards exist, and lower rates where they do not, or have been safeguarded. Further than that, every insurance agent becomes an active agent for improvement of risk and fire prevention. It is not necessary to have an expert rating officer of the board, but this schedule is not so intricate that it cannot be readily understood, and if an insured complains of his rate to an agent, he can point out to a half-dozen things around the store by which the insured can obtain a reduction in rate, and thus there is the possibility of better business. He will reduce the risk and we will reduce the rate. The fire insurance companies are vitally interested in the reduction of hazards and so are the insured. If it were not that these reductions in hazards were constantly being made, the companies would not hardly be able to carry the ever increasing liability in congested centres and it would be insured at very much higher rates than those charged to-day.

"In regard to the adoption of this schedule, it has been tested and applied in Toronto, Hamilton, London, Montreal, Quebec, Winnipeg, Calgary, Edmonton, Regina, Saskatoon and the other cities and towns of Canada, east of the Rockies. The same principle applies in regard to this as in the individual risk. If a man feels he is being rated on the same basis as his competitors in other cities, he will say: 'That is as much as I can expect.'"

The court of directors of the Bank of British North America have resolved to declare, subject to audit, at the meeting of proprietors, to be held on March 5th, a dividend, payable April 5th, of 40 shillings per share, less income tax, being at the rate of 8 per cent. per annum, and carrying forward about £30,000 to the new account.

EARNING POWER TABLE

Illustrating the earning powers of the road, Mr. D. B. Hanna, third vice-president of the Canadian Northern Railway, gave at the stock arbitration hearing at Toronto this week the following as the revenue per ton per mile of freight moved by that railway since 1903:—

1903	.786 of a cent.
1904	.819 " "
1905	.793 " "
1906	.810 " "
1907	.873 " "
1908	.779 " "
1909	.736 " "
1910	.734 " "
1911	.849 " "
1912	.758 " "
1913	.772 " "
1914	.749 " "
1915	.831 " "
1916	.679 " "
1917	.688 " "

No Dividends Paid Yet.

"Has your company ever been in a position to pay dividends since 1898?" asked Mr. Tilley. Mr. Hanna replied that at no time has the company thought of paying dividends. All the surplus on improvements and betterments on the system had been used.

NORTHERN LIFE ASSURANCE COMPANY

Twenty-one years old, the Northern Life Assurance Company of Canada was able to present at its annual meeting a financial statement which in many respects was the best in the company's history. This corporation has its headquarters at London, Ontario. It is one of the few of our insurance corporations which boasts of a motto which, in this case, is "Faith Kept Enriches." That is the keynote of the policy of the Northern Life. The results of that policy are, perhaps, best illustrated in the following table, which shows the company's progress since its inception, the figures being taken from government reports:—

Year.	Net premium income.	Total. income.	Total assets.	Reserve.	Insurance in force.
1897	$ 4,612	$ 68,893	$ 138,430	$ 8,469	$ 354,000
1900	57,425	70,315	253,894	85,099	2,065,200
1903	117,825	131,169	404,412	241,639	3,586,160
1906	158,900	229,549	742,178	488,257	5,039,674
1909	214,971	408,875	1,276,798	812,916	6,399,724
1912	309,869	403,899	1,810,228	1,270,214	9,007,182
1915	379,003	513,935	2,531,028	1,857,704	10,401,232
1917	451,889	630,443	3,090,241	2,232,442	12,435,227

The company has a strong directorate and an excellent executive staff as follows: President—T. H. Purdom, K.C., London. Vice-presidents—W. S. Calvert, Toronto; John Ferguson, London. Directors—Matthew Wilson, K.C., Chatham; John Purdom, London; Charles Jenkins, Petrolea; N. H. Stevens, Chatham; John Milne, London; M. McGugan, Strathroy. Officers—W. G. Fitzgerald, B.A., A.I.A., actuary; R. C. Macknight, treasurer; J. M. Fernley, superintendent of agencies east; J. Wilson Purdom, secretary; Cl. T. Campbell, M.D., medical referee; and J. W. Glenwright, superintendent of agencies west.

During the past year the company was able to increase its insurance in force to the extent of $1,248,651. There was added to the reserve fund $179,044, which fund now amounts to $2,232,442. The total assets were increased $267,789, and amount to $3,090,240. The paid-up capital stock is $489,877, which, added to the excess of assets over all liabilities, $72,894, jointly amount to the sum of $562,772. This constitutes a substantial security to the policyholder, and is in addition to the reserve fund. The business income during the year was $630,442, being $73,190 greater than the previous year. The actual business income exceeded the expenditures by the sum of $176,618. The sum paid to policyholders amounted to $201,866.

All the diplomatic representatives at Petrograd of the fourteen allied countries and six neutrals have protested against the repudiation by the Bolsheviki government of the national debt, and also against the decree respecting the confiscation of property. They have declared that these edicts have no value, so far as their nations are concerned, and they reserve the right to claim damages.

PUBLICATIONS RECEIVED

Banking.—January issue of "The Home Bank Monthly." Issued by the Home Bank of Canada, Toronto.

Security Record.—Folder issued by A. E. Ames and Company, Union Bank Building, Toronto, for keeping records of securities. A very useful publication.

Foreign Exchange.—Knowledge of foreign exchange used to be regarded as something of a luxury. It is to-day, not far from being a necessity. A clear-cut, definite description of foreign exchange and of the underlying and unchanging principles on which it works is afforded in a new and excellent volume on the subject. It describes foreign exchange conditions as they exist to-day. The question of import and export credits is fully explained by means of typical case illustrations, and documents in actual use are reproduced. New York's position, present and future, as a world money market is thoroughly discussed, together with the more recent developments arising out of war conditions and modifications of the federal reserve system. A valuable appendix outlines the monetary systems of the principal countries of the world, and contains tables which explain the process of converting foreign currency into that of the United States and vice versa.

"Foreign Exchange Explained." By Franklin T. Escher, special lecturer on foreign exchange at New York University and the American Institute of Banking (Columbia University extension courses). Published by the Macmillan Company of Canada, St. Martin's House, Toronto. Price, $1.25.

GOLD FOR CANADA

It appears that the deputation of Canadian bankers which visited Washington last fall with regard to the release of gold for Canada, asked for $50,000,000, but obtained a promise for only $25,000,000. The president of the Canadian Bankers' Association, referring to this matter at the annual meeting last fall, said:—

"The successful mission to Washington in connection with the United States gold embargo is also gratifying. While our application for the release of $50,000,000 was not entertained, I feel confident that the amount secured, $25,000,000, will enable us to stabilize exchange rates; but should it not, the door is left open for a further appeal by the action of the Federal Reserve Board in suggesting that a committee of three Canadian bankers be appointed to confer with them in the event of further requirements."

He also made a special statement at the Bankers' Association meeting in regard to this matter. He recalled that the confidential committee of the association accompanied by two of the honorary presidents, went to Washington for the purpose of procuring a license to import gold to correct the abnormal adverse exchange rate then prevailing, with the following results:—

1. That the Canadian banks be allowed to import gold from the United States as follows: In November, $10,000,000; in December, $10,000,000; in January, $5,000,000.
2. That the Canadian banks may receive and ship to Canada all gold earmarked at the date of the embargo;
3. That gold coin equal to the mined gold shipped from Canada to the United States may be shipped to Canada;
4. That the president of the Canadian Bankers' Association shall signify to the Federal Reserve Board which banks in Canada are entitled to ship gold under Section 1 above.

The Federal Reserve Board in addition suggested that a committee of Canadian bankers be formed to confer with their board from time to time regarding the finance of the war as it affects the two countries.

The following committee was appointed in pursuance of the suggestion of the Federal Reserve Board: Mr. E. L. Pease, Sir Frederick Williams-Taylor and Sir John Aird. It was resolved that it would also be the duty of this committee to take such steps from time to time as might be necessary to stabilize exchange either by the importation, for deposit in the central gold reserves, or export of the whole or any part of the $25,000,000 above mentioned, it being understood that the respective banks will place at the disposal of the committee for import or export the part of the $25,000,000 assigned to each bank on the basis of paid-up capital.

HOW OUR RAILROADS ARE HANDLING FREIGHT

The Canadian Pacific Railway recently diverted by way of the Soo Line one thousand cars of freight so as to relieve the main line of the company along the north shore of Lake Superior. These cars passed south from Winnipeg to Minneapolis and by way of Sault Ste. Marie into Ontario. They consisted chiefly of grain for domestic consumption in Canada.

One hundred cars of freight per day are being diverted from the Canadian Pacific Railway at Quebec and travelling by way of the National Transcontinental to Halifax. While there is no saving in mileage, this, in the interest of the country, relieves the Canadian Pacific Railway main line to St. John for classes of export freight more urgently required there.

In Toronto an arrangement was successfully carried out whereby one hundred and twenty cars of freight eastbound for Montreal were turned over from the Canadian Pacific Railway to the Canadian Northern Railway every day.

The Grand Trunk during the winter season has been diverting one hundred and fifty to two hundred cars of coal per day to the Canadian Pacific Railway and Toronto, Hamilton and Buffalo in order to lessen the congestion on the Grand Trunk from the Niagara frontier to Toronto and other points.

The Grand Trunk has also diverted fifty cars per day to the Canadian Northern Railway at Toronto. In Western Canada the Canadian Northern has on several occasions transferred surplus traffic to the sister railways in the West.

The gold monetary stock (coin and bullion used as money) in the United States on November 1, 1917, is estimated in Secretary McAdoo's annual report at $3,041,500,000. The increase in the past 10 months has been $174,500,000, and in the past three years $1,236,500,000. In five years the portion of the world's gold monetary stock held by the United States has increased from approximately one-fifth to more than one-third.

DIVIDENDS AND NOTICES

BANK OF MONTREAL

Notice is hereby given that a **Dividend of Two-and-one-Half per Cent.,** upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after Friday, the **First Day of March** next, to Shareholders of record of 31st January, 1918.

By Order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 22nd January, 1918.

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 124.

Notice is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Friday, 1st March, 1918, to shareholders of record at the close of business on the 14th day of February, 1918.

By Order of the Board.
JOHN AIRD,
General Manager.

Toronto, 19th January, 1918.

UNION BANK OF CANADA

Dividend No. 124

Notice is hereby given that a Dividend at the rate of 9 per cent. per annum upon the paid-up Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its branches, on and after Friday, the 1st day of March, 1918, to shareholders of record at the close of business on the 15th day of February next.

The Transfer Books will be closed from the 16th to the 28th day of February, 1918, both days inclusive.

By order of the Board,
H. B. SHAW,
General Manager.

Winnipeg, January 17th, 1918.

DIVIDEND NOTICE

LAKE OF THE WOODS MILLING COMPANY, LTD.

Notice is hereby given that a dividend of 2½ per cent. on the Common Stock of Lake of the Woods Milling Company, Limited, for the quarter ending February 28th, 1918, has been declared, payable on Friday, March 1st, 1918, to Shareholders of record at the close of business on Saturday, February 23rd, 1918, being 2% from the earnings of Lake of the Woods Milling Company, Limited, and half of One per cent. from the earnings of the Sunset Manufacturing Company—a Company manufacturing jute and cotton bags and a subsidiary of the Lake of the Woods Milling Company, Ltd.

ALSO

An additional dividend of Two and One half per cent. on the Common Stock of Lake of the Woods Milling Company, Limited, has been declared, payable on Friday, March 1st, 1918, to Shareholders of record at close of business on Saturday, February 23rd, 1918. This dividend is from the earnings of the Sunset Manufacturing Company, being at the rate of 2 per cent. for the year ended August 31st, 1917, and one half of One per cent. for the quarter ended November 30th, 1917.

By Order of the Board.
R. NEILSON,
Assistant-Secretary.

DIVIDEND NOTICE

LAKE OF THE WOODS MILLING COMPANY, LTD.

Notice is hereby given that the usual quarterly Dividend of 1¾ per cent. on the Preferred Stock of Lake of the Woods Milling Company, Limited, has been declared, payable on Friday, March 1st, 1916, to Shareholders of record at the close of business on Saturday, February 23rd, 1918.

By Order of the Board.
R. NEILSON,
Assistant-Secretary.

DEBENTURES FOR SALE

DEBENTURES FOR SALE

The Town of Shaunavon, Saskatchewan, has for immediate sale, a $10,000.00 issue of debentures, interest 7%, repayment on annuity basis; and the undersigned will receive bids for the same up to and including the 16th day of March, 1918. The right is reserved to refuse any or all bids. Full particulars of the Town's financial condition may be had from

F. G. HORSEY,
Town Clerk.

WINNIPEG ELECTRIC RAILWAY COMPANY

The net earnings of the Winnipeg Electric Railway for November, 1917, were $86,887, as compared with $101,632 for the corresponding month of 1916. Fixed charges were $60,157, against $58,854 in 1916. Net earnings from January 1, were $746,976, a decrease of $337,160; fixed charges were $674,214, against $652,874 in 1916.

WESTERN CANADA POWER COMPANY

The Western Canada Power Company reports for December operating revenues $38,410, an increase of 1.8 per cent.; net earnings of $30,770, an increase of 22.1 per cent. Twelve months' operating revenues $450,161, an increase of 20 per cent.; net earnings of $332,194, representing an increase of 28.1 per cent.

RITZ-CARLTON HOTEL

At the annual meeting of the Ritz-Carlton Hotel Company, of Montreal, held at the hotel on February 13th, the directors' report showed that there had been an increase in the number of guests during the year. The increase had not been as great as hoped for owing to the fact that many reservations were cancelled on account of the entry of the United States into the war.

BRITISH COLUMBIA SALMON FISHERIES

No New Licenses for Salmon Canneries to be Granted This Year

The following official statement with regard to the salmon fisheries of British Columbia has been issued by the minister of the naval service:—

"After a conference with his officials with regard to the regulations and policy to govern the salmon fisheries in District No. 2, British Columbia, during which the whole matter was thoroughly considered, Colonel Ballantyne, minister of the naval service, reached the following decision:—

No More Licenses.

"1. That no licenses for salmon canneries in addition to those already authorized will be granted this year. This decision was reached because it was found that the existing canneries can more than take care of all the salmon that may be allowed to be caught. It is recognized that if the privilege is thus restored, those engaging in canning should be required to pay into the public treasury a fair proportion of their profits. As the system of accounting among the canners is so diversified, it is impossible now to determine what this shall be, but during the present year a satisfactory system of accounting, to be used by all the canners, will be worked out, and each will be required to give full and uniform returns to the department of the naval service of his operations so that after this season an adequate license fee can be required.

"2. That, as the runs of salmon and the conditions on the spawning-beds do not warrant a greater amount of fishing than is now permitted, no licenses for additional fishing privileges will be authorized this year. These two decisions do not apply entirely to the Queen Charlotte Islands, where the conditions are different from those now existing on the mainland.

Motor Boats Prohibited.

"3. That, as the evidence of the cannery managers, the canners and the fishermen, submitted to the special commission which last year investigated the salmon fisheries of this district, was nearly unanimously opposed to the use of motor boats in salmon fishing operations, such boats will not be allowed this year.

"4. That, to enable proper arrangements to be made for the using of gill net licenses independently of all canneries, licenses will be granted this year on a similar basis to last, but hereafter no attached licenses will be issued.

"5. That rigid enforcement of the fishery regulations will be carried out, and the protective force will be sufficiently enlarged to enable this to be done.

Application for Licenses.

"6. On his return to British Columbia in the next few days, the chief inspector will call together those applying for new licenses in different portions of the province, where such may be safely granted, and each applicant will be required, in the presence of the others, to show why he considers his application should be favored. Immediately following such investigation, a decision on the different applications will be reached by the chief inspector."

BRANDRAM-HENDERSON COMPANY'S REPORT

As a result of operations during the past year, Brandram-Henderson, Limited, one of our best-known industrial corporations, was able to improve its financial position in several ways and to increase the balance at the credit of profit and loss account to the extent of $63,000. The net profits for the year amounted to $221,429, which, with the balance of $349,465, carried forward from the previous year, gave a sum of $570,894 to the credit of the profit and loss account. Out of this sum the interest on bonds to September 30th was paid, and a reserve for interest accruing for October and November, also the dividend on the preferred stock paid and accrued. The sum of $7,500 was provided as a reserve for depreciation, and a further sum of $10,000 as a special reserve for depreciation by way of provision for possible contingencies. This is a commendable policy The sum of $29,100 was absorbed by the 3 per cent. dividend paid on the common stock in February last, and the sum of $7,062 to cover patriotic donations during the year. Owing to insufficient information from the authorities an inadequate sum was set aside a year ago for the first year's war tax, and in consequence it was necessary to provide at this time the sum of $31,917. The sum of $15,600 was applied for sinking fund purposes, leaving a balance of $412,184.

An examination of the balance sheets of the past two years shows an increase in current liabilities. The explanation for this given by Mr. George Henderson, the company's president, at the annual meeting on Wednesday, was the greater volume of business transacted by the company, which necessitated larger stocks, and the higher cost of all raw materials.

The company's financial statement generally reflects an excellent position. Little criticism can be offered, except that, like so many other companies, the value of real estate buildings, plants, equipment, goodwill and patent rights, is entered among the assets in the balance sheet in a lump sum. While this is the practice of the majority of companies, we believe it will be found desirable for companies to separate these items in the balance sheet, attaching the value to each.

The Brandram-Henderson Company is doing not only a good business throughout Canada, but a satisfactory export trade in addition. One of the features of its trading last year was the rapidly increasing foreign business, which has justified the appointment of several additional foreign representatives, all of whom are reported to be doing well. In order satisfactorily to develop the company's British Columbia business it was found desirable to establish a depot in Vancouver, and, owing to the strong sentiment in favor of provincial organizations, a separate charter was secured to do business in the name of Brandram-Henderson of British Columbia, Limited.

Mr. J. M. C. Muir is the secretary of Brandram-Henderson, Limited.

WATERLOO COUNTY LOAN AND SAVINGS COMPANY

An honest endeavor to invest its funds on safe lines and to keep the company in a good liquid position has been the aim of the Waterloo County Loan and Savings Company. This policy is reflected in the fifth annual statement, which shows a good position. At the end of the year, the company's government and municipal securities, together with cash, considerably exceeded its ordinary deposits. An effort will be made to maintain this position, and the company will, therefore, take advantage of the present good prices to accumulate a large amount of bonds to hold for years to come. As a result of its operations last year, after providing for interest on deposits and debentures, and defraying the expenses of management, including war taxes, municipal and provincial taxes, the balance available for distribution was as follows: Balance brought forward from 1916, $1,878; premium on stock, $646; net profits for the year, $35,379; total, $37,903. This amount was disposed of as follows: Two half-yearly dividends, numbers 7 and 8, at the rate of 6 per cent. per annum, $24,153; donated to Patriotic and Red Cross funds, $525; written off office premises, $500; transferred to reserve fund, $10,000; and transferred to contingent fund, $1,500, leaving a balance carried forward of $1,225. The profits equalled 8.78 on the capital.

Referring at the annual meeting to the company's business, Mr. Thomas Hilliard, president, stated that, in the handling of money, the directors of an institution had a public trust to protect, and it was essential that all investments should be made with a view to wise and sound policy. This policy had been carried out in connection with the business of the Waterloo County Loan and Savings Company, and it was evident by the satisfactory growth of the business that the people in the community had confidence in the company.

Mr. E. F. Seagram, vice-president, referring to the company's investments, said: "We feel that, while it is necessary to make as good profits as possible for the business, that the shareholders would prefer to know that absolute security and safety was aimed at, rather than too high an interest rate."

Mr. P. V. Wilson, the manager, dealt in detail with the various items of the financial statement. He stated that very few mortgage loans were made during the past year, the few that were handled being located in Kitchener and Toronto. Of the company's mortgage loans, amounting to $590,000, the average of each was slightly over $3,000, the company holding nearly 200 mortgages.

The Ontario Loan and Debenture Co.

The Forty-seventh Annual General Meeting of the Shareholders of this Company was held on Wednesday, 13th instant, at the Company's Offices, London, Ontario.

The chair having been taken by the President, Mr. John McClary, the Manager, Mr. A. M. Smart, who acted as Secretary, read the notice calling the meeting and the minutes of the last Annual Meeting which, upon motion, were confirmed.

The Annual Report was then presented, as follows:—

London, Canada, 28th January, 1918.

To the Shareholders:

Under the altered conditions prevailing throughout the past year, owing to the war, it affords the Directors much pleasure to present their Annual Report, which they are confident will be entirely satisfactory to the Shareholders.

The demand for loans on mortgage has not been heavy, and investments have turned toward the higher class of Government and Municipal Bonds which afford a fairly good return. The increase in your Company's holding of such Bonds is mainly owing to participation in the recent Dominion War Loans.

The foreign trade of Canada again discloses a greatly increased favorable balance and the high prices for agricultural products have doubtless overcome the farmer's augmented cost of production and living.

As detailed in the Revenue Account herewith, after provision for possible losses and contingencies, the payment of Provincial and Municipal Taxes, Interest, Expenses and Charges, your Company's

Net earnings for the year 1917 are		$268,290.86
Balance brough forward from previous year		53,593.56
From this Total available		$321,884.42
Dividends (Quarterly) at the rate of 9 per cent. per annum have been paid	$157,500.00	
Transferred to the Reserve Fund	100,000.00	
		$257,500.00
Balance		$ 64,384.42
Grant to the Canadian Patriotic and Red Cross Fund.	$ 3,000.00	
Grant to the British Red Cross Fund	500.00	
Dominion Government Income War Tax	10,180.87	
		13,680.87
Balance carried forward		$ 50,703.55

A resolution approving of the above grants to Patriotic and Red Cross Funds will be submitted for your approval.

The transactions of the Company throughout the year have been duly audited and the Auditors' certificate is attached to the Financial Statement which is presented herewith.

An amendment to By-law No. 22 will be submitted whereby it is proposed to reduce the number of Directors from eight to seven.

Your Directors deeply deplore the loss sustained by the death of their esteemed colleague, Mr. Thomas P. McCormick.

The care and attention devoted to your Company's affairs by your Agents in Great Britain is most cordially acknowledged.

Your Directors also wish to bear testimony to the efficiency with which the Officials and Staff of the Company have discharged their arduous duties.

All of which is respectfully submitted.

JOHN McCLARY, President.

FINANCIAL STATEMENT.

REVENUE ACCOUNT.

DR.	
Interest on Sterling Debentures	$ 71,030.93
Interest on Currency Debentures	54,032.42
Interest on Deposits	33,877.43
Taxes, Provincial and Municipal	8,150.70
Expenses connected with Debentures	1,042.70
Commissions and Expenses in connection with Loans	17,674.68
Expenses of Management	34,949.04
Dividends to Shareholders (9 per cent. per annum)	157,500.00
Transferred to Reserve Fund	100,000.00
Grant to Canadian Patriotic and Red Cross	3,000.00
Grant to British Red Cross	500.00
Dominion Government Income War Tax	10,180.87
Balance carried forward	50,703.55
	$542,642.32

CR.	
Balance from last year	$ 53,593.56
Interest earned on Mortgages, Rents, etc.	489,048.76
	$542,642.32

LIABILITIES.

To the Public:		
Sterling Debentures	$1,394,407.73	
Currency Debentures	1,129,277.66	
Interest accrued on Debentures	31,455.59	
Deposits	991,345.60	
		$3,546,486.58
To the Shareholders:		
Capital Stock (subscribed, $2,550,000) paid up	$1,750,000.00	
Reserve Fund	1,950,000.00	
Dividend No. 122 (since paid)	39,375.00	
Balance at Credit of Revenue Account	50,703.55	
		$3,790,078.55
		$7,336,565.13

ASSETS.

Mortgages, etc., on Real Estate	$5,693,003.28	
Less amount retained to pay prior mortgages	8,778.99	
		$5,684,224.29
Government Bonds, Municipal Debentures and stocks owned	$1.187,527.16	
Less Installments not yet due on Canada "Victory Loan" Bonds	189,200.22	
		$ 998,326.94
Loans secured by Stocks and Debentures		140,816.09
Loans secured by this Company's Stock		405.56
Real Estate foreclosed or brought to sale		106,381.90
Office premises (freehold)		57,000.00
Cash with Banks in Great Britain		21,594.59
Cash with Banks in Canada		327,815.76
		$7,336,565.13

A. M. SMART, Manager.

To the Shareholders of The Ontario Loan and Debenture Company:

We hereby certify that we have audited the books and accounts of The Ontario Loan and Debenture Company for the year 1917, including a monthly cash audit and the verification of the entries and balances in all the Company's books, and we find the whole correct. We have also examined the securities and find them in order.

All our requirements as Auditors have been complied with and in our opinion the above statements are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, as shown by its books.

F. G. JEWELL, C.A., } Auditors.
J. F. KERN, }

London, Ontario, 28th January, 1918.

The President, in moving the adoption of the report, said, in part:

The Annual Statement speaks for itself and cannot fail to be entirely satisfactory to the Shareholders as it is to the Directors. Your Company was never in a stronger position than it is to-day. The investments have been gone over with the greatest care and are undoubtedly full value for the amounts at which they stand in the Balance Sheet.

For the past six years we have been able to add $100,000 each year to our Reserve Fund until it now stands at over 110 per cent. of the paid-up capital. This fund has been gradually and patiently built up until, with the unappropriated profits, it has now reached $2,000,000, a staunch bulwark to protect our shares against any adverse conditions that may obtain during the war or in consequence of it.

It affords me much pleasure, seconded by the Vice-President, to move the adoption of the Annual Report.

The Vice-President, Mr. A. M. Smart, in seconding the adoption of the Report,

Referred to what the President had said regarding the strength of the Company's position and remarked that during the whole period of the war cash reserves had been maintained at a comparatively high figure. This, of course, did not produce high profits, but he felt sure it was a policy of which the Shareholders would approve.

Our practice had been to secure the larger proportion of our Debenture moneys in Scotland, but of late British Government Bonds were offered there to yield such returns that we did not feel we should offer rates calculated to attract money of which there is such need for the prosecution of the war. Notwithstanding many of our old debenture holders have renewed with us our sterling debentures show a considerable reduction in amount. The compensating advantage to us is the consequent increase in the percentage of our assets as compared with our liabilities. Our assets are now more than double our total liabilities to the public. In other words, you have $2 in assets to meet each $1 you are under contract to repay.

Indicating the soundness of the Company's assets is the fact that at the end of the year the total interest overdue on all the Company's investments was 15 per cent. less than the amount at the end of 1916. Fully one-fifth of this had already been received.

The Report was then adopted unanimously.

The Scrutineers were then appointed and the election of Directors proceeded with, Messrs. John McClary, A. M. Smart, Thomas H. Smallman, Lieut.-Col. William M. Gartshore, John M. Dillon, M. Masuret and C. R. Somerville being re-elected for the ensuing year.

It was moved by Mr. A. B. Greer, seconded by Prof. J. H. Bowman, that Messrs. Frank G. Jewell, C.A., and John F. Kern be and are hereby re-elected Auditors for the Company. Carried.

On adjournment of the meeting and at a meeting of the Board of Directors held subsequently, Mr. John McClary was re-elected President, and Mr. A. M. Smart, Vice-President of the Company.

Montreal and Toronto Stock Transactions

Stock Prices for Week ended Feb. 20th, 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	....	....	....	10
" ... pref.	....	....	....	5
Bell Telephone	....	....	....	....
British Columbia Fishing & Packing	....	....	....	25
Brompton	....	....	....	26
Brazilian	....	....	....	415
Canada Car ... com.	....	....	....	55
" ... pref.	....	....	....	50
Canadian Converters	....	....	....	....
Canada Cement ... com.	....	....	....	281
" ... pref.	....	....	....	130
Canada Cottons	....	....	....	55
" ... pref.	....	....	....	31
Canadian Con. Rubber ... com.	....	....	....	....
Canada Foundry and Forgings	....	....	....	....
Canadian General Electric	....	....	....	55
Canadian Locomotive ... com.	....	....	....	....
" ... pref.	....	....	....	....
Canada Steamship Lines ... com.	....	....	....	485
" " " ... pref.	....	....	....	61
Civic Investment	....	....	....	613
Civic Power ... com.	....	....	....	247
Cons. Mining and Smelting	....	....	....	406
Consumers Gas ... com.	....	....	....	....
Dominion Bridge	....	....	....	....
Dominion Coal ... pref.	....	....	....	....
Dominion Iron ... pref.	....	....	....	5
Dominion Steel Corporation ... com.	....	61⅞	61	3353
Dominion Textile	....	....	....	....
" ... pref.	....	....	....	....
Howard Smith ... com.	....	....	....	35
Illinois Traction ... com.	....	....	....	10
" ... pref.	....	....	....	20
Intercolonial Coal ... com.	....	....	....	50
Lake of the Woods Milling ... com.	....	....	....	740
Laurentide Co.	....	....	....	405
Lyall Const. ... com.	....	....	....	130
Macdonald	....	....	....	67
Mackay Cos. ... com.	....	....	....	50
" " ... pref.	....	....	....	10
Maple Leaf Milling ... com.	....	....	....	....
Montreal Tramway	....	26	25¾	99
" ... deb.	....	....	....	19200
Montreal Cotton ... com.	....	....	....	....
" ... pref.	....	....	....	....
Nova Scotia Steel	....	68	66⅞	280
" ... pref.	....	....	....	....
Ogilvie Flour Mills ... com.	....	....	....	....
Ontario Steel ... com.	....	....	....	....
Ottawa Light, Heat & Power	....	....	....	....
Penmans	....	74¾	74½	853
" ... pref.	....	....	....	....
Price Bros.	....	....	....	....
Riordan Paper	....	122	120	710
" ... pref.	....	....	....	1
Quebec Railway, Light, Heat & Power	....	....	....	50
Shawinigan Water & Power	....	....	....	462
" " ... rights	....	25	21	16637
Sherwin-Williams ... com.	....	....	....	15
Spanish River ... com.	....	....	....	....
" ... pref.	....	....	....	....
Steel Co. of Canada	....	....	....	620
" ... pref.	....	....	....	40
Toronto Railway ... com.	....	....	....	300
Wabasso Cotton ... com.	....	....	....	....
Winnipeg Railway	....	....	....	....
Wayagamack	....	....	....	1000
Bank of British North America	....	....	....	....
Bank of Commerce	....	....	....	38
Bank of Montreal	....	....	....	....
Bank of Ottawa	....	....	....	....
Bank of Toronto	....	....	....	....
Bank d'Hochelaga	....	....	....	....
Banque Nationale	....	....	....	....
Bank of Nova Scotia	....	....	....	33
Dominion Bank	....	....	....	....
Merchants Bank	....	....	....	....
Molsons Bank	....	....	....	....
Quebec Bank	....	....	....	....
Royal Bank	3½	....	....	....
Standard Bank ... com.	....	....	....	....
Union Bank	....	....	....	10

Montreal Bonds	Last Sale	Asked	Bid	Sales
Asbestos	72½	....	....	....
Bell Telephone	98½	....	....	5000
Canadian Car.	....	....	....	....
Canada Cement	96¾	....	....	5000
Canadian Consolidated Rubber	....	....	....	....
Canadian Converters	....	....	....	....
Cedars Rapids	90	....	....	8200
Dominion Coal	94½	....	....	....
Dominion Cotton	90	....	....	500
Dominion Iron and Steel	97	....	....	1000
Dominion Textile ... A	97½	....	....	....
" " ... B	97	....	....	....
" " ... C	97	....	....	....
" " ... D	96½	....	....	....
Lake of Woods Milling	103	....	....	....
Laurentide	101	....	....	....
Lyall Construction Co.	83¾	....	....	5000
Montreal Light, Heat & Power	101	....	....	....
Montreal Tramways	91½	....	....	....
National Breweries	90	....	....	....
Nova Scotia Steel	90	....	....	....
Ogilvie ... A	10	....	....	....
" ... B	103	....	....	....
" ... C	103	....	....	....
Penmans	....	....	....	....
Price Bros.	....	....	....	....

Montreal Bonds (Continued	—	Asked	Bid	Sales
Quebec Railway, Light and Power	67	....	....	2000
Riordan Paper	....	....	....	....
Sherwin-Williams	....	....	....	....
First Dominion War Loan	98¼	....	....	8100
Second Dominion War Loan	98½	....	....	22100
Third Dominion War Loan	....	....	....	16800
Wabasso Cotton	....	....	....	....
Wayagamack	84	....	....	500

Toronto Stocks	—	Asked	Bid	Sales
Ames-Holden ... pref.	....	14½	....	....
American Cynamid	....	....	23	....
" ... pref.	....	....	52	....
B. & L. (Landed)	....	....	....	....
Barcelona	....	10	9½	120
Bell Telephone	....	....	....	....
Brazilian	....	35¾	35½	495
Canada Bread	....	17	16	....
" ... pref.	....	....	....	....
Canadian Car & Foundry	....	25	22½	10
" " " ... pref.	....	57	55	....
Canadian Canners ... pref.	....	....	....	....
Canadian General Electric	....	103½	102½	55
" " " ... cum div. pref.	....	....	....	....
Canada Landed & National Investment	....	....	....	....
Canadian Locomotive	....	....	....	....
" ... pref.	....	....	82¾	....
Canadian Pacific Railway	....	148	145½	9
Canada Permanent	....	162½	....	....
Canada Steamship	....	42¾	42½	270
" " ... pref.	....	78	77	142
" " ... (voting trust)	....	....	....	....
Cement ... com.	....	57½	57	341
" ... pref.	....	....	90	10
City Dairy	....	....	....	....
" ... pref.	....	....	60	33
Colonial Loan ... com.	....	....	....	....
Coniagas ... com.	....	....	....	....
Confederation Life	....	375	....	....
Consumers Gas	....	146½	....	10
Crow's Nest Pass ... com.	....	50	....	...
Detroit	....	....	....	....
Dome	....	925	900	200
Dominion Canners	5	....	....	....
Dominion Iron ... com.	....	....	....	....
" " ... pref.	....	....	....	....
Dominion Steel Company	....	61⅞	61	832
Duluth Sup.	....	41	....	....
F. N. Burt	....	....	....	....
" ... pref.	....	....	....	18
Hamilton Provident	....	....	....	....
Huron & Erie ... com.	....	....	....	....
Lake of the Woods ... com.	....	....	....	....
La Rose ... com.	....	....	....	....
Mackay Companies	....	78½	77¾	218
" ... pref.	....	....	61½	75
MacKinley Darragh ... com.	....	....	....	....
Maple Leaf Milling	....	98	95	....
" " " ... pref.	....	95	93½	1
Monarch	....	....	30	15
" ... pref.	....	....	....	....
Nat. S. Car	....	....	9	....
" ... pref.	....	....	....	....
Nipissing	....	825	800	....
Nova Scotia Steel	....	67⅞	66½	25
" " " ... rights	....	....	....	..
Pacific Burt ... com.	....	....	....	....
" ... pref.	....	....	....	....
Penmans ... com.	....	75	74	200
Petroleum	....	1350	1300	....
Riordon	....	....	....	....
" ... pref.	....	....	....	....
Rogers ... com.	....	...	....	....
" ... pref.	....	....	....	....
Russell Motor	.. .	60	55	....
" ... pref.	....	70	....	10
Sawyer-Massey	....	....	10	....
" ... pref.	....	41	....	....
Shredded Wheat	....	....	....	....
Spanish River	....	15	13½	....
" ... pref.	....	50	....	....
Cons. Smelters	....	25¾	25	32
Standard Chemical	....	....	....	....
" " ... pref.	....	57	....	....
Steel Company of Canada	....	53½	53	25
" " " ... pref.	....	89	87½	89
Toronto General Trust	....	....	....	....
Toronto Paper	....	72	65	....
Toronto Railway	....	61	60	60
Trethewey S. Mines ... com.	....	15½	14	....
Tucketts	....	19	....	....
" ... pref.	1¾	....	....	....
Winnipeg Electric	....	48	....	54
Twin City	....	66	64½	60
Bank of Commerce	....	185	....	26
Bank of Ottawa	....	201	....	....
Bank of Hamilton	...	....	184	....
Bank of Montreal	....	210	....	....
Bank of Nova Scotia	....	....	....	....
Bank of Toronto	....	187	....	....
Dominion Bank	....	202	....	18
Imperial Bank	....	....	....	....
Merchants Bank	2½	....	167	....
Molsons Bank	....	179⅞	....	....
Royal Bank	....	208	....	....
Standard Bank	....	200	....	2
Union Bank	....	....	140	....

Toronto Bonds	Last Sale	Asked	Bid	Sales
Canada Bread	92½	....	....	...
Canada Locomotive	95	....	....	....
Penmans	89	....	80	....
Riordon	....	....	....	....
Sao Paulo, 1929	84	....	....	....
Steel Company of Canada	96½	89	88½	...
First War Loan	98	94¾	94⅝	6800
Second War Loan	98¼	93½	93⅜	3100
Third War Loan	....	93⅛	93	22800

TRAVELLERS' LIFE ASSURANCE OF CANADA

One of our youngest insurance companies, the Travellers' Life Assurance Company of Canada, has made excellent progress during a comparatively short career. The company has the benefit of an experienced president who is not a stranger to the life insurance business. Its directorate is composed of well-known business and financial men, while its secretary, Mr. R. P. Earle, A.I.A., A.A.S., brings to his executive work the knowledge of a capable actuary. The medical department of the company, which is naturally one of the most important factors in the success of a life insurance corporation, is under the care of Dr. A. E. Garrow. While slightly handicapped during the early part of its existence by various staff changes, the company has been able to overcome that check to its growth, and at the end of 1917, had in force net insurance of $4,404,016. This compares with business of $2,946,552 on its books in 1914. Similar growth is noticed in the insurance issued and revived, in comparing the annual reports of the past four years. In 1914, the amount was $1,394,505, and last year $1,726,430. During the past three years the net premium income has increased from $75,256 to $151,966. The total assets have also made a substantial gain from $237,599 to $422,552. These figures illustrate at a glance the satisfactory progress which the company has made.

Dealing particularly with last year's results, the net premium income of $151,966 shows an increase of 23.66 per cent. over the previous year. The insurance issued and revived amounting to $1,726,430, was the largest total in the company's history. The same remark applies to its net insurance in force amounting at the end of 1917 to $4,404,016. The average amount of the policies written by the company is $1,400 and the average annual premium per $1,000 of net insurance in force is $37.50. The company's assets have almost doubled during the past three years and they increased 21.54 per cent. during 1917. The average interest earned on investments, including cash in banks, was 6.58 per cent.

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto.
(Week ended Feb. 20th, 1918.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power ......pref.	80	88.50	Chapman Ball Bearing ..	20	28.50	Inter. Mill ....pref.	81.50	87.50	North Crown Bank......	72	....
Alberta Pac. Grain..com.	97.50	....	Collingwood Ship...com.	25	38.50	Imper. Trust Co. Toronto	....	40	North Ont. L. & P.....6's	75	82
Amer. Sales Book...pref.	....	90	Cockshutt Plow.....pref.	64.50	75	Lambton Golf Club......	330	380	Ont. Pulp Bonds.........	78	83
Atlantic Sugar......com.	8	14	Continental Life.........	16	24.50	Loews Theatre ......com.	79	85.50	Peoples Loan...........	81	90
" " ......pref.	23	29	Crown Life	70	....	Maritime Coal & Ry.com.	17	21.50	Rosedale Golf Club......	325	365
" " ....6's	80.50	85	Dom. Fire	18	21	Maritime Coal ....5's	67	72	Sovereign Life..........	14	20.50
Black Lake..........6's	25	28	Dom. F'dry & Steel 8% pf.	80	88.50	Massey Harris...........	110	130	Sterling Coal........com.	9.50	11.75
" ....pref.	3.50	6	Dominion Glass.....com.	23	28	Matthew-Blackwell com.	42	50	" " ......bonds	70	73
Belding Paul....... pref.	73.50	78.50	Dom. Iron & Steel 5's.1939	74	79	Mexican North....... 5's	10	13.50	Sterling Bank....	80	87
" " ....5's	75	80	Dom. Linseed Oil	71	....	M'Donald...........pref.	77.50	83	St. Lawrence Sugar...6's	90	95
Bflo., Roch. & Lock...5's	....	55	D. Po'er & Trans......5's	80	86	Morrow Screw........6's	85.50	92	Temple Theatre.....com.	55	....
Can. Cereal & Flour.com.	....	.90	Dom. Power........pref.	89	95.50	Mutual Steamships ...6's	95	....	Toronto Paper........6's	85	90
Can. Fairbanks.....pref.	85	90	Dominion Sugar.........	110	125	National Drug 7%...pref.	. . .	87.50	Toronto Y'k Rad. 5's. 1919	90	95
Can. Marconi...........	1.75	2.50	Dunlop Tire.......... 6's	96.50	101.50	National Brick Bonds....	....	24.50	West. Assurance	.5	6.50
Canada Machinery..com.	9.50	12.75	Eastern Car...........6's	90	95	National Life	30	....	Wt. Can. Flour. 6's (1931)	92	96
" " ..pref.	45	50	Home Bank........xd. 1½	60	63.50	National Telephone...5's	48	53	West Can. Power.....5's	49	55
Can. Westinghouse......	100	115	Imperial Oil............	290	315	....	....	....	....	....	....

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.

DOMINION SAVINGS BANKS

BANK	Deposits for Dec. 1917	Total Deposits	Withdrawals for Dec. 1917	Balance on Dec. 31st, 1917.
	$ cts	$ cts.	$ cts.	$ cts.
Manitoba :—				
Winnipeg..................	1,988.00	549.567.47	10,502.84	539,064.63
British Columbia :—				
Victoria..................	21,613.71	1,197,367.32	30,002,88	1,167,364.44
Prince Edward Island :—				
Charlottetown..............	36 202.00	2,019,342.29	61,016.22	1,988,326.07
New Brunswick:—				
Newcastle..................	487 00	268.559.25	7.871,96	260.687.29
St. John..................	33,914.77	5,211,015.83	158,774.98	5,052,240.85
Nova Scotia				
Amherst	....	....	....	....
Barrington	77.00	107,014.14	2,346.59	104,667.55
Guysboro'..	592 00	110.261.06	9,346.52	100.914.54
Halifax....................	25,292.25	2,475,916.28	80,015.79	2,395,900.49
Kentville	3,964.16	248.841.33	3,639 27	245,202.06
Lunenburg..................	11,500.00	446,632.28	7,090.12	433,542.14
Pictou	....	....	....	....
Port Hood..................	....	79.379.88	4,210.72	75,169.16
Shelburne..................	4,189.91	289,014.95	14,917.09	224.097.86
Sherbrooke.................	282.00	96.557.69	5,254.70	91,302,99
Wallace	....	111,746.44	20,097.35	91,649.09
Totals.....................	140,102.80	13,185.216.19	415,087.03	12,770,129.16

POST OFFICE SAVINGS BANKS

DR.	SEPTEMBER, 1917		CR.
	$ cts.		$ cts.
BALANCE in hands of the Minister of Finance on 31st Aug. 1917...	42,924,652.22	WITHDRAWALS during the month..........	894,873.36
DEPOSITS in the Post Office Savings Bank during month.......	1,044,398.48		
TRANSFERS from Dominion Government Savings Bank during month :—	....		
PRINCIPAL......... INTEREST accrued from 1st April to date of transfer...	....		
DEPOSITS transferred from the Post Office Savings Bank of the United Kingdom to the Post Office Savings Bank of Canada	2,796.40		
INTEREST accrued on Depositors accounts and made principal on 31st March, 1917 (estimate)	....		
INTEREST allowed to Depositors on accounts closed during month.....	6,280.27	BALANCE at the credit of Depositors' accounts on 30th Sept., 1917.........	43.083,254.01
	43.978,127.37		43,978,127.37

GOVERNMENT FINANCE

PUBLIC DEBT	1917		1917
LIABILITIES—	$ cts.	ASSETS—	$ cts.
Payable in Canada.........	671,211,526 99	Investments—Sinking Fds.	16,095,991 88
Payable in London.........	362,703,312 40	Other Investments	256,303,693 83
Payable in New York......	75,873,000 00	Province Accounts.........	2,296,327 90
Temporary Loans..........	501,036,130 73	Miscel and Bkg. Accounts	722,338,525 44
Bank Circul'n Redemp. Fd.	5,799,609 27		
Dominion Notes.	275,063,856 54	Total Assets..........	997,034,539 05
Savings Banks............	52,749,930 16		
Trust Funds..............	10,807,132 02	Total Net Debt 31st Jan...	997,529,207 28
Province Accounts........	11,920,481 20	Total Net Debt 31st Dec...	976,428,504 18
Miscel. and Bkg. Accounts.	27 398,757 02		
Debt.............	1994 563 746 33	Increase of Debt..........	21,100,703 10

REVENUE AND EXPENDITURE ON ACCOUNT OF CONSOLIDATED FD.	Total 31st Jan. 1918
	$ cts.
REVENUE—	
Customs	121,764,535 73
Excise.....	21,965,878 24
Post Office	16,550,000 00
Pbc. Works, R'lways & Canals	23,704,225 06
Miscellaneous	24,556,115 99
Total	208,540,755 02
EXPENDITURE	113,457,924 57

EXPENDITURE ON CAPITAL ACCOUNT, ETC.	Total 31st Jan. 1918.
	$ cts.
War........................	188,355,015 41
Public Works, Railways and Canals...........	21,128,329 71
Railway Subsidies.....	713,204 75
Total............	210,196,549 87

DOMINION SAVINGS AND INVESTMENT SOCIETY

With assets more than double the amount of liabilities and a reserve fund which alone is almost 25 per cent. of the total liabilities to the public, the Dominion Savings and Investment Society is building up a position which will fittingly celebrate its semi-centenary five years hence. Mr. T. H. Purdom, the company's president and a well-known citizen of London, Ontario, where the company's head office is situated, presented the forty-fifth annual report at the shareholders' meeting last week. The net profits for the year amounted to $58,125. The balance at the credit of the contingent account was $2,541, making together a sum of $60,666. This provided for the payment of two half-yearly dividends, at the rate of 5 per cent. per annum, amounting to $46,741, the addition of $10,000 to the reserve fund which now totals $260,000, leaving the contingent account a balance of $3,925.

The financial statement is signed by Mr. Nathaniel Mills, the company's capable manager. It shows liabilities to the public of $1,112,672. Savings bank deposits account for $761,378 of that sum; currency debentures and coupons due, $178,351; and sterling debentures and sterling debenture coupons (interest accrued but not due), $172,942. The liabilities to the shareholders, amounting to $2,334,803, are as follow: Permanent stock, $934,300; permanent stock dividend, payable January 2nd, 1918, $23,357; accumulating stock, $95; accumulating stock dividends, $453; reserve fund, $260,000; and contingent account, $3,925.

The company's assets of $2,334,803, are made up entirely of the cash value of mortgage and other securities, and cash in banks and office. The former item accounts for $2,297,941 and the cash for $36,862. Judging by the company's financial statement, the Dominion Savings and Investment Society is in excellent condition, and is making good progress. The directors of the company are as follow: Messrs. T. H. Purdom, K.C., London, president; John Ferguson, London, vice-president; W. J. McMurtry, Samuel Wright, John Purdom, John Milne and managing director, Nathaniel Mills.

RAILWAY EARNINGS

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

Canadian Pacific Railway.

	1917.	1918.	Inc. or dec.
February 7	$1,890,000	$2,096,000	+ $206,000
February 14	2,180,000	2,306,000	+ 126,000

Grand Trunk Railway.

February 7	$ 928,462	$ 675,115	— $253,347
February 14	828,671	752,861	— 75,810

Canadian Northern Railway

February 7	$ 493,600	$ 634,600	+ $141,000
February 14	602,000	688,000	+ 86,000

BRITISH MARKET FOR CANADIAN SECURITIES

Discussing the British market for Canadian securities in its issue of January 31st, the Canadian Gazette, London, Eng., says:—

"In Dominion issues the 3½ per cents. (1909-34) are 1¼ up; in provincial bonds British Columbia 4½ per cents. (1914) are 1¼ better, and Ontario 3½ per cents. (1946) are 1 higher, but in municipal loans Quebec 4 per cents. (1958) are 1¼ down at 70¼. Railway stocks have been somewhat affected by the rate question, and Canadian Pacific shares are 1¼ down, at 159¼, although Grand Trunk stocks only showed fractional changes. Speculative buying of Canadian Northern income debenture stock, with the result of a substantial advance—4 points to 43½—in the price is attributed to market operators having taken up the view that the Dominion government, as now owners of the Canadian Northern Railway, will have to provide for the principal of that stock when it becomes due in 1930."

In the miscellaneous section Hudson's Bay shares have been steady while amongst those shares of a commercial character Cockshutt Plow preference, of which we hear good accounts, have jumped up 4 to 74.

CONDENSED ADVERTISEMENTS

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

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

MOOSE JAW RENTAL AGENTS.—The Ralph Manley Agency, Limited, Walter Scott Block, Moose Jaw, handle the renting of Moose Jaw Improved City Property. Their facilities permit them to rent and re-rent property as well as looking after collections and any necessary repairs. Established 1908. Correspondence solicited.

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, with successful executive and secretarial experience and thorough familiarity with manufacturers and cost accounts, is open for position as chief accountant for industrial concern or with public accountant. Box 149, *Monetary Times*, Toronto.

Woodbridge, Ont., citizens have formed a board of trade to secure industries for the municipality, and the first officers are: President, Dr. P. D. McLean; vice-president, David Norton; secretary, H. McLaughton; treasurer, John G. Hallett.

SMART-WOODS, LIMITED

The financial statement of Smart-Woods, Limited, for the year ended December 31 last shows net earnings of $770,816, compared with $516,190 earned in 1916. Bond interest took $29,250, war tax $110,730, deferred charges $60,014, Patriotic Fund $8,500, reserve for bad debts $20,000, preferred dividends $108,185 and common dividends $120,246, leaving a net surplus for the year of $313,890, compared with $150,209 in 1916.

HURON AND ERIE MORTGAGE CORPORATION

The profits of the Huron and Erie Mortgage Corporation, of London, Ontario, last year were $450,191, earned on paid-up capital stock of $2,500,000. These profits were almost $10,000 greater than those of the previous year, but the increase was largely absorbed by more generous gifts for war purposes and by additional taxes which the corporation was called upon to pay. The total amount paid to shareholders in dividends and the amounts added to reserve fund and undivided profits were, therefore, only slightly more than those of 1916. The company's financial statement indicates a maintenance of the strong position it has held for so many years. The shareholders were paid dividends at the rate of 12 per cent. Pension funds, taxes, patriotic funds and branch extension fund absorbed approximately $50,000. A further appropriation of $100,000 was made to the reserve fund, which now amounts to $3,100,000, or 124 per cent. of the company's paid-up capital—an exceptionally favorable position in that respect. The corporation has no real estate on hand other than office premises, all properties which have come into the possession of the corporation by foreclosure, failure to obtain purchasers under power of sale, or otherwise, having been sold.

In presenting the directors' report at the recent annual meeting, Mr. T. G. Meredith, K.C., president, gave some interesting figures regarding the company's total mortgage investments, which at the end of the year amounted to $10,584,773, or $750,000 less than those of a year ago. In round figures, these investments are made up of nearly $7,000,000 of Ontario mortgages, about $1,000,000 of Manitoba, $2,500,000 of Saskatchewan, and $167,000 of Alberta. At the end of the year practically all the past due interest had been paid in Alberta, while in the other three provinces the arrears of interest were less than two-thirds of 1 per cent. of the amount invested, a splendid record. These $10,500,000 are represented by 4,378 mortgages, making an average loan of less than $2,500. Of these loans, the greater portion is secured by farm property, and the balance on productive properties (chiefly residential) in the larger cities of Ontario or in the city of Winnipeg. The values placed by the company's own inspectors upon the lands and premises forming the security total nearly $25,000,000, so that the loans average less than 45 per cent. of the inspectors' valuation.

Speaking generally, both in Ontario and in the western provinces, repayments on mortgages have been extraordinarily good—better, indeed, than in any year since the war. As the results show, the company has been repaid more money than, in reality, they cared to accept.

Discussing other items of the company's assets, Mr. Meredith pointed out that holdings of municipal, school district and rural telephone debentures decreased by over $200,000. Here, again, the record of payment, both of principal and interest, is highly satisfactory. The only increase in the list is shown under the heading of government bonds, the holdings of which have grown from $716,000 to almost double that figure.

Major Hume Cronyn, M.P., is first vice-president and general manager of the company, which is one of the oldest and strongest mortgage corporations in Canada. Major Cronyn is known throughout the country as one of the foremost loaning authorities, and has contributed largely to the marked success of the Huron and Erie Mortgage Corporation. With Mr. Meredith as president, he is supported also by the following directorate: F. E. Leonard, second vice-president; George T. Brown, F. R. Eccles, M.D., LL.D., Robt. Fox, H. E. Gates, A. H. M. Graydon and Philip Pocock. Mr. Aylsworth is the company's secretary.

FIFTH ANNUAL REPORT

The Waterloo County Loan and Savings Company, Waterloo, Ont.

FINANCIAL STATEMENT TO DECEMBER 31ST, 1917

PROFIT AND LOSS ACCOUNT.

Dr.

Interest on Deposits	$21,555.11
Interest on Debentures	12,344.74
Commissions and Exchange	1,388.75
Expenses, including Provincial and Municipal Taxes, Government War Taxes, Salaries, Rentals, Printing, Advertising, etc.	14,830.22
Donated to Patriotic and Red Cross Funds	525.00
Dividends No's. 7 and 8	24,153.05
Carried to Reserve	10,000.00
Carried to Contingent Account	1,500.00
Written off Office Premises	500.00
Balance, Profit and Loss	1,225.87
	$88,022.74

Cr.

Balance brought forward	$ 1,878.04
Premium on Stock	646.00
Earnings on Mortgages, Government, School and Municipal Bonds, etc.	85,498.70
	$88,022.74

ASSETS AND LIABILITIES.

Assets.

Mortgages	$ 591,646.58
Dominion War Bonds, Provincial, Municipal and School Debentures	673,134.60
Loans on Securities	15,070.00
Office Premises and Real Estate	47,499.32
Cash on Hand and on Deposit	80,780.66
	$1,408,131.16

Liabilities.

TO THE PUBLIC:		
Savings Deposits	$588,646.38	
Debenture Accounts	316,081.33	
		$ 904,727.71
TO THE SHAREHOLDERS:		
Capital Stock paid	$415,366.43	
Dividend No. 8 payable January 2, 1918	12,311.15	
Reserve Fund	70,000.00	
Contingent Account	4,500.00	
Balance Profit and Loss	1,225.87	
		503,403.45
		$1,408,131.16

P. V. WILSON, Manager.

To the President, Directors and Shareholders of The Waterloo County Loan and Savings Company.

Gentlemen,—We beg to report that we have made a regular monthly audit of the books of account and vouchers of your Company for the year ending 31st December, 1917, and that we find the same correct and according to the statements herewith submitted.

In our opinion the balance sheet referred to in this report is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as shown by its books.

Respectfully submitted,

J. M. SCULLY, F.C.A.,
J. SCULLY, } Auditors.

Waterloo, Ont., 17th January, 1918.

NEW INCORPORATIONS

Two Million-Dollar Companies in British Columbia Have Received Charters

The largest companies incorporated during the past week were: East Sooke Mines, Limited (non-personal liability), $1,000,000, Victoria, B.C.; International Cordage Company, Limited, $1,000,000, Vancouver, B.C.

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

Prince Rupert, B.C.—Fishermen's Club, Limited, $10,000.

Sylvan Lake, Alta.—The Armstrong Farming Company, Limited, $25,000.

Fort William, Ont.—Foxs, Limited, $40,000. N. Fox, B. Hollenberg, D. Hollenberg.

Taber, Alta.—Southern Alberta Grain Growers' Supply Company, Limited, $500,000.

Sarnia, Ont.—Manleys, Limited, $40,000; T. H. Manley, B. B. Manley, N. St. Clair Gurd.

Brantford, Ont.—Waddell's Limited, $100,000; J. Harley, A. Manson Harley, G. H. Harley.

Val Morin, Que.—Highland Farms, Limited, $20,000; C. L. Buchanan, T. H. Harper, G. E. Blaine.

Thetford Mines, Que.—J. E. Marcoux, Limitée, $20,000; J. E. Marcoux, C. N. Delage, E. Lacerte.

Lennoxville, Que.—Johnson and Shardlow, Limited, $100,000; F. W. Johnson, J. W. Shardlow, J. P. Wells.

Winnipeg, Man.—The Frontier Lumber Company, Limited, $50,000; E. B. Eadie, R. Siderfin, M. McNicol.

Belleville, Ont.—Ontario Business College, Limited, $30,000. J. W. Johnson, M. S. Johnson, W. P. S. Johnson.

Victoria, B.C.—East Sooke Mines, Limited (non-personal liability), $1,000,000. Queen Charlotte Spruce Company, Limited, $500,000.

Vancouver, B.C.—Central British Columbia Colonization Company, Limited, $45,000. Seaside Lumber Company, Limited, $12,000. Service Lumber Company, Limited, $10,000. International Cordage Company, Limited, $1,000,000. The Bendickson Logging Company, Limited, $25,000. Crawston Machinery Company, Limited, $10,000. Overseas Loggers, Limited, $100,000. Sayward Logging Company, Limited, $10,000.

Toronto, Ont.—Rob Roy Mills, Limited, $250,000; W. A. McGowan, R. S. McGowan, C. R. McGowan. Electric Insulation and Varnish Company, Limited, $60,000; J. Whitfield, J. G. Shaw, J. Montgomery. Edwards and Wright, Limited (no personal liability), $100,000; W. H. Edwards, E. W. Wright, W. Stewart. De Foe Wilson, Limited, $40,000; W. N. DeFoe, H. B. Tisdale, M. N. DeFoe. Union Garage and Motors, Limited, $40,000; D. I. Grant, M. MacDonald, E. Smily. Walker and Son, Limited, $75,000; W. J. Shaw, H. G. Jones, W. I. Walker.

Montreal, Que.—La Compagnie Laurin and Preville, Limitée, $20,000; E. Laurin, J. A. Preville, J. O. Desy. East End Garage, Limited, $500,000; F. Callaghan, F. X. Biron, A. Tracey. Old England, Limited, $10,000; I. Greenberg, S. Garmiase, M. Rosen. Campbells' Florists, Incorporated, $90,000; C. M. Holt, L. Gosselin, P. E. Lanctot. Montreal Pottery, Limited, $100,000; A. R. W. Plimsoll, R. Brodeur, R. Genest. Brodie's, Limited, $100,000; L. M. Smith, E. Jackson, L. Copping. British 5, 10, 15 and 25 Cents Store, $10,000; H. Weinfield, M. M. Sperber, J. Y. Fortier. Alderic Lefebre, Limited, $25,000; L. M. Smith, L. Jackson, L. Copping. Point St. Charles Hay Company, Limited, $30,000; L. M. Smith, C. Thomas, E. Jackson.

MORE ONTARIO BONDS

A syndicate consisting of the Dominion Securities Corporation, Wood, Gundy and Company, and A. E. Ames and Company, have completed negotiations for $3,000,000 Province of Ontario 6 per cent. 10-year bonds, the last $1,000,000 of which are now being offered.

CAPITAL TRUST CORPORATION

Although only five years old and confining itself to comparatively small operations, the Capital Trust Corporation, of Ottawa, is in excellent financial condition, judging by its latest annual statement. The net profits for the past year were $18,035, compared with $5,029 for the previous year. This is a commendable increase. The organization expenses, $2,701, were written off, and, with the balance from the previous year, the total remaining profit amounted to $27,234. The paid-up capital was increased by $33,866, and now amounts to $355,355. There has been a general and satisfactory increase in business in all departments of the company. The question of paying a dividend is under consideration.

The inventoried value of real estate, mortgages, stocks, bonds and debentures, etc., in the hands of the company as executors, trustees, guardians, agents, etc., at the end of the year was $783,649. In the estates, trustee and agency accounts, there was also the substantial sum of $62,655 cash on hand and in banks.

Mr. M. J. O'Brien, of Renfrew, Ont., is president of the company, the four vice-presidents being Hon. S. N. Parent, Ottawa; J. J. Lyons, Ottawa; R. P. Gough, Toronto; and E. A. Corrigan, Ottawa. The managing director is Mr. B. G. Connelly, and the assistant manager, Mr. E. T. B. Pennefather. In addition, there are sixteen other directors resident in various parts of the country.

ONTARIO LOAN AND DEBENTURE COMPANY

For the past six years, the Ontario Loan and Debenture Company, of London, Ont, has been able to add $100,000 each year to its reserve fund. That account now stands at over 110 per cent. of the paid-up capital. The fund, with the unappropriated profits, totals $2,000,000 and, as stated by Mr. John McClary, the president, at the annual meeting last week, it is a "staunch bulwark to protect our shares against any adverse conditions that may obtain during the war or in consequence of it." This is only one of many indications of the company's strong position. Mr. A. M. Smart, the manager and vice-president, pointed out that during the whole period of the war cash reserves had been maintained at a comparatively high figure. This does not produce high profits, but it is a policy of which all those who have at heart the company's best interests will approve. The corporation has an excellent record also in regard to its assets which are more than double the total liabilities to the public. In other words, there are over $2 in assets to meet each $1 the company is under contract to repay. The substantial nature of these assets is reflected in the fact that at the end of the year the total interest overdue on all the company's investments was 15 per cent. less than the amount at the end of 1916. Over one-fifth of this had already been received.

Discussing rising rates for money, Mr. Smart pointed out that the company's practice had been to secure the larger proportion of its debenture moneys in Scotland, but of late British government bonds were offered there to yield such returns that the directors did not feel they should offer rates calculated to attract money of which there is such need for the prosecution of the war. Notwithstanding this, many of the company's old debenture holders have renewed with the company, whose sterling debentures show a considerable reduction in amount. The compensating advantage to the corporation is the consequent increase in the percentage of its assets as compared with its liabilities.

Those interested in the Ontario Loan and Debenture Company, which has been doing business for 47 years, have every reason to be satisfied with the company's position and the results of the past year. This is due largely to the good work of the manager, Mr. A. M. Smart and to the active assistance of his directorate, headed by Mr. John McClary, as president. The company's net earnings for 1917 were $268,290 and the balance brought forward from the previous year $53,593. From this total of $321,884, dividends at the rate of 9 per cent. per annum were paid, absorbing $157,500, and transferred to the reserve fund was the sum of $100,000. A grant to Canadian Patriotic and Red Cross Fund of $3,000, to the British Red Cross Fund of $500 and the Dominion government income war tax of $10,180, accounted for $13,680, leaving a balance to be carried forward of $50,703.

INCOME TAX RETURNS DUE ON MARCH 31st

Review of the New Legislation Which is Now in Operation—List of Taxation Officers — Outline of the Information to be Given on the Tax Forms.

THE time for making returns under the income tax legislation has been extended from February 28th, the date fixed by the bill, to March 31st. This was officially announced on Monday. The change was necessary owing to the delay in the organization of the staff which will have charge of the collection of the taxes.

The income tax is a new departure in Canadian methods of raising money for federal purposes. In The Canadian Chartered Accountant, the official organ of the Dominion Association of Chartered Accountants, published at Toronto, Mr. R. Easton Burns, C.A., gives an excellent digest of the new income tax bill. He has presented the act, clause by clause, with such questions, comments and explanations by members of the House, during its consideration in committee, as will convey an intelligent idea of what was in the minds of the legislature, with special attention to the explanations of the minister of finance.

In his introduction Mr. Easton reminds us that the act affects all incorporated companies, associations, partnerships, trustees and persons, whether male or female, having an income of fifteen hundred dollars in the case of unmarried persons and widows or widowers without dependent children, and three thousand dollars in the case of all other persons.

Tax of Four per Cent.

There is a normal tax of 4 per cent. on the net earnings of all incorporated companies in excess of $3,000. Companies do not pay a supertax. Partnerships, as such, are not assessed, but each partner pays on his share of the net earnings of the partnership. Profits are assessable whether divided or distributed or not. The normal tax having been paid by a company an allowance is made to the shareholder of 4 per cent. on the dividends he receives.

In addition to the normal tax, there is a supertax on all incomes in excess of $6,000, varying from 2 per cent. on incomes between $6,000 and $10,000 to 25 per cent. on incomes exceeding $100,000. For the purpose of the supertax, the undistributed profits held by companies must be included in the returns made by the shareholders. The tax applies to incomes in 1917. In the case of companies which might be assessed for the year 1917, under the Business Profits War Tax Act, 1916, an assessment will be made under whichever act will produce the greater revenue for the government.

The operation of the act will be under the direction of the minister of finance, to whom considerable discretionary power is given. Returns must be made by all persons liable to be taxed on or before February 28th in each year, beginning in 1918. (This date has been changed to March 31st for the current year.) Every company must make a return of its shareholders and of dividends paid. The finance department will scrutinize these returns and compare the returns made by the shareholders.

All employers must make a return of their employees in receipt of sufficient income to render them liable to taxation.

Accumulated profits earned prior to the operation of the act are, in the opinion of the minister of finance, assessable as income for the year in which they are distributed to the shareholders or partners.

List of Tax Officers.

The following are the names and addresses of the inspectors of taxation at present appointed in Canada:—

Vancouver, B.C.—A. G. McCandless, Molsons Bank Building.

Calgary, Alta.—Thoburn Allan, Customs Building.

Winnipeg, Man.—W. L. Ball, Union Bank Building.

London, Ont.—Geo. R. Tambling, Bank of Toronto Chambers.

Brantford, Ont.—H. H. Powell, assistant inspector, William Street.

Hamilton, Ont.—Berkeley G. Lowe, Customs Building.

Toronto, Ont.—J. B. Kilgour, 59 Victoria Street.

Toronto, Ont.—Hugh D. Paterson, 50 Victoria Street.

Ottawa, Ont.—Kenneth Fellowes, tariff branch, finance department.

Montreal, Que.—Peter F. McCaffrey, Post Office Building.

Montreal, Que.—Arthur Labbe, Post Office Building.

Quebec, Que.—Evariste Rochette, 76 St. Peter Street.

St. John, N.B.—Arthur W. Sharp, 57 Princess Street.

Halifax, N.S.—J. P. Edwards, Room 44, Dennis Building.

Other appointments are being made.

The income tax forms will probably be distributed this week. The questions cover four sides of a folded form and on the first page spaces are provided for the full name, address, occupation, place of residence during the year and whether married, unmarried, widower without dependants, etc. At the top of this page are spaces to be filled in by the inspector and the commissioner of taxation.

Definition of Income.

Inside pages are devoted to the description of income on one side, and exemptions and deductions on the other. Under the first title, spaces are provided for filling in the gross income derived from—and here are inserted under their respective sections that portion of the gross income derived from salaries and wages, professions and vocations, commissions, business, trade, commerce or sales or dealings in property, whether real or personal, farming in its several branches, rents, dividends, interest on notes, mortgages, bank deposits and securities other than reported in the preceding item, fiduciaries (income received from guardians, trustees, executors, administrators, agents, receivers or persons acting in a fiduciary capacity), royalties from mines, oil and gas wells, patents, franchises and other legalized privileges, interest from Dominion of Canada bonds, issued exempt from income tax, and other sources not enumerated above. On the last line is provided a space for the totalling of all the above items, making total income.

As to Exemptions.

Under the heading "exemptions and deductions," similar spaces are provided for "amount claimed for . . . " and here are provided spaces for the insertion of depreciation; bad debts actually charged off within the year; allowance for exhaustion of mines and wells; contributions actually paid to the Patriotic and Canadian Red Cross Funds and other approved war funds; interest paid on moneys borrowed and used in the business; federal, provincial and municipal taxes on property used in the business; interest from Dominion of Canada bonds, issued exempt from tax; and other claims for deductions to be specified in detail. There is then provided a space for bringing down these totals under the sub-caption: "Total Exemptions and Deductions." The taxee must then state the amount paid under the business profit tax act, 1916, which accrued in the 1917 accounting period.

The declaration of the truth and accuracy of the statement and date and signature follows.

The last sheet is devoted to the explanation of the various items contained in the foregoing. Returns are to be made in triplicate, one copy of which will be retained by the taxpayer and two delivered to the inspector of taxation for the district of Ottawa.

Totals previously derived are then brought forward by the officers of the taxation branch, the balance representing "net income." Other calculations are then provided for, finally bringing the net down to the amount of tax to be paid.

MACKAY COMPANIES

The annual meeting of the Mackay Companies was held on February 15th. The income from investments in other companies was reported to be $4,519,364, of which sum $4,425,198 was paid out in dividends. The operating expenses amounted to $89,058, and a balance of $5,108. The balance sheet is as follows:—

Assets:	
Investments	$92,417,778
Cash	881,074
	$93,298,852
Liabilities:	
Preference shares issued	$50,000,000
Common shares issued	41,380,400
Surplus	1,918,452
	$93,298,852

CANADIAN NORTHERN STOCK WORTH 60 CENTS

Testifying before the Canadian Northern Railway board of arbitrators on Tuesday at Osgoode Hall, Toronto, Mr. Samuel Bertron, of the banking firm of Bertron and Briscom, New York, declared that the stock of the Canadian Northern Railway at present was worth from 50 to 60 cents on the dollar. His estimate was based on the future prospects of the railway, the growing territory through which it operated, its small grades, economical operation, and its small bonded indebtedness, which had been placed on a very low interest return. These features of the Canadian Northern Railway had attracted a group of New York financiers, who, up to the entrance of the United States into the war, had virtually consummated a proposition to finance the railway on the representations of Sir William Mackenzie. It was at the instigation of these financiers that the Loomis-Platten report on the Canadian Northern Railway was prepared.