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Editor

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Great Banking Expansion This Year

TOTALS in 1917 Have Made New Records—Course of Banking Totals After Next Month Will Depend Largely on War Developments—Another Year of War Means Another Period of Canadian Production at High Pressure—Outlook For the Coming Year.

THE three years of war have certainly seen a most remarkable growth of Canadian banking assets. At the end of 1914 the total assets of the banks stood at \$1,555,000,000, practically the same level as at the end of 1913. The increase effected during 1915 was \$182,000,000; and that increase was followed by another, of \$210,000,000, in 1916. For the nine months of 1917, up to September 30th, the increase was \$178,000,000; and, as the last quarter of the year saw large credit transactions in connection with the movement of the crops and the flotation of the fourth war loan, it is inevitable that when the December return is published, towards the end of this month, it will show another great gain as compared with the same date of the preceding year. The credits placed at disposal of the British government in connection with its purchases of Canadian grain and packing house products operated importantly to swell the bank figures; and the activity of the munition industry, though on a smaller scale than in the latter part of 1916, tended in the same direction.

In view of the phenomenal progress made in the three years under review, it is interesting to speculate on the conditions that will be reflected by the successive monthly bank returns in 1918. Will the totals continue to soar to new high records—new \$100,000,000 mile-posts being passed in rapid succession—or is it the case that we have now reached the top and that 1918 will witness movement in the opposite direction?

These questions cannot be answered until the new year unfolds itself. In the opening month doubtless we shall see the contraction characteristic of January. Considering the great expansion of the bank note issues throughout 1917, it would seem that an unusually heavy contraction of circulation would be in order; and unless the normal January shrinkage of the current account or demand deposits is offset by some new special credit transaction, perhaps that department of the deposits will show a substantial decrease for the first month of 1918. These decreases would be normal—war or no war, it would be strange if they did not occur. No one should be surprised or dismayed if the contraction next month is greater than in preceding years. An unusually heavy contraction would be a healthy sign, since it would imply that the banks were in position to expand again if Canada's trade and industrial situation called for expansion. So far as the currency contraction is concerned, that, under existing circumstances, would have a tendency to ease the monetary situation. It should be remembered that when \$60,000,000 or \$70,000,000 of bank notes in circulation are covered, dollar for dollar, by gold or legals in the central reserves, the return of that gold-covered circulation to the banks, in the form of new deposits or payments on loans, etc., sets free a corresponding amount of the pledged gold or legals, which thereupon are added to the general cash reserves, and part of the released cash is available for new credit operations.

The course of the banking totals subsequent to January will depend to a large extent on the war developments. Should the war end early next year, there would presumably be a

marked decrease in some lines of industrial and mercantile activity, and perhaps the government's pressing need or new credits would be diminished. But, in view of the situation created by the Teutonic campaign against Italy, few persons among the Allies look for peace in 1918. The general belief is that unless the Anglo-French and American forces on the western front win early and decisive success, the war is likely to last throughout a great part of 1918. At any rate, bankers and financiers are obliged to proceed with their preparations and carry on their affairs on that assumption.

This implies more or less continual heavy borrowing by the governments of the United Kingdom, the United States and Canada. Our own government will be obliged to float further domestic war loans, and, if possible, further loans abroad, in order to provide for its own war outlay and for lending money to Great Britain to facilitate the British purchases of Canadian products. These government loans will have a tendency to keep the bank figures swollen far beyond the pre-war records—and swollen they will remain until the abnormal holdings of government securities are materially reduced. Owing to the vigor and aggressiveness of the campaign for the fourth domestic loan, the borrowing by subscribers to that loan is understood to be heavier than in case of the preceding domestic flotations. It is but reasonable to expect that when the fifth loan is launched next year, further strong efforts will be required to ensure successful flotation. Large borrowing by subscribers will doubtless again be in evidence.

Then another year of war implies another year of Canadian production at high pressure all round. Some part of the vast expenditures of the United States government must necessarily come to Canada, helping to keep Canadian industries busy. We may be sure that all departments of agricultural life in Eastern Canada will be working at pressure, and, with reasonably favorable climatic conditions, the output, at prevailing prices, will have a great value. Similarly, the high price of wheat and other grains will cause the farmers of the west to make another grand effort to smash all records in the matter of 1918 production. After the two comparatively short yields in 1916 and 1917, there may be a chance of a great harvest next fall. The extensive preparations in the way of breaking and fall ploughing will likely lead to the planting of an enlarged acreage at any rate—if the climate during the seeding season does not prove to be entirely unfavorable.

Considering the great expansion that resulted in the latter part of 1917 from a western wheat crop of, say, 225,000,000 bushels at \$2.21 per bushel, it should be clear that a crop of 300,000,000 bushels or more next year, providing the West is fortunate enough to take off that much, sold at around \$2 per bushel, as it probably will be, would be a potent factor in ensuring continued prosperity and in swelling the resources of the Canadian banks. These considerations show that if the war is prolonged there will be numerous factors working in 1918 with tendency to further expand the bank position. Whether these factors will be counteracted by others is another question.

GEORGIAN BAY CANAL

It Offers Best Solution of Transportation Problem, Says Port Arthur Man

That a Georgian Bay Canal offers the only national, economic and patriotic solution of our transportation problem is the opinion of Mr. Joseph Redden, vice-president of the Port Arthur, Ont., board of trade, in a lengthy statement on the subject just issued. He points out that the returns recently published by the grain commissioners of Canada of the amount of grain handled at our great inland lake ports of Port Arthur and Fort William for the crop year period ended August 31st, 1916, indicate to what large proportions the flow of grain through these ports has reached. The report shows that approximately 370,000,000 bushels of wheat, oats, barley and flax were shipped, 40,000,000 bushels by the all-rail routes and 330,000,000 bushels by vessel. "But although the total figures are very gratifying, and illustrate the wonderful development of Canada's western provinces," says Mr. Redden, "there are features in the report which are far from gratifying, and which cause great disappointment and uneasiness as to the future of Canada's transportation interests to all who have the interests of Canada at heart.

Through United States Channels.

"It shows that, while able to produce this great volume of grain that sought its exit through the terminals of Port Arthur and Fort William, Canada lost the control of its transportation to the seaboard after leaving these ports, for out of the 330,000,000 bushels shipped by vessel 193,000,000 bushels, practically 60 per cent., were carried to United States lake ports, thence by United States railroads to United States seaports.

"Of this vast amount sent to United States lake ports, 21,000,000 bushels were carried by Canadian vessels, showing that it was not on account of an inadequacy of Canadian vessels that prevented more of the grain being sent to Canadian ports, but that the present Canadian route to the sea is outclassed by the United States route."

Mr. Redden then asserts that Toronto and the other cities on Lake Ontario were fully aware of the inferiority of the Welland-St. Lawrence route, "but were willing to jeopardize Canada's prosperity in her shipping and transportation interests for a highly improbable local aggrandisement." He adds that Canada gives to the United States, free of cost, the key to our water transportation system, and that we have at present no permanent coasting trade for our vessels.

Montreal and Buffalo.

"The development of the Georgian Bay Canal," says Mr. Redden, "places Montreal in direct competition with Buffalo, making possible from the Canadian head of the Great Lakes a water route of 934 miles to Montreal, against the approximately 850 miles to Buffalo, with direct connections in Montreal during the summer with ocean shipping, and with a rail haul to Atlantic seaports for winter delivery for storage grain equal or less than that from Buffalo."

The statement concludes: "The solution of the freight problem of the west will not be the Panama Canal, of which so much is expected by some, but of which route Mr. Lanigan, traffic manager of the Canadian Pacific Railway, in an examination before the railway board at Ottawa four years ago, said: 'If it (the grain) was carried free to Vancouver for export, it would not result in a trade being developed under present conditions, owing to the high cost of sea carriage and insurance.'

"There are other factors in the handling of grain that will be against the routing of grain to Europe via the Panama route which are not necessary to enumerate, Mr. Lanigan's evidence being all-sufficient.

Hudson Bay Route.

"The Hudson Bay route also will, in the minds of many who are thoroughly conversant with the grain trade in its many phases of handling, be always handicapped by the climatic conditions existing on that route, conditions which will prevent the certainty of delivery in Europe of grain shipped from the west in all but a few months in each year. There are some who talk of all-the-year navigation by the Hudson Bay route, but those who know the hardships and dangers of December navigation on Lake Superior realize that winter navigation

on the Hudson Bay route, the channels leading to which are over 1,000 miles further north than the Great Lakes, is a dream.

"The great solution of the western freight problem will be simply adequate rail connections with the twin ports, Port Arthur and Fort William, on Lake Superior; to all intents and purposes, the final market to the western farmer for the selling of his grain, there to connect with a deep waterway, practically an ocean highway, which, for nearly eight months of each year will carry cheaply the millions of tons of European-bound freight of western Canada and the United States.

Is Only Remedy.

"Is it not, therefore, imperative for the government of Canada to be up and doing, securing the world's best advice as to which route should be developed and not go on blindly in the greater development of the Welland-St. Lawrence route, a route that is equal to and developed sufficiently for all local demands and requirements, but which has proven in its long years of existence a dismal failure in the holding to Canada of the handling of the European-bound freight of the Great Lakes, and the further development of which, in the minds of many, including the vast majority of the commanders of Canadian upper lakes vessels, is a frightful blunder, they fully believing that the development of the Georgian Bay Canal is the one and only remedy to regain our trade, now fast disappearing through United States channels, to develop our shipping and industrial life, to develop our mineral resources, making possible to central Canada supplies of coal from Canadian mines brought through Canadian channels; not allowing that great section of Canada to be at the mercy for her coal supply on United States interests, supplies which may be and can be stopped at any moment through industrial or political strife in the United States.

"Is the ocean-bound commerce of western Canada to be handled for all time by Canadian or United States interests? That is the great question, and it will be answered by the development of one or the other of the two great canal routes from the head of the Great Lakes to the sea. So let the government of Canada be guided in the choosing of the route to be developed, not from the necessity of political expediency or sectional pressure, but only on national grounds, and on the advice of the world's best experts on transportation, for tremendous issues are at stake.

National Transcontinental Railway.

"Another transportation problem that deserves attention and the closest scrutiny by the government of Canada is that peculiar feature in the National Transcontinental Railway, brought about by that road only having connections by a spur from its main line with the Great Lakes ports of Fort William and Port Arthur, which necessitates all grain or other freight when shipped east from the Grand Trunk terminals at the head of the Great Lakes having to be sent back approximately one-third of the distance to Winnipeg before striking the main line and starting on its eastward route, on which it will have to travel an equal distance before getting abreast of the Great Lakes ports from which it was consigned. This feature in the connections of the Transcontinental with the Great Lakes ports is practically prohibitory against any great storage of grain at the terminal there, the real market, to all intents and purposes, of the western farmer. With a rise in price in the grain markets of the east or Europe during the winter months, making it profitable to sell, the grain dealer or farmer is just as well off if he had never moved his grain out of the west, for, on account of the routing necessary for grain to take when routed east for winter delivery to the seaboard from the great storage terminals at the head of the Great Lakes, Winnipeg is almost just as near the eastern seaports as the lake ports, although actually over 400 miles further away. The management of the Transcontinental Railway, under such conditions, are undoubtedly not sympathetic to the making of Fort William a storage port, as it necessitates a long, profitless haul for any storage grain ordered to the seaboard during the winter months.

"This may account, no doubt, for the small amount of storage space for grain that is in existence on the terminals of the Transcontinental at Fort William, 6,500,000 bushels against the approximately 40,000,000 bushels on the terminals of the Canadian Pacific Railway and Canadian Northern Railway.

"The remedy to this great drawback to the greater efficiency of the government road and to the betterment of the service of that railway to the twin ports is for the government to have immediately built the connecting link which is

necessary to join with the Canadian Northern Railway at Long Lake, 125 miles east of Port Arthur, a mere matter of approximately 30 miles, and allow the Transcontinental running rights over that road into the twin ports. This connection, which would practically form the base of a triangle formed by the Transcontinental spur line out of Fort William and its main line east to its connection with the Canadian Northern Railway, would give great economical results in the handling of grain ordered east during the winter months from the great storage elevators of the lake ports, allowing the Transcontinental to run its passenger trains via the twin ports, east and west, giving Port Arthur and Fort William direct connections; also allowing the Grand Trunk Pacific and government railways to be in direct touch with the magnificent industrial sites in Fort William and Port Arthur, and share to the utmost in the great industrial and transportation developments of those great lake ports of Canada."

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

Fort William, Ont.—A by-law to raise \$225,000 by 20-year 5 per cent. debentures, to take care of the city's street railway deficits will be voted on.

Anderdon, Ont.—A by-law to raise \$13,000 for re-building two bridges over the Canard River will probably be authorized.

Dalhousie, N.B.—Alex. J. LeBlung, clerk and treasurer, reports the town's assessed value of real estate and personal property as follows: Real estate, \$352,525; personal property, \$131,300.

Port Elgin, N.B.—Arthur S. Robinson, chairman of commissioners, reports the town's assessed value of real estate and personal property as follows: Real estate, \$210,900; personal property, \$22,500.

Brantford, Ont.—No debentures have been sold for local improvements, but funds have been provided by short date borrowings, by way of treasury certificates, and these will, when due, be taken up and the debentures used for sinking fund purposes. The expenditure on current account for the year will exceed the estimate by \$6,000, revenues will be \$5,000 ahead of the estimate, so that the net deficit will be only \$1,000.

Quebec, Que.—Practically the only municipal bond sales in November and December have been those made in Quebec province as follows:—

Municipality	Amount.	Rate %	Term (years).
Montreal East	\$250,000	6	5
Town of Drummondville	100,000	6	5
City of Hull	179,000	6	5
Town of Victoriaville	50,000	6	5
City of Three Rivers	280,000	6	5
City of Three Rivers Catholic School Commissioners	485,000	6	10
City of Levis	164,000	6	5

Saskatchewan.—The following is a list of authorizations granted by the local government board during the week, December 10th, to 14th, 1917:—

School Districts.—Earl Grey, \$1,500 10-years 7 per cent. instalment; S. J. Morrison, Earl Grey, Beaver Valley, \$1,200 10-years not ex. 8 per cent. annuity; J. Stoen, Cadillac, Orillia, \$2,400 10-years not ex. 8 per cent. annuity; P. W. Hickling, Cantaur.

Rural Telephone Companies.—South Marengo, \$11,000 15-years not ex. 8 per cent. annuity; T. F. Campbell, Marengo, Tribune West, \$4,000 15-years not ex. 8 per cent. annuity; F. W. Johnson, Tribune, Eastern Star, \$600 15-years 7½ per cent. annuity; C. Williams, Webb, Aneroid North, \$1,500 15-years not ex. 8 per cent. annuity; Geo. Middlemiss, Aneroid, Currie, \$4,700 15-years not ex. 8 per cent. annuity; T. L. Berry, Tompkins, Sylburn, \$9,400 15-years not ex. 8 per cent. annuity; Wm. Ratcliffe, Tisdale.

The following is a list of debentures reported sold from December 10th to 14th, 1917:—

School Districts.—St. Jean Baptiste R.C.P., \$1,000; John Weber, Titanic, Armstrong, \$1,400; Regina Public School Sinking Fund, Lens, \$1,865, Hill and Hollow, \$2,000; Goldman and Company, Regina.

Rural Telephone Companies.—River Park, \$3,500; W. J. Sparling, Tadmore, \$11,400, Elfros, \$24,500; W. L. McKinnon and Company, Regina. Cabri South Eastern, \$8,100; L. P. Simard, Wurtzburg, \$2,000; Wood, Gundy and Company, Saskatoon.

City.—Saskatoon, \$7,700; City of Saskatoon Sinking Fund.

Town.—Grenfell, \$7,000; Mrs. Ada H. Fitzgerald.

Saskatchewan.—"To any one engaged in Saskatchewan's municipal activities," says Mr. Geo. Langley, minister of municipal affairs in his annual report for year ended April 30, "it is easily apparent that the duties being performed by the clerks and secretary-treasurers are reaching a high order of efficiency. A very marked improvement is noticeable within the last few years. Many competent men are specializing in municipal accounting and devoting their whole time to the advancement of their respective offices. Inspectors (as explained in previous reports) call at each municipal office to report on its general conduct and condition. In very few cases indeed is the work of the clerk or secretary-treasurer found to be lagging, but on the other hand it is generally found that the local official takes pride in keeping his books neat and up-to-date, ready at any time for examination. As a rule all correspondence is answered within 24 hours after its receipt. The number of municipal officials now failing to conduct their offices on business lines, is, fortunately, very small, and these are showing evidences of improvement.

"To mayors, aldermen, Reeves, overseers and councillors, the importance of carefully administering the measure of local self-government secured by each community is being regarded more and more as a national duty. Saskatchewan's municipal institutions will be obliged to face many troubles arising out of the present world war, but the initiative which they have already shown in meeting and overcoming difficulties will stand them in good stead and will enable them to solve the problems which at this period of rapid world changes are sure to be confronted. It may be safely assumed that after the close of the war emigration will be heavy to this new province with its free land and golden opportunities for development. The many newcomers will have an effect on our municipal life. Our councils will do well to continue to use that vigilance in the administration of local affairs which will make for true economy, sane development and sound government, to maintain the substantial characteristics of Saskatchewan's municipal institutions."

The tax assessment and levies compared by cities are as follow:—

Name.	Popula- tion.	Assessment.	Taxes levied.	Debenture debt.
Moose Jaw	16,889	\$31,871,492	\$ 867,805	\$ 5,326,047
Regina	40,000	50,969,645	1,143,471	10,566,520
Saskatoon	35,000	37,677,800	869,376	8,203,818
Weyburn	4,000	7,247,341	163,830	863,463
North Battleford	4,500	7,267,491	167,000	1,052,154
Prince Albert	7,000	16,680,186	401,010	3,326,147
Swift Current	5,000	8,971,827	161,493	1,227,743

Mr. Lamb, who has, for nearly three years past, held the position of superintendent of branches, and previously that of Western superintendent, has been appointed assistant general manager of the Bank of Toronto. He is a capable banker. His promotion to this important appointment is well deserved and pleasing to his many banking colleagues and friends.

The Manufacturers' Life Assurance Company, Toronto, reports new business written during November at \$1,248,915, which is a little less than the large total of \$1,297,031 written a year ago. This result is regarded as exceptionally good in view of the fact that a large part of the company's field force was occupied during the greater part of the month in soliciting subscriptions to the Victory Loan. New business written during the eleven months ended November 30th totalled \$15,155,892, a increase of \$3,132,423, or nearly 26 per cent. Total business in force at the end of November amounted to \$8,608,199, compared with \$89,053,863 at corresponding period last year.

LIFE INSURANCE AND THE WAR

Large Amount of Insurance on Lives Subject to Military or Naval Service

"At the end of 1916," said Mr. William A. Hutcheson, second vice-president and actuary of the Mutual Life, at the eleventh annual meeting of the Association of Life Insurance Presidents held at New York recently, "there was \$16,800,000,000 of ordinary business in force in companies reporting to the New York Insurance Department, and no less than \$1,680,000,000 was on lives subject to military or naval service. There was also about \$4,400,000,000 industrial insurance and about \$90,000,000 fraternal insurance in force as reported to the New York Department, and taking the British and Canadian experiences as a criterion and applying the percentages of casualties to normal American death claims, it would show a death loss to American life companies of at least \$30,000,000 per annum. If the war death claims should amount at any time to any appreciable part of the assumed 10 per cent. of the normal death claims it would be necessary to call upon either the contingency reserves or the dividends, or both, for in very few cases can the companies charge any extra premiums to offset such war claims."

Life Companies and Investments.

In referring to the part the life companies took in floating the two Liberty Loans, Mr. Hutcheson said that he had been able to get information from 182 companies, and he found that these applied for about \$61,500,000 of the First Liberty Bonds and \$109,500,000 of the second. The companies had been allotted \$21,500,000 of the first loan and they applied for \$109,500,000 of the second issue, so that they were prepared, within a period of less than six months, to purchase over \$131,000,000 of bonds. This amount was nearly 80 per cent. of the increase in the invested funds of the companies within the period of six months during which these issues of bonds were made. In addition to this, the agents throughout the country placed somewhere about \$38,000,000 of the first issue and about \$100,000,000 of the second, giving much of their time to the work. Many of the employees also subscribed liberally and many of the companies furnished employees to assist in the clerical work. The companies have also loaned their aid to the army and navy insurance scheme, recruiting, Red Cross work, military census, food conservation, etc. He said that the war would affect the mortality of the companies, the value of their investments and expenses and probably their insurance in force.

War and Future Dividends.

"Whether the war lasts one year or five," said Mr. Hutcheson, "the question which all of us must meet ere long is that of dividends to policyholders. A company is able to pay dividends principally.

"(1) Because its expenses are lower than the provision therefor contained in the premium,

"(2) Because its death losses are lower than provided for,

"(3) Because it earns a higher rate of interest than that at which the reserves accumulate, and

"(4) Because it does not make losses on its investments.

"It is the aggregate surplus, of course, arising from these various sources which enables dividends to be paid. If the aggregate surplus increases, the dividends may be increased without affecting the contingency reserve, and vice versa. Expenses and death losses will increase during the war. At the same time, there has been a very substantial drop in the value of many securities, and there is little prospect of a return to the old values for years to come.

"Everything, in fact, seems to point to lower surplus earnings, which means either lower dividends or a lower contingency reserve, or both. The principle on which we should all act is 'safety first, and dividends second,' and any company which thinks it better in these war times to reduce its dividend scale will receive nothing but commendation from the public and from all wise and thoughtful policyholders."

British Companies and Dividends.

In conclusion Mr. Hutcheson said that "the British companies there do not, as a rule, make annual valuations and distribution of surplus. Some few do, but the rule there is to value and distribute surplus once in five years. Only some of the British companies, therefore, have had to meet the ques-

tion of dividends since the war commenced three years ago, but in the case of those companies which have had to meet it, the following are the facts:—

"15 companies 'passed' their dividends.

"13 companies cut down their scale of annual dividends.

"9 companies made no change in their dividend scales.

"1 company increased its dividend scale.

"The conditions in Great Britain and the United States are, of course, very different, but these facts should be of interest to us all for this question must be met by all if the war lasts for even another year, as most of us think it must. The companies have contributed many men to the front and the depletion which may come to their staffs is one of the questions which must be met." An extract from a letter of a mother who expressed her willingness to sacrifice her son was read, and Mr. Hutcheson added that "the spirit of sacrifice displayed by her is the spirit which will win the war. Business cannot go on 'as usual' if we are to win the war, but a choice must be made between 'business as usual' and 'victory.' This is the nation's and the life insurance companies' problem now."

RAILROAD RATES INCREASED

An important judgment was handed down on Wednesday by the Board of Railway Commissioners, Ottawa, providing for a 15 per cent. increase in passenger rates in all parts of Canada, with the exception of British Columbia, where the maximum rate is now 3 cents per mile. The judgment also permits, subject to the limitations of the Crow's Nest agreement and certain specific limitations, an increase in freight rates of approximately 10 per cent. in the West and 15 per cent. in the East. The Crow's Nest agreement was made by the Canadian Pacific Railway with the government, and by its provisions rates on a large number of commodities are reduced.

The judgment points out that "there can be no question, in view of actual results, that the railways require greater revenues, and must have them if proper efficiency is to be maintained and the demands of the country for transportation at all adequately met." Costs of labor, coal and materials have been increasing, with the result that the expenses of the Canadian roads are mounting at a much swifter rate than earnings. The increased rates allowed, states the judgment, will certainly not equal the increase in costs to which the railways are subject, and which are not in any way attributable to the railway management.

No mention is made in the judgment of the date on which the increased rates will come into effect. This is because the railways will have to file new tariffs based upon the judgment, and these must receive the approval of the board. It is quite probable that several weeks will elapse before the higher scale of freight and passenger rates comes into force.

With regard to the increase in passenger rates, the judgment states: "It is in the public interest, with a view to conserving coal, railway facilities and man-power, that passenger travel should be as light as possible, so as to facilitate efficient freight movement."

NEW YORK BANKER SAYS LONG WAR

Mr. Thos. W. Lamont, of J. P. Morgan and Company, who has just returned to New York from a trip to England and France, has issued the following statement:—

"On the other side there is great satisfaction at the vigor with which America has taken hold. But even so some doubt is expressed whether we yet fully realize the gigantic nature of the task ahead of us. Many here seem to have had the impression that by the mere fact of our coming into the war the early defeat of Germany became assured. One does not have to cross the ocean to realize that that is a delusion. No one can maintain that victory is close at hand. But it will soon be in sight if we realize that now we must prepare, not only for 1918, but for the campaigns of 1919 and 1920. Great Britain and France have had three-and-a-half years of cruel, grinding war. They have welcomed America's entry, not simply because of her great resources in men, food and munitions, but also because of the fresh viewpoint she is likely to bring to bear in the whole continuance of the war."

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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REGULATING NEW ISSUES

New securities issues here in future can be made or sold only with the approval of the minister of finance. This ruling has been passed under the authority of the War Measures Act. It affects new issues in Canada of bonds, debentures or other securities of any provincial, colonial or foreign government, municipality, commission, local government, institution, corporation or incorporated company. It applies also to any issues or offerings of shares whether preferred or common of any incorporated company. This is an unmistakable sign that war loans have the right-of-way in Canada just as they have in the United Kingdom and the United States.

The Imperial Treasury has for a long time, during the war period, required its consent to be obtained for new securities issues. Consequently, few issues other than war loans have been made. This year, for example, war loans in the United Kingdom will total approximately £1,339,516,000 and ordinary issues only £26,436,000. Prior to the war, Canada was a heavy borrower in the London market. Since 1914, owing to the British treasury restrictions, we have borrowed there only £8,230,000 or approximately \$40,000,000. More than half of this was represented by a Dominion government loan of £5,000,000. The remaining sum was made up of four issues, the war conditions governing which brought the necessary consent of the Imperial Treasury.

The bond houses were probably not unprepared for the new ruling at Ottawa. They have accepted the fact that war loans will practically monopolize the market so long as the war continues. New issues in any event would have had a difficult route to a successful sale. Their regulation by the minister of finance may make it a little easier for the admittedly necessary issues. Canadian investors must devote their surplus funds to subscribing war loans and loans necessary to finance expenditures which cannot be postponed.

HALIFAX

That it is a national duty to provide a large endowment fund for those who have suffered in the Halifax disaster is the opinion of Mr. J. B. Laidlaw, of Toronto, who has strongly advocated this policy since his visit to the distressed city. A large number of people have been blinded by the explosion. The families of the blinded have also suffered pecuniary loss, many wage-earners no longer being able to fill that rôle owing to the loss of sight. In addition, there are a number of widows and orphans. Canada has not failed to do its duty in any particular during these troublous days of war. The government, on behalf of the nation, will do what is right and generous for the people of Halifax.

ENCOURAGEMENT OF CAPITAL

The Canadian government will not antagonize the means necessary to the development of natural resources in Canada. This is very important as chiefly by the active development of our resources will we be enabled to pay the heavy interest charges on the rapidly increasing national debt. Just before the recent Dominion election, Premier Borden in a public statement said that capital in the Dominion will not be taxed at any higher rate than is imposed by the United States government as the war progresses. The tax on incomes will be increased at the next session of parliament so as to coincide with the last income tax amendment of the United States government.

The levy upon business profits, which now takes a portion of net profits above 7 per cent. until three-quarters of all above 20 per cent. is absorbed by the public treasury will be re-enacted at the first session after the Union Government meets. There was on this point some doubt in the utterances of the finance minister, many corporations retaining the impression that the tax on war-time profits might not be carried beyond 1917. The prime minister has stated definitely that it will.

The packing houses will not be allowed to retain a profit in excess of 2 per cent. upon the annual turnover. In the United States this is 2½ per cent. The packers may retain only 7 per cent. on their invested capital free from tax. Between 7 and 15 per cent. the State takes one-half and in addition to that a 1 per cent. extra tax is pared off the company's residue of 11 per cent., reducing any packer's profits to a maximum of 10 per cent. Over and above 15 per cent. all packing house profits are absorbed by the State.

The finance minister has made reassuring statements regarding taxation, on behalf of the government. In July last, he stated that any taxation to which it might be necessary for the government to resort from time to time would be in accordance with legitimate and established forms of taxation sanctioned by the tradition and experience of British self-governing communities. In February, 1916, Sir Thomas said, during the course of his budget speech: "Canada is a country inviting immigration, and we must be careful not to create the impression that it is likely to become a country of heavy individual taxation. In this connection, I think it opportune to state on behalf of the government and as enunciating its settled policy, that in providing our war expenditure, resort will not be had to taxation upon the farms, personal effects or incomes of those engaged in our great basic industry of agriculture."

PROSPERITY OF WAR

War, as we have seen, has promoted increased activities in the Dominion, but, as recently pointed out by Mr. C. W. Barron, the well-known Boston publicist, wealth is not made by prices or wages. The wealth of a nation is from its production in quantity. The farmer is rich with well-tilled lands, strong cattle and well-filled barns. He is no richer when we double the price for his lands, his cattle or his products, because in the end he has to pay double prices for his labor and everything he consumes or uses. "The great danger in Canada and the United States to-day and one militating against our prosperity, is that the war in Europe has been marking up prices for labor and commodities in America and we have been thinking ourselves rich. To make an analysis of the prosperity that is to come to Canada during and after the war we have got first to ascertain the amount of energy Canadians are going to put into this war in the way of production, in the way of labor, in the way of sacrifice, in the way of savings. The fictitious prosperity of the present is high wages, increasing consumption rather than high wages adding to savings and increasing the national wealth. Next after the energization of the people as a basis for war prosperity comes the savings. "A nation that earns and spends is not going ahead; a nation that earns and saves can own the earth," said Mr. Barron, adding: "The third fundamental for prosperity from the war is in the one word 'organization.' This must comprise union and efficiency. If we become a nation of spendthrifts, eating more, wearing more, and playing more because our neighbors are in distress and we get more for what we have to sell them, we shall be laying the foundation of a tremendous smash when we meet the stern reality of competition after the war, when the

50,000,000 men now at war become competitive producers with us, and we have become soft and luxurious."

COST OF THE WAR

If the war came to an end this winter its cost would have reached \$145,000,000,000. This is the estimate of Mr. F. W. Hirst, a well-known English economist. He places the cost of the war to date to Great Britain and the Dominions at \$30,000,000,000, and a similar amount for Germany. Russia's war costs are put at \$27,500,000,000 and those of France at \$25,000,000,000. His opinion is that the portent of the war expenditure figures is still concealed by "curtains woven out of war loans and embroidered with high wages, huge profits, fine words and all the paraphernalia of fictitious prosperity," and he predicts a greater social and economic revolution, a more sweeping change of properties than has been witnessed in Great Britain since the Norman Conquest.

One of the most pleasing features of war finance is that the method of paying for the war by printing paper money has been adopted in Great Britain only to a small extent. Enumerating the methods of paying for war, namely: (1) Out of income by taxation; (2) by loans on which posterity pays the interest; (3) by issues of paper money; or (4) by forced labor or conscription, Mr. Hirst says that every student of finance is puzzled to understand how, after three years of war, the British are able to spend £8,000,000 a day, the Germans £6,000,000 and the French £4,000,000 or £5,000,000. He thinks it is a case of "vanishing assets"—the gradual consumption of stocks accumulated before the war. He quoted a government official to the effect that after the war every worker will have to put in about a quarter of the working day in helping to wipe off the cost of the war.

NEW INCORPORATIONS

Imperial Oil Company Reorganizes With New Charter— Several Large Companies in the List

The largest companies incorporated last week were: British American Timber Company, Limited, Victoria, B.C., \$1,200,000; Beaver Trading and Transportation Company, Limited, Toronto, Ont., \$3,000,000; Imperial Oil, Limited, Toronto, Ont., \$50,000,000; Bellerose Securities Company, Limited, Toronto, \$2,500,000; Howrey Creek Mining Corporation (no personal liability), Toronto, \$1,000,000; Bond and Share Company, Limited, Montreal, \$2,000,000.

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

Fernie, B.C.—Northern Club and Cafe Company, Limited, \$10,000.

Milton, Ont.—The Milton Shoes, Limited, \$40,000; J. W. Bicknell, A. T. Maher, W. B. Sturupp.

Toronto, Ont.—Regal Cutlery Company, Limited, \$50,000; E. Moir, J. Campbell, J. H. Greenberg.

Brantford, Ont.—Electric Smelting Company, of Brantford, Limited, \$45,000; A. Goodwin, H. M. McIntyre, J. Ker.

Stratford, Ont.—Perth Printing and Publishing Company, Limited, \$80,000; W. W. Schmidt, G. E. Schmidt, J. P. Rankin.

Vancouver, B.C.—Mitchell-Foley, Limited, \$15,000; British Columbia Woolen Mills, Limited, \$1000,000; Standard Engineering Company, Limited, \$10,000.

Victoria, B.C.—The Victoria Business Institute, Limited, \$25,000; United Financial Brokers, Limited, \$10,000; British American Timber Company, Limited, \$1,200,000.

Ottawa, Ont.—British Explosives, Limited, \$50,000; D. M. McLean, F. W. Westergaard, A. C. E. Owen. Dominion Loose Leaf Company, Limited, \$500,000; S. G. Metcalfe, S. M. Clark, P. H. Murphy.

Winnipeg, Man.—Bell Novelty and Fancy Goods Company, Limited, \$50,000; W. L. Bell, W. A. Mitchell, A. E. Hiller. Standard Shipping Company, Limited, \$50,000; R. M. Wolvin, J. W. Norcross, L. H. Wolvin.

Montreal, Que.—O'Connors, Limited, \$100,000; W. P. O'Connor, A. P. O'Connor, E. A. Morgan, R. W. Marshall's, Limited, \$40,000; G. V. Cousins, S. Vineberg, R. W. Marshall. Bond and Share Company, Limited, \$2,000,000; W. R. Shanks, F. G. Bush, G. R. Drennan. Douglas Bremner and Company, Limited, \$50,000; W. S. Johnson, W. S. Wilson, S. M. Coates.

Toronto, Ont.—The Maestrolian Company, Limited, \$100,000; L. C. Fauver, D. W. Markham, J. A. Ryan. Howrey Creek Mining Corporation, Limited (no personal liability), \$1,000,000; S. A. Erwin, M. D. Gardiner, A. L. Kemp. Ontario Hardwoods, Limited, \$40,000; D. I. Grant, G. Grant, H. MacDonald. Bellerose Securities Company, Limited, \$2,500,000; W. K. McKeown, L. C. Herdman, G. E. Chart. Imperial Oil, Limited, \$50,000,000; W. C. Teagle, C. O. Stillman, G. W. Mayer. Beaver Trading and Transportation Company, Limited, \$3,000,000; W. W. Skinner, W. G. Pugsley, G. G. Hyde.

Mr. F. W. Renworth, of the Great-West Life Assurance Company, has been appointed provincial manager for British Columbia of the Manufacturers' Life Insurance Company, with headquarters in Vancouver. Mr. Renworth was recently made inspector for British Columbia agencies of the Great-West under supervision of Mr. J. A. Johnson, the company's manager for British Columbia.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid up - - - - \$16,000,000
 Rest - - - - \$16,000,000
 Undivided Profits \$1,664,893
 Total Assets - - - \$403,980,236

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INCORPORATED 1855

HEAD OFFICE, TORONTO, CANADA

Capital \$ 5,000,000
 Assets..... \$84,000,000
 Reserved Funds.. \$ 6,555,306

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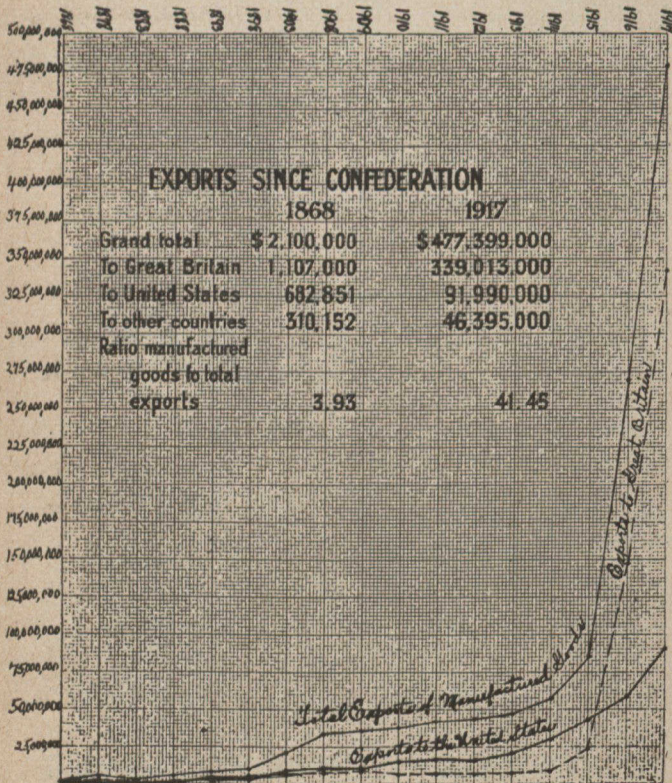
CANADA'S EXPORTS SINCE CONFEDERATION

Rapid Growth of Canadian Trade During Past Fifty Years

The following table shows the distribution of Canadian exports of manufactured goods from 1868 to 1908, and from the latter year to 1917 annually:—

	To Great Britain.	To United States.	Other countries.	Totals.
1868 . . .	\$ 1,107,408	\$ 682,851	\$ 310,152	\$ 2,100,411
1873 . . .	1,428,748	1,541,689	639,457	3,609,903
1878 . . .	2,224,373	983,027	920,335	4,127,755
1883 . . .	1,211,189	1,603,274	688,757	3,503,220
1888 . . .	1,762,894	1,632,025	766,363	4,161,282
1893 . . .	2,454,009	3,563,827	1,676,123	7,693,959
1898 . . .	4,900,806	2,829,510	2,948,000	10,678,316
1903 . . .	6,728,298	8,236,120	5,660,540	20,624,967
1908 . . .	7,472,357	12,427,258	8,607,509	28,507,124
1909 . . .	8,024,308	11,828,241	9,104,501	28,957,050
1910 . . .	6,610,756	15,350,280	9,533,880	31,494,916
1911 . . .	6,973,820	16,524,005	11,785,293	35,283,118
1912 . . .	6,852,710	16,312,751	12,670,823	35,836,284
1913 . . .	7,158,746	21,321,458	15,212,504	43,692,708
1914 . . .	8,583,540	30,391,764	18,468,148	57,443,425
1915 . . .	24,848,359	42,164,753	18,526,389	85,539,501
1916 . . .	148,477,303	58,202,141	35,355,554	242,034,998
1917 . . .	339,013,448	91,990,586	46,395,642	477,399,676

The accompanying chart shows the growth of our total exports since 1867.



Mr. E. Bradshaw, formerly member of the Saskatchewan Executive Assembly for Prince Albert, dropped dead in a store in that city this week. He had been in the mercantile business, but for the past ten years he had been head of the Bradshaw Agencies, an insurance and loan firm with a wide connection in Saskatchewan.

Mr. George O. Gray, who was for several years connected with the Mainland Board of Fire Underwriters and for the past two years has been manager of the insurance department of the Royal Financial Corporation, Vancouver, has joined the staff of the insurance department of Pemberton and Son, Vancouver, as special agent.

IMPORTANCE OF LIFE INSURANCE

Amount in Force in Canada Equals Total Value of Our Trade

In order that we may gain some idea of the relative importance of the business of life insurance, it may be well to compare it with other aspects of our country's trade, using figures relating to Dominion licensees only, as it is difficult to obtain authentic records of provincial licensees for any but the most recent years.

The amount of level premium life insurance in force in Canada for the year ending December 31st, 1916, amounted to \$1,312,152,421. The total exports from Canada for the fiscal year ending March 31st, 1916, amounted to \$882,872,502; the total imports for the same year, \$564,505,796. the total exports and imports amounting to \$1,447,378,298.

Importance of Life Insurance.

It will, therefore, help to fix in our minds, said Mr. G. D. Finlayson, Dominion insurance superintendent, in an address given to the Montreal Life Underwriters' Association at Montreal recently, the relative importance of the business of life insurance if we say that the total amount of life insurance in force in Canada is almost exactly the same as the total value of the exports from and imports into Canada, and somewhat in excess of the total bank deposits in Canada.

Progress During Last Fifty Years.

"If we wish to gain an idea as to the progress made during the last fifty years in each of these departments of the nation's activity, we shall have to content ourselves with the figures for the year 1869 in the realm of life insurance, for the reason that figures for the year 1867 or 1868 are not available. Taking the year 1869, therefore, for the three items, we find that the total amount of life insurance in force in that year was \$35,680,082. The total bank deposits were \$33,654,000, while the total imports and exports were \$130,880,946, and in order that we may not be discouraged at what we sometimes think is the slow progress of life insurance, we may note that during the period covered the amount of insurance in force has increased approximately forty-fold, the amount of deposits have increased approximately thirty-nine-fold, while the total exports and imports have increased approximately eleven-fold. If other indexes of the country's development were taken it would probably be found that the business of life insurance is able, from the standpoint of progress made, to hold its own with any other aspect of our national growth."

RAILROAD EARNINGS

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

Canadian Pacific Railway.

	1916.	1917.	Inc. or dec.
December 7	\$3,139,000	\$3,289,000	+ \$150,000.
December 14	3,106,000	2,908,000	— 198,000.
December 21	2,979,000	3,051,000	+ 72,000

Grand Trunk Railway.

	1916.	1917.	Inc. or dec.
December 7	\$1,151,306	\$1,218,138	+ \$ 66,832
December 14	1,203,868	1,040,349	— 163,519
December 21	1,164,962	1,355,105	+ 190,143

Canadian Northern Railway.

	1916.	1917.	Inc. or dec.
December 7	\$ 917,900	\$ 916,000	— \$ 1,900.
December 14	892,600	753,800	— 138,800.
December 21	805,700	738,300	— 67,400

The following is the Canadian Northern Railway statement of earnings and expenses for the month of November:—

	1916.	1917.	Inc. or dec.
Total gross earnings.	\$ 3,722,300	\$ 4,050,200	+ \$ 327,900
Operating expenses ..	2,472,300	3,295,500	+ 823,200
Net earnings	1,250,000	754,700	— 495,300
Aggregate gross earnings from July 1st.	18,146,100	18,583,600	+ 437,500.
Aggregate net earnings from July 1st.	5,472,300	3,269,800	— 2,202,500.

THE BANK OF BRITISH NORTH AMERICA

Established in 1836. Incorporated by Royal Charter in 1840

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

HEAD OFFICE

5 GRACECHURCH STREET, LONDON E.C. 3

Head Office in Canada

ST. JAMES ST., MONTREAL

H. B. MACKENZIE, General Manager

ADVISORY COMMITTEE IN MONTREAL:

SIR HERBERT B. AMES, M.P.

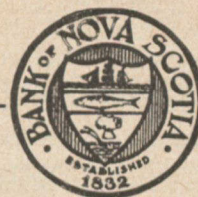
W. R. MILLER, Esq. W. R. MACINNES, Esq.

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

Agents for the Colonial Bank, West Indies

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

Savings Department at All Branches



THE BANK OF NOVA SCOTIA

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

HEAD OFFICE - HALIFAX, N.S.

BOARD OF DIRECTORS

JOHN Y. PAYZANT, President

CHARLES ARCHIBALD, Vice-President

G. S. CAMPBELL J. WALTER ALLISON

HECTOR McINNES HON N. CURRY

JAMES MANCHESTER W. W. WHITE, M.D.

S. J. MOORE W. D. ROSS

HON. M. C. GRANT

General Manager's Office, Toronto, Ont.

H. A. RICHARDSON, General Manager.

J. A. McLEOD, Asst. General Manager.

BRANCHES IN CANADA

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

IN NEWFOUNDLAND

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

IN WEST INDIES

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

IN UNITED STATES

BOSTON CHICAGO NEW YORK (AGENCY)

CORRESPONDENTS

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

France—Credit Lyonnais.

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

THE MOLSONS BANK

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

Incorporated by Act of Parliament 1855.

HEAD OFFICE ... MONTREAL

BOARD OF DIRECTORS

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

BRANCHES

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

AGENTS IN GREAT BRITAIN AND COLONIES—London and Liverpool—Farr's Bank, Limited. Ireland—Munster & Leinster Bank, Limited. Australia and New Zealand—The Union Bank of Australia, Limited. South Africa—The Standard Bank of South Africa, Limited.

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

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

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

INSURANCE AGENTS' COMMISSIONS

Ontario Investigation Probes the Matter—Higher Agents' License Fee Suggested

The question of the possible reduction of commissions paid to insurance agents was discussed at a special hearing of the Ontario Insurance Commission last week. Justice Masten, chairman of the commission, stated that, in the course of the enquiry, representations had been made that one phase of insurance operations in respect to which a lessening of expenses might be accomplished was in the commission paid to its agents. Amongst the testimony given was that of one witness, who is an insurer in a large way, who claimed that if he transferred his policy of insurance from the regular agents in Toronto to Johnson and Higgins, of New York, that he was bearing an expense of only 10 per cent. commission instead of the 25 per cent. paid in Canada. "I mention that as one instance brought to my mind that this branch of the enquiry is a proper one for fuller consideration, and before attempting to make any report on such a question, I thought it only right to hear from the agents. The idea is that not only can the business be done at a less cost, but also, in many instances, the services rendered by the agents to the insured are nil. They consist, in some cases, of receiving from the insurer a cheque for the premiums, passing it on to the company and collecting 25 per cent. of it in the process. That applies more particularly to house property in cities. From my own experience, that seems to be what it comes to. I do not know of any benefit I receive, and if an agent gets 25 per cent. of my premium, why cannot I go to the insurance company and get my insurance at 25 per cent. less?"

Commissions Hitherto Unlimited.

Col. Le Grand Reed, of Messrs. Reed, Shaw and McNaught, insurance managers, brokers and agents, Toronto, appeared on behalf of the chief agents of Toronto. Hitherto, he said, the commissions in Toronto had been unlimited. From that has arisen the excessive commissions paid to canvassing agents. As a result of that they were all conscious that something should be done, and, prior to their being informed of this session, at the last meeting of the Canadian Fire Underwriters' Association new commission rules, to take effect on February, 1918, were proposed by the Toronto committee and were adopted. Under these rules the commission paid to canvassing agents of the Canadian Fire Underwriters' Association companies were limited to 15 to 17½ per cent. These were the rates obtaining in Toronto five years ago, and are equal to those in other large cities. Under these rates and with protection against indiscriminate agency appointments, the soliciting agent would doubtless make as much or more in the future as he did under the unregulated conditions. These new rates do not touch the non-tariff companies. They were adopted by the Canadian Fire Underwriters' Association at its Montreal meeting on the 5th inst., and embrace seventy-nine companies.

Agents Control Business?

Mr. Masten then asked Col. Reed his opinion of this point of view, that the agents really control the business for the most part throughout Ontario. "It is imperative," he said, "for the companies to go to the agents as customers seeking their assistance, they being in practical control. Just as you go to a grocer to buy sugar, the companies go to an insurance agent to get risks. That is a crude way, perhaps, but it is a broad way of looking at the matter. How far is that the situation, do you say?"

Col. Reed replied: "It is not altogether so. It is a broad point, and I should be glad to have a little while to think it over. There is considerable misapprehension as to the profits of an insurance agent. Because the commission paid is 15, 20 or 25 per cent., it leaves in the mind of the public that it is an immense profit on any turnover. That is a fallacy. The expenses of an agency are entirely lost from view. The net profit of an agency office is an exceedingly small percentage. That is because of the commissions which are paid for obtaining the business and the office operating and supervision expenses, the cost of expert service to the insurer. We maintain our own inspectors, who are underwriting inspectors in addition to inspectors for field development, etc."

Col. Reed later alluded to Justice Masten's surprise at the high rate of commissions. "After February 1st, 1918," he said, "it will be cut to 17½ per cent. I do not wonder that you were surprised at 25 per cent. But the soliciting

agent had one item on his side. He had to leave his house and tramp long distances after premiums of small amounts, pay perhaps two to three visits to the man, go in the evening maybe, and be asked to 'see him again' before securing authority to write the policy. Then he has as many trips to collect the premiums. I do think, therefore, that there is a distinct value in the soliciting agent, not maybe to the intelligent insurer, but more particularly to the unintelligent insurer, because on the average he does not understand insurance or the law in the simplest form. Agents give very valuable information to insurers on these subjects. If your agent gets 25 per cent. on your premiums for merely mailing a renewal notice to you and you send him your cheque right away, that is one great big red-letter day for him. These new rules cover the commission to agents, who are entitled to nominal profit for services and their liability by law."

Justice Masten wondered whether it would be a wise recommendation to make that the cost of an agent's license should be greatly increased. "It was difficult," he said, "to examine a man and ascertain whether he has the brain power and moral qualifications to endure the strain of being a proper insurance agent, but at least," he added, "we could require a bigger fee than \$3."

Col. Reed replied: "The Toronto Insurance Conference, now being formed and organized, of Toronto insurance men, starting with the commission paid Canadian Fire Underwriters' Association representatives, and to embrace all companies' officers, for the regulation and enforcement of the new rules and for improvement of the character of the transactions, recommend to the Ontario government that separate licenses should be issued for life, fire and casualty business. There is a wide demarcation between the fire, life and casualty agents, and yet, when a life insurance agent secures a \$3 license, he can act as an agent for fire and casualty insurance, and through that abuses have arisen. The present method of licensing has resulted in the payment of commission indiscriminately, and really in breaches of the anti-rebating law. The result of this is to unnecessarily increase the acquisition cost. In that respect I do not see why it is not feasible in Ontario to examine a man as to his qualifications as is done in other parts of this continent."

ADJUSTMENT OF HALIFAX FIRE LOSSES

The fire insurance companies concerned in the Halifax disaster appointed a committee of seven Halifax agents to take charge of the business in connection with the insurance. These agents were given powers to appoint adjusters and to obtain necessary legal advice. They, in turn, appointed the following three adjusters to act for all the companies interested: Mr. F. S. Whittaker, of St. John, N.B.; Mr. George Cheese, of the firm of Cheese and Debbage, adjusters, Montreal; and Mr. W. H. Adamson, Toronto. The adjusters have visited the city and made a preliminary inspection. They will commence adjusting the losses early next month.

Banking in 1917

How Interest Rates Have Risen.
In Favour of the Metric System.
International Exchange.
Insatiable Demand for Currency.
Proposed Bankruptcy Act for Canada.
A Billion of Bullion.

These are six of the fifty banking articles to be published in

The Monetary Times Annual
JANUARY, 1918
PRICE 50c.

The Dominion Bank

HEAD OFFICE .. TORONTO

Sir EDMUND B. OSLER,
President

W. D. MATTHEWS,
Vice-President

C. A. BOGERT, GENERAL MANAGER

The London, England, Branch

Of the Dominion Bank at 78 Cornhill, E.C.

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

THE Royal Bank of Canada

INCORPORATED 1869

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

HEAD OFFICE, MONTREAL

Sir H. S. HOLT, Pres. E. L. PEASE, V. Pres. and Man. Dir.
C. E. NEILL, General Manager.

365 Branches in Canada and Newfoundland.

Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau;
BARBADOS—Bridgetown and Speightstown;
DOMINICA—Roseau; GRENADA—St. George's;
JAMAICA—Kingston; MONTserrat—Plymouth;
NEVIS—Charlestown;

ST. KITTS—Basseterre; TOBAGO—Scarborough;
TRINIDAD—Port of Spain and San Fernando;

BRITISH HONDURAS—Belize;

BRITISH GUIANA—Georgetown, New Amsterdam,
and Rose Hall (Corentyne).

LONDON, ENGLAND

Bank Bldgs.,
Princes Street, E.C.

NEW YORK CITY

Cor. William and
Cedar Streets.

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

The Standard Bank of Canada

Quarterly Dividend Notice No. 109

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

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

By order of the Board,

C. H. EASSON,
General Manager

Toronto, December 21st, 1917.

AUSTRALIA and NEW ZEALAND

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)
AUSTRALIA

PAID UP CAPITAL -
RESERVE FUND -
RESERVE LIABILITY OF PROPRIETORS



AGGREGATE ASSETS 30th SEPT., 1916

J. RUSSELL FRENCH, General Manager

338 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London. The Bank transacts every description of Australian Banking Business. Wool and other Produce Credits arranged.

HEAD OFFICE: GEORGE STREET, SYDNEY.

LONDON OFFICE: 29 THREADNEEDLE STREET, E.C.

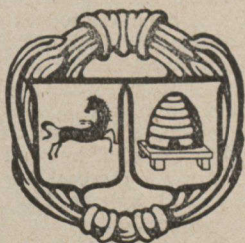
AGENTS: BANK OF MONTREAL, ROYAL BANK OF CANADA, BANK OF BRITISH NORTH AMERICA

\$ 18,526,600.00
13,625,000.00
18,526,600.00
\$ 50,678,200.00
\$ 277,488,871.00

LLOYDS BANK LIMITED,

HEAD OFFICE:

71, LOMBARD ST., LONDON, E.C.



(£5 = \$1.)
CAPITAL SUBSCRIBED - - - \$156,521,000
CAPITAL PAID UP - - - 25,043,360
RESERVE FUND - - - 18,000,000
DEPOSITS, &c. (October, 1917) 795,206,310
ADVANCES, &c. do. 312,168,920

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND & WALES.
Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. London Agency of the Imperial Bank of Canada.
The Agency of Foreign and Colonial Banks is undertaken.

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) & NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

CANADA'S NEWSPRINT INDUSTRY

We Are Supplying About 80 Per Cent. of United States Requirements

Canada has taken an important place in the newsprint paper trade of the American continent. In 1901 the United States imported less than a thousand dollars worth of newsprint. In the fiscal year 1906 such imports amounted to only \$64,382. Since that year the increase has been rapid and uninterrupted. In the fiscal year 1910 the quantity imported was 25 times what it had been in 1906. In the calendar year 1916 the output of United States mills supplied only about 70 per cent. of the total consumption, practically all the remainder being imported from Canada.

The steadily increasing dependence of the United States on Canada for supplies of newsprint is shown by the following table:—

Imports into the United States of Printing Paper Valued at not Above 2.5 Cents* per Pound, 1911-1916.

Fiscal year ending June 30—	Canada.		Total.	
	Quantity. Tons.	Value.†	Quantity. Tons.	Value.†
1911	53,118	\$ 1,968,385	54,022	\$ 2,010,502
1912	55,563	2,101,023	56,854	2,155,501
1913	146,733	5,646,289	147,479	5,681,109
1914	274,842	10,634,926	278,071	10,765,108
1915	329,314	12,742,743	332,782	12,883,452
1916	438,212	16,646,891	438,746	16,670,604
Six months ending—				
June 30, 1915 ..	165,644	6,418,291	166,842	6,467,864
Dec. 31, 1915 ..	201,276	7,657,843	201,567	7,670,787
Twelve months, 1915	366,920	\$14,076,134	368,409	\$14,138,651
Six months ending—				
June 30, 1916 ..	236,935	8,989,048	237,179	8,999,817
Dec. 31, 1916 ..	231,017	9,525,109	231,051	9,527,931
Twelve months, 1916	467,952	\$18,514,157	468,230	\$18,527,748
Monthly:				
July, 1916	40,106	1,534,795	40,106	1,534,795
Aug., 1916	40,806	1,625,010	40,806	1,625,010
Sept., 1916	36,360	1,491,007	36,360	1,491,007
Oct., 1916	38,562	1,614,178	38,562	1,614,178
Nov., 1916	38,737	1,655,815	38,737	1,655,815
Dec., 1916	36,446	1,604,304	36,480	1,607,126

*Since September 8, 1916, 5 cents per pound.

†These figures do not represent accurately the cost of this newsprint to the United States publisher as most of the paper is entered at an officially established valuation of \$38 per ton.

Fiscal year imports by the United States increased from 54,022 tons in 1911 to 438,746 tons in 1916. Since 1912 the annual increase has not fallen below 50,000 tons, and in two years it has exceeded 100,000 tons. In the fiscal year 1916 these imports were over eight times as large as in 1911. They increased from 368,409 tons in the calendar year 1915 to 468,230 tons in 1916.

Canada as a Factor.

In the report, published this year, of the Federal Trade Commission of the United States, it is noted that Canada's rapid progress as a factor in the situation is illustrated by the increase in the proportion of the total supply of the United States imported from that country. Ten years ago Canada furnished but a fraction of 1 per cent. of the newsprint used in the United States; in 1909, less than 4 per cent.; in 1916, about 30 per cent. The imports from Canada amounted to about 75 per cent. of the total Canadian production in the calendar year 1915 and about 78 per cent. in 1916. In the latter year Canada's oversea exports amounted to about 53,000 tons, or 9 per cent. of the total output, leaving about 81,800 tons or 13 per cent. for home consumption.

A very large part of the imports by the United States from Canada come in over the northern border, but since 1913 entries at Pacific ports have usually run from one to one-and-a-half million dollars annually. These figures, of course, take

no account of the exchange arrangement between a United States and Canadian company referred to later.

For 124 years prior to 1913 duties were imposed upon the importation of newsprint paper into the United States. The United States tariff law passed in 1909 reduced the duty to three-sixteenths of a cent per pound, equivalent to \$3.75 a ton, upon newsprint valued at not above 2½ cents per pound, and the Canadian reciprocity law passed in 1911, removed the duty entirely on imports of newsprint paper and pulp from Canada, except where the Canadian government imposed an export duty. The United States tariff act of 1913 put newsprint paper from all countries valued at not above 2½ cents per pound upon the free list. If valued at above 2½ cents per pound a duty of 12 per cent. was imposed. About 60 per cent. of the Canadian paper went into the United States free in 1912. In 1913 over \$1,000,000 worth of the Canadian paper was still paying duty, but since October 3, 1913, no duty has been paid on printing paper value at not over 2½ cents per pound in the country whence exported. The rise in price in 1916 led to the enactment of a provision in the United States revenue law approved September 8, 1916, raising the minimum of 2½ cents per pound to 5 cents. This was done in anticipation of the market price in Canada going above 2½ cents, which would cause the 12 per cent. duty to be imposed upon imports into the United States.

As to Exports.

Prior to 1911 export figures were not shown separately in the United States foreign-trade statistics. Since 1911 they have run as the following table indicates:—

Exports of Newsprint Paper from the United States, 1911-1916.

Fiscal year ending June 30—	Quantity. Tons.	Total value.	Value per ton.
1911	49,755	\$2,434,964	\$48.92
1912	51,787	2,501,529	48.30
1913	50,213	2,450,520	48.80
1914	44,483	2,177,483	48.94
1915	62,841	3,079,137	48.98
1916	63,634	3,119,364	49.02
Six months ending—			
June 30, 1915	25,752	1,307,732	50.78
Dec. 31, 1915	29,409	1,399,894	47.60
Twelve months, 1915	55,161	\$2,707,626	\$49.09
Six months ending—			
June 30, 1916	34,212	1,715,917	50.16
Dec. 31, 1916	42,115	2,378,858	56.48
Twelve months, 1916	76,327	\$4,094,775	\$53.64
Months:			
July, 1916	7,454	422,486	56.68
Aug., 1916	11,636	599,354	51.51
Sept., 1916	6,597	370,704	56.19
Oct., 1916	4,941	316,061	63.97
Nov., 1916	5,618	311,183	55.39
Dec., 1916	5,870	359,070	61.17

The smallest quantity exported during the last six fiscal years was 44,483 tons in 1914 immediately preceding the outbreak of the European war. In the calendar year 1916 exports had increased to 76,327 tons, which was 5.6 per cent. of the domestic production for the same period.

The increase in exports in 1916 was in considerable degree due to shipments to various countries such as France, Portugal, Greece, China, etc., which prior to the year 1916 imported little or no newsprint from the United States.

The only United States manufacturer that has developed an export trade of considerable importance is the International Paper Company. That company supplies foreign publishers under contracts similar to those used in the domestic trade. Aside from the International's business, newsprint exports are apparently made up of odd lots handled by trading companies. That there was a considerable increase in this odd lot business during 1916 is indicated by the fact that the International Paper Company's proportion of total exports fell from 85.6 per cent. in the first half of 1915 to 61 per cent. in the first half of 1916. Prior to 1915, so far as information is available, that company's proportion of the total had never fallen below 75 per cent.

PULP AND PAPER INDUSTRY

It is Making Rapid Progress in British Columbia—Better Ocean Transportation Looked For

(Staff Correspondence.)

Vancouver, December 21st.

Pulp and paper manufacture has rapidly advanced into the forefront of British Columbia's big industries. It was only a few years ago that a couple of pulp plants were built and closed down, but of late these idle plants have resumed operation. Plants are in operation on Howe Sound, close to Vancouver; at Powell River, about 60 miles up the coast; at Swanson Bay, 300 miles north; at Ocean Falls, 400 miles north; while at Quatsino, west coast of Vancouver Island, a large plant is building.

Whalen Company is Largest.

The Whalen Pulp & Paper Company is the largest operator. It started with a chemical pulp plant at Mill Bay, at the head of Howe Sound, not far from the Britannia Mines. This plant was increased to double its capacity. Some months ago, the company acquired the plant at Swanson Bay, where there is a good sawmill and also a sulphite pulp plant; and also the Davidson-Ward shingle plant with about twenty machines at Loughborough Inlet. Now it is constructing a large pulp mill, saw mill, etc., at Quatsino, having acquired the interests of the Colonial Pulp & Paper Company. This company will also build its own ships at Quatsino.

The Powell River Company supplies news print paper to about all the newspapers on the Pacific coast, as well as for big directory publications, and ships to Australia and the Orient in large quantities. It has a very large plant at Powell River, where a model town is also operated.

Factor of Ocean Transportation.

The Empire Pulp & Paper Mills has started its paper mill at Ocean Falls. It has a large property there, and in addition to newsprint will manufacture manila wrapping as well as kraft.

The Rainy River Pulp & Paper Company took over the plant at Port Mellon, Howe Sound, where the manufacture of wrapping paper was started some years ago, but discontinued.

Circumstances demand that a pulp and paper plant shall be large, and the operations of each of these companies means a small town. The payroll of these places is much larger than the payrolls of ordinary towns, for at least every male of the population is employed at good wages. At Britannia and Anyox are also two more towns created entirely by reason of the industrial activity, so that north of Vancouver are several centres more active than many cities double the size. No one looks more confidently to the future than the pulp and paper manufacturer, and bigger business is looked for in those days when ocean transportation facilities are better.—R. B. Bennett.

BANK OF TORONTO

The report of the Bank of Toronto for the year ended November 30th shows that earnings increased in the past year by \$72,000, a gain over the 1915 period of \$200,000. The profits for the period were \$802,920, being equal to 16.05 per cent. on the capital and 7.27 per cent. on the combined capital and reserve. From the previous year's accounts \$507,989 was carried forward to the credit of profit and loss, and this, combined with the profits of the year, make a total of \$1,310,910, which was distributed as follows: Dividends, \$550,000; circulation tax, \$49,403; pension fund, \$25,000; patriotic and war subscriptions, \$29,200; Toronto General Hospital, \$2,000; written off premises, \$100,000. This left \$555,306 to be carried forward as compared with \$507,989 in the previous year. The statement is a very satisfactory one.

The Royal Bank of Canada has opened a branch at Florida, Cuba.

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

Saskatchewan.—"As the necessity for curtailing expenditure is forced upon the attention of municipal councils, and as changed conditions must be squarely faced, the assessment values, as already intimated, have been materially reduced in many urban municipalities." This statement is made in the annual report of the Department of Municipal Affairs of Saskatchewan for the financial year ended April 30th, 1917. "In the rural communities," it continues, "there has not been the necessity of reducing values, as practically no rural municipality had its farm lands assessed at an unreasonably high figure. In days when real values must be considered, the good agricultural lands of our province come in for proper recognition. The unoccupied lands on the outskirts of our cities, towns and villages can be valued no longer on a basis similar to that which existed, for example, in the year 1912. They are a genuine asset to the community, but can scarcely be expected to bear the burden of taxation to the same extent as the revenue producing property nearer to the business centre of the community concerned. 'Ability to pay taxes' deserves recognition in the arranging of any assessment roll.

"It is sometimes stated that taxation in Saskatchewan is high. The last report issued by this department dealt with this matter in detail, so far as rural municipalities are concerned, and by actual examples demonstrated that our cultivated farms are asked to pay a comparatively small levy, whereas those who hold property for speculation and neglect it to the extent of allowing weeds and gophers to thrive thereon, are required to pay some additional amounts for their neglect. With reference to the assertion sometimes made that taxes in towns and villages are somewhat high, the average rate of taxation for municipal purposes for 1916 was, in towns, 14.95 mills; in villages where buildings and improvements are assessed as well as land, 16.25 mills; in villages where land only is assessed, 35.25 mills.

"In Saskatchewan's two hundred and ninety-eight rural municipalities the average rate of taxation for municipal purposes in the year 1916 was 5.7 mills. The surtax is a tax on uncultivated lands, which are so often held by speculators (the man who farms his property has no surtax to pay). It is levied at a rate of six and one-quarter cents per acre where the land on which it is imposed is not under cultivation on the first day of August of the year in which the surtax is to be paid.

"The following statement of surtax payable to the municipalities since it was first provided for gives interesting information: 1914, \$755,916.10; 1915, \$718,683.78; 1916, \$654,403.85.

FOR THE
Fire Insurance Man

1. Incendiary Fires.
2. Barn Fires in Ontario.
3. Diagnosis of Fire Waste.
4. Fire Record of 1917.
5. Frame Buildings and Fires.
6. Unlicensed Fire Insurance.

SEE

The Monetary Times Annual

JANUARY, 1918

PRICE 50c.

THE Merchants Bank

OF CANADA

ESTABLISHED IN 1864

Capital Paid-up - - - - - \$7,000,000

Reserve Fund and Undivided Profits 7,421,292

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" 320 St. Catherine St. W.	" Notre Dame	Sherbrooke
" 2215 St. Denis St.	St.	St. Agathe des
" 1319 St. Lawrence Blvd.	Maisonneuve	Monts
" 1866 St. Lawrence Blvd.	Napierville	St. Jerome
" 672 Centre St.	Ormstown	St. Johns
" Notre Dame de Grace	Quebec	St. Jovite
Beauharnois Chateauguay Bsn.	" St. Sauveur	Vaudreuil
Bury Grand Mere	Quyon	Verdun

ONTARIO

Acton Almonte	Gananoque	Manitowaning	Tara
Alvinston	Georgetown	Markdale	Thamesville
Athens	Glencoe	Meaford	Thorold
Barry's Bay	Gore Bay	Mildmay	Tilbury
Belleville	Granton	Mitchell	Toronto
Bothwell	Guelph	Napanee	" Wellington St.
Brampton	Hamilton	Newbury	" Parl't St.
Brantford	" East End	New Toronto	" Dundas St.
Bronte	Hanover	Niagara Falls	" Dupont and
Chatham	Hespeler	Oakville	Christie Sts.
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Collingwood	Kitchener	Pembroke Perth	Waterford
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Douglas	Lansdowne	Preston	West Lorne
Eganville	Leamington	Renfrew Sarnia	Westport
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Fort William	London East	St. George	Windsor
Galt	Lucan Lyn	St. Thomas	Yarker

MANITOBA

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

SASKATCHEWAN

Antler Arcola	Humboldt	Melville	Regina
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Gainsborough	Maple Creek	Prelate	Unity
Gull Lake	Meacham	Prussia	Whitewood

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Alliance	Delburne	Leduc	Rimby
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Calgary	Edgerton	Mannville	Stettler Strome
Camrose	Edmonton	Medicine Hat	Tofield
Carstairs	" Namayo Av.	Monarch	Trochu
Castor | Chauvin	Forestburg	Munson	Vegreville
Chipman	Hughenden	Nobleford	Viking
Coronation	Irma | Islay	Okotoks | Olds	Wainwright
Czar	Killam	Ponoka	Wetaskiwin

BRITISH COLUMBIA

Chilliwack	New Westminster	Sidney	Victoria
Nanaimo	Oak Bay	Vancouver	" Hastings St.

NEW BRUNSWICK

St. John

NOVA SCOTIA

Halifax

Sydney

SUB-AGENCIES—Ontario—Beachville, Breslau, Calabogie, Coatsworth, Frankville, London South, Mimico, Mount Pleasant, Muirkirk, Newington, Pelee Island. Manitoba—Austin, Griswold, Lauder, Sidney. Alberta—Galahad, Grainger, Millicent, Minburn, Penhold, Rumsey, Heisler, Huxley. Saskatchewan—Senlac.

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Northern Crown Bank

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	Ste. Rose du Lac	Dunblane	Nokomis
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Ashcroft	Sperling	Duval	Ponteix
Marpole	Steinbach	Earl Grey	Portreeve
Quesnel	Stonewall	Fiske	Prelate
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Hastings St.	and Fort St.	Glen Ewen	Regina
Mt. Pleasant	Portage and	Govan	Rockhaven
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	Main & Selkirk	Harris	Saltcoats
MANITOBA	William and	Holdfast	Saskatoon
Arden	Sherbrooke	Imperial	Scottsguard
Beausejour	SASKAT-	Kenaston	Sedley
Binscarth	CHEWAN	Kinley	Sheho
Brandon	Alameda	Lancer	Stornoway Stn.
Crandall	Allan	Langham	Swift Current
Glenboro	Aneroid	Laura	Venn
La Riviere	Balcarres	Liberty	Viscount
Melita	Bladworth	Lloydminster	Waldeck
		Lockwood	Wymark

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Bracebridge	Inglewood	Rideau St.	Dundas and
Brockville	Inwood	Wellington St.	Chestnut sts.
Burford	Kingston	Port Dover	Spadina Ave.
Cheltenham	Mallorytown	Scotland	Woodbridge
Comber	Napanee—Odessa	Seeley's Bay	Woodstock

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 V. F. Cronyn, Supt. Eastern Branches

BRITISH COLUMBIA MUNICIPALITIES

Statistics of Assessment and Bonded Indebtedness—Comparison of Assessed Values

The total assessed values of property in the 35 city and 28 rural municipalities of British Columbia this year is \$579,726,111, not including exempted values aggregating \$37,612,256.04, according to the annual returns just compiled by Municipal Inspector Robert Baird. These totals compare with an assessment of \$610,240,473.72 in 1916, exclusive of exempted values of \$43,261,416.91, and with \$682,886,942.65, exclusive of \$38,451,309.58 exemptions in 1915.

These figures indicate that yearly municipalities are gradually reducing assessments, which, in the time of the boom, were increased to a very high level, and that the process of squeezing the "water" out of assessed values is proceeding apace. In the past four years about \$100,000,000 has been lopped off municipal assessed values.

Comparison of Assessed Values.

How the assessed values in the past three years compare is indicated by the following figures:—

	Land.	Improvements.	Total.
1917.			
City	\$266,843,693	\$133,030,242	\$399,873,935
Rural	130,694,853	49,157,823	179,852,176
Total	\$397,538,546	\$182,187,565	\$579,726,111
1916—			
City	275,556,707	134,956,016	410,512,724
Rural	151,057,926	48,669,822	199,727,749
Total	\$426,614,633	\$183,625,838	\$610,240,473
1915—			
City	315,897,719	144,827,161	460,724,880
Rural	170,642,916	51,519,145	222,162,061
Total	\$486,540,635	\$196,346,306	\$682,886,942

The bonded indebtedness of the municipalities of the province on December 31, 1916, compared with the two previous years, are as follow:—

	City.	Rural.	Total.
1917	\$73,676,039	\$21,623,064	\$95,299,103
1916	73,676,039	21,623,064	95,299,103
1915	72,525,180	22,548,394	95,073,574

These figures indicate that municipalities have been financing their needs from current revenue, and that the necessity of economy in expenditures on new undertakings has been the unanimous practice. In fact, during the past year no new municipal issues have been floated, and in the two years the net increase in bonded debt has been but \$225,529 and that increase was made in 1916.

As to Exemptions.

Assessment exemptions, that is, assessed values exempt from taxation, totalled \$31,380,435 for city and \$6,231,820 for rural municipalities in 1917, compared with \$38,206,881 and \$5,054,535 respectively in 1916 and with \$32,365,678 and \$6,085,631 in 1915.

In 1915 Victoria's aggregate exemptions was \$18,510,415, compared with \$15,513,870 in 1916 and with \$12,893,720 this year.

Debenture debts were incurred for the following purposes:—

	City.	Rural.
Schools	\$ 7,064,624	\$ 2,036,782
Streets	6,698,058	8,645,774
Other non-revenue producing ..	21,092,307	4,282,074
Waterworks	13,274,279	3,690,675
Electric light	2,346,645	118,800
Sewers	475,500	110,000
Other revenue producing	311,000	110,000
Local improvements	22,413,623	1,913,958
Total	\$73,676,039	\$21,623,064

Victoria's debenture debt is \$18,767,792; Vancouver, \$35,584,434; New Westminster, \$5,905,825; North Vancouver, \$3,031,147; Prince Rupert, \$1,834,668; Nanaimo, \$1,032,024; Kamloops, \$1,245,373; Vernon, \$887,463; Nelson, \$847,960; Revelstoke, \$731,002; Ladysmith, \$103,000; Duncan, \$99,500; Alberni, \$70,130; Port Alberni, \$236,500. For rural municipalities, the largest debenture debts are. South Vancouver, \$6,686,165; Point Grey, \$5,552,524; Burnaby, \$2,287,150; North Vancouver, \$1,274,070; Oak Bay, \$1,273,224; Saanich, \$991,768; Esquimalt, \$427,500; North Cowichan, \$50,000.

Municipal Statistics of British Columbia

TAX LEVY, 1917
CITIES

Municipality	General	School	Debt	Health	Total
Alberni.....	6	0.5	8	....	14.5
Armstrong.....	8.8	7.5	4.7	....	21
Chilliwack.....	13.5	11	17.5	....	42
Courtenay.....	8	2.5	..	....	10.5
Cranbrook.....	8	5.4	15.2	1	29.6
Cumberland.....	15	7	..	....	22
Duncan.....	13.81	5.44	6.61	....	25.86
Enderby.....	17	7	..	....	24
Fernie.....	7.5	10.6	10.9	....	29
Grand Forks.....	9	5	16	....	30
Greenwood.....	6	7	42	....	55
Kamloops.....	..	4	24	....	28
Kelowna.....	15	15	8.66	....	38.66
Ladysmith.....	7	6.5	18.5	....	32
Merritt.....	12	7	7	1	27
Nanaimo.....	12	8	15	....	35
Nelson.....	13	8.68	16.77	1	39.45
New Westminster.....	..	13	25	....	38
North Vancouver.....	3.7	6.8	18.3	....	28.8
Phoenix.....	7.56	4.55	9.15	....	21.26
Port Alberni.....	15	7	5	....	27
Port Coquitlam.....	11	1.5	13.5	1	27
Port Moody.....	6	1.65	9.15	....	16.8
Prince George.....	13	2.5	3	....	18.5
Prince Rupert.....	10.25	3	16	0.75	30
Revelstoke.....	2	2.95	4.05	1	10
Rossland.....	8	8	6.5	....	22.5
Salmon Arm.....	9	8	22	1	40
Sandon.....	6	4	15	....	25
Slocan.....	15	5	30	1	51
Trail.....	15	8	9	....	32
Vancouver.....	7.5	11	5	....	23.5
Vernon.....	10.42	5.2	11.04	....	26.66
Victoria.....	8	6	17	1	32
	9	2.95	10.35	0.84	23.14

DISTRICTS

Burnaby.....	8.3	2	7.7	....	18
Chilliwack.....	10	8.4	1	....	19.4
Coldstream.....	9.5	2	12	....	23.5
Coquitlam.....	7	1.9	2.9	....	11.8
Delta.....	6	1.8	0.3	....	8.1
Esquimalt.....	11.4	3.2	..	....	14.6
Fraser Mills.....	1	..	..	....	1
Kent.....	5	5	..	....	10
Langley.....	6	6	..	....	12
Maple Ridge.....	8	4.5	..	....	12.5
Matsqui.....	9	4	..	....	13
Mission.....	8	5	..	....	13
North Cowichan.....	3	2.2	1.2	....	6.4
North Vancouver.....	10	2.25	5.50	....	17.75
Oak Bay.....	11.6	4.5	1.3	....	17.4
Peachland.....	9	5	3	....	17
Penticton.....	14	6	6	....	26
Pitt Meadows.....	5.5	1	..	....	6.5
Point Grey.....	6.63	2.94	18.03	....	27.60
Richmond.....	7.2	4.6	4.2	....	16
Saanich.....	7.55	3.2	3.75	....	14.5
Salmon Arm.....	8.5	4.5	0.5	....	13.5
South Vancouver.....	10.6	10.55	19.6	0.65	41.4
Spallumcheen.....	6.5	4	0.66	....	11.16
Sumas.....	13	4	..	....	17
Summerland.....	9	5.5	8.5	....	23
Surrey.....	10	3.5	..	....	13.5
West Vancouver.....	10	1.5	12.5	....	24

ASSESSMENT, 1917

CITIES

DISTRICTS

Land	\$266,843,693 50	\$130,694,853 60
Improvements	\$133,030,242 00	\$ 49,157,323 00
Total	\$399,873,935 50	\$179,852,176 60
Land and improvements exempt from taxation.....	\$ 31,380,535 78	\$ 6,231,820 26
Grand Total	\$431,254,371 28	\$186,083,996 86
Population	239,175	126,575
Area in Acres.....	56,470	888,738.46

Trust Funds For Endowments

Deserving Benevolent Institutions need the incomes provided by the investment of principal sums as Endowments or Trust Funds. We gladly consult with philanthropic persons as to the establishment of a Trust Foundation for Charitable, Religious or Educational Institutions. We are authorized to act as Trustee for such Funds.

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Canadian Guaranty Trust Company

DIVIDEND NOTICE.

Notice is hereby given that a Dividend for the year ending Dec. 31st, 1917, at the rate of Five per cent. per annum has been declared upon the paid-up Capital Stock of the Company, and the same will be payable at the Office of the Company, Brandon, Manitoba, on and after January 2nd, 1918.

The Transfer Books will be closed from December 16th to December 31st, 1917, both days inclusive.

By Order of the Board,

JOHN R. LITTLE,

Brandon, Dec. 12th, 1917.

Managing Director.

The Standard Trusts Company

DIVIDEND No. 27

Notice is hereby given that a Dividend at the rate of 9% per annum upon the Paid Up Capital Stock of the Company, has been declared for the half-year ending December 31st, 1917, and that same will be payable at the offices of the Company on and after January 2nd, 1918.

The Stock Transfer Books will be closed from the 16th to the 31st of December, both days inclusive.

By Order of the Board.

WILLIAM HARVEY,

Managing Director.

Winnipeg, Man., December 1st, 1917.

The Western Empire Life Assurance Company

Head Office: 701 Somerset Bldg., Winnipeg, Man.

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Manual of Canadian Banking

By H. M. P. ECKARDT

Price - \$2.50 Postpaid

Published by

THE MONETARY TIMES, 62 Church St., TORONTO

DEBENTURE DEBT at December 31st, 1916	CITIES	DISTRICTS
	\$	\$
Schools	7,064,624 65	2,036,782 41
Streets	6,698,058 69	8,645,774 56
Other non-revenue producing...	21,092,307 69	4,282,074 10
Waterworks	13,274,279 87	3,690,675 42
Electric Light	2,346,645 00	118,800 00
Sewers (revenue producing)....	475,500 00	825,000 00
Other revenue producing.....	311,000 00	110,000 00
Local improvements.....	22,413,623 49	1,913,958 47
Total Debenture Debt.....	73,676,039 39	21,623,064 96

PEAT MAY HELP SOLVE FUEL PROBLEM

Cheap and Satisfactory Substitute for Coal Can Be Taken from Canadian Bogs

"The people of Canada," said Mr. F. B. Haanel, chief of the division of fuels and fuel-testing, department of mines, Ottawa, at a meeting of the Montreal branch of the Society of Chemical Industry, held recently at Montreal, "and especially those living in Manitoba, Ontario and Quebec, must realize how dependent they are upon the supply of coal from the United States. This coal supply, so necessary for sustaining life and industry, does not come from an inexhaustible source; even in our lifetime we may see this supply suddenly cut off.

"Canada, however, has an enormous reserve of fuel lying undeveloped in her peat bogs, which are situated mainly in Ontario and Quebec. The mention in the past of peat fuel to people of Canada or the United States recalled to their minds the story of the financial failure of company after company which promised great things at the start, but which, in turn, ended in the same way, the money spent and no cheap fuel supplied. To-day the story is different. The federal department of mines has demonstrated that a cheap and satisfactory fuel for all domestic purposes, as well as for many metallurgical operations, can be manufactured from the peat bogs of the country.

Successful Industry.

"The success of the peat fuel industry in this country, or in any country, depends upon the employment of known and tried methods of manufacture by qualified engineers, specially trained in this particular line of work. The manufacture of peat fuel is a successful industry in many European countries, where they employ but one method, namely, the 'wet process.' The 'wet process' is the one recommended by the department of mines, and is the only one in successful operation to-day.

"Peat fuel, as it occurs in nature," said Mr. Haanel, "contains 80 to 90 per cent. of water. This water content must be reduced to between 25 and 35 per cent. before the peat can be placed on the market as a commercial fuel. The use of pressure or artificial heat, or both together, has always proved a failure for reasons both physical and financial. The 'wet process' employs the sun and wind to dry the wet peat as received from the bog; both these agents are ever ready and cost not a cent for their use.

Other Valuable Purposes.

"Peat fuel, besides being a substitute for coal for domestic and industrial uses, is a valuable source of nitrogen for the manufacture of ammonia and other nitrogen compounds, such as are used in fertilizer."

In conclusion, Mr. Haanel said that "the people of Canada should be educated to realize the necessity of utilizing their own resources, even at some sacrifice in the beginning, instead of those obtained from some foreign source. In fact, this idea of peat fuel appears so important that government legislation might even be advocated, which would assist towards the utilization of our own natural resources."

The court of directors of the Bank of British North America has authorized a subscription in Canada of \$10,000 to the fund for the relief of the sufferers through the recent disaster in Halifax, in addition to which the bank has also made a contribution to the Mansion House fund, raised for the same purpose in London.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended December 21st, 1917:—

McKinley-Darragh-Savage Mines, 85,110; La Rose Mines, 85,173; Coniagas Mines, 154,295; Dominion Reduction Company, 149,500. Total, 474,078 pounds, or 237 tons.

The total shipments since January 1st, 1917, now amount to 13,360 tons.

COST OF LIVING CONTINUES TO INCREASE

A further increase in the cost of living is shown in the November monthly report of the labor department. During the month the cost of the weekly budget of staple foods was \$12.10 as compared with \$11.81 in the previous month, and with \$9.81 in November, 1916. Potatoes contributed more to the increased cost of living than any other commodity, rising in price in all the provinces but British Columbia, where a decrease was recorded. Increased prices obtained also for eggs, milk, butter, sugar and bread, while decreases were recorded in flour and beans. The prices of meats showed but little differences on the whole from the previous month.

Wholesale prices also showed some advance for the month. The chief increases were in textiles, grains, meats and miscellaneous foods, while the most important decreases occurred in the prices of hides, metals and implements.

VICTORY LOAN AND LIFE INSURANCE

"The Victory Loan was a grand success," says the "Life Underwriters' News," the organ of the Life Underwriters' Association of Canada. "Four hundred and twenty-five million dollars from a population of approximately eight millions, or fifty dollars for every man, woman and child in the entire country. It was just like the people getting together and taking our group insurance, or better still, national insurance.

"Too great emphasis cannot be placed on this. But now that this has been made secure for at least another year, let us turn our attention to the providing of life insurance for the families of our Dominion, ever bearing in mind that the family is the basis of the nation. There is a great appeal here to the man or woman with family obligations to discharge. Life insurance guarantees that the thing you are working and striving to do by faithful toil every day will be done. It gives you backbone to fight on while you live, and thus enable you to see the accomplishment of it yourself, and if you should give out before your plans are consummated life insurance will 'carry on.'

"The Victory Loan will foster the habit of saving and will promote thrift. Life insurance is the very best form of saving known, as it saves your money even from yourself. It is also the greatest thrift agent in the world. Life insurance savings have enabled our companies to play no small part in the carrying on of this great world struggle. The life insurance agent should see that the people who saved for Victory War Loan should not cease when their bonds are paid for, but should continue to save and invest their money in life insurance, which forms one of the best investments on the market and affords protection at the same time.

"A Victory Loan investor will have a considerable amount of interest coming due on the first of June and the first of December of each year. If he holds a few hundred dollars worth of the bonds, the interest alone would carry considerable life insurance. This should form a good entering wedge in approaching this class of prospect. Furthermore, if you are selling participating insurance and you advise your prospect to use his dividends to reduce the premium, you can print a very rosy picture. Victory Loan subscribers are a mighty good class of prospects and should not be overlooked."

The Monarch Life Assurance Company, Winnipeg, did very satisfactory business for the first eleven months of 1917. The company's new business for that period shows an increase of 63 per cent. in volume and 72 per cent. in premiums over the corresponding period of 1916. The premium collections in respect of both first year and renewal premiums are also gratifying, over 70 per cent. of the premiums on 1917 new business being paid in cash at the end of November.

The Hamilton Provident and Loan Society

DIVIDEND No. 93

Notice is hereby given that a Dividend at the rate of Eight per cent. per annum has been declared for the half year ending December 31st, 1917, upon the paid-up Capital Stock of the Society, and that the same will be payable at the Society's Head Office, Hamilton, Ontario, on and after Wednesday, the 2nd day of January, 1918.

The Transfer Books will be closed from the 15th to the 31st of December, both days inclusive.

By order of the Board.

D. M. CAMERON, Treasurer.

Hamilton, November 24th, 1917.

"INVESTMENTS"

A MUCH MISUSED TERM

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

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

Canada Permanent Mortgage Corporation

Toronto Street - - - Toronto

Paid-up Capital and Reserve Fund \$11,000,000.00

ESTABLISHED 1855

THE HURON AND ERIE MORTGAGE CORPORATION

QUARTERLY DIVIDEND No. 121

Notice is hereby given that a Dividend of Three per cent. for the quarter ending December 31st, 1917, being at the rate of TWELVE PER CENT. PER ANNUM upon the Paid up Capital Stock of this Corporation, has been declared, and will be payable at the Corporation's office in this City on and after Wednesday, January 2nd, 1918, to shareholders of record at the close of business on December 15th, 1917.

By Order of the Board.

M. AYLSWORTH,

London, Canada, November 27th, 1917.

Secretary

The most important document a person of large or small means is called on to prepare is his

LAST WILL AND TESTAMENT

It means the happiness and welfare of those most dear.

Ask for Booklet: "Make Your Will."

CAPITAL, ISSUED AND SUBSCRIBED ...\$1,171,700.00

PAID-UP CAPITAL AND RESERVE 860,225.00

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Absolute
Security

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

The Empire
Loan Company

WINNIPEG, Man.

The Ontario Loan and Debenture Co.

Dividend No. 122

Notice is hereby given that a QUARTERLY DIVIDEND of 2½ PER CENT. for the three months ending 31st December, 1917, (BEING AT THE RATE OF 9 PER CENT. PER ANNUM) has been declared on the paid up capital stock of this Company, and will be payable at the Company's Office, London, Ontario, on and after the 2nd January next, to Shareholders of record of the 15th December.

By order of the Board.

A. M. SMART,

Manager

London, Canada, November 27th, 1917.

THE DOMINION SAVINGS AND INVESTMENT SOCIETY

Masonic Temple Building, London, Canada

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

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

NATHANIEL MILLS, Manager

THE TORONTO MORTGAGE COMPANY

Quarterly Dividend

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

By Order of the Board.

6th December, 1917.

WALTER GILLESPIE, Manager.

National Trust Company Limited

DIVIDEND NOTICE.

Notice is hereby given that a dividend for the three months ending December 31st, 1917, at the rate of TEN PER CENT. PER ANNUM,

has been declared upon the Capital Stock of the Company, and that same will be payable on and after January 2nd next.

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

By order of the Board.

W. E. RUNDLE,

Toronto, December 5th, 1917.

General Manager

THE MONETARY TIMES ANNUAL

OUT NEXT WEEK—NEARLY 300 PAGES

A Few of the Many Contributors

Hon. A. E. Arsenault, Charlotte-
town
Roger W. Babson, Wellesley
Hills, Mass.
S. T. Bastedo, Ottawa
G. Frank Beer, Toronto
Hon. H. C. Brewster, Victoria
Dr. H. L. Brittain, Toronto
R. H. Campbell, Ottawa
James Carruthers, Montreal
Hume Cronyn, London
Lieut.-Col. G. H. Dorrell, Van-
couver

H. M. P. Eckardt, Toronto
Hon. W. E. Foster, St. John
Sir Lomer Gouin, Quebec
F. R. Graham, Toronto
H. P. Grundy, Winnipeg
Sir William Hearst, Toronto
E. P. Heaton, Toronto
M. P. Langstaff, Waterloo
Hon. W. M. Martin, Regina
J. P. Moore, Montreal
Thomas Mulvey, Ottawa
Jas. P. Murray, Toronto

Hon. G. H. Murray, Halifax
Senator Nicholls, Toronto
Hon. T. C. Norris, Winnipeg
J. L. Payne, Ottawa
Henry Rawlings, Montreal
H. H. Stevens, M.P., Vancouver
Professor W. W. Swanson,
Saskatoon
John Stuart Thomson, New
Jersey
Arthur V. White, Toronto
R. J. Younge, Montreal

Charts, Curves and Diagrams

An unusually large number of charts and diagrams of great interest will be printed in *The Monetary Times Annual*. Among them are :

- Six pages of curves and statistics illustrating Canada's development.
- Compositplot of Canadian conditions for a series of years to December, 1917, compiled for *The Monetary Times* by Babson's Statistical Organization, Wellesley Hills, Mass.
- Chart showing fluctuation in the Bank of England rate for a series of years.
- Curves illustrating fluctuations in the price of silver.
- Diagram showing the course of international exchange.
- Bourne's insurance and brokers' calculation table.

Prosperity and War Orders

A story of facts and figures gathered from official sources, and showing that the war orders placed in Canada to date have a value of over \$1,812,000,000. The subject is discussed from many instructive viewpoints.

Statistics, Illuminative and in Simple Form

Another attractive feature of *The Monetary Times Annual* is the series of important statistical tables in simple form. They constitute a reliable barometer of conditions. Among other tables are the following :

Stock Exchange Transactions	Building Permits	Bank Branches
Bank Clearing House Returns	Canadian Flotations in London	Bank of England Rate
Fire Losses	Stock Issues in Canada	Price of Silver
Municipal Bond Sales	Corporation Bond Issues in Canada	British Consols
Canada's Trade	International Exchange	Mineral Production
Wheat Production	Banking Position	Immigration
Railroad Earnings	Bank Profits and Dividends	Cash Wheat Fluctuations

Trade After the War

This subject is dealt with in several special articles. Senator Nicholls, chairman of the Senate Committee which is inquiring into this matter, contributes a notable analysis of the situation. Mr. R. J. Younge, general manager of the Export Association of Canada, discusses other aspects of the same problem. Mr. W. L. Edmunds, a commercial writer of repute, answers the question "How can we maintain trade after the war?" Senator Curry also contributes an article as to the position of Canadian manufacturers when peace comes.

THE MONETARY TIMES ANNUAL

OUT NEXT WEEK—NEARLY 300 PAGES

Every Section is Replete with Interest

The Monetary Times Annual will be classified in the following sections:

Banking

Forgeries in Canada.
Crop Financing on Fixed Prices.
Proposed Canadian Bankruptcy Act.
Insatiable Demand for Currency.
Banking Expansion Last Year.
How Interest Rates Have Risen.

Investment

What it Costs to Loan Mortgage Money.
Proposed Land Surtax.
Growth of the Trust Company Business.
Rural Credits in the West.
Six Per Cent. Municipals.
Our Increasing Investment Power.

Industrial

Primary Production Last Year.
Canadian Manufacturers After the War.
Three Periods of Railroad Development.
Mineral Output Last Year.
Warning to Credit Men.
Shipbuilding in Canada.

Insurance

Unpreparedness of Corporate Insurance.
Causes of Death by Occupation.
Fundamentals of Suretyship Bonds.
Miscellaneous and Casualty Insurance.
Workmen's Compensation in Canada.
Diagnosis of Fire Waste.

Study of War Finance

Special articles deal with many phases of war finance, including Britain's vast war credits to date, German war loans, loans to the Allies by Britain and the United States, effect of war on national debts, and Canadian war loans. One of the most interesting articles in this section discusses the advances made by Canada to Great Britain in respect of its purchases here. The amount of these advances is surprisingly large.

Some of the Many Special Features

War finance and the Allies' economy is discussed in a special article by Mr. John Stuart Thomson, the notable publicist. Professor W. W. Swanson, of the University of Saskatchewan, contributes a thoughtful article on prices during and after the war. Mr. Arthur V. White, a consulting engineer who has made the problem a special study, discusses the Canadian coal situation in a valuable article. The cost of the war to date is a subject dealt with in a symposium of estimates made during the past year.

Some of the Other Features

Every Province is Represented in *The Monetary Times Annual* as usual by a contribution specially penned by its Premier. These articles include one each from the pen of the new Premiers of New Brunswick and Prince Edward Island. "What of the outlook?" The question is answered by the Premiers of Canada's nine provinces.

Retrospect and Prospect. Editorial review of the year—its good things and its drawbacks. The outlook for nineteen-eighteen.

Selling Canadian Bonds. The sales of Canadian securities during the past year are thoroughly dealt with in the form of articles, charts and statistics. The statistics of bond sales for 1917, with comparisons, will be the most complete published to date.

Life Insurance. How much new business should a life insurance company write? This question is answered in an exhaustive article by Mr. M. P. Langstaff, a well-known actuary. Mr. J. P. Moore, another notable actuary, contributes an interesting article on the causes of death by occupation. Farmers and life insurance is the topic chosen by Mr. P. A. Wintemute, of Calgary. The benefits of government annuities are described by Mr. S. T. Bastedo, superintendent of the Dominion government's annuity department.

Sidelights on Canadian Business. Among other instructive articles is one describing our fifth industry, the tourist traffic. Another advocates the adoption of the metric system. The United States' ban on gold exports is also discussed as well as the great value of the pulp and paper industries of Canada. There is an exhaustive review of the mortgage loan situation and many articles on our natural resources.

TORONTO CITY'S BUDGET

Where the Money Comes From and How It is Spent— Net Expenditure Estimated at \$15,155,610

The Bureau of Municipal Research, in an interesting analysis of Toronto's budget for the year 1917, finds that, due largely to the war and past methods of financing, the cost per family for running the city has increased from \$190 to \$213 per annum.

By the use of graphs and charts, rather than through tabulated statements, the report impresses the taxpayer with the necessity of choosing carefully the men who will levy and expend the taxes of the city.

The heaviest expense upon the citizen is that of education. A chart headed, "Where Each Dollar Goes," shows the proportion of a dollar that goes to the various departments as follows:—

Education	27.
General government	19.7
Protection	16.8
Health	12.5
Highways	9.2
Charities and corrections	5.7
Recreation	4.
War tax	3.9
Public service enterprises	1.2
Total	\$1.00

In Debt Charges.

The analysis shows that no less than 36.3 per cent. of the total civic revenue is absorbed by debt charges. This is well illustrated in a chart, "How It Goes." For personal services, presumably civic employees, the city this year spent 35.6 per cent. of its revenue. The remaining 28.1 per cent. was expended as follows:—

	Per cent.
Materials and supplies	9.7
Services other than personal	5.6
Contributions	4.1
Other charges	4.1
Capital outlay	1.7
Equipment	1.6
Rent, insurance and taxes	1.
Pensions . . . . .	.3
Total	28.1

Where Money Comes From.

In another chart, headed "Where It Comes From," the ratepayer is shown where the bulk of the city's \$19,242,583 income is obtained. This shows that more than three-quarters of the total comes from the taxpayers' pockets.

The percentages are as follows:—

General taxation	76.5
Waterworks revenue	10.2
Street railway franchise	5.2
Balance on hand January 1st, 1917	5.2
Civic car line revenue	1.3
City property rental	1.2
Unclassified	1.1
Civic abattoir, educational and license fees	2.2

According to another chart, the board of education has the spending of more money than any other department, 20.3 per cent. of the total civic expenditure. The waterworks comes next with 19.1 per cent while 17.4 per cent. of the expenditures are unclassified, largely including the debt charges.

Dealing with the figures themselves, the report compliments Finance Commissioner Bradshaw with presenting to the citizens for the first time a consolidated balance sheet showing what the city owns and what it owes.

Net Expenditure.

The net expenditures during the year were estimated at \$15,155,610, of which \$14,407,572 came from taxation. The heaviest expenditure was in the department of education, which had a net expenditure of \$4,098,438. General government expenses were \$4,313,109, which were partially offset by revenue amounting to \$1,325,762 from that source, leaving the net expenditure \$2,987,347. Police protection cost \$2,550,-

704; health and sanitation, \$1,898,210, and highways, \$1,392,000.

The per capita debt charges have increased between 1908 and 1917 from \$5 to \$14.75, and in the same period the proportion of each \$100 revenue taken for debt charges has increased from \$26 to \$36.

PLANS FOR NEXT LIBERTY LOAN

National Selling Organization is Being Perfected— Problem in Rural Districts

Plans for making future Liberty Loan campaigns so intensive that every individual in all parts of the United States and its territories shall be reached were perfected at the final meeting in Washington of representatives of Liberty Loan committees from throughout the country. From every section of the nation came reports of unbounded enthusiasm on behalf of the loans among persons who had been reached by its message, but coincidentally it was agreed that more far-reaching organization was needed to carry the message farther.

Rural communities and small towns and cities particularly will feel the effects of the new campaigning plans adopted. The campaign will be carried to them by every possible means to be conceived by the many minds that worked on the problem at the meeting here, which began Monday, and will continue to work on it with the aid of others in all sections of the country after the delegates have returned home.

Careful consideration of the selling problem in the rural districts resulted in the general agreement that there is no lack of patriotism among them and that under properly conducted intensive drives and educational campaigns, they will respond readily to future loans.

Many Minds at Work.

Every agency from national speakers to the silent appeal of signs on roadside fences will be used to give vim to the rural campaigns. Help will be given them by the sales, speakers, publicity and other bureaus. Good talkers, men who are qualified to speak on the loan, will be sent into every community. Publicity men will give a local touch to the campaign that heretofore has been lacking and some sort of an arrangement for keeping the smallest local committees in touch daily with interesting angles of the campaign and the war, will be worked out. Sales organizations will have rural representation on them. Briefly, every assistance that the city forces have had in previous campaigns, will be supplied, in so far as possible, to the smaller communities, and their residents will be made a real active part of the national Liberty loan machine.

Closer Co-operation Planned.

Aside from this special attention to the smaller communities, plans were perfected for closer co-ordination and co-operation of all Liberty Loan agencies. Many of the sub-committee meetings were devoted to general discussions and exchange of experiences. Reports of these meetings will be assembled later and distributed to every part of the country, so that the plans and experiences of every committee will be transmitted to all other committees for their use.

Members of various women's Liberty Loan organizations were in attendance at every meeting. Hearty co-operation between the men's and women's organizations in future campaigns is assured. Plans for arousing greater enthusiasm through educational work in the schools were received enthusiastically. A suggestion that school authorities be urged to include a course in current war problems in their curriculums was received with applause.

Thrift Educational Campaigns.

Recommendation that general thrift educational campaigns, to be carried on in and out of Liberty Loan campaigns, be inaugurated in all parts of the country was strongly indorsed. Much time also was given to the discussion of technical problems arising out of actual bond transactions. These will be given consideration by various treasury department agencies, including Lewis B. Franklin, director of the war loan organization, who presided at the conference.

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JAY COOKE'S POPULAR LOAN

Victory Bond Issue Recalls Interesting Transaction—
How \$3,000,000 Bonds Were Sold

"The United States," says the Home Bank Monthly, in the December issue, "adopted wrong methods of finance in the early days of the Civil War. In February, 1862, congress authorized the issue of \$150,000,000 legal tender notes, 'greenbacks,' to replace coin that was to be withdrawn from circulation to meet current war debts. This method was continued until the currency system became deranged, the price of paper money fell and the buying power of a dollar so decreased that hardship and an unfair proportion of the cost of the war was inflicted on the working class.

"After a few months, the greenbacks fell below par, and their value in gold became a barometer of Union hopes and fears. At their lowest, in the summer of 1864, they dropped to 39 cents on the dollar, but generally they were worth from 60 to 80 cents in gold. Their fluctuations, however, served to raise prices, and to increase a burden upon wage or salary earners which traders and speculators could avoid. Their necessity will always be debatable; a more honest course would have been for the treasury to shoulder the loss, and raise public money by selling United States bonds at their market price.

Satisfactory Method Introduced.

"After other methods had proved unsatisfactory the United States government began selling bonds direct to the public, appointing scores of salesmen throughout the country to help dispose of them. Among these salesmen was Jay Cooke, a young banker of Philadelphia, who introduced advertising in the daily papers as a selling factor. He was the originator of the methods which finally secured for the Federal States the funds necessary to prosecute the war to a complete victory.

"Jay Cooke rose to fame by selling at par \$3,000,000 of Pennsylvania bonds that conservative authorities had declared unsaleable. Unlimited enthusiasm, coupled with a shrewd regard for the value of printers' ink, helped Cooke in his task. He knew that, over all the country, large sums of coin were in seclusion, in old stockings or strong boxes, waiting to be coaxed out by the person who could convince the owners that the United States was safe. He sent his agents everywhere, advertised in the local journals, and appealed to the loyalty and interest of the small investor. He pledged his faith that the government was good. His biographer tells of farmers coming down to Philadelphia to pay their gold to him in person. As often as other brokers tried to place the bonds, Cooke overbid them, and made better bargains for the government. Without his zeal in popularizing investment in government funds, it is hard to see how the loans of the Civil War could have been placed.

Issued Popular Loan.

"The reason United States bonds commanded a better price, after Jay Cooke began to market them, is plain. It was a popular loan and the people had entire confidence in their investments. His methods of publicity had attracted popular attention and people readily exchanged their hoardings for the bonds when they realized that a bond was gold plus interest. It was advertising that carried this conviction to the mind of the public of the Northern States during the Civil War. The Canadian government is following a beaten trail."

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the month ended November 30th, 1917:—

Kerr Lake Mining Company, 61,960; Beaver Mines, 66,064; National Mines, 63,955; O'Brien Mine, 64,940; Nipissing Mining Company, 87,635; Hudson Bay, 65,680; Buffalo Mine, 1,456,250; Dominion Reduction Company, 350,600; Mining Corporation of Canada, 773,794; Tretheway Silver Mines, 144,410; McKinley-Darragh-Savage Mines, 328,375; Coniagas Mines, 237,329; La Rose Mine, 238,221; Aladdin Cobalt, 128,728. Total, 4,067,941 pounds, or 2,033½ tons.

PRICES IN CANADA IN 1916

Department of Labor Reviews Upward Trend of Food
Commodities

The situation as to prices, wholesale and retail during 1916, with a supplementary statement bringing the information down to August, 1917, is discussed in the report issued by the department of labor entitled "Wholesale Prices in Canada, 1916," which also contains information as to retail prices, and prices in other countries. The following table of index numbers shows the more significant changes in prices:—

Wholesale Prices.

	Canada.	Great Britain.	United States.	France.
1913	135.5	85	81	115.6
1916	182.0	137	100	217.6
Jan.	172.1	123.6	89	205.1
July	180.9	130.5	97	210.6
Dec.	207.4	154.3	118	235.3
1917, Aug.	245.0	175.7	150	....

Retail Food Prices.

	Canada.	Great Britain.	United States.	France.
1913	\$ 7.33	102	98	....
1916	8.79	160	112	....
Jan.	8.28	145	106	1439
July	8.46	161	109	1387
Dec.	10.11	184	125	1491
1917, Aug.	11.68	202	147	....

The marked rise in prices toward the end of 1916 was not only the continuation of a steeply upward general movement, beginning in August, 1914, from a level already high, but involved a much steeper rise in food prices as a result of short crops throughout the world, while the demand and the problem of distribution were intensified by war conditions.

War Conditions Affected Prices.

The upward movement in prices therefore appears to have been affected by both factors, supply and demand, the increase in the latter due to war conditions and made effective by practically unlimited government expenditure, while the decrease in the supply of most commodities was also due to war conditions, reduction in the labor force, destruction of supplies, increase loss and waste in transportation, handling, etc., and, notably in 1916, by unfavorable weather for crops. The increased money distributed among people from government war expenditure further tended to create a greater demand for the decreased supply of goods, becoming a factor in raising prices.

At the beginning of the year trade and industry had recovered from the depression experienced during 1914 and the part of 1915, the large crops of that year having made possible still greater exports of grain and other foodstuffs, while providing farmers, both in the west and the east, with the means of paying off much accumulated indebtedness and extending their operations for the future with better facilities and under more favorable conditions. The demand for machinery, livestock, fencing, building materials, household goods, clothing, etc., was greatly improved and caused greater demand for the products of manufacturing industries, for transportation, etc., in addition to the demand due to the manufacture of munitions and other war supplies.

High Rise in Potatoes.

The cost of foods increased by a greater amount during 1916 than during the ten years 1900-1909, or from that date to 1915, the rise occurring chiefly from August to the end of the year, and being much steeper than during the same period in 1914 and 1915, when substantial advances had occurred. The great rise in the prices of potatoes was the chief factor in this result, but eggs, butter, cheese, milk, bread and flour were also rising considerably. In the season 1914-1915, however, potatoes had been cheaper than for years. Coal also advanced steeply during this period, while rent began to recover from the steep decline during 1914-1915, which was prevalent in the western provinces, but was substantial in Ontario also.

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WILL REGULATE NEW SECURITIES ISSUES

To Reserve Canadian Market for War Purposes—Finance Minister's Consent Must Be Obtained

An order-in-council has been passed under the authority of the War Measures Act upon the recommendation of the minister of finance by which new issues in Canada of bonds, debentures or other securities of any provincial, colonial or foreign government, municipality, commission, local government, institution, corporation or incorporated company can only be made or sold with the approval of the minister of finance by his certificate in writing.

The regulation also applies to any new issues or offerings of shares, whether preferred or common, of any incorporated company.

Applies to Future Issues.

It is expressly provided that nothing in the order-in-council shall affect the trading in any bonds, debentures, securities or shares of capital stock heretofore issued and placed upon the market. The order applies only to issues made from this time forward. Provision is made whereby any issue or sale in contravention of the prohibition of the order may be restrained, and heavy penalties are provided for violation of the regulation.

Conserve Canadian Market.

The object of the order is to conserve the Canadian financial market for the war issues of the Dominion government, and to prevent issues being made for purposes which may well be deferred until the end of the war. Issues which are absolutely necessary may be made with the consent of the minister of finance, who will probably appoint a commissioner or a priority board to advise him as to the necessity for new issues and the time when they should be made. The regulation is similar to that which has been long in force in Great Britain for the same object of conserving the financial resources of the country for war purposes and preventing waste in public expenditures upon works and undertakings not absolutely needed at this time.

Owing to the need of establishing credits for the Imperial government in order that Canada's manufactured and agricultural products may find a market, the financial opinion of the country is that there must be regulation and control of all new issues of securities in order that the war loan of the Dominion may have the full benefit of the Canadian market.

WATER POWERS OF CANADA

With coal at a high price and the prospect that we shall soon have to depend largely on our water-powers for heating our houses and running our railways, a reliable estimate of what our water-power resources are is of great value, says the Commission of Conservation. The first estimate of this kind was published in 1911 by the commission. Since then, it has conducted water-power surveys of British Columbia, Alberta, Saskatchewan and Manitoba, and has secured additional data on the powers in other provinces. It now submits the figures below as being the latest available:—

Province.	*Total possible h.p.	Developed h.p.
Ontario	5,800,000	760,000
Quebec	6,000,000	640,000
Nova Scotia	100,000	26,000
New Brunswick	300,000	15,000
Prince Edward Island	3,000	500
Manitoba		76,000
Saskatchewan	3,500,000	10
Alberta		33,000
Northwest Territories		Nil
British Columbia	3,000,000	250,000
Yukon	100,000	12,700
Total for Canada	18,803,000	1,813,210

*The figures in this column are given with much reserve since it is practically impossible to arrive at exact amounts for any country. In addition to detailed surveys and flow records, such factors as artificial storage, economic head to be developed and kind of industry to be established all vary the estimates for each individual site.

ROYAL BANK'S STATEMENT

As briefly noted in *The Monetary Times* last week, an excellent financial statement has been presented by the directors of the Royal Bank of Canada. Examining the liquid assets, the total on November 30th, 1917, was \$165,836,706, as against \$121,127,663 on the corresponding date last year. A comparison of three of the important liquid assets and of the deposits, note circulation and stockholders' funds, compared also with the figures of 1916, is given in the following table:—

Quick assets.	1916.	1917.
British securities, etc.	\$ 14,012,089	\$ 21,586,545
Call loans:		
In Canada	11,076,005	12,040,687
Abroad	21,372,026	14,574,136
Deposits:		
Not at interest	59,365,396	70,498,667
At interest	140,862,199	182,488,715
Circulation, etc.	27,226,874	54,716,412
Shareholders	25,806,958	27,870,390
	\$253,261,427	\$335,574,186

The increase of \$52,000,000 in the Royal Bank's deposits reflects a gratifying growth in the financial strength of the institution. More than four-fifths of the gain was in the interest-bearing deposits.

The large loans to the Imperial Munitions Board and in connection with other special credits to the British government are partly shown in the increase of \$7,500,000 in the British securities, and the heavy special short-date advances to the Dominion government at the same time caused the bank's holdings of Dominion and provincial securities to rise from \$1,029,374 to \$22,322,197, an increase of \$21,300,000 for the year.

The current loans and discounts in Canada total \$102,358,027, as compared with \$93,000,000, shown by the Royal and Quebec combined in November a year ago. Therefore, notwithstanding the large amounts placed by the bank at the disposal of the Dominion and British governments for war purposes, it has given still stronger support to commercial, industrial and agricultural clients. The increasing importance of the Royal Bank's branch system in Newfoundland, the West Indies, Central and South America is shown by the increase of deposits elsewhere than in Canada and by the external loans and discounts.

Apart from its absorption of the Quebec Bank, the fiscal year just closed by the Royal Bank of Canada was one of considerable progress. With the Quebec Bank the Royal secured assets of \$21,000,000; the total increase of its resources during the year was \$82,000,000, which is a new high record. The total assets on November 30th last, the end of the bank's fiscal year, were \$335,000,000.

After making the usual deductions and providing for the dividends to stockholders there was a balance of \$240,218, as compared with \$225,874 in 1916 and \$62,410 in 1915. The issue of new stock to Quebec Bank shareholders resulted in a premium of \$911,700. This was credited to the reserve funds, together with \$528,300 taken from the profit and loss balance, making the total addition to reserve \$1,440,000, and bringing the balance of that account up to \$14,000,000. This is about 100 per cent. of the paid-up capital. The appropriations for the year included a contribution of \$60,000 to the Canadian Patriotic fund, and the war tax on bank note circulation absorbed \$128,357.

The net profits for the year, \$2,327,970, are \$216,000 larger than last year and \$185,000 larger than the results for 1913, which had previously been the best year. These profits represent 18 per cent. on capital, as against 17.59 per cent. in 1916 and 16.44 per cent. in 1915.

The Royal Bank, in comparatively few years, has become one of the strongest financial institutions in the Dominion and holds a high position in the list of the world's great banks. The bank's operations are controlled by an active and influential directorate, headed by Sir Herbert Holt as president and Mr. E. L. Pease as vice-president and managing director. Mr. C. E. Neill is the capable general manager, and has an able assistant in Mr. F. J. Sherman.

Individual vs. Corporation Management

INTEGRITY, responsibility, good judgment regarding investments, knowledge of the law respecting trusteeship, executive ability—and these sustained without interruption—are necessary under modern conditions before a trustee can be considered wholly competent.

All of these qualifications can be rarely found in a friend or individual.

THE STERLING TRUSTS CORPORATION possesses all of these essential qualifications of a competent trustee, including assured existence throughout generations of beneficiaries.

The Company will afford complete protection to your estate if appointed executor and trustee under your will.

Our officers will be glad to confer with you in regard to the making of your will or the management of your estate.

2262

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Assets	· · · · ·	\$718,608.76
Surplus to Policyholders	· · · · ·	\$380,895.44



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R. HOME SMITH, Toronto.....	Vice-President
F. D. WILLIAMS.....	Managing Director
A. C. McMASTER, K.C.	W. T. KERNAHAN
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BOOK DEPARTMENT

MONETARY TIMES OF CANADA

62 Church Street, TORONTO

MONTREAL

WINNIPEG

INSURANCE AGENCY PROBLEMS

Many Caused by War—Investments in War Bonds— Supervision After the War

"Agency and Allied Problems After the War" was the title of an address by Henry L. Rosenfeld, fourth vice-president of the Equitable Life of New York, at the recent annual meeting of the Association of Life Presidents, in that city. He touched upon some of the general economic and social problems that will confront America after the war, such as labor conditions, unemployment, and the financing of reconstruction both here and abroad. He said, in part:—

"Let us see what has been the result of over three years of warfare of the first magnitude upon life insurance companies of the principal countries of Europe. The problems which have been developed are:—

"1. Heavy death claims due to the war, with its toll in human life both among military and civilian population.

"2. Depreciation in investments due to the necessities for readjustment of values with respect to the highest interest rate engendered by the war, and the instability of prices generally on the stock exchanges of the world.

Change in Assets.

"3. Change in the character of the companies' assets due to the largely increased percentage of investments in governmental securities.

"4. Increase of taxation and other expenses on account of the vast expenditure by the nations and the constantly increasing rise in the cost of living.

"5. Difficulties of administration due to the withdrawal of men from civilian life to the needs of military life, with consequent disorganization and the necessity for readjustment of available labor.

"Agents of life insurance are apostles of economy. War's wastage enforces economy. May we not hope that after the war there will ensue in the United States, the spendthrift of the nations, habits of economy and thrift which will prevent a recurrence of the wastage of peace so long a prevalent characteristic of our people.

New Opportunities.

"In this country the opportunity lies ahead of the life insurance companies to meet these national needs. Extraordinary problems call for extraordinary performances. Old landmarks are fast disappearing. The whole life of the nation has undergone radical change during the current year. Life insurance must not be satisfied to emerge from this great world war with merely the satisfaction of having performed its obvious and perfunctory duties. New opportunities must be sought to support the nation and the government in this time of peril. If it should require the invasion, or the creation, of a field of patriotic educational work there the life insurance companies should be found. The power and influence of great field forces throughout the country should be used to sustain the government in every conceivable way. If life insurance gives proper account of its stewardship with respect to public needs, there need be no fear that the national government will encroach upon the field of life insurance. If life insurance shows exceptional co-operation with the government in meeting the many complex and after-the-war problems, it will be freely and generously accorded recognition as public service. With large financial resources touching every artery of American life, with bodies of membership numbering millions, reaching into countless homes, with executives and field representatives of the highest character and efficiency, American life insurance is admirably adapted to meet every present and after-war requirement."

Supervision After the War.

Mr. Emory H. English, president of the National Convention of Insurance Commissioners, at the same meeting, commented upon the life insurance situation as developed by the war. He said that the life companies had already invested over three and two-thirds per cent of their accumulated reserves in United States Liberty Bonds. This sort of investment is one that is bound to affect insurance, because of the interest return that is derived from it. Mr. English pointed out that insurance is bound to be materially affected by the war and that it must be safeguarded. He said, in part:—

"Supervision, to be worthy of the name, must not only keep pace with the swift strides of the insurance business,

but also intelligently minister to the increasing needs and demands of a developing citizenship in its relation to the gigantic insurance institutions which have been reared in the American financial world the past quarter of a century. The chief purpose and aim should be to safeguard the public interests, protect the integrity of the organizations supervised, maintain a wholesome relationship between these, thereby affording the greatest degree of security and allowing substantial extension of legitimate operations.

Last Institution to Succumb.

"Insurance as an institution has been considered impregnable; and so it is under all reasonable conditions. It would be the last institution to succumb to insolvency in any whirlwind of panic and disaster that might sweep the world growing out of the war or other unforeseen and unpreventable calamity.

"Every precaution must be taken to prevent the slightest degree of discredit falling upon insurance institutions. The outbreak of the war was the signal for the revival of the military restriction clause, and much thought has been devoted since that time to the preparation of the provisions of a 'permit' to engage in military or naval service. Companies have taken account of the amount of insurance they are carrying on lives subject to the selective conscription and have endeavored to determine what their losses would be if the war continues one, two or three years. Mortality ratios in excess of the average will be experienced; this must be expected. War taxation will be borne with patriotic fortitude; this is only a reasonable share in the general burden. Dividends to stockholders and policyholders may need to be reduced. This will not shake public confidence in the integrity of insurance management. There will be loyal acquiescence in the sacrifices required.

Work of Supervising Officials.

"When war has ceased, when the clash of arms is no longer heard, when guns have been stacked or sunk to the bottom of the seas, unusual responsibilities will confront both company and supervising officials in the period of industrial reconstruction to follow.

"The world trade which the United States will project must be organized and sustained through adequate insurance facilities. An enlarged field of commercial activity will be opened and developed by American enterprise. The commercial supremacy of the world may easily be attained if a consistent, intelligent course of action is formulated and determinedly pressed to successful conclusion. Not only have we abundance in grain, produce, ore, raw materials and manufactured articles to ship to other nations, but no other nation will have such a wonderful business energy to throw immediately into commercial activities when released from the leash of war."

CANADIAN Manufacturers after the War

What will they do?

An Article by an Industrial
Captain

SEE

The Monetary Times Annual

JANUARY, 1918.

PRICE 50c.

The Canadian Bank of Commerce

Statement of the result of the business of the Bank for the year ending 30th November, 1917.

Balance at credit of Profit and Loss Account brought forward from last year	\$ 802,319 09
Net Profits for the year ending 30th November, after providing for all bad and doubtful debts.....	2,637,555 43
	<u>\$ 3,439,874 52</u>

This has been appropriated as follows:

Dividends Nos. 120, 121, 122 and 123, at ten per cent. per annum.....	\$ 1,500,000 00
Bonus of one per cent. payable 1st June.....	150,000 00
do. do. do. 1st December.....	150,000 00
War tax on bank-note circulation to 30th November.....	150,000 00
Transferred to Pension Fund	85,000 00
Subscriptions:	
Canadian Patriotic Fund	\$50,000 00
British Red Cross Fund	7,500 00
British Sailors' Relief Fund (Canada).....	5,000 00
Sundry subscriptions	10,300 00
	72,800 00
Balance carried forward	1,332,074 52
	<u>\$ 3,439,874 52</u>

Toronto, 19th December, 1917.

GENERAL STATEMENT—30th November, 1917.

LIABILITIES.

Notes of the Bank in circulation.....		\$ 23,995,244 68
Deposits not bearing interest	\$ 86,458,403 02	
Deposits bearing interest, including interest accrued to date.....	189,967,251 39	
		276,425,654 41
Balances due to other Banks in Canada.....		580,958 01
Balances due to Banks and Banking Correspondents elsewhere than in Canada		7,295,110 40
Bills Payable		120,837 29
Acceptances under Letters of Credit.....		5,597,635 13
		\$314,015,489 92
Dividends unpaid		2,668 20
Dividend No. 123 and bonus, payable 1st December.....		525,000 00
Capital paid up	\$15,000,000 00	
Rest Account	13,500,000 00	
Balance of Profits as per Profit and Loss Account.....	1,332,074 52	
		29,832,074 52
		<u>\$344,375,232 64</u>

ASSETS

Gold and Silver Coin Current.....	\$22,697,336 96	
Dominion Notes	21,954,910 25	
Deposit in the Central Gold Reserves.....	10,000,000 00	
		\$ 54,652,247 21
Notes of other Banks.....	\$ 2,004,762 00	
Cheques on other Banks	11,930,875 21	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	8,496,103 99	
		22,431,741 20
Dominion and Provincial Government Securities, not exceeding market value		27,596,420 22
British, Foreign and Colonial Public Securities and Canadian Municipal Securities		22,095,133 29
Railway and other Bonds, Debentures and Stocks, not exceeding market value		6,192,461 60
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks		13,460,832 62
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada		20,076,903 18
Deposit with the Minister of Finance for the purposes of the Circulation Fund		831,173 35
		\$167,336,942 67
Other Current Loans and Discounts in Canada (less rebate of interest)		149,822,028 44
do. do. elsewhere than in Canada (less rebate of interest).....		14,846,130 56
Liabilities of Customers under Letters of Credit, as per contra.....		5,597,665 13
Overdue Debts (estimated loss provided for).....		237,796 39
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)	\$1,236,999 52	
Less mortgage assumed	100,000 00	
		1,136,999 52
Mortgages on Real Estate sold by the Bank.....		196,005 81
Bank Premises at cost, less amounts written off.....	\$5,390,075 44	
Less mortgage assumed on property purchased.....	300,000 00	
		5,090,075 44
Other Assets not included in the foregoing.....		111,588 68
		<u>\$344,375,232 64</u>

B. E. WALKER, President.

JOHN AIRD, General Manager.

Report of the Auditors to the Shareholders of the Canadian Bank of Commerce.

In accordance with the provisions of subsections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows: We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, 1917, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A.,
of Webb, Read, Hegan, Callingham & Co., } Auditors.
JAMES MARWICK, C.A.,
of Marwick, Mitchell, Peat & Co., }

Toronto, 19th December, 1917.

DIVIDENDS AND NOTICES

CENTRAL CANADA LOAN & SAVINGS CO.

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of **Two and One-Half per Cent.** (2½%) for the three months ending December 31st, 1917, at the rate of **Ten per Cent.** per annum, has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Wednesday, the 2nd of January, 1918.

The Transfer Books will be closed from the 17th to the 31st of December, both days inclusive.

By Order of the Board.

E. R. WOOD,
President.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31ST DECEMBER, 1917, payable JANUARY 15TH, 1918, to shareholders of record December 31st.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 20th December, 1917.

PENMANS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and one-half per cent, has been declared on the Preferred Shares of the Capital Stock of this Company, for the quarter ending January 31st, 1918, payable February 1st, 1918, to Shareholders of record of January 21st, 1918; also a Dividend of one per cent, and bonus of one per cent, on the Common Shares for the quarter ending January 31st, 1918, payable February 15th, 1918, to Shareholders of record of February 5th, 1918.

By order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, December 19th, 1917.

THE CANADIAN CROCKER-WHEELER CO., LIMITED

DIVIDEND NOTICE

The Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three-Quarters per cent. (1¾%) dividend on the Preferred Stock of the Company for the three months ending December 31st, 1917, to Shareholders of record December 21st, 1917. Also a dividend of One and Three-quarters per cent. (1¾%) and a Bonus of Three per cent. (3%) on the Common Stock of the Company for the three months ending December 31st, 1917, to Shareholders of record December 21st, 1917.

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

Checks will be mailed to shareholders on December 31st, 1917.

By Order of the Board.

L. R. GRIMSHAW,
Secretary-Treasurer.

St. Catharines, December 12th, 1917.

THE ROYAL BANK OF CANADA

ANNUAL MEETING

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on THURSDAY, the 10th DAY OF JANUARY, 1918, at 11 o'clock a.m.

C. E. NEILL,
General Manager.

Montreal, December 1, 1917.

DOMINION POWER AND TRANSMISSION COMPANY, LIMITED

Notice is hereby given that Dividend No. 37 at the rate of seven per cent. (7%) per annum on the Cumulative Preference Stock of This Company has been declared for the half-year ending December 31st, 1917, and that the same is payable on January 15th, 1918, to shareholders on record on the 31st day of December, 1917.

The Transfer Books for the Preference Stock of the Company will be closed from the 20th day of December, 1917, to the 31st day of December, 1917, both dates inclusive.

By order of the Board of Directors.

WM. C. HAWKINS,
Secretary.

Hamilton, Ont., December 20th, 1917.

DEBENTURES FOR SALE

CITY OF SASKATOON, SASKATCHEWAN

DEBENTURE INTEREST DUE JANUARY 1, 1918.

Holders of City of Saskatoon Debentures payable at the Union Bank of Canada in Toronto and Montreal are requested to present their interest coupons due January 1st, 1918, for payment at the Bank of Montreal in either of the above mentioned cities.

J. C. OLIVER,
City Treasurer.

Saskatoon, December 4th, 1917.

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.

SASKATCHEWAN Agent wants General Agency of Hail Insurance Company for Saskatchewan. Has experience in this line, good agency connections and can assure substantial premium income. Address Box 135, *The Monetary Times*, Toronto.

LIFE INSURANCE IN CANADA

Review of Legislation Since the Time of Confederation—
Measure of Disability Insurance Extended

The first insurance act in Canada was assented to on May 22, 1868. This was a brief act consisting of 25 sections and contained very little of what is now included in the insurance act. It is concerned mainly with the licensing of companies failing to comply therewith. We must remember that at the time of Confederation there was only one Canadian life company, 12 British and two United States, while we have now 26 Canadian, eight British and ten United States companies transacting new business. Mr. Finlayson, Dominion insurance superintendent, in an address to the Insurance Underwriters' Association at Montreal, recently reviewed the course of life insurance legislation in Canada. He pointed out that two slight amendments to the 1868 act were made in the years 1871 and 1874. A further amendment was made in 1875, and in that year also all the previous acts were consolidated. The authority for the creation of the department of insurance is to be found in this act.

Important Amendment in 1877.

In 1877 a further consolidation and amendment was effected in which the most important change was the requirement that British and foreign companies transacting business in Canada should thereafter maintain assets in Canada equal to their liabilities in Canada. Permission was given, however, to companies then licensed to continue transacting the business necessary in connection with their existing policies without making a deposit sufficient to cover all liabilities thereunder. Such companies, however, were not permitted to continue to write new business and we therefore at the present time have in Canada eight British and United States life companies commonly known as retired companies which are running off their Canadian business under the provisions of this section. The companies which desired to continue to write new insurance were permitted to retain specially for the protection of existing policies, the deposit then maintained but were required to provide for the protection of insurance subsequently written a deposit equal to the reserve and all other liabilities. This legislation has been responsible for the very large deposits made by British and foreign life insurance companies in Canada amounting at the present time to over \$80,000,000.

Act of 1885.

The next legislation was in the year 1885 by which the application of the act of 1877 was modified so far as assessment companies were concerned. This act permitted these companies to operate under registration from the department without being required to maintain an actuarial reserve in the same manner as ordinary life insurance companies. They were required, however, to print in every application, policy and certificate the words "This association is not required by law to maintain the reserve which is required of ordinary life insurance companies."

The next amendment to the act was made in 1886 and in this we see much that is familiar to us from our knowledge of the present insurance legislation. This act remained with slight amendments in 1887 and 1888, until 1894 when an amending act making substantial changes was passed.

The next amendment was made in 1899 and is notable chiefly for the change made by it in the basis of reserve to be maintained by life insurance companies. The interest basis existing prior to that time was 4½ per cent. and provision was then made for the gradual reduction of the rate of interest over a period of 15 years, so that in the year 1915 the basis for all policies became 3½ per cent.

Insurance Act of 1910.

Seven years later the Royal Commission on Insurance investigated Canadian life insurance companies, and as a result of this investigation, legislation was introduced in the session of 1907-1908 which, after three years' consideration, became law in 1910 as the Insurance Act, 1910. The act of 1910 has remained without amendment until the present year, when it was repealed and replaced by the Insurance Act, 1917.

The most important changes so far as field men are concerned in the recent act, are the amendment

to section 8, by which life companies are permitted to greatly extend the measure of disability insurance, which may be combined with a life policy and the inclusion of the rebating section of the act in an amendment to the criminal code. These sections will, therefore, now apply to all classes of companies, provincial licensees as well as Dominion licensees, and will, it is believed, be more effective with all classes of companies than the previously existing legislation.

CANADIAN BANK OF COMMERCE

The financial statement of the Canadian Bank of Commerce, just issued, shows net profits for the year of \$2,637,555. This is a gain of almost \$200,000 over 1916, and of \$285,000 over 1915. The chief items of the balance sheet for the past two years compare as follow:—

	1916.	1917.
Balance brought forward	\$ 461,892	\$ 802,318
Net profits	2,439,415	2,637,555
	<hr/>	<hr/>
	\$2,901,307	\$3,439,874
Deductions:—		
Dividends	\$1,800,000	\$1,800,000
Tax on circulation	147,288	150,000
Pension Fund	80,000	85,000
Patriotic fund donations	50,000	50,000
Other contributions	21,700	22,800
Balance carried forward	802,319	1,332,074
	<hr/>	<hr/>
	\$2,901,307	\$3,439,874

The bank's fiscal year ended on November 30th last, on which date the assets were \$344,000,000 greater than in any previous year. The large total of this account is a reflection of the extension of accommodation by the bank to the Imperial and Dominion governments, and to the business community of Canada.

An examination of the financial statement shows an increase in all important accounts and a considerable strengthening of an already strong financial position. The Canadian Bank of Commerce celebrated its fiftieth anniversary this year, having commenced business in 1867, the year of Confederation. In that period, the institution has become one of the most firmly established banks of this continent, with an enviable reputation for its pioneer work, for its excellent banking service at home and abroad, and for the high standard of the efficiency of its directors, officers, and staff.

WANTED

British Columbia and Alberta Municipals

Give full particulars and price

WE WILL SELL

Dominion Government Bonds

Short date—to pay 6% to 7½%

Royal Financial Corporation, Limited

Capital paid up, \$566,220.32

SUITE 703 ROGERS BLDG., VANCOUVER, B.C.

HILL & KEMP, Limited

Real Estate, Insurance and Financial Agents.

Properties Managed, Rents Collected, Valuations Made.

SASKATOON, SASK.

Montreal and Toronto Stock Transactions

Stock Prices for Week ended Dec. 26th, 1917, 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.	...	48	...	...
Ames-Holden.....com.	...	...	...	...
Asbestos Corporation.....pref.	...	...	...	...
Bell Telephone.....	130	...	10	...
British Columbia Fishing & Packing.....	...	...	...	...
Brompton.....	40	...	...	...
Brazilian.....	32	...	50	...
Canada Car.....com.	18½	...	...	...
Canada Cement.....com.	57	...	160	...
Canada Converters.....pref.	...	...	26	...
Canada Cottons.....pref.	...	...	1	...
Canada Con. Rubber.....com.	...	...	...	...
Canada Foundry and Forgings.....	...	...	...	...
Canada General Electric.....	...	...	...	...
Canada Locomotive.....com.	...	...	...	...
Canada Steamship Lines.....com.	2½	39½	...	...
.....pref.	...	76	...	...
.....deb. stock	...	...	...	...
Civic Investment.....	68½	...	215	...
Civic Power.....	...	...	...	...
Cons. Mining and Smelting.....	25	...	7	...
Consumers Gas.....com.	...	...	...	...
C.P.R.....com.	...	...	...	...
Dominion Bridge.....	128	...	10	...
Dominion Iron.....pref.	...	...	336	...
Dominion Steel Corporation.....com.	52	...	203	...
Dominion Textile.....pref.	80½	...	...	...
Goodwins Limited.....pref.	11	...	...	...
Gould Manufacturing.....	...	...	...	...
Howard Smith Paper Mills.....com.	...	...	...	...
Illinois Traction.....pref.	...	...	...	...
Lake of the Woods Milling.....com.	120½	...	20	...
Laurentide Co.....com.	152	...	280	...
Lyall Const.....	...	...	...	...
Macdonald.....com.	...	71	...	...
Mackay Cos.....pref.	...	...	...	...
Maple Leaf Milling.....com.	92	...	...	...
Montreal Telegraph.....com.	50	...	...	...
Montreal Cotton.....pref.	...	...	...	...
Nova Scotia Steel.....pref.	66	...	...	...
Ogilvie Flour Mills.....	150	140	10	...
Ontario Steel.....com.	22½	...	...	...
Ottawa Light, Heat & Power.....	69	...	...	...
Penmans.....pref.	65	...	5	...
Price Bros.....	117½	...	...	...
Riordan Paper.....pref.	...	...	...	...
Quebec Railway, Light, Heat & Power.....	15	...	8	...
Shawinigan Water & Power.....com.	60	...	...	...
Sherwin-Williams.....	...	...	...	...
Smart-Woods.....com.	...	...	...	...
Spanish River.....com.	49½	...	30	...
Steel Co. of Canada.....pref.	85½	...	10	...
Tooke.....com.	...	...	...	...
Toronto Railway.....com.	...	...	...	...
Winnipeg Railway.....	...	...	...	...
Wayagamack.....	...	...	...	...
Bank of British North America.....	185	5	...	...
Bank of Commerce.....	210	31	...	...
Bank of Montreal.....	201	...	...	...
Bank of Ottawa.....	140	...	...	...
Bank of Toronto.....	140	...	...	...
Bank d' Hochelaga.....	248	...	...	...
Banque Nationale.....	...	...	...	...
Bank of Nova Scotia.....	167	10	...	...
Dominion Bank.....	17½	...	...	...
Merchants Bank.....	...	...	...	...
Molson Bank.....	...	...	...	...
Quebec Bank.....	...	...	...	...
Royal Bank.....	3½	208	4	...
Standard Bank.....com.	...	...	30	...
Union Bank.....	...	...	...	...

Montreal Bonds	Last Sale
Asbestos.....	72½
Bell Telephone.....	98½
Canadian Car.....	96½
Canada Cement.....	82
Canada Consolidated Rubber.....	90
Canada Converters.....	94½
Cedars Rapids.....	90
Dominion Coal.....	90
Dominion Cotton.....	97
Dominion Iron and Steel.....	97½
Dominion Textile.....A	97
.....B	97
.....C	96½
.....D	103
Lake of Woods Milling.....	101
Laurentide.....	83½
Lyall Construction Co.....	101
Montreal Light, Heat & Power.....	91½
Montreal Tramways.....	90
National Breweries.....	90
Nova Scotia Steel.....	10
Ogilvie.....A	103
.....B	103
.....C	103
Penmans.....	...
Price Bros.....	...

Montreal Bonds (Continued)	—	Asked	Bid	Sales
Quebec Railway, Light and Power.....	67	...	...	...
Sherwin-Williams.....	98½	...	...	...
Steel of Canada.....	98½	95½	95	53100
First Dominion War Loan.....	98½	...	92	13000
Second Dominion War Loan.....	98½	...	92	21000
Third Dominion War Loan.....	95	...	...	...
Winnipeg Street Railway.....	81	...	...	...
Wayagamack.....	...	...	...	...

Toronto Stocks	—	Asked	Bid	Sales
Ames-Holden.....pref.	...	50	...	...
American Cynamid.....	...	20	15	...
Barcelona.....pref.	...	...	52	...
B. & L. (Landed).....	...	9½	8½	20
Bell Telephone.....	...	...	...	...
Brazilian.....	...	32	...	150
Canada Bread.....	...	18	...	...
Canadian Car & Foundry.....pref.	...	18½	...	...
Canadian Cannery.....pref.	...	50	...	...
Canadian General Electric.....cum div. pref.	...	99½	...	12
Canada Landed & National Investment.....	...	...	...	...
Canada Locomotive.....pref.	...	56½	...	2
Canada Pacific Railway.....	...	82½	...	...
Canada Permanent.....	...	130½	129	...
Canada Steamship.....pref.	...	39½	...	...
.....(voting trust)	...	72½	...	...
Cement.....com.	...	57	...	75
City Dairy.....pref.	...	30	...	...
Confederation Life.....com.	...	60	...	...
Coniagas.....com.	...	375	...	...
Consumers Gas.....com.	...	150½	...	...
Crown Reserve Mines.....com.	...	...	...	...
Crow's Nest Pass.....com.	...	...	...	...
Detroit.....	...	960	850	100
Dome.....	...	5	...	...
Dominion Cannery.....com.	...	52½	51	55
Dominion Iron.....pref.	...	...	...	...
Duluth Sup.....	...	...	...	...
F. N. Burt.....pref.	...	...	...	...
Hamilton Provident.....com.	...	...	...	...
Huron & Erie.....com.	...	...	...	...
Lake of the Woods.....com.	...	...	...	...
London & Canadian Loan & Agency.....	...	73	72	57
Mackay Companies.....pref.	...	60	...	...
Mackinley Darragh.....com.	...	93	91	10
Maple Leaf Milling.....pref.	...	93	...	...
Mexican Light & Power.....	...	...	30	...
Monarch.....	...	...	...	15
Nat. S. Car.....pref.	...	850	825	90
Nipissing.....	...	66	...	...
Nova Scotia Steel.....rights	...	...	...	...
Pacific Burt.....com.	...	...	...	...
Penmans.....com.	...	...	...	...
Petroleum.....	...	...	...	...
Riordan.....pref.	...	...	...	...
Rogers.....com.	...	...	...	...
Russell Motor.....pref.	...	70	...	...
Sawyer-Massey.....pref.	...	11	...	...
Shredded Wheat.....	...	48	...	...
Spanish River.....	...	14	...	...
Cons. Smelters.....pref.	...	50	...	...
Standard Chemical.....	...	24½	...	...
Steel Company of Canada.....pref.	...	57	...	15
Toronto General Trust.....	...	49½	...	1
Toronto Paper.....	...	85	72	...
Toronto Railway.....	...	58	...	...
Trethewey S. Mines.....com.	...	19	...	...
Tucketts.....pref.	...	1½	...	...
Winnipeg Electric.....	...	65	...	...
Twin City.....	...	185	...	40
Bank of Commerce.....	...	...	...	1
Bank of Ottawa.....	...	184	...	...
Bank of Hamilton.....	...	244½	...	...
Bank of Montreal.....	...	...	...	...
Bank of Nova Scotia.....	...	...	...	...
Bank of Toronto.....	...	185	...	...
Dominion Bank.....	...	167	...	12
Imperial Bank.....	...	2½	...	...
Merchants Bank.....	...	200	205	11
Molson Bank.....	...	...	...	...
Royal Bank.....	...	...	...	...
Standard Bank.....	...	...	...	...
Union Bank.....	...	...	...	2

Toronto Bonds	Last Sale
Canada Bread.....	92½
Canada Locomotive.....	95
Penmans.....	89
Riordan.....	80
Sao Paulo, 1929.....	84
Steel Company of Canada.....	96½
First War Loan.....	98
Second War Loan.....	98½
Third War Loan.....	92

SIR CHARLES GORDON'S IMPORTANT POST

Sir Charles Gordon, the well-known Montreal manufacturer, has been appointed vice-chairman of the British Mission in the United States, and will take up Lord Northcliffe's duties there until the latter's return early next year. Sir Charles is president of the Dominion Textile Company of Canada, president of the Hillcrest Collieries, vice-president of Penmans, Limited, vice-president of C. Meredith and Company, Limited, a director of the Bank of Montreal, a director of numerous other companies, and a governor of McGill University, Montreal. He was born in Montreal in 1868, a son of the late John Gordon, a prominent merchant of Montreal.

SILVER CONTRACT PRICE

Negotiations under way between the United States government and Western silver interests in connection with fixing the price of silver under contract for next year's smelting output are about to be consummated. The price is understood to be between 94 cents and 97 cents per ounce.

When the arrangements were entered into between the United States government and British representatives to acquire 100,000,000 ounces of next year's smelting output between them, the price was tentatively fixed at 86 cents. The Western mining interests raised a strong opposition to this, contending that the price should be at or near \$1 an ounce. Under the arrangements between the two governments, England is to take 60,000,000 ounces and the United States 40,000,000 ounces.

INVESTMENT YIELDS

The following table of investment yields of stocks and bonds has been compiled by Messrs. Morrow and Jellett, members of the Toronto Stock Exchange, 103 Bay Street, Toronto:—

	Dividend rate.	Price about.	Yield about.
Preferred—			
Canada Cement	7	90	7.77
Canada Steamships	7	73	9.58
Canadian Loco.	7	83	8.43
Mackay Cos.	4	60	6.66
Maple Leaf Mill.	7	93	7.52
Penmans	6	82	7.31
Steel of Canada	7	85	8.23
Common—			
Bell Telephone	8	130	6.15
B.C. Fish. and P.	4	38	10.52
Canada Cement	6	57	10.52
Can. Locomotive	6	57	10.52
Can. Gen. Elec.	8	100	8.00
Consumers Gas	10	151	6.62
Can. Pac. Ry.	10	133	7.57
Cons. Min. and Smelt	2½	25	10.00
Dom. Found. and S.	8	60	13.33
Dom. Steel Corp.	5	53	9.43
Mackay Cos.	6	73	8.21
Maple Leaf Mill	10	93	10.74
Penmans	4	65	6.15
Steel Co. of Can.	6	50	12.00
Toronto Railway	8	58	13.79
Twin City	6	65	9.23
Bonds—			
Canada Bread	6	90	6.66
Canada Cement	6	96½	6.22
Canada Steamships	6	80	7.50
Can. Locomotive	6	88	6.81
Penmans	5	86	5.81
Steel of Canada	6	89	6.74
*First War Loan	5	95	5.26
*Second War Loan	5	92	5.43
*Third War Loan	5	92½	5.40

*Yield on stock basis.



VICTORY LOAN

Payments due on January the 2nd may be made at any time to and including January the 11th. Scrip Certificates will be delivered in exchange for payments then due. Payments due January the 2nd must be made at the Bank branch mentioned in the application.

The extension of time to January the 11th is given for the convenience of subscribers and Banks so that subscribers will not be unduly detained waiting their turn at a Receiving Teller's wicket, as would most likely be the case if all payments had to be made on one day only. Subscribers should not wait until January the 11th, or a day or so before, and thus create the situation sought to be avoided. In every case, interest at the rate of five and one-half per cent. per annum from January the 2nd must be paid if payment is not made on or before the 11th.

For the convenience of subscribers, by arrangement of the Canadian Bankers' Association, Banks will remain open on the evenings of Thursday and Friday, January 3rd and 4th, and on the afternoon of Saturday, January the 5th. Evening hours, 7.30 to 9.30. Saturday afternoon, from 2 until 6 o'clock.

It has been brought to the attention of the Finance Department that a considerable number of subscribers, who have deposits with Banks, are under the impression that their Banks will take care of their January payments by automatically debiting their accounts with the necessary payments. This is incorrect. Each and every subscriber must personally arrange for these payments.

T. C. BOVILLE,
Deputy Minister of Finance.

DEPARTMENT OF FINANCE,
Ottawa, Dec. 24th, 1917.

ANGLO-FRENCH BONDS BETTER

Rally in New York Market — Our Victory Bond Market Will Be Protected

Continuing their rapid decline, bonds of foreign governments on the New York Stock Exchange fell, about the middle of last week, to the lowest level they had ever touched; then followed an equally violent recovery. The Anglo-French issue, due in 1921, declined to 81% on Tuesday and advanced to 87% on Friday; the French Republic 5% per cents., maturing in 1919, went from 91% to 94%; while in various British short-term issues there were recoveries from the lowest figures of as much as 4% per cent.

In some sort, the advance, according to the New York Post, seemed to be associated, in the Wall Street discussion, with the approaching redemption, upon maturity, next February 1st, of \$100,000,000 of United Kingdom 5% per cent. notes, which Wall Street suddenly remembered carried the right of conversion into twenty-year 5% per cent. bonds of the United Kingdom, which are to be exempt from all British taxes, and to be payable in gold either in London or New York. The British Government had not offered its own people during the war a bond bearing more than 5 per cent., and that 5 per cent. issue was not exempt from the present heavy taxation.

United Kingdom Issue.

Knowledge that this \$100,000,000 issue would be paid off (if some of it has not already been retired through sale of the collateral) furnished at least a partial answer to those people who, seeing the recent severe break in prices, had shaken their heads and again raised the bogey of "default" and "repudiation."

This was not the principal cause for last week's recovery in foreign bonds, however. There was the other consideration, which was possibly effective to a degree, that the United States Treasury proposes to permit security dealers to deduct depreciation in making their income-tax returns, without actually selling their holdings in order to "record" their losses. That doubtless removed some incentive to sell. But the fact remained, that some investors had found a definite incentive to buy, in spite of the general feeling of discouragement and hysteria, bonds of the British and French governments yielding as high as 10 per cent.

In view of the violent market fluctuations in first-class United Kingdom and other bonds in New York during the past few weeks, it is gratifying to know that arrangements are well in hand for legitimate and adequate protection of the market here for Canada's Victory bonds, which will probably be called on the Montreal and Toronto stock exchanges early next month.

BANK CLEARINGS

The following are the bank clearings for the weeks of December 21st, 1916, and December 22nd, 1917, respectively, with changes:—

	Week ended Dec. 22, '17.	Week ended Dec. 21, '16.	Changes.
Montreal	\$ 69,707,527	\$ 90,337,611	— \$20,630,084
Toronto	61,295,067	61,595,950	— 300,883
Winnipeg	51,782,260	55,702,525	— 3,920,265
Vancouver	9,254,106	6,945,428	+ 2,308,678
Ottawa	5,635,277	6,146,188	— 510,911
Calgary	7,947,025	6,496,522	+ 1,450,503
Hamilton	5,070,698	5,097,460	— 26,762
Quebec	3,748,034	4,856,129	— 1,108,095
Edmonton	3,410,359	2,782,918	+ 627,441
Halifax	2,085,319	2,800,699	+ 184,620
London	2,358,922	2,154,957	+ 203,965
Regina	4,235,272	3,532,835	+ 702,437
St. John	1,852,191	2,089,702	— 237,511
Victoria	1,655,616	1,518,854	+ 136,762
Saskatoon	2,119,356	1,977,816	+ 141,540
Moose Jaw	1,613,103	1,481,923	+ 131,180
Brandon	765,958	720,422	+ 45,536
Brantford	931,021	770,064	+ 160,957
Fort William	1,028,860	700,380	+ 328,480
Lethbridge	922,255	1,046,943	— 124,688
Medicine Hat	602,621	715,123	— 112,502
New Westminster	334,019	304,350	+ 29,669
Peterboro'	682,386	624,607	+ 57,779
Sherbrooke	626,947	697,122	— 70,175
Kitchener	705,511	672,386	+ 33,125
Totals	\$241,269,719	\$261,768,914	+ \$20,499,195

The Toronto bank clearings for the current week are \$51,634,390, compared with \$54,503,860 for the same week in 1916, and \$37,490,512 in 1915.

GOVERNMENT FINANCE

PUBLIC DEBT		1917		1917		REVENUE AND EXPENDITURE ON ACCOUNT OF CONSOLIDATED FD.		Total 30th Nov. 1917	EXPENDITURE ON CAPITAL ACCOUNT, ETC.	Total 30th Nov. 1917	
LIABILITIES—	\$	cts.	ASSETS—	\$	cts.	REVENUE—	\$	cts.	War.	\$	cts.
Payable in Canada	185,674,379	00	Investments—Sinking Fds.	15,165,816	06	Customs	103,343,711	19	Public Works, Railways and Canals	12,681,795	26
Payable in London	362,703,312	40	Other Investments	240,211,175	49	Excise	17,070,344	13	Railway Subsidies	698,204	75
Payable in New York	75,873,000	00	Province Accounts	2,296,327	90	Post Office	12,550,000	00			
Temporary Loans	556,701,461	07	Miscel and Bkg. Accounts	637,625,533	14	Pbc. Works, R'lways & Canals	20,602,141	87			
Bank Circul'n Redemp. Fd.	5,799,609	27	Total Assets	895,298,852	59	Miscellaneous	16,475,809	66			
Dominion Notes	263,247,989	04	Total Net Debt 30th Nov.	958,000,700	61	Total	170,042,006	85			
Savings Banks	54,922,461	04	Total Net Debt 31st Oct.	948,236,872	13	EXPENDITURE	79,566,862	94			
Trust Funds	10,666,151	19	Increase of Debt	9,763,828	48						
Province Accounts	11,920,481	20									
Miscel. and Bkg. Accounts	25,790,725	63									
Debt	1853,299,553	20									

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr. & Co., Toronto (Week ended Dec. 26th, 1917.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power com.	40.50	46	Crown Life . Assurance	75	...	Home Bank	62	65.50	Ont. Pulp Bonds	79.50	82.50
Amer. Sales Bk pref.	80	86.50	Collingwood Ship com.	74	...	Imperial Oil x rights	300	345	Prudential Trust . . . . .	...	85
Alta. Pacific Grain pref.	85	90	Continental Life	17	25	Inter. Mill pref.	85	90	Rosedale Golf Club . . . . .	...	325
Atlantic Sugar pref.	27	30	Cockshutt Plow pref.	65	75	Inter Lake Steamship . 6's	85	95	Sovereign Life	10	18
Arena Bonds (Toronto) . . . . .	...	90	Crown Trust Co.	90	100	Lambton Golf Club	300	350	Std. Rel'ce (par 50) xd	45	48.50
Beidling Paul com.	9	12.50	Dom. F'dry & St' 18% pref.	85	94	London Loan & Savings	100	120	Sterling Coal com.	8.50	11
Brantford Roofing pref.	70	75.50	Dom. Iron & Steel 5's 1939	73	73.50	Massey Harris	115	131	Sterling Coal bonds	70	72.50
Can. Cereal & Flour 6's	91	95	Domin. Glass pref.	75	80	Matthew Lang 6's	93.50	97.50	Sterling Bank	80	90
Can. Fairbanks pref.	85	90	Dom. Linseed Oil	65	...	Maritime Coal & Ry. com.	16	21	St. Lawrence Flour 6's	33	96
Canada Machinery com.	8	12	Dom. Permanent Loan	68	71.50	McDonald pref.	80	85.25	Temple Thea. (Allen) com.	40	...
Can. Marconi Telegraph	1.90	3	D. Po'er & Trans com.	49	56	Monarch Life	60	95	Toronto Paper 6's	83	88
Can. Oil pref.	80	95	Dom. 5's	88.50	...	Morrow Screw 6's	86	92.50	Trust & Guarantee	82	87
Can. Westinghouse	100	118	Dominion Sugar com.	110	130	Mutual Steamships 6's	95	...	Toronto Y'k Rad. 5's 1919	...	93.50
Chapman Ball Bearing	25	33	Dom. Savings & Invest.	82	...	National Life	30	...	Universal Steel Tool com.	...	25
			Eastern Car 6's	90	95	National Drug 7% pref.	80	90	West. Assurance	5.50	7
			Ford Motor	140	165	National Telephone 5's	48	55	West Can. Flour com.	90	115
			Goodyear Tire	170	190	North. Crown Bank	67	...	6's (1931)	94.25	97

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.

Fifty Dollars a Month

(Guaranteed to you by the Canada Life)

How Fifty Dollars a Month looks to the Average Man at Various Ages



Age 19—Happy on Fifty Dollars a month.



Age 20—Fifty Dollars

You know of men who still drudging along. They would, but many days working for

When the chance is possible. Let us help you.

This "Ad." drew 100 inquiries in the first mail. They were passed on to our men in the field, and much business resulted.

This is only one of the "Field Aids" given to its representatives by the

CANADA LIFE ASSURANCE CO.

Head Office
Toronto - Canada



New Records

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

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

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

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

ALWAYS A PLACE FOR DEPENDABLE AGENTS

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

Union Mutual Life Insurance Co.
Portland, Maine

ARTHUR L. BATES, PRESIDENT. HENRI E. MORIN, SUPERVISOR

For Agencies in the Western Division, Province of Quebec and Eastern Ontario, apply to WALTER I. JOSEPH, Manager, 502 McGill Building, Montreal.

For Agencies in Western Ontario, apply to E. J. ATKINSON, Manager, 107 Manning Chambers, 72 Queen St. West, Toronto

J. A. THOMPSON

Government and Municipal Securities

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

CORRESPONDENCE INVITED

Union Bank Building - WINNIPEG

L. COFFEE & CO.

GRAIN MERCHANTS

THOMAS FLYNN

Established 1845

Board of Trade Building,
Toronto, Ontario

BRITISH AMERICA ASSURANCE COMPANY

FIRE, MARINE, OCEAN MARINE and INLAND MARINE INSURANCE

INCORPORATED 1833

HEAD OFFICES: TORONTO

W. R. BROCK, President. W. B. MEIKLE, Vice-Pres. and Gen. Mgr.
JOHN SIMS, Asst. Gen. Mgr. E. F. GARROW, Secretary.

Assets, Over \$2,500,000.00

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

BRITISH CROWN ASSURANCE OF GLASGOW, SCOTLAND

(FIRE)
Corporation, Limited

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

CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Fire Office

Head Office for Canada MONTREAL

J. G. BORTHWICK, Manager

MUNTZ & BEATTY, Resident Agents

Temple Bldg., Bay St., TORONTO

Telephone Main 66 & 67

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

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

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

Analysis of Canada's External Trade

Per Capita It Already Largely Exceeds That of the United States—Our Trade With the United Kingdom and United States—Canadian Business With the Other Dominions of the British Empire

CANADA is materially interested in the extension of its export trade. Some interesting figures, showing our position in that regard compared with other dominions, the United Kingdom, and the United States were issued this year in the fifth interim report of the Dominions Royal Commission, which visited this country during its tour of the British Empire. The following table shows for the latest completed year before the outbreak of war, the external trade per head of population of the various self-governing dominions. Added for purposes of comparison are similar figures in regard to the United Kingdom and the United States:—

	Imports.*		Exports.*		Aggregate external trade.	
	Total. Million	Per head.	Total. Million	Per head.	Total. Million	Per head.
	\$	\$	\$	\$	\$	\$
New Zealand (1913)...	107	98	110	100	217	198
Australia (1913)	383	78	377	77	760	155
Canada (1913-14)	651	80	479	59	1,130	139
Newfoundland (1913-14)	15	63	15	63	30	126
Union of South Africa						
(1913)	205	34	320	51	525	85
United Kingdom (1913)...	4,045	88	3,346	73	7,391	161
United States (1913-14)...	1,991	20	2,531	26	4,522	46

*Including bullion and specie.

The figures show that Canada has not yet developed so intense an activity in external trade as have New Zealand and Australia. But the external trade of Canada during the past decade has been increasing at an extremely rapid rate. We may, therefore, anticipate that before long the external exchanges of Canada will equal those of the southern dominions as measured by the amount per inhabitant. Already Canadian external trade computed on this basis far exceeds that of the United States.

The figures below show the share of the United Kingdom in the external trade of the various self-governing Dominions in 1913. For the purpose of comparison similar figures have been added for the United States:—

	Imports* from the United Kingdom.		Exports* to the United Kingdom.		Total trade with the United Kingdom.	
	Million	Per cent. of total imports.	Million	Per cent. of total exports.	Million	Per cent. of total trade.
Union of South Africa	\$		\$		\$	
(1913)	115	55.8	283	88.6	398	75.8
New Zealand (1913) ..	64	59.7	87	78.9	151	69.4
Australia (1913)	198	51.8	167	44.3	365	48.1
Canada (1913-14)	133	20.4	222	46.4	355	31.4
Newfoundland (1913-14)	4	25.2	3	21.5	7	23.3
United States (1913-14)	293	14.0	623	25.0	916	25.0

*Including bullion and specie.

Commenting on these figures, the report of the Dominions Royal Commission says:—"It is at once apparent from the preceding table that the share of the United Kingdom in the imports and exports of Canada is much less than its share in the overseas trade of Australia, New Zealand, and the Union of South Africa. The causes of this are not far to seek. Canada is a much larger producer of manufactured articles than are the other dominions, and consequently calls for comparatively less of these commodities from the mother land; for her industries she has to draw from other countries raw materials not obtainable in Great Britain, e.g., cotton, anthracite coal, and mineral oils. On the other hand she is

not, as yet, a prolific producer of wool, hides, and meat, which the United Kingdom so largely requires. Further, similarity of conditions renders many industrial products of the United States especially suitable to Canadian requirements, and the short time required for delivery of original orders and of repair parts, facilitates purchases therefrom, whilst, on the other hand, Canadian raw materials, such as mineral and forest products, are required in constantly increasing quantity by her southern neighbor. It must be remembered, too, that the frontiers of the two countries march side by side for more than three thousand miles, and are crossed by railway lines at many different points, whilst common to both countries are vast navigable lakes and waterways, on the shores of which numerous towns and cities form convenient points for the interchange of commodities. These factors have brought about, within the past 30 or 40 years, a great increase in the United States' trade with Canada; and for some 30 years imports from the United States into the Dominion have exceeded those from the United Kingdom. The most rapid movement in this direction took place between 1880 and 1900, but even since the beginning of the present century the proportion of United States' imports has been increasing generally while that of British imports has declined. In the export trade of Canada the United Kingdom still holds first place." The following figures show the relative shares of the United Kingdom and the United States in the external trade of Canada during the last fifteen years, namely:—

Imports into Canada.

	From the United Kingdom.		From the United States (including Alaska).	
	Amount. Million \$.	Per cent. of total Canadian imports.	Amount. Million \$.	Per cent. of total Canadian imports.
5 years ended June 30, 1906 (average)	60	23.6	156	61.4
5 years ended March 31, 1912 (average)	98	23.2	263	62.5
Year ended March 31, 1913	140	20.2	455	65.8
Year ended March 31, 1914	133	20.4	426	65.5

Exports from Canada.

	To the United Kingdom.		To the United States (including Alaska).	
	Amount. Million \$.	Per cent. of total Canadian imports.	Amount. Million \$.	Per cent. of total Canadian imports.
5 years ended June 30, 1906 (average)	120	54.4	78	35.3
5 years ended March 31, 1912 (average)	141	48.8	112	38.7
Year ended March 31, 1913	178	45.3	167	42.6
Year ended March 31, 1914	222	46.4	200	41.9

The imports from the United States include a certain proportion of natural products and other articles in which the United Kingdom cannot hope to compete. The British trade commissioner for Canada in his report on the trade of Canada for 1913, has calculated that out of the total imports into Canada of merchandise in which British manufacturers are in a position to compete, the imports from the United Kingdom amounted to 33 per cent., and those from the United States 57 per cent. But even on this showing the position of the United Kingdom manufacturer in the Canadian market com-

pare unfavorably with his position in the markets of the great dominions in the southern hemisphere. It has been calculated that of competitive imports into South Africa the United Kingdom supplied in 1912 about 67 per cent.; the corresponding figure for Australia was about 63 per cent., and that for New Zealand about 73 per cent.

"The United Kingdom," says the report, "maintains its prominent position in the export trade of Canada. The United Kingdom and the United States between them receive about seven-eighths of the Canadian exports, but the Canadian export trade to the United States differs greatly in kind from that to the mother country. Of the products of Canadian agriculture the United Kingdom receives a far larger share than the United States, but the shipments of minerals and of forestry produce from Canada to the United States are much greater than to the United Kingdom. Whilst it is gratifying to observe that Canada sends so large a proportion of its surplus production of foodstuffs to the mother country, it is not satisfactory to find that the output of Canadian mineral ores and of timber is largely sent to a foreign country for manufacture. Signs are not wanting, however, that this position is realized in the Dominion. Already there is a strong movement in favor of local refining of ores, and better local utilization of the lumber and pulp-wood resources of Canada."

Trade With Other Dominions.

Canadian trade with the other self-governing dominions has kept pace with the general development of the external trade of Canada. A large part of this trade is carried with our neighbor, Newfoundland, which sends the products of its fisheries to Canada in exchange for coal, flour, and manufactured goods. In recent years also there has been a large export of iron ore from Newfoundland to Nova Scotia for smelting. This exchange between the neighboring dominions is naturally distinct in character from the trade which Canada carries on with other dominions, from which it is separated by long sea distances. In the following statement showing the progress of the trade of Canada with the self-governing dominions, trade with Newfoundland is therefore distinguished from that with the more distant dominions.

	Imports into Canada.			Exports from Canada.		
	New-found-land.	Other Do-minions.	Total.	New-found-land.	Other Do-minions.	Total.
	Million \$	Million \$	Million \$	Million \$	Million \$	Million \$
Average of 5 years, ended June 30, 1906	1.2	0.3	1.5	2.9	5.4	8.3
Average of 5 years, ended March 31, 1912	1.7	1.6	3.3	3.8	6.6	10.4
Year ended March 31, 1913	2.0	3.8	5.8	4.7	9.0	13.7
Year ended March 31, 1914	1.8	4.6	6.4	4.8	10.4	15.2

The trade carried on between Canada and the dominions in the southern hemisphere partakes generally of the same characteristics. Amongst the exports from Canada to these Dominions, agricultural implements and machinery play an important part, so much so, indeed, that Australia is at the present time one of the largest markets for Canadian agricultural implements. Motor vehicles have also been shipped in recent years in increasing quantities; in 1913-14, out of the total Canadian export of these goods valued at \$4,320,000, the shipments to South Africa, New Zealand and Australia represented a value of \$2,577,000. Canada also sends wheat and flour to South Africa. In exchange, Canada receives meat, wool, butter, hides and skins, etc.

A special feature of Canadian trade with the other dominions has been the large development of trade with New Zealand. The aggregate of this trade represented an average value of \$620,000 in each of the five years 1902-1906; in the succeeding five years this figure increased to \$1,740,000, and in the year 1913-14 the total trade was \$5,240,000. This increase of trade has been considerably assisted by the action of the New Zealand government in contributing to a subsidized steamship service across the Pacific and by the enterprise of the Union Steamship Company of New Zealand in constructing fast vessels for this service.

CANADA FOUNDRIES AND FORGINGS COMPANY

Canada Foundries and Forgings Company is understood to have had a prosperous year. The company is still operating all its Welland plants to capacity, and operation at this rate has been kept up throughout the year. The Delaney plant recently purchased by the company in Buffalo, has received additional orders for ship forgings, and the earnings have permitted the retirement already of \$100,000 bonds, reducing the outstanding issue to \$130,000.

LATE FIRE REPORTS

Montreal, Que.—December 24—Premises of Montreal Light, Heat and Power Company damaged.

Edmonton, Alta.—December 26—The stock and buildings of the Cockshutt Plow Company and Moses Lyons, dealers in provisions, destroyed. Estimated loss, \$40,000.

Quebec, Que.—December 22—Home and furniture of Bien Leclerc damaged. Estimated loss on building, \$200; on furniture, \$600.

Fingal, Ont.—December 11—School house destroyed. Caused by overheated furnace. Estimated loss on building, \$13,000; on contents, \$2,000. Insurance carried, \$11,000. Carried in Merchants Fire Insurance Company.

HIDES FROM INDIA FOR INSPECTION OF TANNERS

India is said to be the largest and most important producer of hides within the British Empire, the quantity of raw Indian cowhides (kips) available annually being about 11,000,000, of which about 3,000,000 are tanned in the country. Prior to the war about 5,000,000 hides were annually exported to Germany and Austria. The German market being cut off, the British government desires to secure a market within the British Empire for these hides, and it is hoped that even after the war is over Germany will no longer have the profit of treating these hides and selling the products to the world at large.

The Department of Trade and Commerce at Ottawa, by arrangement with the Hides and Tanning Materials Committee of the Imperial Institute has secured a large number of samples of the Indian cowhides for exhibition in different centres where tanners may inspect them. These hides are now on exhibition in Toronto and will remain there until January 25th. The tanners of Ontario may inspect them on application to Mr. W. Canham, of Wilson and Canham, Limited, 36 Wellington Street East, Toronto, who will have charge of them while they remain in Toronto. They will be afterwards exhibited in Quebec city and other centres.

Full particulars regarding these hides may be obtained from the Commercial Intelligence Branch of the Department of Trade and Commerce. (Refer File No. 18459.)

MONEY MARKETS

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

	Buyers.	Sellers.	Counter.
N.Y. funds	25-64 pm	27-64 pm	.....
Mont. funds	par	par	1/8 to 1/4
Sterling, demand	4.7690	4.7710	4.79
Cable transfers	4.7825	4.7850	4.80 1/2

Rates in New York—Sterling, demand, 4.75 3-16. Bank of England rate, 5 per cent.

The Alberta Foundry and Machine Company, and the Medicine Hat Pump and Brass Company, of Medicine Hat, have received munition orders that will keep their plants running with a double shift of men from now until the end of March. The other munition plants of the city have United States orders that will keep them busy for a similar length of time. The two companies which have received the new orders, and their employees, subscribed over \$100,000 to the Victory Loan. Several of the employees subscribed \$1,000 and over.

RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Angus, Ont.—December 24—Many stores owned by W. S. Lee, including his grocery store, destroyed. Estimated loss, \$8,000.

Edmonton, Alta.—December 14—Home of M. Lawson destroyed. Estimated loss, \$400. Home of Pte. J. B. Lawrence destroyed. Estimated loss, \$600.

December 17—Sky's clothing store damaged. Caused by explosion of oil stove. Estimated loss, \$500.

December 19—Home of Mrs. Rogers destroyed.

Guelph, Ont.—December 19—Cadillac car of Dr. Bennett destroyed.

Ottawa, Ont.—December 13—Several buildings on Sparks Street destroyed. Estimated insurance loss, \$150,000.

New Liskeard, Ont.—December 18—House of Mr. D. Johnston damaged.

Plymouth, N.S.—December 21—Residence of Mr. F. D. Murray destroyed. Insurance carried on building, \$800.

Port Arthur, Ont.—December 23—Port Arthur shipbuilding plant damaged.

St. Boniface, Man.—December 22—The terminal elevator of the Northern Elevator Company and 80,000 bushels of grain destroyed. Estimated loss, \$250,000.

Stratford, Ont.—December 21—Mr. Harmer's mill and contents destroyed. Insurance on building, \$3,000.

Toronto, Ont.—December 20—Cadillac Hotel damaged. Caused by defective wires. Stock of Cruise and Sons, tailors, damaged. Estimated loss, \$500.

December 25—Two motor cars and garage of Richard Shell destroyed. Caused by lighted candle beneath one of the cars. Estimated loss on building, \$100; on cars, \$600. Dorenwend's hair goods store and stock damaged. Majestic Florists store damaged. Caused by fire from Dorenwend's hair goods store. Estimated loss, \$500.

Watford, Ont.—December 22—General store of Mrs. A. J. Davis destroyed.

Winnipeg, Man.—December 19—Residence of J. H. Kaplinovitch destroyed. Caused by the overheated furnace. Estimated loss, \$5,000. Insurance carried, \$2,000.

ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

Amherstburg, Ont.—December 12—Dwelling house and furniture of Mr. Arthur Allan destroyed. Caused by defective chimney. Estimated loss on building, \$180; on furniture, \$182. Insurance on building, \$500; on furniture, \$500. Carried in the London and Lancashire Fire and General Accident Insurance Company.

Brockville, Ont.—December 13—House of Mr. E. Seeley destroyed. Estimated loss on furniture, \$1,000; on building, \$1,600. Insurance on furniture, \$500; on building, \$1,200. Carried in the Royal and Norwich Union Fire Insurance companies.

Cardston, Alta.—December 9—Cardston Creamery Company destroyed. Cause, spontaneous combustion. Estimated damage on stock, \$10,000; on buildings, \$2,500. Insurance on stock, \$3,500; on buildings, \$2,500. Carried in the Home Insurance Company and Springfield Fire and Marine Insurance Company.

Chatham, Ont.—December 10—Pulp drier and warehouse of Dominion Sugar Company, owned by the Wallaceburg Company, destroyed. Estimated damage on stock, \$12,000; on buildings, \$10,000.

Halifax, N.S.—December 6—The losses reported by the individual companies are in the following order: (1) gross amount involved; (2) net less insurance: Aetna Insurance Company of Hartford, \$25,000, \$20,000; Atlas Assurance Company of London, \$1,500, \$1,500; Britannic Assurance Company of London, \$30,000, \$17,000; British-America Assurance Company of Toronto, \$63,000, \$60,000; British North-

western Fire Insurance Company, \$10,000, \$10,000; Caledonian Insurance Company of Edinburgh, \$15,000, nil; Connecticut Fire Insurance Company of Hartford, \$10,000, \$10,000; Continental Insurance Company of New York, \$48,500, \$39,000; Employers' Liability Assurance Corporation, \$25,000, \$8,000; Fidelity-Phenix Insurance Company of New York, \$13,750, \$13,750; Fidelity Underwriters of New York, \$18,000, \$18,000; German Alliance Insurance Company of New York, \$2,000, \$2,000; German-American Insurance Company of New York, \$25,000, \$25,000; Glens Falls Insurance Company of Glens Falls, no loss; Globe and Rutgers Fire Insurance Company, \$68,000, \$33,000; Home Insurance Company of New York, \$50,000, \$45,000; Insurance Company of State of Pennsylvania, no loss; Law Union and Rock Insurance Company, \$90,000, nil; Liverpool-Manitoba Assurance Company, \$10,000, \$10,000; London Assurance Company, no loss; London and Lancashire Fire of Liverpool, no loss; Liverpool and London and Globe Insurance Company, \$40,000, \$40,000; National-Ben Franklin Fire Insurance Company of Pittsburg, no loss; National Union Insurance Company of Pittsburg, \$32,000, \$22,000; New York Underwriters Agency, \$40,000, \$25,000; North River Insurance Company of New York, \$12,966, \$7,156; North-West Fire Insurance Company of Winnipeg, \$11,000, \$11,000; Phoenix Insurance Company of Hartford, \$15,000, \$15,000; Providence-Washington Insurance Company, \$12,000, \$5,000; Queen Insurance Company of America, \$70,000, \$35,000; Royal Insurance Company of Liverpool, \$115,000, \$103,000; Scottish Union and National Insurance Company, \$3,000, \$2,000; Union Assurance Society of London, \$28,000, \$28,000; West Assurance Company of Toronto, \$4,000, \$4,000; Yorkshire Insurance Company of York, England, \$16,000, \$7,500.

Port Arthur, Ont.—December 12—Passenger station and offices Canadian Northern Railway. Estimated damage on stock, \$1,000; on buildings, \$11,000. Insurance on stock, \$5,000; on buildings, \$25,000. Carried in the Western Assurance Company.

Regina, Sask.—December 18—Winter Fair building destroyed. Estimated damage on contents, \$500; on building, \$140,000. Insurance, \$101,200. Carried in 96 companies.

St. John, N.B.—December 13—St. David's Presbyterian church destroyed. Insurance is distributed among 15 companies as follows: Norwich Union, \$5,000; Queens, \$3,000; London-Lancashire, \$2,000; Scottish Union and National, \$1,500; Quebec, \$4,500; Employers, \$5,000; Firemen's Fund, \$4,750; Montreal Underwriters, \$5,000; Hudson Bay, \$3,000; Westchester, \$4,500; Home Underwriters, \$2,000; Phoenix, \$2,000; Royal, \$5,000; North British and Mercantile, \$3,000; New York Underwriters, \$5,000; total insurance, \$55,250. \$50,000 on buildings, \$5,250 on furniture.

December 14—The insurance on the building and on the stock of the National Clothing Company and Fred. A. Johnson is as follows: Building—London and Lancashire, \$7,000; Queen, \$6,000; Insurance Company of North America, \$5,000; Providence-Washington, \$3,500; London Assurance, \$3,500; Quebec, \$3,000; total, \$28,000. National Clothing Manufacturing Company's stock—Aetna, \$4,000; Hartford, \$3,000; Law Union and Rock, \$3,000; Royal, \$3,000; North-British, \$2,500; London and Lancashire, \$2,500; New York Underwriters, \$2,500; London Guarantee, \$2,500; Ocean, \$2,000; Union of Paris, \$1,000; Canada Accident, \$1,000; Queen, \$3,000; total, \$30,000. Fred. A. Johnson's stock—Acadia, \$1,000; British Colonial, \$2,000; Dominion, \$2,000; London Mutual, \$2,200; Northern National, \$2,500; Occidental, \$2,000; total, \$11,700.

Toronto, Ont.—December 6—Mr. A. H. Jeffrey, manager and secretary of Polson Iron Works, Limited, reports the losses and insurance carried, respectively, as follows: Loss to the pattern and carpenter shop and pattern storage buildings, \$14,500, \$14,500; loss to contents of pattern and carpenter shop building, \$20,000, \$20,000; loss to patterns stored in pattern storage building, estimated, \$60,000, \$30,000; loss to steamer on stocks and furniture and woodwork for same stored in buildings burned, \$60,000, \$60,000. Full insurance was not carried on the patterns in the pattern storage building. The loss was estimated at \$60,000.

Valleyfield, Que.—December 13—Part of Montreal Cotton Company's plant destroyed. Caused by the explosion of a four hundred kilowatt electric generator in the largest power house. Estimated loss, \$100,000.

Wallace, N.S.—November 6—Barn of T. H. Cochran destroyed. Cause, incendiarism. Estimated loss, \$6,000.

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INVESTMENTS AND THE MARKET

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

Granby Copper Company.—The regular quarterly dividend has been declared by the company at the rate of \$10 per annum. The company has 150,000 shares of issued capital and \$2,514,400 bonds due in 1928. Its quick assets on June 30th were \$5,219,000. At \$66 per share, the present market for the stock and par for the bonds—less the above quick assets, the whole Granby mine, smelter, converting and power plants are given a valuation of but \$7,500,000, or less by \$1,500,000, than the combined profits of the fiscal years of 1910 and 1917.

Based on the output for the year ended June 30th, 1917, it had 278 pounds of production per share of stock. Carrying the same sort of calculation a little further the Wall Street Journal figures that its annual output is selling in the stock market for but 18 cents per pound. As well regarded copper flotations have been offered to the public on the basis of capitalizing annual output at \$1 per pound, the figures stand out in striking contrast.

The company has for years been handicapped by high cost of coke and irregular deliveries. To obviate these difficulties it has acquired a high grade coal property, one seam of which shows 20,000,000 tons of high grade coking coal. Between \$1,200,000 and \$1,500,000 will be spent in developing and bringing the new property to a productive stage, all of which will be taken from earnings.

The following are the operating figures for a series of years ended June 30th:—

	1917.	1916.	1915.	1914.
Ore treated, tons	1,558,345	1,929,205	1,098,020	1,289,000
Copper produced,				
lbs.	41,878,568	42,198,083	26,638,912	23,320,097
Silver, ounces ..	599,349	487,845	377,881	435,275
Gold, ounces ...	29,821	44,848	31,388	43,882
Cost per pound,				
(cents)	13.94	12.30	10.66	11.50
Average price received (cents)	27.4	22.98	15.87	14.58

For the ten years 1908-1917, the company's aggregate net profits were \$12,915,537, or \$88.04 per share. Dividends paid were but \$34 per share. The record of earnings, dividends, working capital, etc., are as follow:—

	Operating profits.	Earn per share.	Dividends.	Working capital.
1917	\$5,256,100	\$34.82	\$9.00	\$5,219,007
1916	4,107,621	25.46	6.00	3,748,025
1915	1,340,557	6.19	....	1,677,520
1914	622,071	2.93	6.00	843,595
1913	1,214,599	7.99	3.00	2,075,234
1912	583,379	*....	....	934,837
1911	217,416	1.46	1.00	958,600

*The sum of \$600,562 was charged out of earnings and surplus for depreciation, leaving no net profits for the year 1912.

At \$66 per share, its present quotation, Granby is selling at a discount of \$54 from its best price last year. In fact it is \$13 per share under the low of 1916, and only \$8 above the low of 1915. The \$10 dividend calls for but \$1,500,000 per annum. A profit of only 4 cents per pound on 40,000,000 pounds of annual output will cover this dividend. It is clearly to be seen that the present disbursements to shareholders are amply protected unless unlooked for cash necessities should arise. At its present price the investment nets a return of over 14 per cent.

Dominion Bridge Company.—"The profits for the year ended October 31st last," said President Phelps Johnson, "show a contraction, the net available for distribution amounting to \$1,186,436, against \$2,762,280 in 1916, a decrease of \$1,575,844. The percentage earned on capital stock was 18.2 against 42.5.

The result is described in the directors' report as "disappointing," with the disappointment due "very largely to unremunerative contracts for shells and other munition work." But it is well to note in this connection that, while the profits are smaller than in either of the two years immediately preceding, they are larger than in any year prior to 1914-15, and a showing of more than 18 per cent. earned for shareholders,

after depreciation, would be considered exceptionally good, if judged by any other than the inflated standards of the past two or three years of war profits.

"The only deductions from net earnings, apart from dividends, are \$300,000 transferred to special reserve against inventories and \$82,620 transferred to investment reserve. The form in which the year's results are presented is slightly changed, details being given as to depreciation allowance, for instance. Such comparisons as may be made with previous years follow:—

	1917.	1916.	1915.
Profits	\$1,360,533	\$2,776,390	\$1,344,347
Less:—			
Directors	14,110	14,100	13,910
Interest, etc.	30,330	*	*
Bad debts reserve.....	6,555	*	*
Depreciation	123,101	*	*
Total deductions	\$ 174,097	\$ 14,110	\$ 13,910
Net earnings	1,186,436	2,762,280	1,330,437
Dividends	747,500	1,300,000	568,750
Balance	\$ 438,936	\$1,462,280	\$ 761,687
Reserves	382,620	588,107	204,282
Balance	\$ 56,316	\$ 874,073	\$ 557,404
Written off .....	.....	.....	174,586
Balance	\$ 56,316	\$ 874,073	\$ 382,817
Previous balance	1,623,274	749,100	366,283
Total profit and loss....	\$1,679,500	\$1,623,274	\$ 749,100

*Provided for before showing profits.

"Contracts have been secured for marine engines and boilers, totalling in value about \$1,170,000.

"The balance sheet shows that plant additions made during the year cost \$534,667, while investments in other companies increased \$183,718. This, with an increase of nearly \$700,000 in the net amount expended on uncompleted contracts and an increase in accounts receivable, explains an increase of upwards of a million dollars in current liabilities. Temporary loans of \$1,150,000 have been contracted.

"Notwithstanding the foregoing, the margin of working capital remains substantial at \$1,797,449. That is \$461,000 less than a year ago, but the showing is arrived at after deducting from inventories the special reserve of \$300,000 established to provide against any sudden drop in the prices of materials. These, it is stated, had previously to the reserve position been inventoried at well below cost or current market prices. The further precaution of the reserve provision therefore materially strengthens the company's position against any sudden adjustment in the steel market.

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

	1917.	1916.
Capital stock	\$ 6,500,000	\$ 6,500,000
Reserves—		
Depreciation	386,704	386,704
Accidents	181,358	181,358
Insurance	56,786	69,287
Investments	386,663	304,043
Total reserves	1,011,513	941,393
Accounts payable	1,288,309	1,221,425
Dividends payable	162,500	325,000
Bank loans	1,150,000	.....
Mortgage	84,442	84,442
Surplus	1,679,590	1,623,274
Total	\$11,876,355	\$10,695,536
	Liabilities.	
		Assets.
		1917.
		1916.
Plant	\$ 4,265,645	\$ 3,854,079
Investments	3,164,590	2,980,872
Cash	463,337	291,490
Deposits	112,680	115,354
War bonds .....	.....	616,143
Due from work	1,366,033	701,780
Accounts receivable	1,202,772	1,076,486
Inventories	1,253,434	1,003,530
Insurance, etc.	47,860	55,788
Total	\$11,876,355	\$10,695,536



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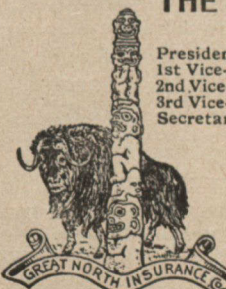
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