

Monetary Times

Trade Review and Insurance Chronicle of Canada

VOLUME 58
No. 21

TORONTO, MAY 25, 1917

ESTABLISHED
1867

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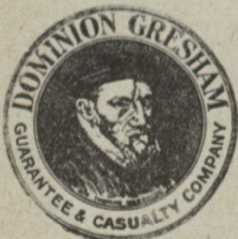
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PUBLISHED EVERY FRIDAY

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The Monetary Times
Printing Company
of Canada, Limited

Publishers also of

"The Canadian Engineer"

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Established 1867

Old as Confederation

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Canada's Valuable Nickel Industry

NICKEL Can Be Economically Refined in Ontario—The Province Can Compete Successfully With Any Other Country—Government Ownership Not Recommended—Canada Has Advantages But Not a Monopoly—Summary of Royal Commissioner's Report.

THE suggestion has been made in certain quarters that government ownership will solve many of the questions which have been raised in connection with the Canadian nickel deposits. The Royal Ontario Nickel Commission, appointed in September, 1915, by the Ontario government, to investigate the resources, industries and capacities of that province in connection with nickel and its ores, have presented an extensive report. The commissioners point out that to expropriate the deposits and plants of the Sudbury nickel area would probably cost not less than \$100,000,000, a sum approximately equal to the total paid-up capital of all the chartered banks in Canada. They add: "There is no certainty that large profits can be made every year from the nickel industry. The present activity is in part due to well-understood causes, which it is to be hoped will never recur. In the past the output has had to be curtailed at times. If the price of nickel should fall profits will naturally decrease. The nickel industry is to a considerable extent dependent for its success on the highly trained and specialized technical men who superintend it, who command salaries far beyond those which are paid in the government service to the most highly placed employees. Besides, nickel is not a necessity of life, nor an article of universal consumption or use, and the nickel business is in no way comparable to those connected with the operation of public utilities where government ownership may be beneficial or expedient. In short, there does not seem to be any good reason why the people of Ontario should be asked to adventure so large a sum of money as would be required for the purchase of the nickel deposits and plants."

After references to the various countries they visited, including United States, Great Britain, France, Norway, Cuba, Australia and New Caledonia, and to numerous mines, works, plants, smelters, etc., on this side of the Atlantic and on the other, and also to their interviews and conversations with Mr. Bonar Law, then secretary of state for the colonies, and other British government officials, the commissioners go on to say:—

"The two questions that have been uppermost in the numerous discussions that have taken place concerning Ontario's nickel industry during the last twenty-five years, are (1) Can nickel be economically refined in Ontario and (2) Are the nickel deposits of Ontario of such

a character that this province can compete successfully as a nickel producer with any other country. It will be seen that the commissioners have no hesitation in answering both of these questions in the affirmative."

The opening chapter of the report deals with the agitation which has gone on from the beginning of the industry in favor of the refining of nickel in Ontario, the various steps which governments or parliaments have from time to time taken to realize this desire, and the negotiations with the Imperial government for the same purpose are summarized. The famous offer of the Ontario government to the British authorities in 1891, to give the latter a substantial, if not a controlling interest in the nickel mines of the province, if they would agree to establish refining plants and make nickel-steel here, is recalled. Doubt is cast, not upon the good faith of the offer, but upon the possibility of implementing it, if it included only the nickel deposits at that time remaining in the possession of the Crown. It is stated that most of the great deposits now being worked had already been parted with before the date of the offer. Nevertheless, the report says that the action of the government was a notable one, arguing remarkable insight into the future, and "had the offer been met with an equal degree of imagination on the part of Great Britain, it is not easy to say what the results would have been. Even with the deposits found since 1891 a good deal of nickel could have been obtained, and it could always have been possible to purchase privately owned properties."

At the beginning of the enquiry it was asserted by the companies interested that nickel could not be economically refined in Ontario. The commissioners, therefore, naturally express gratification at the assured prospect of the erection in Ontario of two large plants for the refining of nickel.

One is now being constructed by the International Nickel Company of Canada, Limited, at Port Colborne. The company has obtained a site of 400 acres on which 2,000 men are now at work, and is erecting a plant whose initial output will be on the basis of 15,000,000 lbs. of nickel per annum, and provision is made for doubling or quadrupling this capacity. The matte to be refined here will come from the smelters of the Canadian Copper Company at Copper Cliff, and for the treatment of which there will be required bituminous coal, coke, fuel oil, nitre-cake,

and other chemicals and materials, estimated at 100,000 tons annually. The plant is expected to be in operation and turning out refined nickel in the autumn of the present year.

The second refinery is that of the British America Nickel Corporation, Limited, a company controlled and largely financed by the British government, which has purchased the large Murray mine, the Whistle, and other deposits in the Sudbury region. This refinery will probably be erected at the Murray mine, which is about three miles from Sudbury. The refining process employed will be the electrolytic, otherwise known as the Hybinette process, from the name of the inventor who uses it in the Norwegian works. This plant will have a capacity at the beginning of 5,000 tons of nickel per annum.

As to compulsory measures for ensuring that the whole of the nickel output of Ontario should be refined within her borders, the commissioners say they are advised that the provincial legislature has not power to prohibit export or to impose an export tax directly, and that the power of the province in effect to regulate export by differential taxation in favor of nickel refined within the province, is a matter of grave doubt. The completion and operation of these plants, in the view of the commissioners, especially because of the probable extension of the facilities now being provided, will go far towards a solution of the question of home refining, which has so long exercised the public mind. The output of these refineries, added to the nickel now being produced in England from Ontario matte, will fully meet, if not surpass, the entire requirements of the British Empire.

A custom smelter for nickel ore has sometimes been suggested by individual owners of nickel deposits or small companies. The report states that the British America Company are prepared to consider this question and that if such an arrangement could be effected it would answer all probable requirements.

Canada Has Advantages, Not Monopoly.

The commissioners conclude that while it is true Ontario has no monopoly of nickel, it possesses many advantages over all competitors, even under the present conditions of the market as to prices and trade connections. In any keen competition as to prices it is doubtful whether any locality at present known or suggested could compete with Ontario. It is a matter of record that at one time of low prices the leading New Caledonia company was compelled to suspend its dividends. It may be doubtful, further, whether anything but an arrangement of the market between the great interests can prevent the complete domination of the world's trade by the nickel industry of Ontario making the best use of its exceptional resources.

Prior to the war, nickel, in whatever country produced, was sold like any other metal wherever there was a market for it, and was treated solely as an article of commerce without regard to international relations. A schedule is given showing the countries in which the shares of the International Company are held. This covers 89,126 shares of preferred stock and 1,673,384 shares of common stock. The great bulk of the shares are held in the United States, Canada and Great Britain coming next. Only 256 shares of preferred and 452 shares of common stock are held in Germany and Austria.

Full details are given of the reorganization of the International Company in 1912, and the absorption of other companies in Ontario and New Caledonia. On 31st December, 1916, the common stock stood at \$41,834,600,

and the preferred at \$8,912,600, making a total share liability of \$50,747,200. Another table shows common stock dividends paid from 1910 to 1916, a total of \$30,942,238.

The profits from 1903 to 1916 aggregated \$39,850,356; total assets, \$61,230,813. Little further allusion is made to the question of any possible exports of nickel to Germany during the war, the commissioners stating that this question was not within their jurisdiction.

The Mond Nickel Company operates on a smaller scale than the Canadian Copper Company. It works the Garson, Worthington, Levack, Victoria and Kirkwood mines, the ore from which it smelts at the plant at Coniston, erected two or three years ago. The matte is sent to Clydach in Wales, where it is refined by the Mond process, invented by the late president of the company, Dr. Ludwig Mond. The products of the refinery are metallic nickel, nickel salts, and copper sulphate. The market for the latter is in the vine-growing countries of Europe, where it is used to combat the enemies of the grape.

By-products from Sudbury Ores.

Some space is devoted in the report to a possible product from the Sudbury ores or slags, namely, nickel-copper steel. There has been a prejudice against the presence of copper in steel, but much recent experimentation has tended to show that this prejudice is unfounded, if the copper is not too high; indeed, there is reason to believe that the presence of a limited proportion of copper in steel is beneficial, and also that it is capable of replacing a proportion of the nickel in nickel-steel up to at least one-third of the combined quantities of nickel and copper. Experiments made for the commission by Professor Guess, of Toronto University, fully confirmed these conclusions. Copper also appears to assist steel in resisting corrosion.

The production of nickel as a by-product was investigated by the commission. Such production is of considerable importance. By-product nickel comes mainly from the electrolytic refining of Blister copper, copper ores almost invariably carrying a small proportion of nickel. About 815 tons of nickel were obtained in 1915 from the refining of copper from the United States, and the tremendous production of copper going on in the States will largely increase this quantity. In addition, scrap metal containing nickel is continually being re-treated and the nickel recovered. The production of by-product nickel, though small in comparison with the output of ores worked for that metal, has much bearing upon possible supplies of non-Canadian nickel for export to enemy or other countries.

Precious Metal Contents of Sudbury Ores.

The commissioners point out that the importance of the precious metal contents of the Sudbury ores has not in the past been fully recognized. These consist of gold, silver, platinum, iridium and other rare elements. The proportions of these metals which the ores carry are minute and appear to vary in the several deposits. Roasted matte from one of the companies showed .1235 ounce platinum and .119 palladium, .027 gold and 1.84 ounces silver, while the other company's mattes were: platinum, .988 ounce; palladium, .984 ounce; gold, .256 ounce, and silver, 6.155 ounces per ton. Platinum is at present very scarce and the price unusually high; palladium is being substituted for it wherever suited. Both these metals are now worth at least five times as much per ounce as gold.

The Orford refining process recovers a much smaller quantity of the precious metals than the Mond and electrolytic processes. The recovery of the metals of the platinum group constitutes an interesting chapter of the report. It states that the platinum and palladium contained in the Copper Cliff mattes for the year 1916 would be worth \$794,600.

Inevitable Losses in Metal Production.

Losses in mining, smelting and refining are discussed in the report. These are stated to be considerable. Certain losses are inevitable at each of the successive stages of treating the ore. In mining, heap-roasting, smelting, converting and refining, such losses cannot be wholly eliminated. In smelting there is not much reason to anticipate that further savings of the metals can be made. The abolition of heap-roasting would make a small saving in nickel and copper. The whole of the sulphur in the ore must be got rid of and at present all goes to waste. The question of the possible recovery and utilization of sulphur fumes is given a chapter in the report. Fumes from the roast-heaps are most objectionable and injurious, and there is no means of collecting the sulphur given off from the heaps. A million tons of ore contains sulphur enough to make a million tons of sulphuric acid, but sulphuric acid can only be produced at

heavy loss, since the freight charges to market on so bulky an article would cost more than the article is worth.

A chapter is devoted to statistics of nickel production, showing the output of Ontario, New Caledonia, Norway, and other countries.

The important subject of taxation is dealt with in the concluding chapter. The commissioners were instructed to report upon a just and equitable system for taxing, not only nickel and copper mines, but mines of all kinds. Their report is, that the present method of taxation on net profits is the fairest and best. In their opinion the present rate of 3 per cent. should not be raised beyond 5 per cent. Gold mining companies occupy a unique position; their product has a fixed price of \$20.67 an ounce, and while all other metals have advanced, some of them very materially, the gold companies get no more for their product than before, yet their costs are largely increased by the higher prices for labor and cost of supplies.

The Royal Ontario Nickel Commission is composed of the following members: Geo. T. Holloway, associate of the Royal College of Science, London, and vice-president of the Institution of Mining and Metallurgy, and English metallurgical expert of high repute; Dr. W. G. Miller, provincial geologist, and McGregor Young, K.C., a well-known barrister of Toronto. Thomas W. Gibson, deputy minister of mines, acted as secretary.

UNLICENSED FIRE INSURANCE

An increase during the past year of some \$12,000,000 of unlicensed fire insurance in force in Canada is shown in the annual report of the Dominion department of insurance. The figures for the two years are as follows:—

Province in Which Property is Situated.

	1915	1916.
Nova Scotia	\$ 5,713,674	\$ 6,304,087
New Brunswick	10,733,775	8,358,815
Quebec	76,907,525	89,054,985
Ontario	103,645,877	105,100,547
Manitoba	9,462,290	11,383,827
Saskatchewan	9,030,304	8,515,339
Alberta	6,723,638	6,099,883
British Columbia	13,196,664	12,559,055
Prince Edward Island	16,850	19,702
Yukon	340,000	401,800
	\$235,770,597	\$247,798,040

Nature of Property Insured.

Lumber and lumber mills	\$ 15,488,299	\$ 14,680,118
Other industrial plants and mercantile establishments	154,450,371	173,567,202
Stock and merchandise	40,649,711	34,727,095
Railway property and equipment..	24,896,076	24,048,237
Miscellaneous	286,140	775,388
	\$235,770,597	\$247,798,040

Nature of Insurers.

Lloyds Associations	\$ 63,188,168	\$ 54,040,523
Reciprocal Underwriters	22,109,561	27,111,426
Mutual Companies	119,174,939	124,704,514
Stock Companies	31,297,929	41,941,577
	\$235,770,597	\$247,798,040

The following companies with Ontario charters, have changed their names:—The Unique Shoe Company, Limited, to the Simcoe Shoe & Glove Company, Limited; McConnell & Prospectors Exploration Company, Limited, to Amick Mining Company, Limited.

DEATH RATE IN CANADIAN FORCES

One Man Out of Every Seven, According to Life Insurance Actuary

That the loss of life among Canadian troops on the battlefields of Europe has been as high as one man in every seven was indicated from reports of the Canadian representatives of insurance companies who were delegates at the convention of the Actuarial Association of America at New York.

The highest mortality has been in the infantry service, where, some of the actuaries said, the death rate at times reached 20 per cent. The lowest is in the medical corps.

Canadian and other insurance companies doing business in the Dominion paid out nearly \$7,000,000 in claims up to December 31, 1916, according to Mr. A. B. Wood, actuary of the Sun Life Insurance Company.

Mortality Caused by Battles.

"The war rates of the Canadian companies run from \$75 to \$150 a thousand per year to men in service in Europe," said Mr. Wood. "At the outbreak of the war \$50 a thousand was charged, but as soon as the casualties began to come it was realized that this was too low and the rates were advanced."

"All the Canadian companies have protected the policies that were in force when the war began. They charged no extra premiums on these. At that time most of the companies charged no extra premiums on new policies for service within the country. The difficulty in fixing a war rate was that we had no definite basis to work on, for this war is unlike any other, most of the mortality being caused by battle and very little by disease."

Popularized Life Insurance.

A surprising thing about the war was that it had made the general public realize how valuable a thing insurance is. The result was that the companies, despite the millions they had paid out since the war began, were doing a larger business than ever in their history.

"The companies have been able to meet all their obligations, and have not found it necessary to make any changes in their dividends to policyholders," Mr. Wood added. "War has popularized insurance, and made the once unwelcome insurance solicitor a friend."

"It is remarkable to think that despite the fact that more than 400,000 of our best young men have gone to the front, or are on their way there, there has been a big increase in our business each year over the previous year."

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

Municipal officers handling civic finances will be interested in the recommendations of Messrs. Kinnaird and Henderson, auditors of the city of Edmonton's annual returns. They say in their report:—

"The alarming drain upon the city of Edmonton's resources by the ever-increasing amount of annual interest payments upon borrowed money has been pointed out. It follows also as a necessary consequence that the security for repayment of borrowings is being depreciated. The conditions of municipal administration render it entirely unavoidable to finance otherwise than by borrowed money, but the efficient management of municipal finance demands that all borrowings should be carefully controlled, and, if possible, kept within the limits of actually available resources. In other words, the levying of taxes to the full amount of ascertained requirements must necessarily prove insufficient if taxes are not collected or collectable in full, and an accumulative increase of debt must result, which ought to be subject to control. It appears to us that the time has arrived when it is absolutely necessary that some measures should be adopted to establish a closer relationship than at present exists between the actual realized revenue and the nominal revenue. We would recommend that immediate and careful consideration be given to this matter."

In the body of the report, commenting on the control of Edmonton's expenditures, they remark, "that the result of the general revenue and expenditure account for the year is a surplus of \$44,094, apparently brought about by careful criticism and control of all expenditures."

Hamilton, Ont.—The board of control recommends that an issue of \$100 bonds bearing 5 per cent. interest be sold locally at par.

Teulon S.D., Sask.—Mr. J. A. Thompson, Winnipeg, has purchased the \$16,000 issue of 6 per cent. 20-year bonds of the Teulon S.D.

Halifax, N.S.—The city treasurer has been authorized to arrange a loan of \$251,000 from the Royal Bank.

East Kildonan S.D., No. 14, Man.—A by-law to borrow \$15,000 is to be voted upon May 30th. H. Thompson, secretary-treasurer.

Bruce County, Ont.—Tenders close on June 8th for \$100,000 5½ per cent. 20-year bonds. N. Robertson, county clerk, Walkerton. (Official announcement appears on another page.)

Simcoe, Ont.—Tenders close on May 30th for \$39,447 5½ per cent. 20-year bonds and \$4,840 5½ per cent. 20-year bonds. F. Reid, town treasurer. (Official announcement appears on another page.)

Mitchell, Ont.—The by-law to issue \$10,000 bonds for good roads has been carried. The taxpayers also voted in favor of a by-law to guarantee a site and grant a fixed assessment of \$3,000 to A. Burrit and Company for a new knitting factory.

Weiland, Ont.—None of the nine offers made for the \$40,000 5½ per cent. 20-year bonds were accepted. The bids were:—

R. C. Matthews and Company	96.65
W. A. Mackenzie and Company.....	96.03
Canada Bond Corporation	95.80
C. H. Burgess and Company	95.07
A. E. Ames and Company.....	94.78
Imperial Bank	94.28
Brent, Noxon and Company.....	94.00
A. H. Martens and Company	93.00
Dominion Securities	92.63

A bid for \$3,000 of the bonds at par was accepted, and the council authorized the treasurer to offer the bonds at par to local investors.

Saskatchewan.—The following is a list of bond applications granted by the local government board:—

School Districts.—*Manchester, \$1,200, 10-years, not ex. 8 per cent. instalment. John Fletcher, Farmingdale; Limerick, \$8,000, 20-years, not ex. 7 per cent. annuity. J. Lindsay, Limerick; *Dovedale, \$1,200, 10-years, not ex. 8 per cent. annuity. J. Riglin, Yarbo.

*Being sold through the local government board.

Village.—Aylesbury, \$2,000, 15-years, not ex. 8 per cent. instalment. N. H. Paterson, Aylesbury.

Saskatchewan.—The following is a list of bonds reported sold:—

School Districts.—Wild Flower, \$1,600. Canada Landed and National Investment Company, Winnipeg; Narrow Lake, \$1,400. Canada Landed and National Investment Company, Winnipeg; Marshall, \$1,000. Canada Landed and National Investment Company, Winnipeg; Langholm, \$1,700. H. O'Hara and Company, Toronto; Eston, \$4,000. H. O'Hara and Company, Toronto; Hessledale, \$1,600. H. O'Hara and Company, Toronto. Haig, \$1,400. H. O'Hara and Company, Toronto; Barra, \$1,600. W. L. McKinnon and Company, Toronto.

Rural Telephone Companies.—Bethune South West, \$3,300. Nay and James, Regina; East Milden, \$14,000. Kerr, Fleming and Company, Toronto; Twin Valley, \$17,000. Kerr, Fleming and Company, Toronto; Grain Belt, \$4,000. O. L. McQuay, Regina; Sunnyside, \$12,500. J. A. Thompson, Winnipeg.

Village.—Foam Lake, \$2,500. Great-West Life Assurance Company.

RAILWAY BOND ISSUE FOR SALE

Tenders for \$547,400 5 per cent. 20-year gold bonds of the Lacombe and Blindman Valley Electric Railway Company's bonds will be received by the Merchants Bank of Canada, Toronto, up to June 14th. This issue of bonds is guaranteed as to principal and interest by the province of Alberta. The official announcement appears elsewhere in this issue.

IMPERIAL BANK OF CANADA

The net profits of the Imperial Bank of Canada for its fiscal year ended April 30th were \$1,122,818 compared with \$1,003,960 a year ago. The balance of the profit and loss account carried forward was \$1,164,876 compared with \$1,089,656 a year ago. These results were obtained after the payment of substantial war taxes and special patriotic contributions amounting in all to nearly \$100,000, and also after serving the public interests in a manner which has materially helped to build up the excellent reputation which the Imperial Bank has had for 42 years. The shareholders received dividends at the rate of 12 per cent. per annum, accounting for \$840,000 of the profits. A contingent appropriation of \$100,000 was made to cover depreciation in bonds and debentures, a wise provision. Nothing was credited to the reserve fund last year but that account already totals \$7,000,000, an amount equal to the paid-up capital.

At the end of the fiscal year, the Imperial Bank carried deposits of the public exceeding \$66,000,000, a notable tribute to the confidence generally reposed in this institution. The bank has total liabilities to the public of \$75,400,000. The heaviest asset is the sum of \$41,192,000 representing current loans and discounts in Canada. Loans to provincial governments, municipalities, and call and short loans in Canada on bonds, debentures and stocks, total \$8,439,000. Dominion and provincial government securities, Canadian municipal securities, British, foreign and colonial public securities, railway and other bonds, debentures and stocks, make up a substantial item in the assets, namely, \$14,866,000. Current coin held by the bank and Dominion government notes aggregate \$11,507,000.

The statement presented to the shareholders on Wednesday proved very gratifying to them. The Imperial Bank, which was established in 1875, with head office in Toronto, has had a long and successful career. Its forty-second annual financial statement reflects an exceptionally strong position. The bank's affairs are being carried on under an active and influential directorate, composed of Peleg Howland, president; Elias Rogers, vice-president; Wm. Ramsay of Bowland, Stow, Scotland; Cawthra Mulock; Hon. Richard Turner, Quebec; Wm. Hamilton Merritt, M.D., St. Catharines; W. J. Gage; Sir James Aikins, K.C. Winnipeg; Hon. W. J. Hanna, M.P.P., John Northway, J. F. Michie, and J. W. Woods. Not a little of the bank's success is due to the general management of Mr. E. Hay with the assistance of Mr. W. Moffat and Mr. G. D. Boulton, chief inspector. The Imperial Bank is well represented in the western provinces, (where Mr. A. Phipps is western superintendent), as well as in Ontario and Quebec. Mr. W. D. More is secretary of the bank.

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
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The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor. The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

BUSINESS IN QUEBEC

A number of Canadian firms appear to recognize the value of the French language as an aid to developing trade with Quebec province. Aside from racial and political considerations, many firms in Ontario and elsewhere tell *The Monetary Times* that their business has greatly increased as a result of printing their catalogues and circulars in the French language for circulation in that section of the country. Instances are known where letters in English have been thrown away by the recipients without any effort to ascertain their contents; the same applies to catalogues and other advertising matter printed in English. An inquiry recently made by *The Monetary Times* yields the general opinion that as there are many country districts in the province where French is practically the only language spoken, it is obvious that the use of the French language should be a factor in increasing sales there.

An Ontario correspondent relates his business experiences in Quebec and points out that to do business with anyone who speaks in a language which is best understood will bring best results. For that reason, it is well that the language of the country into which a person goes to do business should be known by him. Besides a knowledge of the language, it is well to have some knowledge of the habits, customs, and characteristics of the people. Personal individuality has a strong influence in doing business. Some interesting opinions on the subject are printed on another page.

It is often said that French-Canadians do not speak the "genuine Parisian French." According to Mr. Leon Lorrain, secretary of the Montreal Chamber of Commerce, there is not such a thing as Parisian French. "In Paris, Montreal, Quebec or any other French-speaking centre," he says, "people speak more or less correctly according to the education they have received, but they speak French. In a parallel case, the English language, though spoken with a different accent in each country, is still the English language understood by all."

RESOURCES OF THE EMPIRE

That a wider policy will be required so that the British Empire may be able to reap the benefit of its special effort to utilize its resources during the war and may permanently profit by the mutual help which each part has rendered to the others, is the opinion of the Dominions Royal Commission. In its final report, signed by representatives of the United Kingdom, Canada, New Zealand, South Africa and Newfoundland, a tribute is paid to the overseas dominions for what they have done in placing their resources at the disposal of the Imperial government and in co-operating in all matters relating to the manufacture and the exportation of their products. The dual object has been to prevent the enemy from receiving supplies and to secure for the British and Allied governments the supplies which they require.

In its broadest aspect, the policy has been to establish prohibitions of exportation coupled with a system of licensing, so as to ensure that so far as necessary the whole of the export of commodities essential for the war should come under government control both as regards quantities and destination. In many cases, however, still more energetic action has been necessary in order to secure the absolute command of certain classes of goods. Some outstanding examples of this policy have occurred in connection with wheat, meat, cheese, wool, tallow, glycerine, gold, copper, lead, zinc, nickel, asbestos, coal and pit props.

During the course of the war, we have had striking illustrations as to the immense power which the governments of the United Kingdom and the overseas dominions can exert to control the course of trade and the development of natural resources when necessity arises. The various measures taken, however, have been dictated from day to day by the urgent and changing needs of the moment. The success of the action achieved during the war, despite the lack of co-ordinated efforts or maturely considered plans, has led to the hope that the various governments of the Empire will take steps to secure, as soon as conditions permit, the development and utilization of their natural wealth on a well considered scheme directed towards a definite and recognized object. The Dominions Royal Commissioners express the opinion that it "is vital that the Empire should, so far as possible, be placed in a position which would enable it to resist any pressure which a foreign power or group of powers could exercise in time of peace or during war in virtue of a control of raw materials and commodities essential for the safety and well-being of the Empire and it is towards the attainment of this object that co-ordinated effort should be directed.

As the first step towards ascertaining how such independence can be secured, the commissioners recommend that an immediate survey be undertaken of the relation between Empire production and Empire requirements of these materials and commodities, the survey to be made by an Imperial Development Board. This body would be entrusted with the duty of watching and reporting on the changing requirements of the Empire in respect of raw materials. Throughout the report of the commission, recommendations are made with a view to harmonizing the interest of the various sections of the British Empire for the general welfare of all sections. Another suggestion is made regarding the need for an Imperial trade policy. It has been a commonplace for years that British manufacturers and merchants should be stimulated to

study and cultivate the dominion markets, and to produce goods of the nature and quality which are required by consumers across the seas. It has equally been a commonplace that the manufacturers of the Mother Country should be urged to use the vast resources of raw materials which the dominions possess. The difficulty has lain in suggesting acceptable measures for the realization of these ideals. Hitherto the proposals made have been mainly the work of advocates of some particular fiscal or other theory, which they pressed, in season and out of season, as a universal remedy. In the judgment of the Dominions Royal Commission, these counsels, however important they may be, cover only a part of the problem. An Imperial policy in the broadest sense, must include much that is not fiscal. "There is no short cut to the formation of such a policy," they say; "what is needed, in our view, is detailed examination of existing conditions, and practical and definite proposals for the removal of difficulties and for securing co-operation." The reports of the Dominions Royal Commission dealing with conditions and sentiment in the United Kingdom and the overseas dominions contain valuable information for the consideration of Empire policies. Indeed, the information is not available elsewhere in such a panoramic form.

HEAVY EQUIPMENT EXPENDITURES

One of the points upon which the majority and minority reports of the Railway Inquiry Commission agree is the immediate need of railroad equipment. Mr. A. H. Smith describes this need as "desperate" and says whatever decision is made with reference to the railways the transportation problem is now acute in so far as equipment is concerned. He recommends that the government undertake at once to provide an ample supply of freight cars and locomotives against immediate and imperative needs. Sir Henry Drayton and Mr. Acworth say that to catch up arrears of maintenance in the case of the Grand Trunk property, \$21,000,000 "must be spent immediately," and to prevent arrears again accumulating future maintenance charges must be much heavier than in the past—not less than \$2,500,000 more annually, according to President Chamberlin's judgment, on equipment alone. New capital expenditure of over \$30,000,000 is also immediately required. The Drayton-Acworth report states also that the Grand Trunk system immediately requires at least 200 more locomotives and 10,000 freight cars, and that the Ontario line from Burlington Junction to Fort Erie urgently requires double tracking. That the question of electrification of that part of the road should be considered forthwith, is another suggestion.

Among the deferred expenditures of the Grand Trunk Railway system are the following items: Rebuilding and reinforcing freight car equipment, \$8,943,000; equipping freight and passenger cars and engines with safety appliances, \$475,000; deferred renewals in maintenance and department, \$11,761,000. The cash expenditure on the single item of rails required to restore normal conditions on the Grand Trunk is reported as \$5,312,000.

The Canadian Northern Railway must spend \$84,000,000 on a five-year programme to put the road on a paying basis, according to a special report made on their behalf. The Drayton-Acworth report says that \$40,000,000 for equipment and \$30,000,000 for betterments would be a moderate estimate of the Canadian Northern System's need in the next five years, assuming that that road remains separate and independent.

According to a statement made by Senator Curry, president of the Canadian Car and Foundry Company, the Canadian railroads require about 40,000 cars to bring their equipment up to present requirements. Whatever is done to solve our railroad problem, very large expenditures are necessary for new equipment to give anything like an adequate freight and passenger service.

WILLS, INSURANCE, TRUST COMPANIES.

A prominent manufacturer who recently died, left a large estate. He carried a substantial amount of life insurance and a will had been made in due form. A reputable Canadian trust company had been appointed executors of the estate and is administering it in due course, in accordance with the wishes of the testator and to the satisfaction of the beneficiaries. A commercial traveller of the same city recently died, leaving a very small estate and no will. His estate had to be administered by his wife, with no business experience, and she had to ask two friends to become sureties for her that she would faithfully administer the estate, and the estate had to be administered without regard to the wishes of the husband who had died. The important difference between the two cases is not that one estate was large and the other small. Rather is it between the prudent forethought of the manufacturer and the thoughtlessness of the traveller. The former exercised his right to say how his property should be distributed by making a will. He made provision against unexpected loss by insuring his life, and he made sure of careful and inexpensive administration of his estate by appointing a trust company to administer it. The latter had no life insurance and he left his estate to be dealt with by an inexperienced administrator, who had to become beholden to her friends and would require expensive advice to enable her to perform her duties. Every man should make a will, however small his estate, and the smallest estate can be increased substantially at a comparatively small annual cost by the securing of life insurance. The younger the applicant the smaller the annual premium. The longer a man postpones the purchase of life insurance the more expensive it becomes, and the more danger there is through failing health of him becoming altogether unable to obtain it at any price. Finally, it has been abundantly proven by the experience of years that whether the estate be large or small it can be administered more economically and satisfactorily by a trust company, with the experience and facilities which it possesses, than by a private individual, who has had no experience and who must purchase at the expense of the estate outside assistance.

WAR TAXATION CEASES THIS YEAR

In an official statement issued last week, Sir Thomas White, finance minister, said that the liability to taxation under the Business Profits War Tax Act ceases at the end of the present year and that the proposed increased taxation applies only to the last annual accounting period of the three accounting periods to which the act of last year applies. In other words, the increased taxation will affect only annual accounting periods, which end after December 31st last. For example, if a company's accounting period ends on May 31st of this year, the company will pay the increased tax in respect of its fiscal year commencing June 1st, 1916, and ending May 31st, 1917, and it will not be liable upon its profits earned after May 31st, 1917. The new tax, therefore, cannot apply to new companies about to establish themselves in Canada.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid up - - - - \$16,000,000
 Rest - - - - \$16,000,000
 Undivided Profits \$1,414,423
 Total Assets - - - - \$365,215,541

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Established 1867

Head Office TORONTO

Paid-up Capital \$15,000,000
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The large number of branches of this Bank in all parts of Canada enables it to place at the disposal of its correspondents unexcelled facilities for every kind of banking business with Canada, and especially for collections.

Savings Bank Department at every Branch
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THE BANK OF TORONTO

INCORPORATED 1855

HEAD OFFICE, TORONTO, CANADA

Capital..... \$5,000,000
 Reserved Funds .. \$6,439,382

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CAPITAL PAID UP \$7,000,000
 RESERVE FUND - 7,000,000

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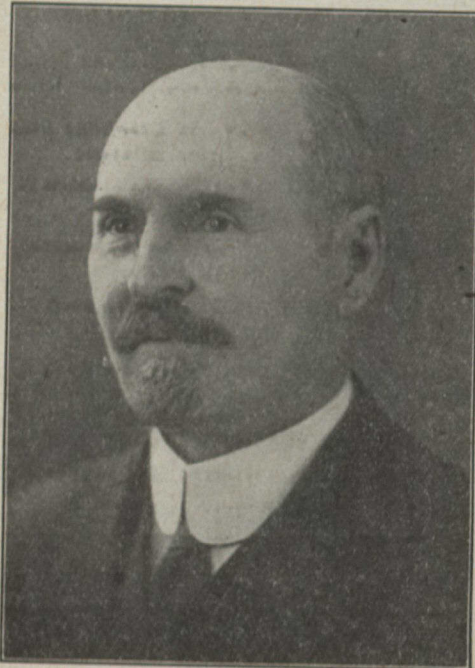
ADDRESS:

THE MANAGER, BOND DEPARTMENT,
 TORONTO

SASKATCHEWAN FARM LOANS BOARD

The farm loans board, whose duty it will be to administer the Saskatchewan rural credit scheme, will consist of Mr. Colin Fraser, of Regina, as commissioner, Mr. J. O. Hettle, of Saskatoon, and Mr. J. H. Grayson, of Moose Jaw. According to the terms of the Saskatchewan farm loans act, Mr. Fraser, as commissioner, will be the managing director of the board and a salaried official, while Messrs. Hettle and Grayson will receive a per diem allowance with expenses while on the business of the board.

Mr. Fraser is a barrister and formerly practised in Toronto. He went to Winnipeg about 20 years ago, and was an inspector of the Western Canada Loan and Savings Company. He then became chief inspector of the Canada Perm-



COLIN FRASER,

Commissioner of the Saskatchewan Farm Loans Board.

nent, and subsequently manager of the loan department of the Mutual Life in Saskatchewan, which position he was holding at the time of accepting the commissionership. He is regarded as one of Saskatchewan's prominent financial men.

Mr. J. O. Hettle has been for many years engaged in banking, and came to Saskatoon as manager of the Northern Crown Bank in 1908. He started a private bank in the year 1912 in the same city, where he has been successful in both financial and real estate business.

Mr. J. H. Grayson is well known as a successful business man, with interests in insurance and real estate. He is one of the old timers of Moose Jaw, of which city he was at one time postmaster.

No loans will be made by the board until after the forthcoming provincial elections, but in the meantime the board will be engaged in completing its organization.

Mr. W. J. Morrice has been elected to the directorate of Canadian Cottons, Limited. He fills the vacancy caused by the death of his brother, Mr. David Morrice.

Second Lieutenant C. Norie-Miller, for ten years manager of the General Accident Assurance Corporation, in Toronto, and since 1912 manager of the corporation for the United States, is reported "missing" and believed drowned. Lieut. Norie-Miller enlisted in Toronto with the Army Service Corps and took a course at the Officers' Training Corps, University of Toronto, leaving for England. There he took out an Imperial commission. He is the son of Mr. F. Norie-Miller, of Perth, Scotland, manager of the General Accident Assurance Corporation.

BANK OF MONTREAL

Considerable progress has been made by the Bank of Montreal during the past half-year. The principal accounts of the bank, with comparisons with the end of its last fiscal year, are as follow:—

	Apr. 30, '17.	Oct. 31, '16.
Total assets	\$386,806,887	\$365,215,541
Deposits bearing interest	232,731,994	210,439,031
Deposits not bearing interest	91,412,284	88,767,018
Notes of the bank in circulation ..	21,891,437	21,779,134
Liquid assets	270,004,422	246,982,680
Dominion and provincial government securities	16,273,465	419,736
Railway and other bonds, debentures and stocks	14,722,192	13,947,120
Canadian, municipal securities, British, foreign and colonial public securities other than Canadian	28,090,026	21,796,159
Current loans and discounts in Canada	91,733,975	93,729,065
Surplus carried forward	1,557,034	1,414,423

The Bank of Montreal ranks among the world's largest financial institutions and has almost a century's record behind it. It is directed by executive officers of international repute. The figures for the past half-year furnish evidence of splendid directorial and managerial care.

The Bank of Montreal's assets stand at \$386,806,887, an increase of over \$21,000,000, as compared with the end of the bank's last fiscal year. Liquid assets amount to \$270,004,422, and are equal to 77.16 per cent. of the liabilities to the public, as compared with 75.20 per cent. at the end of the fiscal year and 64.3 per cent. at the end of the previous year. Of these liquid assets, cash on hand, represented by increased holdings of gold in addition to silver coin, Dominion notes and deposit in central gold reserves is equal to 15.01 per cent., as compared with 12.57 per cent. at the end of the fiscal year. Most of the increase in these holdings is represented by Dominion notes, these now standing at \$30,971,312, as against \$20,273,216, an increase of over \$10,000,000, while, at the same time, the gold and silver coin current are maintained at \$21,556,501. Dominion and British government securities, now standing at \$16,273,465, as compared with only \$419,736 at the end of the fiscal year. This large increase reflects the bank's participation in government war loans. Railway and other bonds, debentures and stocks have increased from \$13,947,120 to \$14,722,192, and Canadian municipal securities, British, foreign and colonial public securities, other than Canadian, amount to \$28,090,026, as compared with \$21,796,159.

In line with the bank's large government business this is likely represented by a further holding of British government securities. The balances due by banks and banking correspondents elsewhere than in Canada, call and short loans in Great Britain and the United States, show a slight falling off, these now standing at \$137,346,807, as compared with \$144,633,334.

RAILWAY EARNINGS

The following are the weekly earnings of Canada's trans-continental railways during May:—

Canadian Pacific Railway.			
	1917.	1916.	Increase.
May 7	\$3,065,000	\$2,763,000	+ \$302,000
May 14	3,123,000	2,592,000	+ 531,000
Grand Trunk Railway.			
May 7	\$1,135,891	\$1,031,468	+ \$104,423
May 14	1,356,646	1,076,436	+ 280,210
Canadian Northern Railway.			
May 7	\$ 734,500	\$ 677,400	+ \$ 57,100
May 14	882,000	748,300	+ 133,700

Mr. C. A. Hayes, general traffic manager of the Inter-colonial Railway, will succeed Mr. F. P. Gutelius as general manager of the Canadian government railway system.

Established in 1836. Incorporated by Royal Charter in 1840.

The Bank of British North America

Paid-up Capital - \$4,866,666
Reserve Fund - \$3,017,333

Statement to the Dominion Government (Condensed), 30th April, 1917

LIABILITIES TO THE PUBLIC

Notes in Circulation	-	-	-	\$ 5,236,467
Deposits	-	-	-	54,763,089
Other Liabilities	-	-	-	947,119
				<u>\$60,946,675</u>

ASSETS

Cash on Hand and in Banks	-	-	-	\$10,540,110
Deposits with Government o/a Note Circulation	-	-	-	1,385,694
Government, Municipal and other securities	-	-	-	13,004,476
Call and Short Loans	-	-	-	7,716,459
Current Loans and Discounts and other Assets	-	-	-	35,882,807
Bank Premises	-	-	-	2,309,564
				<u>\$70,839,110</u>



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.

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67 in Ontario 14 in Western Provinces

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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.

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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—Parr's Bank, Limited. Ireland—Munster & Leinster Bank, Limited. Australia and New Zealand—The Union Bank of Australia, Limited. South Africa—The Standard Bank of South Africa, Limited.

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

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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.

BUSINESS PROFITS WAR TAX

Sir Thomas White Analyses Its Principles—Question of Money is of Secondary Importance

The following are extracts from the address of Sir Thomas White, finance minister, during the budget debate in the House at Ottawa last week:—

The excess profits tax which I introduced last year was limited to three years, to three yearly accounting periods expiring after December 31st, 1914. Reference has been made here this afternoon to the fact that only \$12,500,000 was obtained the first year. But the first year was the year following the outbreak of war, when business was completely dislocated in this country. I stated, when introducing that taxation, that we should derive a much larger amount for the second accounting period. Now, the present taxation applies to the last accounting period; in other words, to the accounting period ending after December 31st, 1916.

Profits to Second Place.

Instead of taking 25 per cent. of the profits in excess of 7 per cent., which is the amount allowed incorporated companies, from 15 to 20 per cent. we are taking one-half the profits, and from 20 per cent. upwards 75 per cent. of the profits. Now, that is a very heavy tax; there is no question about that. It has been brought to my attention that some companies are making from 75 to 100 per cent. on their capital, and, of course, the taxation they will have to pay will be very large, but I submit that that is not the real question before the committee and the House. It is not a question of whether the tax is high, but whether it ought to be paid at this time. This is a time at which the people of this country are making immense sacrifices.

The making of profits, highly desirable in time of peace, and not undesirable, within bounds, in time of war, must take an entirely secondary place; that is the opinion, I think, of all thoughtful people in this Dominion. A mere money question becomes of secondary importance; it is of paramount importance in time of peace, but of secondary importance in time of war. The loss of money or the taking of money by taxation is as dust in the balance compared with these other losses that are taking place in the homes of this country. I do not believe myself that a man who is making 100 per cent. has any right to complain if the government steps in and says it must have 50 or 60 per cent. of their profits, and I believe that public opinion will sustain this taxation measure on these grounds, even if some capital that might have come into Canada does not come in by reason of the imposition of this tax.

Capital Will Come Here.

There is no reason why capital seeking investment should not flow into this country to-day notwithstanding the taxation. Look at the taxation of the United States, actual and prospective. I think the business man of the United States, as one of their leading men told me over there the other day, would not be deterred by this taxation measure from coming into Canada, because he is going to be pretty heavily taxed at home anyway. So that argument is not of very much weight, even from a business standpoint. The people of this country demand that men shall not be permitted to make undue profits in time of war. I say undue profits; I believe the public are quite willing that men should make reasonable profits. It has been said that men will not put forth an effort if we are going to take away 50 or 75 per cent. of their excess profits. I do not believe that is so. I do not believe that any patriotic man will relax his efforts because the government intends to take 50 per cent. or 75 per cent. of his excess profits; I have too high an opinion of the people of this country to believe it.

It must be remembered that under the excess profits taxation we are not taxing capital; the very principle of this measure is the taxation of profits. If profits are abnormal, it must be owing to war conditions; that is, money is being made out of the war, or notwithstanding the war. But take the case of the man with investments, which yield him an income of \$50,000. That would represent 5 per cent. on an investment of \$1,000,000. Now, if you have a company with a capital of \$1,000,000, its annual profits would be exempted up to \$70,000—that is 7 per cent. on its million-dollar capital.

The principle of this tax, I submit, is sound, that if there are firms, companies or businesses in Canada which

in war time are making large profits, they must give a substantial portion of those profits to the Dominion government for the purpose of assisting in carrying on the war. That is the principle. If a company has a capital of a million dollars and is not making 7 per cent., we do not tax that company, notwithstanding that it has a capital of a million dollars. I think that is just, for this reason, that that company may have a capital of a million dollars, and yet it may have a thousand shareholders, each shareholder being interested only to the extent of \$1,000. We know that that company is an entity, but it is made up of a thousand individual shareholders. We are not taxing that capital if they are making less than 7 per cent., but if they are making 40 or 50 per cent., we say: You are making a profit away beyond what we think you should be making in war time; you are making it out of munitions, or out of material which goes into the production of munitions, or out of supplies or other business, and you are making abnormal profits. We say:

To Carry on War.

If you make so much money as that, we propose to take part of it for the purpose of carrying on the war. That is the principle of the bill, and even if it had the effect of preventing capital from coming into this country in war time, which I do not admit, I would still say that it is a proper tax, because it is more important that this money should be raised in war time than that even capital should come in. What about after the war? This tax is limited to three years. I am free to say that an excess profits tax is not a good tax in times of peace because I think then it would have the effect which my hon. friend suggests, and that effect would not be good for the country. But this tax is limited by its terms to a three-year period. If this war goes on—and I confess it looks to me as if it would go on—it might go on for another year, or even longer—then we would have to consider broadening the basis of our taxation. We might have to resort to other modes of taxation, some of which were suggested in this House when the Excess Profits War Tax Bill was under consideration last year, and which have been mentioned in the course of this debate. But it is not necessary to consider these now. We are taking one step at a time in our taxation, and I submit that it is sound. When the war broke out, it would have been a great mistake to have suddenly developed a formidable scheme of taxation. The effect would have been bad upon industry and upon the public.

Cannot Estimate Results.

This new taxation measure will apply more particularly to the larger profits of the third accounting period, and so substantial sums should be realized from it. It is not possible to make even a rough estimate, as we have no figures to which to apply the 50 per cent. and 75 per cent. taken from the excess profits.

The soundest criticism I have heard of this measure has been that it may take so large a sum from a firm or company that the company may not be able to raise that amount of money readily, and that it may, to a certain extent, make the position of the company unliquid. That is the soundest argument I have heard against this measure, but I do not agree that the amount taken, although large, is unduly large in war time.

My hon. friend from Halifax (Mr. A. K. Maclean), who, as usual, made a very temperate speech and put forward his ideas and criticisms very fairly, raised the question why we did not adopt the English policy of establishing the average earnings of a company for the three years preceding the war, and then take only a portion of that excess profit earned now over the average profit earned for those three years. We gave that matter a great deal of consideration, and discussed the English income tax with many who are subject to it.

Is a Better Tax.

I believe that our tax is a better tax, and that is the opinion of many from the United Kingdom to whom I have spoken about it. What has happened in the United Kingdom is this: those companies that did the largest business before the war, that were earning 25 per cent., 30 per cent., or 40 per cent. are in many cases earning that amount to-day and yet are paying nothing. Their average, we will say, was 25 per cent. or 30 per cent. before the war. Since the war they may earn only the same amount, and yet they are going scot free. But companies that earned only 4 per cent. or 5 per cent. before the war, which perhaps had a run of hard luck, or were engaged in a business that was not thriving at that particular time, but are now making perhaps 40 per

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The London, England, Branch
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— THE —
Royal Bank of Canada
 INCORPORATED 1869

Capital Authorized\$ 25,000,000
 Capital Paid-up..... 12,911,700
 Reserve and Undivided Profits.... 14,324,000
 Total Assets 287,000,000

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 C. E. NEILL, General Manager.

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 GRENADA—St. George's; JAMAICA—Kingston;
 ST. KITTS—Basseterre
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Established 1873 120 Branches
 Capital (Authorized by Act of Parliament)\$5,000,000.00
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 Reserve Fund and Undivided Profits 4,053,140.63

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 SAVINGS BANK DEPARTMENT AT ALL BRANCHES

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

PAID UP CAPITAL -	-	\$ 18,526,600.00
RESERVE FUND -	-	13,625,000.00
RESERVE LIABILITY OF PROPRIETORS	-	18,526,600.00
		\$ 50,678,200.00
AGGREGATE ASSETS 30th SEPT., 1916		\$277,488,871.00

J. RUSSELL FRENCH, General Manager

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

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A GENERAL BANKING BUSINESS TRANSACTED
 H. O. POWELL, General Manager

cent., find themselves mulcted to the extent of 80 per cent. of their excess profits. In my opinion, it is very much better to fix a rate of 7 per cent. or 8 per cent. or 10 per cent. as a standard for all companies, and then, if they make excess profits over that rate, to take a proportion of those excess profits. It must be borne in mind that we are not taking all these excess profits. We did not confine the companies to 7 per cent. under the Business Profits War Tax Act of last year. We took only one-quarter of the amount earned over 7 per cent. upon capital as defined in the act. This year we take one-quarter over 7 per cent. and up to 15 per cent. That is to say, if a company is earning 15 per cent., we leave it 13 per cent. and we take 2 per cent. Then, between 15 per cent. and 20 per cent., we take one-half, that is 2½ per cent.

Criticism is Invited.

So that a company earning 20 per cent. gives 4½ per cent. and keeps 15½ per cent. Then we take 75 per cent. over 20 per cent. That is a heavy tax, but we are here getting up to the point where the dividends are abnormal. Take the industrial companies listed on the stock exchanges of this country, and it is not very often that in peace time they show more than 15 to 20 per cent profit. I am aware that many commercial companies that are not listed do show very much larger earnings than that, but probably not when you take into account, what we do take into account in connection with this measure, namely, accumulated profits and unimpaired reserve as part of their capital.

As I have said, I invite fair criticism of this measure. We do not want to unduly tax industry; we do not want to drive capital out of this country, and we do not want to prevent capital coming in. But I do feel that we have a duty towards the public, and that in connection with the prosecution of this war, if abnormal profits are being made in munition supplies or in any industry, which on account of the war enjoys exceptional advantages and is making abnormal sums of money, it is our duty to take a substantial part of that money for the use of the State.

CANADA'S BANK CLEARINGS

The following are the bank clearings for the weeks ended May 17th, 1917, and May 18th, 1916, respectively:—

	Week ended May 17, '17.	Week ended May 18, '16.	Changes.
Montreal	\$ 81,588,415	\$ 74,347,933	+ \$ 7,240,482
Toronto	65,367,154	50,240,714	+ 15,126,440
Winnipeg	54,884,943	36,824,221	+ 18,060,722
Vancouver	7,471,497	5,973,888	+ 1,497,519
Ottawa	5,809,549	5,218,953	+ 590,596
Calgary	6,823,280	3,949,609	+ 2,873,671
Hamilton	4,747,633	3,794,533	+ 953,100
Quebec	3,683,882	3,854,306	— 170,424
Edmonton	2,366,494	2,113,524	+ 252,970
Halifax	2,784,576	2,231,547	+ 553,029
London	2,308,757	2,106,573	+ 202,184
Regina	2,790,068	1,811,286	+ 978,782
St. John	2,132,814	1,717,923	+ 414,891
Victoria	1,528,304	1,499,626	+ 28,678
Saskatoon	1,654,237	1,029,786	+ 624,451
Moose Jaw	1,048,946	767,619	+ 281,327
Brandon	419,179	449,518	— 30,339
Brantford	839,225	634,870	+ 204,355
Fort William	649,511	509,705	+ 139,806
Lethbridge	765,180	456,013	+ 309,167
Medicine Hat	556,855	410,090	+ 146,765
New Westminster	344,830	310,617	+ 34,213
Peterboro	630,438	511,210	+ 119,228
Sherbrooke	614,049	591,835	+ 22,214
Kitchener	672,222	520,076	+ 152,146
Totals	\$252,481,948	\$201,875,975	+ \$50,806,736

Toronto bank clearings for the week ended May 23rd were \$54,903,325 as compared with \$46,715,898 for the similar period in 1916, and \$27,975,902 in 1915.

Mr. Thomas J. Dillon has been appointed general manager of Canada Foundries and Forgings, Limited. Mr. Dillon has had jurisdiction over the western plants at Welland, Ont., the Canada Forgings and Billings and Spencer. This now extends to the James Smart Manufacturing plant at Brockville. Mr. Dillon is also a director of the company.

Bank of Montreal

Statement of the Result of the Business of the Bank for the Half Year Ended 30th April, 1917.

Balance of Profit and Loss Account, 31st October, 1916.....	\$1,414,423.99
Profits for the half year ended 30th April, 1917, after deducting charges of management and making full provision for all bad and doubtful debts	1,182,610.52
	\$2,597,034.51
Quarterly Dividend 2½ per cent. paid 1st March, 1917	\$400,000.00
Quarterly Dividend 2½ per cent. payable 1st June, 1917	400,000.00
Bonus—1 per cent. payable 1st June, 1917.....	160,000.00
	\$960,000.00
War Tax on Bank Note Circulation to 30th April, 1917	80,000.00
	1,040,000.00
Balance of Profit and Loss carried forward.....	\$1,557,034.51

General Statement—30th April, 1917

Liabilities	
Capital Stock	\$16,000,000.00
Reserve	\$16,000,000.00
Balance of Profits carried forward.....	1,557,034.51
	\$17,557,034.51
Unclaimed Dividends	3,126.00
Quarterly Dividend, payable 1st of June, 1917.....	\$400,000.00
Bonus of 1% payable 1st June, 1917	160,000.00
	560,000.00
	\$18,120,160.51
Notes of the Bank in circulation.....	\$21,891,437.00
Deposits not bearing interest.....	91,412,284.99
Deposits bearing interest, including interest accrued to date of statement	232,731,994.44
Deposits made by and Balances due to other Banks in Canada	2,873,064.25
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	514,708.16
Bills Payable.....	475,789.72
Acceptances under Letters of Credit	349,899,278.56
Liabilities not included in the foregoing.....	2,106,162.49
	681,286.23
	\$386,806,887.79
Assets	
Gold and Silver coin current.....	\$21,556,501.31
Dominion notes	30,971,312.25
Deposits in the Central Gold Reserves	7,000,000.00
Balances due by Banks and Banking Correspondents elsewhere than in Canada	\$ 3,189,919.58
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	114,156,887.75
	137,346,807.33
Dominion and Provincial Government Securities not exceeding market value.....	16,273,465.44
Railway and other Bonds, Debentures and Stocks not exceeding market value	14,722,192.50
Canadian Municipal Securities, and British, Foreign and Colonial Public securities other than Canadian	28,090,026.23
Notes of other Banks	1,716,821.00
Cheques on other Banks.....	12,327,296.33
	\$270,004,422.39
Current Loans and Discounts in Canada (less rebate of Interest).....	\$91,733,075.26
Loans to Cities, Towns, Municipalities and School Districts	11,380,184.03
Current Loans and Discounts elsewhere than in Canada (less rebate of Interest)	6,200,179.15
Overdue debts, estimated loss provided for.....	403,853.45
Bank Premises at not more than cost (less amounts written off)...	109,717,291.90
Liabilities of Customers under Letters of Credit (as per contra)....	4,000,000.00
Deposit with the Minister for the purposes of the Circulation Fund	2,106,162.49
Other Assets not included in the foregoing.....	790,000.00
	189,011.01
	\$386,806,887.79

H. V. MEREDITH,
President.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

THE HOME BANK OF CANADA

ORIGINAL CHARTER 1854

NOTICE OF QUARTERLY DIVIDEND

Notice is hereby given that a Dividend at the rate of five per cent. (5%) per annum upon the paid-up Capital Stock of this Bank, has been declared for the three months ending the 31st of May, 1917, and that the same will be payable at the Head Office and Branches on and after Friday, the First day of June, 1917. The Transfer Books will be closed from the 17th day of May to the 31st day of May, 1917, both days inclusive.

By Order of the Board,
J. COOPER MASON,
Toronto, April 24th, 1917. Actg.-General Manager

The National Bank of Scotland

Limited

Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825

Capital Subscribed.....	£5,000,000	\$25,000,000
Paid up	1,000,000	5,000,000
Uncalled	4,000,000	20,000,000
Reserve Fund	700,000	3,500,000

Head Office EDINBURGH

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.
LONDON OFFICE—37 NICHOLAS LANE, LOMBARD ST., E.C.

JOHN FERGUSON, Manager. DUGALD SMITH, Assistant Manager.

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ESTABLISHED 1874 95 BRANCHES IN CANADA
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Union Bank of Canada

ESTABLISHED 1865

Head Office - WINNIPEG

Paid-up Capital	-	-	-	\$ 5,000,000
Reserve	-	-	-	3,400,000
Total Assets (Over)	-	-	-	109,000,000

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The Bank, having over 305 Branches in Canada, extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of Banking business. It has Correspondents in all Cities of importance throughout Canada, the United States, the United Kingdom, the Continent of Europe, and the British Colonies.

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BANK OF HAMILTON

HEAD OFFICE, HAMILTON

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

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CYRUS A. BIRGE, Vice-President.

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J. P. BELL, General Manager.

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Atwood	Hagersville	Moorfield	Simcoe
Beamsville	Hamilton	Neustadt	Southampton
Blyth	" Barton St.	New Hamburg	Teeswater
Brantford	" Deering	Niagara Falls	Toronto
" East End	" East End	Niagara Falls, S.	" Queen &
Burlington	" North End	Oakville	" Spadina
Chesley	" West End	Orangeville	" College &
Delhi	Jarvis	Owen Sound	" Ossington
Dundalk	Kitchener	Palmerston	" Yonge &
Dundas	Listowel	Paris	Gould
Dunnville	Lucknow	Port Arthur	West Toronto
Fordwich	Midland	Port Elgin	Wingham
Ft. William	Milton	Port Rowan	Wroxeter
Georgetown	Millverton	Princeton	
Gorrie			

MANITOBA

Bradwardine	Gladstone	Minnedosa	Swan Lake
Brandon	Hamiota	Morden	Treherne
Carberry	Kenton	Pilot Mound	Winkler
Carman	Killarney	Roland	Winnipeg
Dunrea	Manitou	Snowflake	" Norwood
Elm Creek	Miami	Stonewall	" Princess St.
Foxwarren			

SASKATCHEWAN

Aberdeen	Caron	Mawer	Redvers
Abernethy	Dundurn	Melfort	Rouleau
Battleford	Estevan	Meota	Saskatoon
Brownlee	Francis	Moose Jaw	Stoney Beach
Carievale	Loreburn	Mortlach	Tuxford
ALBERTA			
BRITISH COLUMBIA			
Brant	Nanton	Armstrong	Vancouver B.
Calgary	Stavely	Kamloops	N. Vancouver
Cayley	Taber	Port Hammond	S. Vancouver
Champion	Vulcan	Salmon River	(Cedar Cottage
Granum		Vancouver	P.O.)

Absence of Regulation Helped Create Railroad Problem

Says Minority Report of A. H. Smith of Railroad Inquiry Commission—"The Scrap Heap is Frequently the Most Economical Disposition Available for Inefficient Plant and Machinery"—Status and Usefulness of the Three Transcontinental Railway Systems.

A LENGTHY summary of the majority report of the Railway Inquiry Commission, and a part of the minority report have already appeared in these columns. Mr. A. H. Smith introduces his report by discussing the general problem of transportation in Canada. He says:—

For a proper understanding of the problem, a knowledge is necessary of the history of railway development in Canada, especially as affected by the public policy, which has found expression in governmental acts.

Canada early recognized that its growth depended upon the construction of railways. The large productive areas of the country could be served only in a limited way by its splendid system of waterways.

Even before the eastern provinces became united into the Dominion of Canada, the Grand Trunk had become an important railway line, serving the people both of Canada and the United States. The Intercolonial, as is well known, was constructed out of public funds, and largely for the purpose of bringing more closely together, commercially and politically, two more or less separated sections of the Dominion. Long in advance of its justification upon a commercial basis, an all-Canadian transcontinental line was projected by the Government and completed with extensive public aid by a private company as the Canadian Pacific.

Because of the great distances which separate parts of Canada's producing territories from the consumers' markets, development of the country's resources depended upon railway building, while cheap transportation was necessary to enable the people to compete with other producers. The people of Canada, therefore, gave such aid as was necessary to procure for themselves railway lines that would bring the country's resources into use and keep themselves in touch with the outer world.

Cheap transportation depends upon careful investment and efficient management. In the usual case, these are most likely to be found where private initiative and proper incentive to effort are employed. So far, Canada, for the most part, has pursued the policy of leaving to private enterprise the management of the transportation machinery. The Intercolonial, which has been under governmental control since its beginning, is an exception. But this line, I am informed, usually pays nothing to the government as a return upon money invested in the property. On the contrary, it has frequently called upon the government for aid in meeting expenses of operation. The investment in this line is large, some authorities placing it as high as \$348,000,000, including loss of interest. Evidently its rates are too low or its expenses are too high, but the use of this line, at the rates enforced, is regarded in some quarters as a right of the people in the maritime provinces. If the Canadian people have ever made an agreement, or adopted a policy which may be construed as creating that right, the contention may be correct; it is, at any rate, within the power of government to grant such a privilege. The fact is referred to merely to point out in connection with what I shall say later that a railroad may be built either as a commercial enterprise and for ordinary commercial purposes, or as a public undertaking and for other purposes, which are within the proper scope of government. The two should not be confused. But it should be kept in mind that when government builds and operates a railway which does not pay its way, including proper maintenance and interest upon investment, taxation is relied upon to support transportation upon that line. The burden is shifted from the user to the general public, but the processes by which this is done are often so complex as to obscure the facts, and actual costs are not ascertainable.

Completed by Company.

The Canadian Pacific affords a later example of the internal development policy of the government. That road had its beginning in a transcontinental project that was proposed to be carried out directly by the government. At an early date, and it seems to me wisely, that purpose was altered; it was decided to have the road completed by a private company. But the undertaking was large, the population sparse,

the prospect of profit remote, so that the government not only turned over to the company the uncompleted road upon which it had expended a large sum, but it also extended to the company generous aid in the shape of land grants, cash subsidies, guarantees, and loans. It is true that value was given to the land grants largely through the building of the road and the opening of the territory to settlement. The important point here is that the Canadian Pacific owes its later and continued success, not only to the skill and enterprise of its builders and managers, but to the fact that through liberal direct aid, it was able to begin business with a small charge against its earnings on account of borrowed capital. Thus favorably started, the company was able to devote its energies and surplus income to the development of the road and the country.

A new transportation problem arose with the settlement of the prairie provinces, where the land is devoted chiefly to raising grain and live stock. Owing to the long hauls that intervene between the producer and consuming markets, freight charges absorbed a considerable part of the proceeds. The Great Lakes afforded the least expensive route to the east and tidewater. But these lakes are open only part of the year, and navigation closes before the season's crops can be moved from the lake ports. With the filling up of the country and consequent increase in production, came a general demand for additional means of transportation. While land speculation probably had no little influence, the farmer felt the effect of inadequate facilities, and any project that promised relief appears to have found approval among citizens who were able, through their legislators, to bring public aid to the development of these enterprises. Railroads, therefore, were not only actively in demand, but railroad builders were popular and had little or no difficulty in obtaining public support for proposed new lines.

What Made the C.P.R.

The Canadian Pacific stood as an example of success to be repeated by newer railways. Unfortunately, too little attention appears to have been given to the underlying facts which actually made that road what it was. Experienced men apparently believed that a second Canadian Pacific might be had if they could but lay a transcontinental road, build great hotels, passenger terminals, and operate ocean steamers. These things were only the outward evidence and not the cause of Canadian Pacific's prosperity. It may even be that they contributed little to the strength of that company's financial condition, if due account be taken of all the costs, investment as well as operating, involved in carrying on such enterprises.

In May, 1903, a Royal Commission of Transportation, of which Sir William Van Horne was chairman, was appointed "to consider questions affecting transportation of Canadian products to the markets of the world through and by Canadian ports, with a view of placing the Canadian producer in a position to compete, and compete successfully, through all Canadian ports with the producers and exporters of other countries." The report of this commission is interesting. It clearly reflects the effect of the outlook which great opportunities and a land boom had upon the minds of the people. All kinds of transportation projects were recommended. For instance, the Grand Trunk Pacific was to be extended to Moncton the Intercolonial was to be extended to Georgian Bay, etc. New canals were to be built, and old ones widened and deepened. This commission also recommended a bounty for Canadian-built ships, toll-exempt canals, additional waterways to be opened at public expense, and the acquisition of water terminal lands out of public funds. In other words, it was clearly the intent that transportation should be stimulated by subsidies from the public treasury.

It would now seem that there could not have been in sight enough traffic to justify the extensive development here recommended. However, many of the things proposed in this report have been done, and other ambitious schemes not here mentioned have since been brought out. The point in mind is that without making a specific declaration of the fact, as

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far as I know, Canada's policy for years appears to have been to promote the public welfare by means of building or aiding in the building of transportation lines throughout the Dominion.

It is unfortunate that Canada did not have a policy of regulation in this period which could have prevented needless duplication of lines and facilities. Competing lines have been built where effective regulation could have saved a large part of the investment, while completely satisfying every reasonable and proper need for service. Instead of co-ordination and conservation under government supervision, railways were permitted to duplicate plant in fields not yet productive enough to support the one; the government, on the other hand, was, in one way or another, aiding both projects, if it had not indeed itself promoted either or both projects. Very naturally, it has not and could not have obtained the benefit which should have followed a correct programme of government aid. The policy of government aid makes the need for regulation of railway building more necessary even than where private capital is depended upon, for in the latter case the proposal must at least have a promise of commercial success before capital can be induced to come in and give it support. To the absence of such regulation must be charged responsibility for no small part of the railway problem of to-day.

Effect of Policy.

We may well inquire here as to the effect of this policy upon the three principal systems. The Grand Trunk Railway Company, feeling no doubt that its own traffic field had been invaded by the government-aided Canadian Pacific, desired in turn to enter the promising western territory. Accordingly, it proposed to build a line from North Bay to the Pacific Coast. Public aid was required and granted in a way to ensure the building of the road. If any serious thought was given to co-ordinating existing or proposed roads, and to utilizing them for the public good, it did not find public expression in any constructive way. The Grand Trunk Railway Company evidently felt confident in the success of its plans, for it pledged its own credit in aid of the extension, and entered into contracts which it now finds quite beyond its ability to carry out.

Canadian Northern interests, directed by Mackenzie, Mann & Company, who since an early date had been operating local lines in Manitoba, seized the opportunity afforded them for expansion and rapidly extended their rails throughout the prairie region. The records show that the Canadian Northern had a large mileage on the prairies before the projection of the Grand Trunk Pacific; so that when the extension plans of the Grand Trunk became a part of the national policy, as they did become, the Canadian Northern was added to the number of those who wanted to own a transcontinental system and one as fully complete and self-contained as was that of the Canadian Pacific. Hence, we find two new companies, both built largely upon public credit, striving for first place in a field which, as for transcontinental transportation, or even as for connecting Eastern and Western Canada, was already occupied. Besides having the Great Lakes waterway, there could have been barely enough business to support one additional line, and that only by the exercise of economy in operation and prudence in investment.

Created a Boom.

The Canadian Pacific, enjoying splendid credit, with adequate powers and resources, and keenly alive to the possibilities of losing business to competitors challenging its supremacy everywhere, then entered the contest by undertaking to build new lines in an effort to protect its sources of revenues.

The stimulation felt throughout the country by the influx of settlers and by the importation of so much new capital not only created a boom, but it quite naturally affected prices for labor and materials, sending these soaring; the increased prices in turn contributed largely to the higher costs which are now reflected in the construction accounts of the new roads.

This brings us fairly to a recognition of the fact that while the policy of public aid to railways had originally been founded on the urgent need for transportation to open up a new country, to develop its resources, and to unify Canada commercially and politically, it was carried far beyond the limits warranted by the original exigency. It appears to me that the responsibility is as much the government's as the private companies'. Without enabling legislation and the ex-

ension of government credit from which all received their essential support, the companies could not have expanded and overbuilt.

This policy, in so far as it aimed at the development of Canada, appeals to me as sound, and fully justified in its inception, but it needed to be supplemented by some form of supervision that would have insured to the people the benefits of that policy without the losses that have followed the effort to assist development indiscriminately.

The situation must be faced as it exists. It is not possible to undo what has been done, the money which has been spent cannot be recalled. The immediate and obvious thing to do is to adopt a constructive and discriminating programme, first, for correcting the conditions which necessitate continuing loss and waste, even where that would require the abandonment of useless property, and, second, for controlling new construction. The scrap heap is frequently the most economical disposition available for inefficient plant and machinery.

Mr. Smith then deals with the status and usefulness of the three transcontinental railway systems, and says:—

The Canadian Pacific Railway is essentially self-contained and self-sustaining. I agree with my colleagues as to its financially strong position. It has world-wide commercial strength. As a result of the aid and privileges extended by government, together with the prudence and progressiveness of its management, which has extended its field of activity over nearly all Canada, and through its steamship lines and commercial organizations throughout a large part of the world, it is a success.

Is Efficiently Operated.

The Canadian Pacific is well built, well maintained and has adequate terminals and equipment. It is efficiently operated. It is somewhat at a disadvantage in crossing the mountains, and elsewhere it has gradients that, compared with more recently built lines, do not make for as good train-load and operating efficiency. It is assumed that the Canadian Pacific will make improvements as the need for them arises, for it is fully able to do so.

Accorded reasonable treatment, that company will continue, I am sure, to give good service, and I believe the best interests of Canada will be served by continuing the present status of the Canadian Pacific. The introduction of government railway competition, which might have no regard for investment or cost of operation, would be unfair and, in the end, would react disastrously upon the Canadian people. The regulating power affords to the people of Canada adequate protection in the matter of rates and services, and such power should likewise protect the company.

Grand Trunk System.

The fortunes of the Grand Trunk Railway Company are bound up with the Grand Trunk Pacific. It stands as guarantor for large sums of money invested in the railway, and has advanced millions from its own resources in an effort to develop the western line and its subsidiary properties. The Grand Trunk Pacific Development Company has absorbed many millions of Grand Trunk capital without definite prospect of return, and to the Grand Trunk Pacific Branch Lines Company large construction advances have been made. Not only is the Grand Trunk committed for many millions, but the government has directly invested large sums of money in this property and guarantees other large sums, the total of which exceeds \$127,000,000.

The Grand Trunk Pacific was located on a scale that would do credit to any single-track line. There is not enough business to justify such an outlay, and the prospect for business which will warrant the cost seems quite remote. For long distances, sections of this line parallel one or more other lines.

The part of the Grand Trunk Pacific lying between the Rocky Mountains and the Pacific coast is in a country which appears to have abundant natural resources. In time, these may be developed to the advantage of this road.

The port of Prince Rupert is suited for a large ocean traffic, which is non-existent. The development of Alaskan trade seems to present the most immediate possibility for this port and railway.

The road west of Winnipeg has some disadvantages on account of expensive trestles and instability of embankments. It has good grades, but inadequate terminals at important places. It has sufficient equipment but lacks feeders.

From the Rocky Mountains to Winnipeg, the presence of parallel road arises a question as to whether the Grand Trunk Pacific line is not the best adapted by location and physical

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condition to handle the trunk-line traffic. If it is not the best, then the disposition of this part of the road, with its branches, naturally depends upon its usefulness as a road serving local interests.

From Winnipeg east to North Bay and Port Arthur, the Transcontinental and Grand Trunk Pacific railroads together can give efficient service as a connecting link between the railways of Eastern and Western Canada. This road also affords a good line for traffic moving via the Great Lakes. In fact, it is probably the best route of any for hauling bulk commodities at low costs.

Government Morally Bound.

Officers of the Grand Trunk Railway Company claim that the government is morally bound to relieve the company of the Grand Trunk Pacific, because the government is responsible for the failure of the project, having permitted a rival company to enter the field. The rival line, however, has been constructed at a lower cost per mile, and manages to get enough traffic to pay its operating expenses and a large part of its fixed charges, which cannot be said of the Grand Trunk's system west of North Bay. I feel that I am not called upon to discuss the merits of the Grand Trunk's claim against the government. I have no doubt the government has observed at least the letter of its contract.

Standing alone, with efficient operating conditions imposed, there is no reason, within my knowledge, why the Grand Trunk Railway proper should not become a profitable operation. It occupies a good territory, reaching some of the best traffic centres in the United States and Canada, and has American connections that ought to contribute to its welfare. The company needs terminal improvements in cities and modern equipment, especially locomotives. The need for equipment is pressing, and should be met.

Canadian Northern System.

The lines of the Canadian Northern, particularly in the prairie provinces, appear to be advantageously located in view of traffic conditions. Inspection of the property brings out the fact that this road was built with proper regard for economy, and the creation of a permanent public service utility.

In some instances, the system has extended its lines where it should have obtained a traffic interchange agreement or the joint use of facilities instead, at least until the traffic had grown enough to justify further expansion. A public policy intended to develop and serve the country as a whole, at the lowest cost, would have enforced arrangements which would have obviated the needless duplication of facilities.

The line from Yellowhead pass to Vancouver, in part at least, may be unnecessary, but it is there by the joint action of government and the company. The character and capacity of this line through the Fraser River canyon, where it is alongside the Canadian Pacific for about 200 miles, would suggest that no more money should be spent for double-tracking or revising grades on either of the railroads for years to come. From Yellowhead pass to Edmonton, the proximity of the Grand Trunk Pacific places two lines where one affords abundant capacity.

Appears to Have Been Unwise.

The invasion of the east by the Canadian Northern now appears to have been unwise, but condemnation thereof must be tempered with a knowledge of the conditions which forced this extension. There was a public demand for railroads. All Canada was enthusiastic over the prospects of a rapid growth in wealth and population. Railroads were on a competitive basis, and the public stood ready to back any new railroad enterprise, since that meant a rival carrier, and, incidentally, a new business in construction. There was no regulation which enforced co-operation among rival lines. The Canadian Northern, seeking to expand and become a profit earner, quite naturally desired to get all the traffic it could, and to hold all it got for as long a haul as possible. As a result, it undertook to do what appeared to be necessary under the conditions then existing—that is, to extend its line to both oceans.

An inspection of this company's property shows that generally it is of a type of construction well suited to its needs, and that the builders have installed it at a cost which, by comparison, seems small. Nowhere was there evidence of waste in the construction work itself. It is true that the company had some construction under way, or planned, that appeared wasteful because unnecessary, but this is due, I understand, to the unregulated competitive system, or to bargains with public authorities.

The building of expensive terminals in cities already supplied with adequate facilities affords an example of duplication for which the public must eventually pay. However, in the absence of restraint and regulation by consistent public authority, it is difficult to determine how the company could have avoided this.

The precarious financial situation of the Canadian Northern is due, in part, to its uncompleted condition, and to the fact that needed capital cannot be obtained on its own resources, especially during the period when capital is so greatly in demand by powerful governments. This system is not at present able to earn all of its fixed charges. As important parts of the system have but recently emerged from the construction period, it would be truly remarkable if it were able to do so. It does earn a very large proportion of such charges, and probably could earn all of them but for the burden of eastern extensions and duplications that have been placed upon it. Practically all commercial enterprises, and particularly railroads, must go through a development period.

The Canadian Northern is short of equipment. With the return to normal conditions, and provided with the capital necessary for equipment and for additional local facilities, this road can, in my judgment, work its way out in a reasonable time.

HAIL INSURANCE IN ALBERTA

The following letter has been received by *The Monetary Times* from E. H. Malcolm, chairman of the Hail Insurance Board, of Alberta, Edmonton:—

I was much interested in your article re "Government" Hail Insurance in Alberta on page 33 of your issue of May 4th. It appears to be copied from a résumé made by Mr. J. D. Hunt of the legislation passed at the last session of the legislature. I would like to protest mildly against the word "government." It would be better named municipal hail insurance, as it is in no sense a government plan of insurance. I note that you say the new plans will provide for "hail insurance at less than cost." We do not claim so much as that. We do claim that we are providing insurance at the least possible cost of administration.

The loan referred to in your article has been made and the balances of all the claims in full have been paid with the exception of a small number of claims in two municipalities, who have not yet paid their hail insurance assessment in full to the board.

CANADA'S COMMISSION OF CONSERVATION.

The following reference to the work of the Commission of Conservation appears in the fifth interim report of the Dominion Royal Commission:—

"From an examination of the work carried on by the commission, it would appear that its activities in the domain of lands, minerals, forests, fisheries and waterpowers connect with, and may possibly duplicate, work which is actually done, or which could be more suitably carried on, by the departments of the Federal and Provincial governments charged with the administration and development of these great natural resources, and maintaining for this purpose experienced and expert staffs. The council for industrial and scientific research which has lately been constituted for Canada, on the lines of that in the United Kingdom, will also necessarily devote much of its attention to the tabulation, examination, and testing of the resources of the Dominion in the way of raw materials with a view to their development and utilization in industrial processes.

"It would appear, therefore, that an excellent opportunity is afforded for a co-ordination between the functions of the commission of conservation and other existing departments which would promote both economy and efficiency, and tend to more methodical application of energy.

"We would refer to one point connected with the work of the commission of conservation which deserves special notice. No visitor to the Dominion and to Western Canada in particular, could fail to admire the spacious walks and broad streets of the towns and cities, or to note that these have been laid out not only to meet present needs but with a wide outlook for future development. It is interesting, therefore, to find that the town planning committee of the commission is paying special attention to the details of housing accommodation and conditions, as well as to the principles of scientific town planning, and that its advice is being sought to a greater extent than the present staff can satisfy."

The Hamilton Provident and Loan Society

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

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

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

MONEY TO LOAN. CORRESPONDENCE INVITED

Head Office, King Street, HAMILTON, Ont.

GEORGE HOPE, President

D. M. CAMERON, Treasurer

Seasoned Securities

This Corporation was established in 1855, and for more than sixty years has been steadily growing in strength and in the confidence of the depositing and investing public. In that long period there have been "hard times" as well as seasons of prosperity, but the moneys entrusted to our keeping have always been ready when called for.

The Corporation's Bonds are, therefore, a "seasoned security." They are issued in accordance with the restrictive provisions of the Corporation's Charter, and also those with which the Legislature circumscribes the investment of Trust Funds. More than Eleven Million Dollars of Shareholders' Money are a further pledge of their security.

These bonds may be had in sums of One Hundred Dollars and upwards.

Canada Permanent Mortgage Corporation
TORONTO STREET, TORONTO

The Combined Assets

OF THE

Canada Trust Company

AND THE

Huron & Eric Mortgage Corporation

NOW TOTAL

over \$25,000,000

HEAD OFFICES - LONDON, CANADA

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

HUME CRONYN,
General Manager

The impartiality of the acts of a TRUST COMPANY and its freedom from improper influences are some of the advantages offered in

The Management of Estates

We will gladly discuss this matter with you.

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

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

HEAD OFFICE: WINNIPEG, CAN.

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

5%

Absolute Security

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

The Empire Loan Company

WINNIPEG, Man.

THE ONTARIO LOAN & DEBENTURE CO.

LONDON INCORPORATED 1870 Canada

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

5%

SHORT TERM (5 YEARS)
DEBENTURES
YIELD INVESTORS

5%

ASSETS OVER \$8,000,000

JOHN McCLARY, President

A. M. SMART, Manager

WRITE FOR BOOKLET ON "PROFITS FROM SAVING"



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

BLACK & ARMSTRONG

Real Estate, Insurance and Financial Agents
CENTRAL WINNIPEG PROPERTIES A SPECIALTY

Reference: DOMINION BANK

Office: 200 Garry Building, WINNIPEG

Satisfactory Settlement of Estates.

It is not a matter of mere good will. It involves complicated and troublesome processes. It needs ability, diligence, and continuous attention.

The preference for a Trust Company as Executor is growing, because a Trust Company brings to these processes prudence, experience and skill such as few individuals achieve.

Write for further information.

National Trust Company Limited

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

Reserve, \$1,500,000

18-22 KING STREET EAST, TORONTO

RAILWAY POSITION, GRAND TRUNK'S VIEW

Mr. E. J. Chamberlin Issues Statement in Reply to Findings of Majority Report

"It is not possible in a letter to the press to deal exhaustively with all the points raised by the majority report of the royal commission. I feel, however, it is imperative to at once correct some of the conclusions arrived at with regard to the financial and physical condition of the Grand Trunk Railway," states Mr. E. J. Chamberlin, president of the Grand Trunk Railway, in a statement dealing with the majority report of Sir Henry Drayton and Mr. Acworth.

"Turning to the table given in the commissioners' report of average earnings per mile of all railways in Canada as \$6,997, and the earnings of the six principal systems in Canada, it is argued that the table shows 'the Grand Trunk Railway of Canada to have made the largest average gross earnings per mile of line of any of the principal lines in Canada, of 157.5 per cent. of the average rate for all lines.'

"Tables are given of the number of 'revenue tons carried one mile' in 1916, in comparison with the average of all the railways of the United States, which includes the heavy ton mile movements of the coal roads, as follows:—

"Number of revenue tons carried one mile per mile of road:—

"Grand Trunk Railway of Canada, 1,155,872; Grand Trunk Railway system, 1,270,174; United States railways, 1,176,923.

Statement of Equipment.

"Dealing in a detailed table with respect to equipment, in comparison with various other roads, the figures for which have been taken from Railway Equipment Register for May, 1917, it is declared:—

"A study of the above tables discloses that the Grand Trunk Railway owns more passenger and freight car equipment, and also more locomotive equipment per mile of road, than any railway in Canada, except the Michigan Central, and compares more than favorably with the most conservative and successfully managed railways in the United States having a traffic similar to that of the Grand Trunk."

The statement of the Grand Trunk president goes on:—

Severe Month Chosen.

"On pages 34 and 35 the report has selected for an example of the efficiency of the Grand Trunk the month of February, 1917, which is well known to have been, as regards weather, one of the most severe in the history of Canada, but has failed to mention the extraordinary congested conditions of the connections of the Grand Trunk at the different frontier points, a congestion quite beyond the power of the company to control, and which congestion, reacting upon the Grand Trunk, made it impossible to keep its large terminals clear of cars held for delivery to other railways.

"Nor does the report mention the results of the Grand Trunk from 1912 to 1917, inclusive, in the total number of carloads moved annually."

Figures of the movement of cars moved in each of the years referred to are then given, showing that from January 1 to December 31, in the year 1912, the number of cars moved—loaded—was 5,180,742, and in 1916, 5,793,759. The first four months of 1917 are dealt with in detail.

Without Real Understanding.

The statement deals with various other phases of the efficiency equipment and financing of the company, and in conclusion it sets forth:—

"The foregoing statistics and explanatory remarks which I have given cover only a portion of the improvements which the Grand Trunk Railway system has carried out in the past five years for the benefit of the people of Canada, but I am sure I have said enough to convince all fair-minded people that the report as to the financial and physical position of the Grand Trunk Railway was made without a real understanding of the situation.

"In conclusion, I would call attention to the fact that the majority commissioners, as far as the Grand Trunk is concerned, barely make mention of the severity of the past winter, of the decreases and deficiency of labor and supplies, and of all the difficulties which the management has had to face owing to the conditions brought about by this terrible war."

WESTERN CONDITIONS AND PROSPERITY

High Prices for Food Products Benefit Westerners—Stupid Disabilities Imposed on Loaning Institutions

Western Canada has enjoyed a reasonable share of "war prosperity," which has arisen from the high price of food products rather than from any considerable degree of manufacturing for war purposes, said Mr. A. L. Crossin, retiring president of the Winnipeg board of trade. The high prices of all kinds of grain and live stock, he said, ensure the prosperity of the farmer. Much of the proceeds of the record crop of the year 1915 was absorbed in the payment of the farmer's obligations accruing out of previous less satisfactory crops. Last year's crop meant spending money for the farmer. Thousands of farmers are now enjoying financial independence. Their mortgage and other indebtedness has been substantially reduced and their obligations are well in hand. All classes of trade have been stimulated. Collections are uniformly good. Jobbers are only limited in their shipments by the scarcity of goods to supply orders. Old stocks have been disposed of to advantage. Within well defined limits prosperity is general. Central and southern Manitoba and south-eastern Saskatchewan unhappily do not share in this good fortune, owing to the almost complete failure of the grain crop from heat and rust.

Land Market Depressed.

Dealers in farm lands must necessarily find sales rather slow. Immigration has been negligible. Labor is scarce and dear. Farmers have ceased to regard the purchase of additional land as good speculation and are not disposed to add to their present holdings. Mortgage companies and embarrassed farmers do not readily secure purchasers. For these reasons the anomaly is observed of prosperous agriculture and a rather depressed farm lands market. There is a more healthy sentiment than was observable a year ago in our cities and towns, whose vacant dwelling houses are slowly filling up. The municipal systems of these communities were designed to provide for a growing population. The overhead expenses still press heavily upon the communities whose population has been depleted through enlistments and the loss of mechanics connected with the building trades. It is gratifying to know that recovery from speculative disorders is proceeding satisfactorily.

Farmers Under Handicaps.

Despite the high prices for all products of the farm, it must be recognized that the farmer is working under some serious handicaps. Thousands of young men have gone off the farms to join the colors. Labor is scarce, dear and frequently inefficient. The grain production for the season 1916 under these disabilities and the rather unfavorable ripening season is a tribute to the quality of our soil and the general excellence of our farming.

Financial Conditions.

Statistics of imports and exports, of bank clearings, of railroad earnings, all disclose improved financial conditions throughout Canada during the past year and continuing on into the present year. To the heavy carry-over of the previous year's grain crop may be attributed part of this gratifying showing. War orders and high prices of food products have contributed, as has already been pointed out. Closer attention to economic laws and saner financial methods have played their part in this improvement. It cannot be doubted that many whose income and expenditure did not balance two or three years ago have now brought these accounts into agreement. Collections are more satisfactory than at any time since the outbreak of war. On the other hand, bankers and lending companies find little demand for money, and interest would tend to lower rates were it not for the stupid disabilities imposed by the legislatures on lenders. Only the most urgent new constructive work is being undertaken, and, if for no other reason, the paramount duty of devoting all our resources to the prosecution of the war requires the postponement of all but absolutely unavoidable capital outlay.

The British America Assurance Company has been licensed to transact inland transportation insurance in addition to its present business of fire and hail insurance.

IMPERIAL BANK OF CANADA

Proceedings of the Forty-Second Annual Meeting of the Shareholders, Held at the Banking House of the Institution in Toronto, on Wednesday, 23rd May, 1917, at 12 noon

The Forty-second Annual General Meeting of the Imperial Bank of Canada was held, in pursuance of the terms of the Charter, at the Banking House of the Institution, 23rd May, 1917.

The following were present:—Hon. Thomas Crawford, A. A. Thompson, J. C. Moore, Major Keefer, Peleg Howland, F. Arnoldi, K.C., R. W. Thompson, Elias Rogers, E. H. Gooch, G. T. Shelby, J. W. Woods, J. K. Fiske, D. S. Cassels, W. G. Cassels, Richard Tew, Col. Michie, W. J. Gage, J. W. Bain, K.C., H. Vigeon, W. H. Lamont, G. G. LeMesurier, Jas. Scott, J. F. MacKay, Hon. Richard Turner (Quebec), R. Ross, W. J. Barr, J. C. Black, R. Carswell, W. H. Knowlton, O. F. Rice, W. A. Mitchell, Thos. E. Knowlton, Thomas Long, V. H. E. Hutcheson, Miss Hughes, S. Jeffrey, D. W. Hughes, J. W. Beatty, W. Crocker, L. A. Hamilton, F. Russell, W. Moffat, A. E. Phipps (Winnipeg), Dr. F. Beemer, John Watt, G. C. Brown (Welland), J. A. Richardson (Montreal), George Pattinson, E. Roche, N. Robertson, W. J. McWhinney, K.C., E. S. Houston (Ottawa), W. B. Powell (Galt), B. Pontifex, W. R. Brock, M. Morris (Woodstock), A. H. Seguin (Cobalt), A. W. Ballantyne, Frank Ford, K.C. (Edmonton), C. M. Crompton, J. G. Ramsey, G. T. Clarkson, R. J. Dilworth, Cawthra Mulock, W. B. Meikle, John Northway, A. P. Burritt, G. D. Boulton, R. S. Clark, W. S. Elliott, J. H. Rolph (Port Colborne), J. M. Lay (Vancouver), W. Bourke (North Bay), G. A. Morrow, Dr. O'Reilly, W. Frances, F. A. Prime.

THE REPORT

The Directors beg to present to the Shareholders the Forty-second Annual Report and Balance Sheet of the affairs of the Bank as on 30th April, 1917, accompanied by statement of Profit and Loss Account, giving the result of the operations for the year.

The balance at credit of Profit and Loss Account carried forward from last year was	\$1,089,656.29
The net profit for the year, after making provision for bad and doubtful debts, and for rebate on unmatured bills under discount, amounted to	1,122,818.67
	<u>\$2,212,474.96</u>
Making a total at credit of Profit and Loss of.....	<u>\$2,212,474.96</u>
This amount has been applied as follows:—	
Dividend at the rate of 12% per annum.....	\$ 840,000.00
Annual Contribution to Officers' Pension and Guarantee Funds	7,500.00
Contributions to Patriotic and other War Funds.....	27,500.00
War Tax on Bank Note Circulation	67,598.76
Auditors' Fees	5,000.00
Contingent Appropriation to cover depreciation in Bonds and Debentures	100,000.00
Balance of Account carried forward	1,164,876.20
	<u>\$2,212,474.96</u>

Branches of the Bank have been opened during the year at Iroquois Falls and Mount Dennis, Ontario; at Denholm, Laird, McLean, Pilot Butte, Ruddell and Springwater, Saskatchewan, and at New Norway and Peace River, Alberta. One branch has been closed—namely, North End Edmonton, Alberta.

The Head Office and Branches of the Bank, now numbering 128, have been carefully inspected during the year. The Auditors appointed by the Shareholders have also made their examinations as required by the Bank Act, and their report and certificate is attached to the Balance Sheet.

A further subscription of \$25,000 has been made to the Canadian Patriotic Fund, and will be required during the course of the year.

The Directors have much pleasure in testifying to the loyalty, faithfulness and efficiency of the staff.
All of which is respectfully submitted.

PELEG HOWLAND, President.

FORTY-SECOND ANNUAL BALANCE SHEET, 30th APRIL, 1917

LIABILITIES.

Notes of the Bank in circulation	\$ 7,656,914.00
Deposits not bearing interest	\$14,845,206.10
Deposits bearing interest, including interest accrued to date of Statement	51,354,075.12
	66,199,281.22
Balances due to other Banks in Canada	\$ 276,910.47
Due to Banks and Banking Correspondents in the United Kingdom	1,487.10
Deposits by and Balances due to Banks elsewhere than in Canada and the United Kingdom	1,208,659.35
Acceptances under Letters of Credit (as per contra).....	57,600.00
	<u>1,544,656.92</u>
Total Liabilities to the public	\$75,400,852.14
Capital Stock paid in	7,000,000.00
Reserve Fund Account	\$ 7,000,000.00
Dividend No. 107 (payable 1st May, 1917) for three months, at the rate of 12% per annum..	210,000.00
Balance of Profit and Loss Account carried forward.....	1,164,876.20
	<u>8,374,876.20</u>
	<u>\$90,775,728.34</u>

ASSETS.

Current Coin held by the Bank	\$ 1,621,742.57	
Dominion Government Notes	9,885,832.00	
		\$11,507,574.57
Deposit in the Central Gold Reserves		1,000,000.00
Deposit with the Minister for the purposes of the Circulation Fund		348,495.33
Notes of other Banks		905,817.00
Cheques on other Banks		4,129,209.19
Balances due by other Banks in Canada		376,621.51
Due from Banks and Banking Correspondents in the United Kingdom		2,078,811.63
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom.....		1,858,167.68
		\$22,204,606.91
Dominion and Provincial Government Securities, not exceeding market value	\$5,752,872.38	
Canadian Municipal Securities, and British, Foreign, and Colonial Public Securities other than Canadian	8,215,437.34	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	898,582.85	
		14,866,892.57
Loans to Provincial Governments	\$ 28,885.52	
Loans to Cities, Towns, Municipalities and School Districts.....	4,510,792.69	
Call and Short Loans (not exceeding thirty days) in Canada on Bonds, Debentures and Stocks	3,900,248.45	
		8,439,926.66
		\$45,511,516.14
Other Current Loans and Discounts in Canada (less rebate of interest)		41,192,420.77
Liabilities of Customers under Letters of Credit (as per contra)		57,600.00
Overdue Debts (estimated loss provided for).....		237,911.04
Real Estate (other than Bank premises)		389,102.55
Mortgages on Real Estate sold by the Bank		450,284.37
Bank Premises, at not more than cost, less amounts written off		2,908,083.47
Other Assets, not included in the foregoing.....		28,810.00
		\$90,775,728.34

PELEG HOWLAND,
President.

E. HAY,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS.

We have compared the above Balance Sheet with the books and accounts at the Chief Office of Imperial Bank of Canada and with the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on 30th April, 1917, we certify that in our opinion such Balance Sheet exhibits a true and correct view of the Bank's affairs according to the best of our information, the explanations given to us and as shown by the books of the Bank.

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

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

G. T. CLARKSON, F.C.A.,
R. J. DILWORTH, F.C.A.,
of Clarkson, Gordon and Dilworth.

PRESIDENT'S ADDRESS

While the year just past has been one of much anxiety, your directors meet you to-day with some satisfaction, for the management is able to show a considerable increase in the earnings of the Bank. As you will see, after paying dividends and making the usual provisions, and also putting aside a sum to cover depreciation in securities, our Profit and Loss Account balance has been considerably augmented.

When we last met together there were a few of us, I venture to say, who thought we would still be at war at this date, and now the end seems as far off as ever, with the added anxiety of the uncertainty of happenings in Russia and the increased submarine peril, an anxiety tempered by the entrance of the United States into the war.

Without doubt our prosperity (unstable though it is) is due to the continuation of the awful struggle. Much of the profit that is accruing to the community would appear to be due to the constant rise in the price levels of almost every conceivable commodity consumed or desired by man. As to what are the causes that lead to these advances even on materials, of which there is an apparent abundance, I will not venture an opinion; suffice it to say that there seems to be an infection in the air that compels the feeling that delay in providing for present or future needs is dangerous; under such conditions the saving of money which is being so strongly advocated is not likely to be made even by the thrifty.

I make this reference because the inflated conditions existing compels the use of additional money in the conduct of business which the Banks are being called upon to supply. These calls, in addition to the needs of the Government, either direct or indirect, are beginning to tax the resources of the Banks, and must lead to higher rates of interest on borrowed money. In our own case we may be compelled to make use of a larger proportion of our reserves than we would under ordinary circumstances think desirable, and which, perhaps, can only be excused by our Government, or rather our country's needs. It is, of course, quite true that a state of things such as I have mentioned means increased earnings for us, and would in that respect be a source of satisfaction, if it did not also bring about a reduction in the apparent value of securities, even of the highest class, which reduction will have to be provided for out of these earnings, as has already been the case to a certain extent in the past year.

All things considered, therefore, is it not wise that the business community, using the term in its broadest sense, should resist all temptation to expand or make capital outlays even at the cost of some prospective profit? The war may go on for a long time, but it may end soon and suddenly, with conditions impossible to foresee, but which we cannot hope will be, immediately, good.

BRANCH REPORTS GOOD.

Our Branches have sent in their usual reports. They are, generally speaking, optimistic. It is true that the season is backward, but it would seem as if there would be no reduction in the acreage under crop, except in wheat, but other grains are being sown in its stead. Shortage of labor is not complained of everywhere by the farming community, and in any case it does not seem to have affected seeding to a great extent. It is to be hoped that Providence will be kind and the yield good. If Providence is kind and half the amateur effort is made that is being urged there will be more garden stuff in this particular vicinity than will be consumed.

A REVIEW OF CONDITIONS.

I will not burden you with figures, but think it well to mention that the Bank Clearings this year, so far, have increased enormously over last, reflecting, in part, at least, the inflated conditions. Building permits show some increase; it is difficult to decide the cause. Railway receipts have grown. The number of immigrants, while small compared with former years, have increased somewhat over last year, nearly all coming from the United States. The entry of that country into the war, with the resultant debt and taxation and the recent regulation regarding free wheat, must, I think, aid us in the future in obtaining American settlers. About a hundred thousand soldiers have been added to our army during the past year, and about one hundred and fifty thousand have been sent abroad to join their comrades, but, alas, ninety thousand casualties have occurred since the war began, and of these more than twenty-six thousand are dead—a heavy toll. Our foreign trade has grown enormously, with a balance still largely in our favor. The effect of this is, however, it seems to me, largely nullified by credits granted the Mother Country. Our debt has of necessity grown enormously, and is increasing at the rate of probably three-quarters of a million a day, and it is only reasonable to expect that we must soon begin to feel the effect of the burden. It will, I am sure, be cheerfully borne.

NEW BRANCHES OPENED.

Turning to our own immediate affairs, it will be noted from the report that several small branches have been opened. We have reason to expect that these will very quickly become self-sustaining, with perhaps the exception of the one at Peace River, which has more the character of a pioneer post, but from which eventually good results are anticipated.

We have also secured properties at, it is thought, reasonable values in Vancouver, Windsor, and the corner of King Street and Spadina Avenue, Toronto. Two of these are yielding revenue, where, it is expected, we will erect our own offices when the opportune time arrives.

In Aurora the business of J. M. Walton and Company, private bankers, has been purchased, with an improved effect on our business at that point.

I am sure you will approve of the further subscription to the Patriotic Fund referred to in the Report, and which will be paid out during this year.

I am sorry that our senior director, Mr. Ramsay, is not with us this year. It is the first time he has missed this meeting within my recollection. While recently ill, he writes that he is now quite fit, but that the sailings of steamships for America are so uncertain that he decided not to venture. Dr. Merritt is still attending to his military hospital duties in England, and is in consequence absent.

A very large number of our staff have enlisted and gone overseas (Mr. Hay will give you particulars), and a large number of them, I regret to say, will not return. It has again been a hard, self-sacrificing year for those remaining, and I once more am glad to bear testimony to their loyalty and zeal.

I beg to move the adoption of the Report, and will ask Mr. Rogers to second the motion.

VICE-PRESIDENT'S ADDRESS

In seconding the adoption of the report there is no occasion for me to refer to the statement, as the figures shown speak eloquently for themselves, and our long experienced General Manager will no doubt explain any details you may wish to know which may not have been covered by the report itself, or by the President's address.

I think I am naturally inclined to be cautious. Perhaps that is owing to my early training on the farm, where all the bad horses about the place were given me to break in. I have ridden all kinds from the worst broncho of the West to some of the most tricky thoroughbreds of the East, and although I have had some tumbles, that and other experiences must have developed a sense of caution which I have found valuable in business. At the same time the experiences I have passed through have given me freedom from any sense of fear, or else I was born that way. I have no criticism to offer regarding what the President has said, but at the same time I want to say I have the fullest confidence that not only will this worst of all catastrophes ever known end in victory for the allies, but that the peoples of the world will come out of it much better, as gold tried in the fire, and that this Canada of ours, also this Bank, will have a great future.

FARMS SOURCES OF WEALTH.

The farm is the chief source of wealth. We have now three transcontinental railways with branches running through thousands of miles of the very best undeveloped agricultural land in the world. In the natural course of things, these must attract immigration. The products of the farm are now commanding the highest prices ever known, and in my opinion even after the end of the war, high prices for foodstuffs must continue to prevail. With the mechanical appliances now available for farm work, the farmer needs no considerable supply of extra capital, but should be helped to the extent needed upon good security. The food supply of the world is short, the demand is likely to increase rather than decrease. Development of mines, extension of factories and the reconstruction of devastated Europe must all call for food supplies for the workers. On the whole, the farmer has been helped rather than hurt by this war, and will continue to be so, at least for a long time to come.

Great changes must necessarily take place as the aftermath of the war, and in the meantime there can be no question as to the wisdom of economy in all directions. One common factor will enter into any adjustment after peace has been concluded, and that is the relation of the supply of capital to its demand, and the supply of labor working in harmony with capital. Capital and labor are dependent on each other. The tendency in modern times, unfortunately, has been for capital to use labor too much as a machine.

CAPITAL AND LABOR.

In my opinion it would be in the interests of all concerned for capital, which is essential to the development of all enterprises, to take labor, which is equally essential, into its full confidence, each receiving a fair return for that which it gives. Capital is necessary in connection with banking, but apart from that banking is simply a system of credit.

Mr. Henry Dunning McLeod, one of the highest authorities on credit, says: "A solid system of credit, by which I mean credits on debts which are punctually redeemed at maturity, is the most ingenious and powerful method ever devised by the ingenuity of man for promoting and developing national wealth." Daniel Webster says: "Credit has done more a thousand times to enrich nations than all the mines of the world." To obtain credit there must, or should be, the ability to pay, and the honest intention to pay. The credit of Canada is good, and although the load of debt is growing heavier every day in this, as in every other belligerent country, we must all admit that its financial problems have been wisely handled, and I trust that its credit will continue to grow still stronger with the progress of time.

The Imperial Bank has long been one of the leading banking institutions of Canada, and for its continued successful growth the highest praise is due to its efficient staff. The Board of Directors is necessary to direct the general policy of a Bank, but the responsibility of the real work rests upon the management and official staff.

I have much pleasure in seconding the adoption of the Report.

GENERAL MANAGER'S REMARKS

As requested by the President, I have pleasure in pointing out and commenting upon the special features of the balance sheet now presented to you.

While our actual cash holdings of \$22,204,696.91 are only very slightly in excess of the amount held a year ago, you will note a material increase from \$10,751,581.96 to \$14,866,892.57 in our "Second Line Reserves," which include Dominion, Provincial and British Government securities, and which are readily convertible into cash. This increase is represented very largely by short term Government loans for the purchase of munitions and other war supplies.

Balances maintained in foreign countries have decreased during the year from \$6,352,289.15 to \$1,858,167.68. In view of the very large demands of our borrowing customers and the fact that we are able to keep our funds well employed at home we have reduced our balances abroad by the substantial figure indicated, about \$4,500,000.

Municipal Loans show a decrease during the year of practically \$2,000,000, which is accounted for by the practise of economy and the curtailment of expenditures by municipalities generally. This is as it should be in times like these, and I might say that in our opinion some of our Canadian municipalities should retrench still further.

Call and Short Term Loans show a reduction from \$4,127,322.78 to \$3,900,248.45, roughly, \$200,000. While the decrease is not large, I would point out that a large proportion of the present loans is represented by advances to customers to assist in the purchase of War Loan Bonds.

The substantial increase in current loans and discounts, now amounting to \$41,192,000 odd, as compared with \$34,646,000 a year ago, is due to a general expansion in our commercial business and the present high cost of all commodities.

Bank Premises Account during the year has increased from \$2,621,000 to \$2,908,000. The expenditures in this connection have been conservative, and advisedly made in obtaining desirable sites at reasonable prices. Our policy is, as far as practicable, to own the premises required for the Bank's own business at places where we are satisfied we are permanently established, and where advantageous leases are not procurable.

Altogether, you will note an increase of \$9,000,000 in assets during the year.

Turning to the other side of the balance sheet—liabilities—you will observe the amount of notes of the Bank in circulation has, in common with other banks, considerably increased during the year just closed; in fact, I might say that the maximum during the year reached the figure of \$8,465,716, the largest in the history of the Bank. The amendments to the bank act, providing for emergency circulation, as it has been termed, are working out satisfactorily, and to enable us to take advantage of the opportunity afforded by this legislation to increase our circulation, we have deposited with the Central Gold Reserves various sums from time to time, the amount so deposited at present amounting to \$1,000,000.

DEPOSITS INCREASED.

Deposits not bearing interest have increased by approximately \$3,600,000, from \$11,253,426.11 to \$14,845,206.10. Interest-bearing deposits have shown almost as large an increase, the amount last year being \$48,965,201.86, while this year we have reached the sum of \$51,354,075.12. This growth, representing a total increase in deposits of \$6,000,000, we regard as satisfactory—particularly so when we consider the large withdrawals for investment in war loan issues and such like interest-bearing securities yielding higher rates of interest.

You will note that our foreign correspondents' balances with us now, amounting to \$1,208,659.35, show a substantial increase. With the high rates of exchange prevailing, no doubt it suits our correspondents to leave these funds, representing chiefly proceeds of collections, on deposit with us, pending a return of exchange rates to normal.

The number of individual shareholders of the Bank's stock consistently continues to grow. There are now 1,879 shareholders as compared with 1,804 a year ago.

New Branches.—Although for the past two or three years' time our policy has not been one of expansion in the way of new branches, you will have noted from the report that we have during the past year established ourselves at half a dozen rural points in the Province of Saskatchewan and at two points in Alberta. I might say that these expansions have been with a view to the future and to extending our facilities in fields in which we have for some time been represented; for instance, the branches at Denholm and Ruddell are in the immediate vicinity of North Battleford, where we have had a branch for some ten or twelve years. In the Province of Alberta we have large interests also, and have opened a branch at Peace River, which is some 270 miles north-west of Edmonton, where considerable development has already taken place and it is expected will continue.

In replying to the shareholders' motion of thanks to the staff the General Manager said: The number of men on the staff of the Bank at the outbreak of the war was 875, of whom 834 were of an age eligible for military service. Out of this enrolment, 300 men, which is equal to 36 per cent., have volunteered and have enlisted for military and naval service. In addition to these, some 85 youths who were appointed to the staff since the commencement of the war have given up their positions to join the colors, in all, 385 of the Bank's employees, of whom I regret to have to report as many as 27 have been killed in action, 40 others wounded, three taken prisoners and three recently reported missing. We have now a total staff of 950, and of this number 300 are ladies. This means that the positions of more than 50 per cent. of those who have enlisted are now being filled by ladies, and it affords me pleasure to be able to say that they are performing their duties quite satisfactorily.

The customary motions were made and carried unanimously.

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

The Scrutineers appointed at the meeting reported the following Shareholders duly elected Directors for the ensuing year: Messrs. Peleg Howland, Elias Rogers, William Ramsay (of Bowland, Stow, Scotland), Cawthra Mulock, Hon. Richard Turner (Quebec), William Hamilton Merritt, M.D., (St. Catharines), W. J. Gage, Sir Jas. A. M. Aikins, K.C. (Winnipeg), Hon. W. J. Hanna, M.P.P., John Northway, J. F. Michie, J. W. Woods.

At a subsequent meeting of the Directors, Mr. Peleg Howland was re-elected President, and Mr. Elias Rogers Vice-President for the ensuing year.

TRAFFIC THROUGH CANADA'S CANALS

Increased Tonnage Loaded—Wheat to Extent of 185,003,667 Bushels was Carried

Traffic through the canals of Canada in 1916 showed an increase of 8,384,688 tons. The total volume was 23,583,491 tons, though, as pointed out by Mr. J. L. Payne, comptroller of statistics, this tonnage includes duplication. It represents the business through all the canals and the same cargo often passes through two or three separate canal systems. After eliminating all duplication the net tonnage is given as 21,011,905 tons. The distribution of gross traffic in tons was as follows: Sault Ste. Marie, 16,813,649; Welland, 2,544,964; St. Lawrence, 3,368,064; Chambly, 398,977; St. Peter's, 9,629; Murray, 46,680; Ottawa, 237,651; Rideau, 105,430; Trent, 45,000; St. Andrew's, 13,438.

Analysis of Traffic.

The traffic as analysed is as follows:—

	Tons.
Agricultural products	5,178,806
Animal products	11,342
Manufactured products	834,266
Forest products	1,388,873
Mine products	16,170,204

The total volume of Canadian wheat moved through the canals of Canada and the United States at Sault Ste. Marie in 1916 was 185,003,667 bushels. Of this quantity, 82,807,342 bushels passed through the Canadian canal. Larger accommodation on the American side of the St. Mary's River probably accounts for the preference given that channel.

The growth since 1895 in the volume of Canadian wheat annually carried through the Canadian canal at Sault Ste. Marie is seen from these figures: 1895, 1,087,800 bushels; 1900, 5,573,267 bushels; 1910, 51,774,833 bushels; 1913, 101,066,133 bushels; 1916, 82,807,342 bushels.

The comparison of 1915 and 1916 is as follows:—

Through the	1915. Bushels.	1916. Bushels.
Canadian canal	48,727,911	82,807,342
American canal	121,389,950	102,196,325
Total	170,117,861	185,003,667

Canadian wheat moved in the form of flour must also be brought into the account. The total quantity brought down in 1916 was 3,805,384 barrels, as compared with 2,215,098 barrels in 1915. At 4½ bushels to the barrel, this would represent 17,124,228 bushels of wheat.

The total volume of waterborne wheat in 1916 would thus be made up as follows:—

	Bushels.
Through the Canadian canal	82,807,342
Through the American canal	102,196,325
In the form of flour	17,124,228
Total	202,127,895

The distribution of Canadian wheat, moved through the Canadian and American canals at Sault Ste. Marie from Port Arthur-Fort William in 1916, was as follows:—

To Montreal, 1,233,982 bushels; to Georgian Bay ports, 46,406,749 bushels; to other Canadian ports, 28,029,847 bushels; to Buffalo, 106,349,943 bushels; total, 182,020,521 bushels.

To account for all the Canadian wheat shipped eastward by water in 1916 there must be added the quantity passed through Duluth in bond. The complete statement would therefore be as follows:—

From Port Arthur-Fort William and Duluth, to Montreal, 1,686,482 bushels; to Georgian Bay ports, 48,007,361 bushels; to other Canadian ports, 28,029,847 bushels; to Buffalo, 107,279,977 bushels; total, 185,003,667 bushels.

The following companies have been licensed to transact the classes of insurance named, in Saskatchewan: The Casualty Company of Canada, of Toronto, plate glass; the Hamilton Fire Insurance Company, of Hamilton, fire; the Northwestern Life Insurance Company, of Winnipeg, life.

TO CONNECT UP LAKES WITH OCEAN

Manifold Difficulties Face the Proposal, Says Dominions Royal Commission

The question of further development of the inland waterways of Canada is discussed in the fifth interim report of the Dominions Royal Commission. "We have been unable to trace," says the report, "any recent estimates for the deepening of the St. Lawrence canals to correspond with the Welland Ship Canal, but in 1904 a survey was instituted by a board of engineers for a deep waterway from Georgian Bay on Lake Huron to Montreal by way of the French and Ottawa Rivers. This board put forward a scheme for a canal of a depth of 22 feet at a cost originally estimated at \$100,000,000, but subsequently increased to \$125,000,000. This project is now under the consideration of a royal commission appointed by the Dominion government.

"As will be seen from our previous interim reports we have been deeply impressed in our inquiries elsewhere in the Dominions with the importance of providing adequate waterways and harbors for ocean-going vessels of deep draught so as to secure the most economical transport of produce, and the principle is equally applicable to the development of inland waterways.

Steamers of Deep Draught.

"The imagination is stirred with the prospect of making the vast inland waters of Canada accessible to Atlantic steamers of deep draught and large carrying capacity. If free access from the ocean to the centre of the continent could be given to such vessels for seven or eight months of the year, the benefits which would thus accrue, and the impetus which would be given to the development of the Canadian West, would be incalculable.

"Unfortunately great physical and financial difficulties confront and tend to defeat so attractive a project. Not only would the St. Lawrence canals have to be deepened and enlarged, but a very considerable portion of the St. Lawrence Channel itself would need similar treatment. The cost would be enormous, even if the depth in the channel could be obtained at all, i.e., if the water level was not affected by deepening operations.

"Then again, the Welland Ship Canal has been constructed, as we have shown, to a certain scale only. If a further width and depth were required reconstruction would be necessary, doubtless at very heavy expense.

"Finally, whilst some of the harbors on the Lakes, such as that at Toronto, are being deepened so as to admit of vessels which will pass through the Welland Ship Canal, most of the lake harbors are shallow and would require large capital outlay for the requisite deepening and equipment.

Would Not Justify Expenditure.

"According to the opinion of those best qualified to judge, these factors, taken together, would render it difficult, if not impossible, to justify the heavy expenditure involved. It is further pointed out that the problem of connecting the Great Lakes with the Hudson River and the sea has been long before the governments of the United States, but that the newly completed 'Barge Canal' between Buffalo and the Hudson River has locks only 310 feet in length and 45 feet in width, whilst the depth of water available is limited to 12 feet.

"Much, therefore, as we favor the principle of making provision for vessels of deep draught and great carrying capacity, and its extension, wherever practicable, to inland navigation, we are bound to recognize that there are manifold difficulties facing the proposal to connect the Upper Lakes with tide water in such a manner as to admit the great Atlantic carriers."

CARRIED \$22,000 LIFE INSURANCE

Mr. Edwin Robert Rogers, inspector of prisons and public charities, who died in Toronto on April 21st last, left an estate of \$36,110, made up of \$22,410 in insurance on seven policies, \$1,400 cash, and \$12,300 in property at 1644 Dundas Street, Toronto. This last sum is subject to taxes and mortgage to be deducted.

HOW EUROPE RAISED ITS LOANS

British and German Issues Since the Beginning of the War

When it floated its initial war loan of \$1,750,000,000 in November, 1914, one of the first steps that Great Britain took was to prohibit the placing on the English market of new ordinary investment securities save by the express consent of the British government. Similar steps were taken in Paris and Berlin, says the New York Evening Post.

Subscriptions to the first loan were payable in instalments over five months. The Bank of England lent at 1 per cent. below the bank rate prevailing at the time of application on the loan without additional security. The bank was prepared to make advances to holders, and "holders of allotments which are partly paid may apply for advances to enable them to pay all or part of the further sums payable in respect thereof." Repayment of advances would "not be demanded by the bank before March 1, 1918."

Second Loan Produced \$3,000,000,000.

In the second British war loan in July, 1915, an offer of an unspecified amount of 4½ per cent. stock and bonds at par produced about \$2,070,000,000. Provision was made for bonds as low as \$25 or \$125 to be issued through the post office. Even five-shilling vouchers (equivalent to about \$1.25) were arranged for.

For the last war loan, stocks and bonds of the second loan, as previously stipulated, were accepted for subscription at par plus accrued interest as the equivalent of cash. The old consols, and practically all other government issues then outstanding, were accepted as cash at substantially the current market prices. This also enabled the bank to dispose of its holdings of the first war loan.

To the first war loans the banks subscribed liberally on their own account. But to the last they were asked to subscribe only for individuals.

Have You Invested?

An official exchequer advertisement asked: "Have you invested in the war loan? The last day is Friday, the 16th, and Germany is watching us. If you have not already invested every shilling you can scrape together, do so now. Has it occurred to you that you can help to end the war by borrowing on your life policies, or by obtaining a loan from your bank or by converting your treasury bills into war loan? The bank will accept the war loan it buys for you as security for what it lends to you. If you have £5 or any amount up to £50 to lend go to the nearest money-order post office."

"Men and women," read one advertisement, "sit down and think. How much cash can you put into the war loan now, and how much can you save during the next twelve months: (a) on clothes; (b) on amusements; (c) on travelling; (d) in food—to lend money to the nation? Wear old clothes, old boots, old dresses; then ask your banker or your employer to make you an advance against those future savings to help you to purchase war loan."

Pennies and Pounds.

Newspaper advertisements and placards called for the holding of meetings to explain details; counted the days before subscriptions closed. Giant scales and thermometers showed the rise of subscriptions. "Your countrymen are giving their lives," reminded one poster; "you are only asked to lend your money."

The smallest crannies were not overlooked. The cancellation marks on letters advertised the war loan. People clubbed together to buy a bond; by means of registered stock they split it up, so that it was possible to buy as little as a penny's worth.

On the last day the advertisements warned: "Your money cannot be neutral. Have you helped your country by investing in the war loan, or have you helped Germany by keeping your money in your pocket? The war loan closes to-night!" The Lord Mayor of London spoke on the loan in Trafalgar Square; tens of thousands attended; huge signs covered the adjoining buildings: "Do your share to-day! Don't leave it to others! Go to your bank before to-night!"

Speaking in the Reichstag in August, 1915, Dr. Helfferich, secretary of the German treasury, said: "We expect an even greater rush of subscribers than last time, but we think we can do without the sensational advertisements England

used for the last loan and uses for recruiting. To employ the method of the circus for the serious business of war is offensive to German taste; nor do we need, like England, to ask subscribers to do their country a 'mercy,' a favor. 'The German does not give alms to his country; he does his duty.'"

In the official notices of the fourth loan it was stated: "In making a subscription it is not necessary that the subscriber should have ready money. Whoever has an account in a deposit or savings bank will have the subscription managed for him without difficulty. If he owns securities, the imperial loan banks (Darlehenskassen) will open the way for him to obtain the necessary credit through a loan. For this the charge will be 5¼ per cent., instead of 5½, as formerly. No uneasiness need be felt about the loan being called at an inconvenient time."

Needed Every Mark.

For the fifth German war loan, opened on September 4, 1916, closed October 5, and advertised as "the last war loan," appeals were printed everywhere: "The new war loan stands under the sign of Hindenburg. Let every man make its success worthy of him." British critics charge that hints were given out that, if the German government did not get its money by voluntary loans, it would find other methods.

The following official appeal for subscriptions appeared in every newspaper: "Every mark subscribed works for victory! Those who do not subscribe as much as in their power weaken our military strength, and thereby increase the confidence and strength of our foes. Every mark held back strengthens the enemy!" Official photographic reproductions were printed of a letter from Hindenburg making an appeal for subscriptions. As an additional inducement for subscribers, it was suggested that the option of paying the war-profits tax in war loan stock be extended to other dues and taxes.

VANCOUVER COMPANY'S WAR BONDS

Since the beginning of the year, the Pacific Coast Fire Insurance Company, of Vancouver, has taken \$60,000 of Canadian war loan bonds. This is in addition to \$30,000 of the first Canadian war loan purchased by the company.

PACIFIC GREAT EASTERN RAILWAY

Action against the Pacific Great Eastern Railway Company, the firm of Messrs. Foley, Welch and Stewart, the directors of the railway companies and subsidiary concerns and against the contractor, Mr. P. Welch, has been commenced by the British Columbia government.

As against Messrs. Foley, Welch and Stewart the province seeks judgment to compel them to carry out their personal covenant to build the railway line and telegraph line, repayment to the province of moneys paid by the province on account of the railway company, etc.

Against Messrs. Foley, Welch and Stewart, and also Messrs. Tate, White and Wilson is asked an order cancelling the \$24,960,000 share capital of the Pacific Great Eastern Railway Company, and a declaration that each of the defendants were directly interested in contracts, and, therefore, disqualified to sit as directors.

Further, a declaration is sought that, as between the railway company and the development company, all acts, contracts, etc., be declared null and void, as the railway company had no lawful directors to make them, that they were not authorized by the railway company's charter, and that all property passing from the railway company to the development company be ordered restored to the former and the notes given in payment be cancelled.

The province also seeks a judgment that \$12,500,000 of the share capital of the railway company is the property of the Crown in right of the province as security under the Loan Act, 1916.

The Census and Statistics Office, Ottawa, have received from the Saskatchewan department of agriculture a summary of reports received by long distance telephone which show that 95 per cent. of the wheat seeding is finished and that about 20 per cent. of oats and flax have been sown. The reports also state that growth is very rapid, and that conditions are ideal for germination.

Invest in Canada

Even when practising war-time economy Canadian Provinces and municipalities require many millions annually for necessary public works. You can perform a national service by investing your funds in Canadian Government and Municipal Bonds.

At the same time you secure an investment that is absolutely safe, with an attractive, dependable income return, varying from

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GETTING BUSINESS IN QUEBEC

French Language is of Value There, Say Many Manufacturers

The value of the French language as an aid to developing trade with Quebec province, was the subject of inquiry made by *The Monetary Times* recently among Canadian business houses and bankers. Generally, the replies were in favor of using French in doing business in that province. Two manufacturers, however, were opposed to the principle, one of them, for example, expressing strong disapproval of "the encouragement of the use of the French language in Canada," adding: "Canada is essentially British; the English language is the language which should be cultivated in Quebec."

Mr. J. P. Murray, a well-known Toronto manufacturer, says that he could give many instances in which he and others having a knowledge of French and of the French-Canadians have obtained business which could not be secured by those who were equally able, but who did not speak French. "It is only natural that it should be so," he says, adding: "We admit this as a principle under which to do business in countries in which a different language is spoken than our own, or why do we advocate a knowledge of Spanish if we are going to South America, or recommend that we learn Russian if we intend to sell to the Russians?"

English Letters Thrown Away.

Mr. R. Tassé, Quebec province correspondent of the Frost Steel and Wire Company, Limited, Hamilton, writes *The Monetary Times*: "As a native-born French-Canadian who has travelled considerably in Quebec province, and who is now in charge of correspondence, etc., for this province for the Frost Steel and Wire Company, Limited, my experience has been that in selling to the French-speaking population of Quebec, it is highly desirable that all catalogues and correspondence be in their own language.

"I have known instances where English letters have been thrown away by the recipients without any effort being made to ascertain their contents, and the same applies to catalogues and other advertising matter printed in English.

"The French Canadians, of course, think the French language the best and a great many of them do not understand English, so the English-speaking firms will no doubt be able to get much more business from them by conducting their business in the French language."

Salesmen are French.

Mr. George Mann, manager of the Montreal branch of the Salada Tea Company, says:—

"We fully appreciate the advantages in transacting our business with the French-speaking people of Quebec in their own tongue, and have always done this to the very best of our opportunities, our salesmen being nearly all French, our advertising literature circulated amongst such people being in French also. Our correspondence has always received the same treatment, and the French press also receiving a fair share of our advertising patronage. We have been established here now for some 25 years, and may say in all sincerity and candour that our business relations with the French trade has always been of an equally satisfactory nature as with our English friends."

Should Teach French.

Mr. S. R. Parsons, president of the British-American Oil Company, Toronto and vice-president of the Canadian Manufacturers' Association, says: "Some time ago the manager of our branch at Montreal informed me that he was having more or less difficulty on account of French-Canadian customers objecting to the use of the English language in letters and invoices. I advised him, therefore, to use French in dealing with French-Canadian customers as it would certainly make it easier for such customers to do business with us. I have no doubt that those of our fellow-citizens in the province of Quebec who do not speak English find it difficult to do business with us just as our English-speaking people cannot transact business with the same facility with French houses."

Mr. Parsons also thinks that as French is the so-called polite language and the language of diplomacy almost the world over, it would be advantageous if every child in the province of Ontario could receive a working knowledge of French in our common schools. "This is a big question,"

he adds, "and would involve the special training and equipment of teachers. The ability to deal with our trade matters in the French language ought to be a great help in connection with anticipated extension of export business in different countries of the world when the war is over as French is spoken very generally in foreign commercial circles."

Sells Larger Volume.

Mr. Léon Lorrain, secretary of the Montreal Chamber of Commerce, says: "There is no doubt that an Ontario manufacturer or wholesaler conducting his correspondence in French and having French catalogues and business literature, makes a far larger volume of sales in the province of Quebec than the one whose letters and other printed matters are in English only. The majority of the French-speaking people of Quebec are, I believe, bilingual, but, though generally more or less familiar with English, the French-Canadian merchant is more kindly disposed towards the manufacturer who addresses him in his own language, and, beside, he can more easily sell goods from a catalogue printed in French or accompanied by French directions or instructions. Many Ontario firms understand the situation so well that they advertise in French, pack their wares in bilingual printed matters, or print their labels in both English and French.

"The Ontario firm making use of good French translations of its business literature would be in a favorable position to introduce its goods, not only on the Quebec market, but also on that of France and of all other French-speaking countries."

MANITOBA'S FARM LOANS

Approximately half a million dollars has within a short time been loaned to farmers throughout Manitoba through the Manitoba Farm Loans Association since the office was opened on April 21st. Applications totalling over \$400,000 have been received. Of this amount, \$78,000, representing 22 applications, has been passed by the board. This makes the average amount of each loan about \$3,500. Many demands have already been made for deposit certificates and deposits made.

FINANCES OF CANADA

The surplus national income for the fiscal year ending March 31st last, after providing for ordinary expenditures not directly connected with the war, amounted to \$60,000,000, and this sum will be available for war purposes. The gross income was \$231,000,000, or more than \$100,000,000 greater than for the previous fiscal year. The bulk of the revenue is, as usual, from customs receipts, but a substantial sum has been derived from special war taxes, notably that on excess profits. It was estimated that this tax would produce \$25,000,000 in the three years of its currency, but, according to the recent statement of the finance minister, \$15,000,000 will be collected for the first period and \$20,000,000 for the second. Additional taxes on excess profits are now proposed for accounting periods ending after December 31st, 1916. The outlay on war account up to the present amounts to \$600,000,000, bringing the debt of the Dominion up to \$900,000,000, and by the end of the current fiscal year, March 31st, 1918, the debt will probably reach \$1,200,000,000.

From the proceeds of the recent loan the Dominion government will be able to finance its own war expenditure and that of the imperial government in Canada to the end of June, after which it is intended to issue treasury bills or notes, and, if conditions warrant, to offer another war loan in the early fall. The war loans so far issued in Canada amount to \$350,000,000, of which sum \$125,000,000, together with \$170,000,000 supplied by the banks, has been advanced to the imperial treasury to meet the cost of munitions and supplies purchased mainly in Canada. This has enabled Canada to take a useful share in the financing of the war, and has at the same time stimulated her own industry and trade.

The Grand Trunk Pacific reports a large number of settlers moving over its line from Winnipeg to Edmonton en route to the Peace River country. Some are going in for the first time, but many of them have made a preliminary examination and are moving in with their families.

DOMINION OF CANADA
5% WAR LOAN

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and interest yielding 5.40%
delivered free of expense.

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ONTARIO'S COMPENSATION ACT AMENDMENTS

Several Important Changes Made in Relation to Medical Aid, Merit Rating, Etc.

The most important amendments to the Ontario Workmen's Compensation Act made by the provincial legislature in 1917 are those providing for medical aid, the adoption of a system of merit rating, the placing of executive officers of corporations upon the same footing as individual employers, the increasing of compensation for children from \$5 to \$10 on the death of the workman's widow, the payment of compensation to invalid children over 16, and to adopted children, the extension of the time in which assessments must be paid, additional penalty for default in reporting accidents, and for the addition of miners' phthisis to the list of industrial diseases.

Medical Aid.

The amendment respecting medical aid provides that from July 1st, 1917, workmen, whether disabled for seven days or not, shall be entitled during the period of one month from the date of disability to necessary medical and surgical aid and hospital and skilled nursing services, to be provided by the board and paid for out of the accident fund in schedule 1 industries, and to be paid for individually by the employer in schedule 2 industries.

It is only where it is necessary or right for an injured workman to go to a hospital for treatment that such accounts are to be paid. The determination of all questions as to the necessity, character and sufficiency of medical aid is in the hands of the board, and also the fixing of the fees or charges therefor, except where the employer is individually responsible or is permitted by the board to arrange for supplying such service. Employers are prohibited under penalty from collecting, receiving, or retaining any contribution from their workmen towards the expense of medical aid.

An employer who has or makes an arrangement to furnish medical aid to his workmen which is approved by the board, shall, if his industry is in schedule 1, be entitled to such reimbursement out of the accident fund or to such reduction of assessment as the board may deem just. Employers in industries where it is deemed proper may be required by the board to install and use first aid appliances.

Merit Rating.

This amendment gives the board authority to assess employers according to the care they take to make their factories or plants safe for their workmen. Employers who take safety precautions and avoid accidents will, under merit rating, ultimately pay a lower rate of assessment than others. It is expected that a system will be adopted to apply to the year 1917, an adjustment to be made in 1918 after the information for doing so is available.

Executive officers of corporations are not to be covered nor their salaries assessed hereafter unless they so elect in their pay roll statement. The term "executive officer" is intended to include directors, president, vice-president, secretary, treasurer, or managing director, that is officers of the company as such, but not superintendent or managers of a factory or plant who are not part of the executive of the company.

Compensation Provisions.

The provisions respecting compensation were amended in three important respects. The monthly payment of \$5 to dependent children is increased to \$10 upon the death of the widow or invalid husband. This amendment places the child on the same basis after the widow's death as if its father had left no widow. The board is also given the right to award compensation to a dependent invalid child without regard to its age, and, according to the dependency shown to an adopted child of a parent or the parent of an adopted child, who has died as a result of an accident. These amendments are to be effective from January 1, 1915.

Assessments.

The time within which assessments must be paid is extended from fifteen days to one month after the date of the mailing of the notice thereof, or such other time as may be fixed by the board.

Better provision is made for procuring promptly the reports and particulars of accidents from employers. Most employers have sent in their reports of accidents very promptly, but there are some exceptions. The new amendment makes

the defaulting employer, in addition to any other penalty or liability liable to pay the compensation awarded in respect to such accident upon evidence or information otherwise obtained by the board.

The section dealing with industrial diseases is amended by the addition of "miners' phthisis" and by making three years' residence in the province a condition to the right of compensation for disability caused by industrial disease, unless the board is satisfied that the disease is not due to any other cause than his employment within Ontario. The amendments to this section shall take effect as if enacted on January 1st, 1917.

In addition to the foregoing amendments, there is an important section which provides that the decisions of the board shall be upon the real merits and justice of the case and that the board shall not be bound to follow strict legal precedent.

SHIPBUILDERS BUSY IN NOVA SCOTIA

Steel and Wood Vessels are Under Construction to the Full Capacity of Existing Yards

We have developed Nova Scotia's great coal industry. Following that its iron industry has attained international importance. So once again the opportunity presents itself of playing a part in transporting the commerce of the world. Added to this a great emergency confronts the empire. "Ships! Ships! Ships!" is the cry. This is the editorial comment in a timely shipbuilding number of the Halifax Morning Chronicle, which furnishes data regarding the shipbuilding industry of that province.

Fifty-One Wooden Vessels.

On the Atlantic Coast there are 51 wooden vessels of a total tonnage of 16,316 under construction, of which 46 are being built in Nova Scotia. Every shipyard in the province is being worked to capacity. At Lunenburg, La Havre, Liverpool and Shelburne, attention is being mostly devoted to fishing and coasting vessels. On the French Shore, St. Mary's Bay, at Annapolis, at Parrsboro, Fox River, Port Greville, Spencer's Island, Advocate Harbor, at Hantsport and Noel, and other points, there are under construction tern schooners for the deep sea trade, varying in size from 200 to 500 tons, and there are tern schooners under construction at Liverpool and Shelburne.

At Meteghan, St. Mary's Bay, a tern schooner has been started. At Little Brook one is almost completed. There is one soon to be launched at Grosses Coques, where two more are to be started, and there are two at Belliveau's Cove. At Parrsboro there is under construction a schooner of about 600 tons, at Fox River a schooner of about 460 tons, at Port Greville a schooner of about 350 tons and another of about 200 tons. At Spencer's Island a 430-ton schooner, at Advocate Harbor a 460-ton schooner, at Hantsport a 350-ton schooner, and several large schooners at Annapolis.

Scotia's Steel Vessels.

The Nova Scotia Steel and Coal Company's first steel vessel which is 260 ft. in length, and has a carrying capacity of 1,900 tons is nearing completion at the Trenton shipyards. The keel has been laid for a second boat which is about 260 ft. overall, and has a deadweight capacity of about 2,400 tons, propelled by triple expansion engines. These engines will be built complete at this plant. The steam will be furnished by two Scotch boilers 11 ft. diameter and 10 ft. 9 in. long, with a working pressure of 185 lbs. per square inch. The boilers are being built by the John Inglis Company, Limited, Toronto.

Mr. Wallace Downey, a Nova Scotian, of the Downey Shipbuilding Corporation, New York, says that unnecessary costs in shipbuilding and ship operation, resulting from endless variety, is probably about 20 per cent. in excess of what the building and operating costs of the world's shipping would be if types and sizes were standardized and specialized for certain trades and uses. Twenty per cent. upon the cost of the world's shipbuilding and operation would, of course, aggregate hundreds of millions annually.

This is an unnecessary overhead charge on water transportation. He believes the cost of shipbuilding can be reduced at least 20 per cent. by standardization, and I believe the cost of operating ships can be reduced from 10 to 20 per cent. by standardization and specialization.

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BRITAIN GAINING TRADE, GERMANY LOSING

United Kingdom is \$600,000,000 Ahead While Germany is \$5,000,000,000 Behind in Trade

During the two years of war, 1915 and 1916, the trade volume of the United Kingdom amounted to £2,883,824,000, or £131,667,000 in excess of that of the two last years of peace, 1912 and 1913. The statement made by the German imperial treasurer, Dr. Helfferich, in the course of the recent debate in the Reichstag, was to the effect that since the war began Germany had lost a foreign trade valued at £1,150,000,000. Dr. Helfferich's specific statement thus confirms in a manner its estimate that Germany's trade loss approximated £1,000,000,000, says the British Export Trade Gazette. The contrast between the British and German figures is striking and significant. On the one hand we are authoritatively told that Germany's commerce has suffered to the extent of £1,150,000,000; on the other hand, Great Britain's commerce has, in spite of the fact that so large a proportion of the manhood of the country are fighting in the cause of the world's freedom; in spite, too, of the ruthless efforts of Germany to destroy British shipping and cripple our trade; in spite of high freights and scarce tonnage, actually increased its trade total to the no mean extent of £131,667,000.

What has Been Accomplished.

Month by month, the British commercial position, judged by the official returns, steadily improves. It is true that, as the late president of the board of trade recently admitted, German submarines have sunk 2,250,000 tons of British shipping; it is true that the high prices of foodstuffs in the United Kingdom, and the orders for the regulation of food consumption suggest more trouble than is really the case; it is true, too, that a great deal of Great Britain's increasing trade is in respect of imports of war materials and raw products for their manufacture and of exports to our allies of similar merchandise; but none of these moderating influences really affect the main fact that whereas Germany has completely lost every fraction of her oversea trade except the small amount that is done by stealth through neutral countries, Great Britain is steadily increasing hers, and, judging by all the indications available, will continue to increase it.

British trade with practically every market in the world, except, of course, enemy countries, is, indeed, rapidly increasing. To allied countries in Europe our exports are more than double what they were two years ago; to neutral countries in Europe they have advanced during the same period by 45 per cent.; to India and other British Asia by 25 per cent. over the amount for 1915; to China and Japan by 44 per cent.; to British Africa by 26 per cent.; to Egypt by 43 per cent.; to foreign Africa by 40 per cent.; to British North America by 37 per cent.; to Argentina by 27 per cent.; to Brazil by 30 per cent.; to the United States by 32 per cent.; and to Australia and New Zealand by 28 per cent.

Triumph in Markets.

We have purposely gone so far into detail because these percentages of Great Britain's increasing trade, based upon the official returns, afford perhaps the most striking revelation of England's commercial supremacy, even in the midst of the greatest war of any time, that could be put forward. They are details, too, that cannot be questioned or controverted, and in so far as they concern Great Britain's shipments to such neutral countries as the Argentine, Brazil, China, and, above all, the United States, they cannot even be charged with being concerned with the transport of munitions of war or military materials of any description.

What is true of these particular markets is also, to a large extent, applicable to British trade with others also, both allied and neutral. The increase of nearly £20,000,000 in the exports of cotton piece-goods from the United Kingdom during the first ten months of last year, as compared with the volume of this trade in the corresponding period of 1915, cannot by any stretch of imagination be associated with the war, particularly as the bulk went to South America, China, India, the Dutch East Indies and the United States. The same applies to the £7,000,000 increase for the same period in woolen and worsted tissues, and to smaller increases in many other classes of manufactured goods.

It is a record of which England may well be proud.

What of the future—of the year upon which we have just entered? The months before us will doubtless be strenuous,

and in some quarters they may not be untinged with anxiety; but all indications clearly point to Great Britain's commercial progress in every market open to her enterprise; to the steady realization of closer inter-imperial trade relations; and, above all, to the quiet preparation through her vastly augmented industrial equipment for a full participation in that longed-for period, when the world, freed from the horrors of a war of which no market has not felt the depressing or disturbing effects, will give itself over to a commercial expansion such as has never before been realized. If the British nation can do so much during the war, of what is it not capable when the conflict is at an end? Competition there will be, keen and strenuous, but our manufacturers and merchants will be unfettered to deal with it, not, as now, handicapped in their one-handed contest with their great neutral competitors. The world wants British goods and British industry, enterprise, and perseverance will be fully equal to the task of supplying all that is required when the propitious moment arrives for the United Kingdom to prove how fully competent her resources are to cope with all the demands that will be made upon her industrialists.

PAPER PRICE AGREEMENT EXTENDED

The Dominion government will extend for two or three months the agreement made by order-in-council fixing the maximum price at which news print paper manufacturers can sell their product to the publishers at \$2.50 per hundred pounds, f.o.b. the mill. This was intimated on Monday by Mr. R. A. Pringle, K.C., the commissioner investigating the industry in Canada. He said all the mills will have to bear a share of supplying the Canadian publishers at a fixed price. The first agreement was made on March 1st and would have expired June 1st.

MERCHANTS BANK OF CANADA

At the end of its fiscal year on April 30th the assets of the Merchants Bank of Canada totalled \$121,130,558, compared with \$96,361,363 a year ago, an increase of \$24,769,195 during the year. Of these assets the liquid portion totals \$52,041,624, being 48.87 per cent. of the liabilities to the public. Cash holdings, including deposit in the Central Gold Reserve, amount to \$15,917,228, or 15 per cent. of liabilities to the public, a substantial position.

After making the usual provisions, the profits amounted to \$1,120,308, compared with \$950,713 a year ago. With the addition of \$250,984 carried forward from last year, dividend requirements at the rate of 10 per cent. were met, and after writing off of bank premises \$100,000, contributing \$50,000 to officers' pension fund, paying government war tax on note circulation of \$70,000, and donating to Canadian Patriotic and Red Cross funds \$30,000, \$421,292 was carried forward to the credit of profit and loss account.

The annual statement of the Merchants Bank of Canada shows a maintenance of its strong position and a continuance of its progress. The bank has a good reputation for aggressiveness combined with the proper degree of business caution. Its co-operation with the Alberta government in making loans for the encouragement of the livestock industry is a typical example of its interest in the development of the western provinces. Mr. D. C. Macarow is general manager of the bank, and under his management, with the assistance of Mr. E. F. Hebden, managing director, and a strong and active directorate, the Merchants Bank has made substantial progress.

The bank's deposits increased during the past year from \$72,177,029 to \$92,102,074, an increase of \$19,925,045. Current loans and discounts increased from \$48,835,565 to \$62,737,958. The bank has done its full share in assisting the country's commercial development and has taken excellent care of the business requirements of its clients. There is evidence also of the bank's assistance in war financing in an increase of \$7,400,000 in two groups of the bank's security holdings.

Among the bond offerings of Messrs. C. H. Burgess and Company, Toronto, are issues of the following Ontario municipalities: Kitchener, Leamington, New Toronto, Parry Sound and Niagara, yielding the investor returns of from 5½ per cent. to 5¾ per cent.



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Compiled, Revised and Tabulated from Official Reports

A list of original purchasers, price and income basis of the Municipal Bonds sold in 1916, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically, by States.

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DIVIDENDS AND NOTICES

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 121

Notice is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 31st May next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Friday, 1st June, 1917. The Transfer Books of the Bank will be closed from the 17th to the 31st of May next, both days inclusive.

By Order of the Board,
JOHN AIRD,
General Manager

Toronto, 20th April, 1917.

UNION BANK OF CANADA

DIVIDEND NO. 121

NOTICE is hereby given that a Dividend at the rate of eight per cent. per annum, upon the Paid-up Capital Stock of the UNION BANK OF CANADA, has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its Branches, on and after Friday, the 1st day of June, 1917, to Shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 31st day of May, 1917, both days inclusive.

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

Winnipeg, April 19th, 1917.

BANK OF MONTREAL

Notice is hereby given that a Dividend of two-and-one-half per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, also a Bonus of one per cent., both payable on and after Friday, the first day of June next, to Shareholders of record of 30th April, 1917.

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

Montreal, 24th April, 1917.

THE ROYAL BANK OF CANADA

DIVIDEND NO. 119

Notice is hereby given that a Dividend of Three per cent. (being at the rate of twelve per cent. per annum) upon the Paid-up Capital Stock of this Bank, has been declared for the current quarter, and will be payable at the Bank and its Branches on and after Friday, the first day of June next, to Shareholders of record of 15th May.

By order of the Board,
C. E. NEILL,
General Manager.

Montreal, Que., April 17th, 1917.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A dividend of one and three-quarter per cent. (1¾%) on the Common Stock of the Dominion Textile Company, Limited, has been declared for the quarter ending 30th June, 1917, payable July 3rd, 1917, to shareholders of record June 15th, 1917.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 7th May, 1917.

TORONTO PAPER MANUFACTURING COMPANY, LIMITED

Notice is hereby given that a dividend of three per cent. together with a bonus of two per cent. upon the paid-up capital stock of this Company, has been declared for the half-year ending June 30th, 1917, and that the same will be payable on July 3rd, 1917, to shareholders of record at the close of business on June 23rd, 1917. The books of the Company will be closed until the close of business on June 30th, 1917.

By order of the Board,
A. W. BRIGGS,
Secretary.

Toronto, May 18th, 1917.

SELECTION OF AUDITORS UNDER SECTION 56 OF THE BANK ACT

Notice is hereby given that the General Managers of the Chartered Banks intend to select by ballot not less than forty persons who shall be eligible, subject to the approval of the Honourable the Minister of Finance, to be appointed auditors under the provisions of the Bank Act for the ensuing year. The names of all persons selected in 1916 will be placed in nomination without fresh application. Other applications should be made in writing to the Secretary of the Canadian Bankers' Association, National Trust Building, Montreal, not later than the 30th day of May, 1917.

E. L. PEASE, President,
The Canadian Bankers' Association.

Montreal, May 19th, 1917.

NORTHERN CROWN BANK

Head Office, Winnipeg

Dividend No. 17.

Notice is hereby given that a Dividend at the rate of 5% per annum on the paid-up Capital Stock of this Bank has been declared for the six months ending May 31st, 1917, and that same will be payable at its Banking House in this city and at all its Branches on or after the 2nd day of July next to shareholders of record of the 15th day of June, 1917. The Transfer Books of the Bank will be closed from the 15th day of June to the 30th day of June, both inclusive.

By order of the Board,
ROBERT CAMPBELL,
General Manager.

Winnipeg, May 15th, 1917.

BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED

(Incorporated under the Laws of the Dominion of Canada).
To the Holders of 5% First Mortgage 50-Year Bonds.

NOTICE IS HEREBY GIVEN that Coupon No. 11, in respect of the half-yearly interest due 1st of June, 1917, on the 5% First Mortgage 50-Year Bonds of the Company may be lodged on and after 1st of June, 1917, at the offices of the Company, 10 Manning Arcade, Toronto, Canada, or 3 London Wall Buildings, London, England, to be exchanged for Interim Certificates in respect of the 5% 10-Year Notes to be issued in discharge thereof.

For and on behalf of Barcelona Traction, Light & Power Company, Limited.

R. H. MERRY,
Secretary.

Toronto, Canada, 22nd May, 1917.

SMART-WOODS, LIMITED

Notice of Dividend

A Dividend of One and One-quarter per cent (1¼%) on the Common Stock of Smart-Woods, Limited, has been declared, payable June 1st, 1917, to Shareholders of record May 26th, 1917.

By order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, May 19th, 1917.



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Head Office, Montreal

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Montreal and Toronto Stock Transactions

Stock Prices for Week ended May 22nd, 1917, and Sales.

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

Montreal Stocks		High	Low	Sales
Ames-Holden	com.	20	15	...
Asbestos	pref.	17		...
Bell Telephone		142	141	10
British Columbia Fishing & Packing				225
Brompton		50 1/2	50	2299
Brazilian		40 1/2	40	1015
Canada Car	com.	30	29	135
Canada Cement	com.	62	60 1/2	886
Canada Cottons	pref.	92		210
Canada Cottons	pref.	81	52 1/2	125
Canadian General Electric		107	106 1/2	146
Canadian Locomotive		59		...
Canada Pacific Railway		162	160 1/2	...
Canada Steamship Lines	com.	38 1/2	37 1/2	95
"	pref.	87	86 1/2	181
" (Voting Trust)				...
Carriage Factories		12		5
Civic Investment		78	77 1/2	1082
Cons. Mining and Smelting		27 1/2	26 1/2	1520
Crown Reserve	5			...
Detroit Railway		113	111 1/2	125
Dominion Coal	pref.			3
Dominion Iron	pref.	90 1/2		12
Dominion Steel Corporation	com.	61 1/2	61 1/4	3525
Dominion Textile		89	88	1185
Gould Manufacturing			102 1/2	23
"			100	...
"	pref.		100	...
Goodwins	pref.	45		...
Illinois Traction	pref.			25
Lake of Woods Milling	pref.	133	127	...
Laurentide Co.		180	176	75
Lyll Construction Co.		80 1/2		...
Macdonald		12		20
Mackay	com.			...
Maple Leaf			108	90
"	pref.			...
Montreal Cottons	com.			21
Montreal Loan & Mortgage		170	165	...
Montreal Tram Debenture		75		20700
Nova Scotia Steel	pref.	93	92	500
Ogilvie Flour Mills	2	144 1/2	141	27
Ontario Steel Products		23		...
Ottawa Light, Heat and Power				...
Paton Manufacturing Co.			130	...
Penmans		72	71 1/2	179
Riordan Paper	pref.	1 1/2		...
Quebec Railway, Light, Heat & Power	pref.	125	124 1/2	855
Shawinigan Water & Power		28	27	590
Sherwin-Williams			122	185
Smart Woods	pref.	59		50
Spanish River	pref.			6
Steel Co. of Canada	com.	17	14	10
"	pref.	55		...
Tooke	pref.	59 1/2	59 1/4	1600
Toronto Railway	pref.		91	55
Tucketts		80	78	172
Winnipeg Railway				...
Wayagamack		68 1/2	68	160
Bank of British North America		110		...
Bank of Commerce				6
Bank of Montreal				28
Bank of Ottawa		202 1/2		...
Bank of Toronto				...
Bank d'Hochelaga		149		...
Banque Nationale				...
Bank of Nova Scotia				32
Dominion Bank				...
Merchants Bank		170	168	46
Molsons Bank				10
Quebec Bank				...
Royal Bank				51
Standard Bank	com.	3 1/4		...
Union Bank				...
Montreal Bonds				
An. Rubber	Last Sale			300
Asbestos		72 1/2	72	336
Bell Telephone		98 1/2	97	...
Canada Cement		96 1/2	97 1/2	4900
Canadian Cottons		83	82	...
Canada Felt				...
Canadian Con. Rubber		97	95	...
edars Rapids		90	88 1/2	6500
Dominion Canners		90		...
Dominion Coal		94 1/2		4000
Dominion Cotton		90		2000
Dominion Iron and Steel		97		7000
Dominion Textile	A	97 1/2	98 1/2	1000
"	B	97	98 1/2	...
"	C	97	98 1/2	1000
"	D	96 1/2	98 1/2	...
Lake of Woods Milling		103	102	3000
Lyll Construction Co.		83 1/2	85	...
Montreal Light, Heat & Power		101	91	2000
Montreal Tramways		91 1/2		...
National Breweries		90		...
Nova Scotia Steel		90		...
Ogilvie	A	10	102	...
"	B	103	102	...
"	C	103	102	2000
Penmans		84 1/2		...

Montreal Bonds (Continued)

	Asked	Bid	Sales
Price Bros.	83		
Quebec Railway, Light and Power	67	65 1/2	200
Riordan	96 1/2	98	
Steel Co. of Canada	99 1/2	99	
First Dominion War Loan	84 1/2	96 1/2	12700
Second Dominion War Loan	98 1/2	95 1/2	2900
Winnipeg Street Railway	95		
Wayagamack	84	87	2000

Toronto Stocks

	Asked	Bid	Sales
Ames-Holden	pref.		
American Cynamid	pref.	24	21
Barcelona	com.	59	55
Bell Telephone		11 1/2	11 1/2
Brazilian		146	142
Canada Bread		40 1/2	40
Canadian Car & Foundry	pref.	84	80
Canadian Canners	pref.	29	28
Canadian General Electric	pref.	68 1/2	67
Canada Landed & National Investment		108	107
Canadian Life Insurance	cum. div. pref.	158	
Canadian Locomotive		60	58
Canadian Pacific Railway	pref.	60	58
Canada Permanent		88	88
Canadian Salt		15	15
Canada Steamship		3	3
Cement	com.	162	160 1/2
City Dairy	pref.	170	
Colonial Loan		135	130
Confederation Life		38	37 1/2
Coniagas		87	86 1/2
Consumers Gas	com.	61 1/2	60 1/2
Crown Reserve	pref.	93 1/2	92
Crow's Nest Pass			30
Detroit			
Dome		12 1/2	11 1/2
Dominion Canners	5		650
Dominion Iron	pref.		
Dominion Steel Company		61 1/2	61
Duluth Sup.	pref.		965
F. N. Burt		50	45
Hamilton Provident	pref.	80	88
(20% paid)		89	88
Huron & Brie		141	140
La Rose		210 1/2	208 1/2
Landed B. & L.			20
London & Canadian		146	
Mackay Companies		130	124 1/2
Mackay Companies	pref.	85	84
Maple Leaf Milling		84	84
Maple Leaf Milling	pref.	65 1/2	64 1/2
Monarch		107 1/2	107 1/2
Nat. S. Car.		93 1/2	93 1/2
National Trust	pref.	40	40
Nipissing		212	212
Nova Scotia Steel		750	700
Ogilvie		94	92 1/2
Pacific Burt	pref.		45
Petroleum	pref.	40	38
Porto Rico		80	80
Quebec Light & Power		14	13 1/2
Riordan		32	32
Rogers	com.		150
Russell Motor	pref.	65	65
Sawyer-Massey		90	90
Shredded Wheat		75	73
Spanish River		110	104
Smelters	pref.		7 1/2
Standard Chemical		50 1/2	49 1/2
Standard Chemical	pref.	27	26 1/2
Steel Company of Canada	pref.	16	13 1/2
Toronto General Trust		52	
Toronto Mortgage		59 1/2	59 1/2
Toronto Paper		92	91
Toronto Railway		212	212
Trethewey		92	91
Tucketts	pref.		880
Winnipeg Electric		19	17
Twin City		77	77
Bank of Commerce			37
Bank of Ottawa		50	87 1/2
Bank of Hamilton			183 1/2
Bank of Montreal		202	
Bank of Nova Scotia		191	188
Bank of Toronto			
Dominion Bank		257	
Molsons Bank			7
Royal Bank		207	
Standard Bank		194	
Union Bank			12
Toronto Bonds			
Canada Bread	Last Sale		
Canada Cement		92 1/2	92
Canada Locomotive		92 1/2	600
Penmans		95	
Sao Paulo, 1929		84	86 1/2
Steel Company of Canada		84	80
First War Loan		96 1/2	
Second War Loan		98	
Third War Loan		97	13300
		95	16100
		94 1/2	46500

RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Avonton, Ont.—May 15—Mr. F. Glayn's chopping mills. Loss, \$2,000. Causes, sparks from forge.

Collingwood, Ont.—May 17—City Steam Laundries and barns. Cause, sparks. Loss, \$2,000.

Conjuring Creek, Alta.—May 14—Mr. J. A. Sangster's residence. Loss, \$2,500.

Edmonton, Alta.—May 12—Dwelling house on Rist farm. Loss, \$1,100; tool shed, Laurier Park. Loss, \$100.

Grouard, Alta.—May 12—Mr. Laird's stables. Cause unknown.

Markham, Ont.—May 20—Markham Roller Mills, owned by Maple Leaf Milling Company. Loss, \$75,000. Cause, lightning.

Moose Jaw, Sask.—May 12—Part of Saskatchewan Bridge & Iron Company's plant.

Paris, Ont.—May 2—Mr. T. Dean's barn. Cause, lightning. One death. Loss, \$2,000.

Portage la Prairie, Man.—May 17—Shooting lodges of Messrs. Kelliher & Bowler, and boathouse of Mr. E. A. McPherson.

Saanich, B.C.—May 15—Mother's Bakery of Penness Brothers. Loss, contents, \$700; P. R. Brown's house. Loss, \$1,800.

St. Thomas, Ont.—May 20—Barns of Mr. J. Walters, Middlemarch, and Mr. D. Somerville, Sparta. Cause, lightning.

Simcoe, Ont.—May 20—Barns of Mr. W. Stitzinger, Windham Township. Cause, lightning.

Toronto, Ont.—May 16—Jefferson Glass Company's plant, Carlaw Avenue. Cause, resin in storehouse.

May 21—Building on Front Street, owned by Crown Stopper & Seal Company. Occupied by Turner Wine & Drug Company, and Dale Wax Figure Company. Loss, \$15,000.

Vanscoy, Sask.—May 17—Business section. Stores of Messrs. Sanders, Lorass, Methodist church, etc.

PUBLICATIONS RECEIVED

Fish and Game.—Ninth annual report. Issued by Ontario Game and Fisheries Department, Toronto.

Bank Efficiency.—"The Teller," a monthly journal edited and issued by the staff of the Sterling Bank of Canada, Toronto.

Workmen's Compensation.—Second annual report of the working of the Ontario act. Issued by the Ontario Workmen's Compensation Board, Toronto.

Sunshine Magazine.—The first number of a bright and educational new policyholders' publication which is to be published quarterly by the Sun Life Assurance Company, Montreal.

Public Health.—Thirty-fourth annual report of Ontario Board of Health. Contains reports of district officers, sanitary engineer and data regarding work of laboratories. Issued by the Ontario Board of Health, Toronto.

Company Incorporation.—"Canadian Companies Incorporation and the doctrine of ultra vires in the light of Privy Council decisions." A reprint of a paper read before the Junior Bar Association of Montreal, by Mr. Victor E. Mitchell, K.C., B.C.L., the well-known Montreal authority on company law.

Ontario Mines.—In Part I. of 25th annual report of the Ontario Bureau of Mines, Mr. T. W. Gibson, deputy minister, indicates the new mineral developments in Ontario. It also contains a statistical review by Mr. W. R. Rogers; a report on the mining accidents, by Mr. T. F. Sutherland, chief inspector of mines, and inspectors E. A. Collins and James Bartlett; an account of the operating mines in the province by Mr. Sutherland and inspectors Collins, McMillan and Bartlett; a description of the iron deposits of Hunter Island with notes on the Gunflint Lake Area, by Mr. A. L. Parsons; notes on iron pyrites deposits in southeastern Ontario, by Mr. P. E. Hopkins; a study of certain minerals from Cobalt, Ontario, by Mr. H. V. Ellsworth; reports on Boston Creek gold area and the Goodfish Lake gold area, by Messrs. A. G. Burrows and P. E. Hopkins; and a preliminary report on the Kowkash gold area, by Mr. P. E. Hopkins.

DEBENTURES FOR SALE

TOWN OF NORTH BAY

DEBENTURES FOR SALE

Sealed Tenders will be received by the undersigned up to and including Friday, the 15th day of June, 1917, for the purchase of the following issues of Debentures of the Town of North Bay.

- (1) \$9,155.84 Local Improvement Debentures for permanent sidewalks, bearing interest at the rate of six per cent. per annum, repayable in fifteen equal annual instalments of Principal and Interest.
- (2) \$28,317.10 Local Improvement Debentures for Sanitary Sewers, bearing interest at the rate of six per cent. per annum, repayable in thirty equal annual instalments of Principal and Interest.
- (3) \$15,000.00 Bonus Debentures bearing interest at the rate of six per cent. per annum, repayable in twenty equal annual instalments of Principal and Interest.

Delivery to be made at the Royal Bank of Canada, North Bay, Ont.

J. A. CAREY,
Town Clerk.

TENDERS WANTED

Sealed Tenders addressed to the undersigned and marked on outside of envelope, "Tender for Debenture," will be received up till noon on the first day of June, 1917, for the purchase of the following debentures of the City of Windsor, Ontario:—

- \$2,095.83, five and one-half per cent., local improvement, twenty years, annual instalment, semi-annual interest coupons;
- \$63,201.90, five per cent., local improvement, ten years, annual instalment, semi-annual interest coupons;
- \$71,484.49, five per cent., local improvement, ten years, annual instalment, semi-annual interest coupons;
- \$70,000.00, Park, five and one-half per cent., forty years, annual instalments, semi-annual interest coupons;
- \$50,000.00, Windsor Hydro Electric, five and one-half per cent., twenty years, annual instalments, semi-annual interest coupons.

Tenders must be for each block separately.

Debentures and coupons payable at Windsor, delivery of debentures to be made purchaser at Windsor.

Debentures may as far as practicable be made of the denomination of one thousand dollars each.

No tender necessarily accepted.

Further particulars on application to

M. A. DICKINSON,
Acting Clerk.

Windsor, Ont., May 21, 1917.

The Leather Label Over-Haul Company, Limited, with Ontario charter, has increased its capital stock from \$30,000 to \$50,000.

Mr. A. S. Patterson and Lieut.-Colonel C. Vincent Massey have been elected to the directorate of the Massey-Harris Company. The board, as elected at the annual meeting, follows: Mr. Chester D. Massey, honorary president; Mr. Thomas Findley, president and general manager; Mr. Joseph N. Shenstone, first vice-president and treasurer; Mr. Charles L. Wisner, second vice-president and secretary; Mr. R. H. Verity, general superintendent; Mr. George Valentine, assistant general manager; Mr. E. R. Wood, Sir Edmund Walker, Mr. A. S. Patterson and Lieut.-Colonel C. Vincent Massey.

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto,
(Week ended May 22nd, 1917.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Pulp.....com.	50	60	Continental Life.....	20	25	Mutual Steamships, 6's..	97.50	...	Toronto Paper, 6% bonds	89	...
.....pref.	88	...	Cockshutt Plow Co. pref.	63	70	Matthews-Blackwell com	26	...	Tooke Bros.....pref.	...	77
Atlantic Sugar.....com.	9	12	Can. Tube & Iron.....com.	87	94	Temple Theatre.....pref.	95	100	Univ. Steel & Tool.....	...	40
.....pref.	35	40	Crossen Car, 6's.....	98	...	.....com.	25	...	Wabbaso Cotton.....com.	24	30
Alberta Pac. Grain.....pref.	90	95	Canada Salt, 6's.....	97	...	Smart-Woods.....com.	43	50	E. L. Ruddy.....pref.	...	90
Anglo-French 5% bonds..	93.75	94.50	Dom. Po'er & Trans com.	61	64	Eastern Car, 6's.....	...	96	Western Assur.....	...	6.75
Belding Paul.....com.	12	16	.....pref.	97.50	100	Monarch Life Assur.....	...	25	Brandram Henderson...	41	48
Eastern Car.....pref.	...	70	Dom. Permanent Loan..	70	73	Morrow Screw, 6's.....	84	90	Maritime Coal & Rly.com.	13.50	17.50
Black Lake.....bonds	27	30	Linderman Steel.....	6.50	7	North American Pulp...	4.75	5.50	.....bonds	65	70
Arena Bonds.....	...	90	Dunlop Tire.....pref.	90	97	Nova Scotia Stl. 6% deb.	...	97	Imperial Steel & Wire...	...	1
Dominion Glass.....com.	22	25	Canadian Marconi.....	1.50	2.50	Ont. Pulp Bonds.....	84	88	Northern Elec. 6's.....	...	95
Canada Machinery, 6's..	70	80	Montreal Tram. Power..	34	36.50	Otis-Penson Elev... pref.	90	97	People's Loan & Savings	85	90
.....pref.	40	48	Home Bank.....	64	65.50	Sovereign Life Assur...	...	25	.....	...	...
Canada Fair, Morse.....pref.	87	95	Howard Smith Pap. pref.	65	73	Provincial Paper.....com.	51	52.50	.....	...	...
Provincial Paper.....pref.	...	86	Imper. Steel & Wire.....pref.	...	5	Russian Govt. 5½% bds..	245	255	.....	...	...
Canadian Mortgage.....	86	94	Tooke Bros.....com.	...	20	Phoenix Bridge...bonds.	...	75	.....	...	...
Canadian Oil.....com.	37	41	Interlake Steamships, 6's	96	...	Standard Reliance Loan	46	48.50	.....	...	...
.....pref.	88	100	London Loan & Savings.	95	110	Steel & Radiation Bonds.	...	68	.....	...	...
Carter Crume.....pref.	67	...	Canada L. & P. Bonds...	45	52	Sterling Coal Bonds.....	49	...	.....	...	...
Chapman Ball Bearings.	32	...	Imperial Oil.....	375	405	Trust & Guarantee.....	86	90	.....	...	...

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 on this page once a month as issued by the various Government departments.

GREAT BRITAIN'S NATIONAL DEBT

Before the War It Was £706,000,000; Now It Is Nearly
£4,000,000,000

Before the outbreak of war, the national debt of Great Britain totalled £706,000,000. On March 31st, 1915, it had risen to £1,273,000,000 and a year later to £2,450,000,000, of which £1,742,000,000 represented war debt. By March 31, 1917, the debt was £3,900,000,000, of which £964,000,000 represents advances to the Allies and Dominions and which are returnable after the war. Since March, 1914, when the debt was £706,000,000, there has therefore been a net increase of £2,200,000,000. In 1697 it was only £21,515,000.

The origin of the British national debt dates from the revolution of 1689, when the need to finance the war against Louis IV. without imposing unpopular taxation led to the gradual accumulation of a public debt. Outlining the history of this debt, the London Economist has pointed out that the money at that time was got by mortgaging branches of the public revenue, the issue of annuities and lotteries, mostly at 8 per cent., in the reign of William; the larger liabilities contracted in Anne's reign cost 6 per cent. Walpole, by a régime of peace and economy, improved the administration of the debt; united the multiplicity of different liabilities in three main funds, whose joint surplus he formed into the first sinking fund; and reduced the rate of interest first to 5 per cent. and then to 4 per cent. At the end of George I.'s reign the total funded and unfunded debt was estimated at about £52 millions. Wars with Spain and France added some 30 millions, but by 1756 the unfunded debt had been paid off, and interest on the whole converted to 3 per cent.

Seven Years' War.

The seven years' war added £64½ millions to the debt, which at the Peace of Paris stood at £138,865,000. Ten years of peace reduced it to £128,583,000, but this total was nearly doubled by the disastrous war with the American colonies, in the course of which the credit of the country went from bad to worse, 3 per cent. Consols falling from 89 in 1774 to 54 in 1781, the lowest point touched, until in the early years of the Revolutionary War they collapsed to 47.

In 1802, according to Porter ("Progress of the Nation"), the whole capital of the funded and unfunded debt amounted to £637 millions; by 1816 it had risen to £885 millions, involving an interest charge of £32,938,000, or more than half of the whole public revenue from taxation. Owing to the miserable condition of the country after the war financial recovery was slow until Peel took the helm. In 1841 the state's aggregate liabilities still stood at £838 millions and Consols stood at 90.

By 1854 debt had been reduced to £803 millions, and Consols, restored by Peel to par in 1845, stood there till the outbreak of the Crimean War, and the consequent addition of £33 millions to debt set them down 10 per cent.

again. Between 1857 and 1899 debt was reduced to £635 millions, and the 2¾ per cents (created by Goschen's Conversion Act) touched 113 in 1896-7-8. In 1889, however, was passed the Imperial Defence Act, under which a running expenditure of borrowed money on naval and military works was created—£7,000,000 in 1899—which counteracted the reductions in the sinking fund and caused a sharp decline in Consols. They stood at 103 when the Boer War broke out in 1899, and fell to 91¾ in November, 1901. The Boer War raised the National Debt from £635 millions in 1899 to £798 millions (1903). This was the highest point at which it had stood since 1867; thus the savings of thirty-six years of peace were swallowed up by the borrowing of three years of war.

On March 31st, 1906, although the sinking fund had been restored at the close of the war, debt still stood at £796 millions. Between 1906 and 1914, however, the Liberal government succeeded in wiping off £107 millions of debt, or about two-thirds of the addition due to the Boer War, and the fixed debt charge was £19½ millions, or £24½ millions, including sinking fund. (2½ per cent. Consols stood in 1907 at 84.1.)

National Debt at a Glance.

The figures given above may be summarized conveniently in the following table:—

	Principal.
National debt in	
1775 (before American War)	£ 128,583,000
1783 (Peace of Versailles)	249,851,000
1802 (Peace of Amiens)	520,207,000
1816	885,000,000
1857	836,000,000
1899	635,000,000
1903	798,000,000
*1914	706,000,000
*1915	1,273,431,000
*1916	2,450,000,000
*1917	3,900,000,000

*March 31st.

The whole of Britain's debt reduction effected in eight years was swept away by two months of war.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended May 18th, 1917:—

McKinley-Darragh-Savage Mine, 84,185; Coniagas Mine, 81,761; La Rose Mine, 88,000; Mining Corporation of Canada, 62,860; Temiskaming Mining Company, 87,140; Dominion Reduction Company, 263,500.

Total, 667,455 pounds, or 333.7 tons.

The total shipments since January 1st, 1917, now amount to 9,278,620, or 4,639.3 tons.

DISTRICT AGENT WANTED—To take charge of productive territory in East Ontario. Liberal contract will be made with the right party. Excellent opportunity to build an organization. All inquiries confidential. Apply R. T. Faircloth, Manager E.O. Branch, Canada Life Assurance Company, Toronto.

Why Not Reply to This Ad?

(or inquire about other territory)

WHAT YOU NEED:

FIRST, an old, tried company, with abundant evidence of success; experienced in the business, and consistent in its record. Paying large dividends to policyholders, and safely and sanely planning the future. Issuing new and saleable policy plans.

SECOND, a company which treats its representatives as business men, free from red tape, sympathetic and in harmony with the aims of the field force. Unhampered in its regulations, and liberal in its interpretation of contracts. A company which it is a pleasure to work for and with which you can build up a permanent connection.

CANADA LIFE ASSURANCE CO.

Head Office, Toronto

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

P. R. REED, President. T. B. REDDING, Vice-President. E. M. WHITLEY, Secretary-Manager.

Canada Security Assurance Company

HAIL DEPARTMENT
CALGARY ALBERTA

EQUITABLE ADVANTAGES

The holder of an Equitable agency contract benefits not only by the impregnable strength and prestige of the Society, but also through being able to offer a variety of policies that meet with precision the requirements of the insuring public. Profitable openings at various points in Canada for men of character and ability, with or without experience in life insurance.

The Equitable Life Assurance Society of the U.S.
120 Broadway, New York

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

BRITISH AMERICA ASSURANCE COMPANY

FIRE, HAIL, OCEAN MARINE and INLAND MARINE INSURANCE
INCORPORATED 1833

HEAD OFFICES: TORONTO

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

Assets, Over \$2,500,000.00

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

(FIRE)

BRITISH CROWN ASSURANCE Corporation, Limited OF GLASGOW, SCOTLAND

The Right Hon. J. Parker Smith, Pres. D. W. MacLennan, Gen. Mgr.
Head Office Canadian Branch—TRADERS BANK BLDG., TORONTO

Liberal Contracts to Agents in Unrepresented Districts

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, 1914 \$41,615,000

E. P. PEARSON, District Agent, Toronto, Ont.

Head Office for Canada, 88 Notre Dame Street West, Montreal

G. E. MOBERLY, Manager

DEBENTURES FOR SALE

\$547,400

5% Twenty-Year Gold Bonds

Lacombe and Blindman Valley
Electric Railway, Guaranteed as
to Principal and Interest by the

Province of Alberta

The Merchants Bank of Canada, Toronto, is authorized to receive, on behalf of the Lacombe & Blindman Valley Electric Railway, sealed tenders for the purchase of \$547,400 gold bonds, guaranteed as to principal and interest by the Province of Alberta, dated April 5th, 1917, due April 5th, 1937, bearing interest at the rate of 5% per annum, payable half-yearly, April 5th and October 5th, principal and interest payable in gold at the Merchants Bank of Canada, Toronto, Montreal, New York, U.S.A., or such other place or places as may be mutually arranged.

Bonds may be in denominations of \$100.00 each or any multiple thereof at the purchaser's option, with interest coupons attached.

Delivery and payment, with accrued interest, to be made at the Merchants Bank of Canada, Toronto, on or before June 30th, 1917.

Every tender must be accompanied by a certified cheque payable to the Merchants Bank of Canada for and on behalf of the Lacombe & Blindman Valley Electric Railway for 1% of total amount of bonds.

Tenders must be addressed to the Lacombe & Blindman Valley Electric Railway Company, care of the Merchants Bank of Canada, Toronto, marked, "Tender for the Lacombe & Blindman Valley Electric Railway Bonds," and delivered not later than noon on the 14th day of June, 1917.

Tenders must be for the whole amount offered.

The highest or any bid will not necessarily be accepted.

Jas. C. Gibson, Managing Director.

LACOMBE & BLINDMAN VALLEY
ELECTRIC RAILWAY COMPANY

Further information may be obtained from the Company's Toronto Solicitors, Messrs. Starr, Spence, Cooper and Fraser.

DEBENTURES FOR SALE

Sealed tenders will be received by the undersigned up to 2 o'clock p.m. on the 30th day of May, 1917, for the purchase of Debentures of the Town of Simcoe, known as Public School Debentures, for \$39,447.79, bearing interest at 5½%, repayable in equal annual instalments of principal and interest extending over a period of 29 years from 28th March, 1917, and Local Improvement Debentures for \$4,840, bearing interest at 5½%, repayable in equal annual instalments of principal and interest extending over a period of 20 years from 30th December, A.D. 1916, the purchaser to pay accrued interest. The highest or any tender not necessarily accepted.

FRANK REID,

Town Treasurer.

Simcoe, 14th May, 1917.

TENDERS FOR DEBENTURES

Sealed tenders, addressed to the undersigned, will be received up to three o'clock p.m., on Friday, the 8th day of June, 1917, for \$100,000.00 debentures issued by the County of Bruce for Patriotic purposes. Payable in 20 equal annual instalments of \$8,367.93 on 20th December each year. Interest at five and one-half per cent., annually, coupons attached. All payable at Bank of Commerce, Walkerton. Assessment, \$28,192,131.00. Debenture debt, \$291,585.31, including this issue. Delivery at Walkerton. Highest or any tender not necessarily accepted.

NORMAN ROBERTSON,

County Treasurer.

Walkerton, Ont.

CONDENSED ADVERTISEMENTS

"Positions Wanted," 2c. per word; "Positions Vacant," "Agents or Agencies Wanted," 3c. per word; other condensed advertisements, 3c. 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.

GENERAL AGENCY, covering Saskatchewan and Alberta plant of 700 agents, desires general agency connection for casualty company. Address Box 67, *Monetary Times*, Toronto.


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

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.

POSITION WANTED.—Wanted by a married man recently released from C.E.F. service, a position as Loan Manager or Resident Inspector of a Loan, Trust or Life Company for either the Province of Alberta or Saskatchewan; have had 10 years' practical experience in the Loaning business in Alberta; can furnish references. Address Box 71, *The Monetary Times*.

The Standard Life Assurance Co. of Edinburgh
 Established 1825. Head Office for Canada: MONTREAL, Que.
 Invested Funds.....\$ 66,500,000 Investments under Canadian Branch, over...\$ 16,000,000
 Deposited with Canadian Government and Government Trustees, over..... 7,000,000 Revenue, over..... 7,900,000
 Bonus declared 40,850,000 Claims paid 151,000,000
 D. M. MCGOUN, Mgr. F. W. DORAN, Chief Agent, Ont.

A Cigar a day Costs no more than an Endowment Policy at Life Rate in the
London Life Insurance Co.
 LONDON Canada
 POLICIES "GOOD AS GOLD" 6



L'UNION
 Fire Insurance Company, Limited, of PARIS, FRANCE
 Capital fully subscribed, 25% paid up \$ 2,000,000.00
 Fire Reserve Fund 4,919,000.00
 Available Balance from Profit and Loss Account 206,459.00
 Total Losses paid to 31st December, 1913..... 90,120,000.00
 Net premium income in 1913 5,561,441.00
 Canadian Branch, 17 St. John Street, Montreal; Manager for Canada, MAURICE FERRAND. Toronto Office, 18 Wellington St. East J. H. EWART, Chief Agent.

DISTRICT MANAGER WANTED
 For the County of Brant, Ont., with headquarters and up-to-date Branch Office in the Royal Bank Building, in the City of Brantford. Apply, stating experience and full particulars to H. A. KENTY, Superintendent of Agencies.
THE CONTINENTAL LIFE INSURANCE COMPANY - TORONTO, ONT.


First British Insurance Company established in Canada, A.D. 1804
Phoenix Assurance Company, Limited
FIRE of London, England **LIFE**
 Founded 1792
 Total resources over..... \$ 90,000,000
 Fire losses paid 425,000,000
 Deposit with Federal Government and Investment in Canada for security of Canadian policy holders only exceed..... 2,500,000
 Agents wanted in both branches. Apply to
 R. MACD. PATERSON, } Managers
 J. B. PATERSON, }
 100 St. Francois Xavier Street, Montreal, Que.
 All with profit policies affected prior to the 31st December will rank for a full year's reversionary bonus at that date.

The Search for Insurance Salesmen
 CONTINUES
 For Particulars Write
The British Columbia Life Assurance Company
 HEAD OFFICE, VANCOUVER, B.C.
 L. W. SHATFORD, M.P.P., President. W. F. CURELL, Secretary.

British Colonial FIRE INSURANCE COMPANY
 2 PLACE D'ARMES, MONTREAL
 Authorized Capital - \$2,000,000
 Subscribed Capital - \$1,000,000
Agents Wanted in Unrepresented Districts

AGENTS' ATTENTION
The Western Life Assurance Company
 have made the following increases for the quarter ending March 31st, over the corresponding period of last year:
 NEW BUSINESS..... 280%
 CASH RECEIPTS 140%
 — and —
 INVESTED ASSETS have increased during the quarter by 83%
 Work for a PROGRESSIVE COMPANY. We want two more District Agents for the West. If you are an up-to-date Agent, write at once to the Head Office of the Company,
WINNIPEG MANITOBA

LARGEST RESERVES—
 THE LARGEST RESERVES PUT UP BY ANY COMPANY OPERATING IN CANADA SECURE EVERY POLICYHOLDER OF
THE NORTHWESTERN LIFE ASSURANCE COMPANY
 Head Office: Bank of Nova Scotia Building - WINNIPEG
 OPENING FOR GOOD DISTRICT MANAGER. 8

Prudential Efficiency

 The Prudential has always aimed at the best possible service for its policyholders and agents. And the best possible service is the result of efficiency. Simplification of working and accounting methods, constant improvement of policy forms, promptness in payment of claims, steady reduction of expense rate and practical helps for agents are a few of the Prudential's greater efficiency achievements.
 Write for particulars of attractive agency contract.
The Prudential Insurance Co. of America
 Incorporated under the laws of the State of New Jersey.
 FORREST F. DRYDEN, President. Home Office, NEWARK, N.J.



THE MONARCH LIFE SECURITY AND SERVICE
 HEAD OFFICE - WINNIPEG.

NEW INCORPORATIONS

Forty-nine New Charters Granted—Steel Company Has Large Capitalization

Canada's new companies incorporated this week number 49. The head offices of these companies are located in six provinces. The total capitalization amounts to \$13,980,500.

The largest companies are:—

Dominion Foundries and Steel, Limited ..	\$6,000,000
Martin Gold Mining Company, Limited ..	1,500,000
Reeve-Dobie Mines, Limited	2,000,000
Union Cement, Limited	1,000,000

Grouping the new concerns according to provinces in which the head offices are situated, we have the following results:—

Province.	No. of companies.	Capitalization.
Ontario	29	\$11,797,000
Quebec	8	1,949,000
British Columbia	5	83,000
Manitoba	2	105,000
Saskatchewan	4	41,500
Prince Edward Island	1	5,000
	49	\$13,980,500

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

- Victoria, B.C.**—Burnside Park, Limited, \$10,000.
- Druid, Sask.**—Druid Hall Company, Limited, \$1,500.
- Regina, Sask.**—Regina Florist Company, Limited, \$10,000.
- Fleming, Sask.**—Fleming Lumber Company, Limited, \$20,000.
- New Westminster, B.C.**—Alfred W. McLeod, Limited, \$10,000.
- Prince Edward Island.**—E. Wheatley and Company, Limited, \$5,000.
- Gravelbourg, Sask.**—Gravelbourg Construction Company, Limited, \$10,000.
- Ottawa, Ont.**—J. L. Rochester, Limited, \$50,000. J. L. Rochester, C. J. Booth, J. G. Scott.
- Northcote, Ont.**—Northcote Farmers Telephone, \$3,000. W. T. Gibbons, J. C. Simpson, J. Cole.
- Midland, Ont.**—Midland Woodproducts, Limited, \$200,000. J. Playfair, D. S. Pratt, D. J. Turner.
- Galt, Ont.**—Galt Building Products, Limited, \$40,000. E. S. Tolmie, J. Rennie, Emma Plested.
- Windsor, Ont.**—Standard Motor Sales, Limited, \$15,000. E. R. Bee, G. J. Daniels, G. B. Caldwell.
- Owen Sound, Ont.**—Union Cement, Limited, \$1,000,000. T. L. Dates, W. P. Telford, E. A. McKay.
- Hanover, Ont.**—Taylor's Book Store, Limited, \$40,000. A. J. Taylor, J. Taylor, F. W. Deutschmann.
- Sudbury, Ont.**—Montreal River Logging Company, Limited, \$200,000. J. Valin, A. J. Manley, F. Woods.
- St. Thomas, Ont.**—The Harding Company, Limited, \$60,000. F. Harding, E. E. Harding, L. W. Hambly.
- Bracebridge, Ont.**—Geo. W. Ecclestone, Limited, \$40,000. J. G. MacDiarmid, W. J. Stubbs, C. E. Lount.
- Amos, Que.**—Martin Gold Mining Company, Limited, \$1,500,000. W. A. Gordon, F. A. Day, O. R. Vallee.
- Waterloo, Ont.**—Bricker-Germann Company, Limited, \$40,000. S. B. Bricker, Sibella Bricker, H. A. Germann.
- Ojibway, Ont.**—Essex Development Company, Limited, \$100,000. A. L. Lafferty, A. D. Birdsall, E. J. Goodbold.
- Kirkland Lake, Ont.**—Kirkland Securities Corporation, Limited, \$40,000. A. G. Slaght, W. E. Wilson, H. Cunningham.
- Parry Sound, Ont.**—The Canadian Flexible Skate Company, Limited, \$100,000. C. L. Falstrem, J. A. Bragg, M. H. Limbert.
- Quebec, Que.**—The Southern St. Lawrence Forest Production Association, Limited, \$20,000. W. G. Power, A. McLean, H. J. Lyons.

Winnipeg, Man.—Groves Walker Company, Limited, \$5,000; Terminal Grain Company, Limited, \$100,000. J. R. Smith, W. T. Miller, R. Lennox.

Georgetown, Ont.—The Georgetown Credit Valley Trout Club, Limited, \$99,900. J. A. Willoughby, Florence E. O. Willoughby, Alexandrina Robertson.

Vancouver, B.C.—Raymond Timber Company, Limited, \$3,000; Nixon and Company, Limited, \$10,000; Pacific Shipbuilding Company, Limited, \$50,000. J. C. Shields, J. T. Robinson, A. Smith.

Hamilton, Ont.—The Hamilton Fire Insurance Company, \$500,000; Electrical Appliances, Limited, \$50,000. J. F. Radigan, G. G. Sutherland, T. D. Fallon; Dominion Foundries and Steel, Limited, \$6,000,000. E. H. Ambrose, H. A. Burbridge, J. R. Marshall.

Montreal, Que.—Duchesse and Grimard, Limited, \$49,000. R. Grignon, J. T. Grimard, A. D. Tessier; Cusson Construction Company, Limited, \$20,000. M. Rodrigue, F. X. Robillard, A. Malo; National Shoe Company, Limited, \$100,000. P. Morel, J. E. Coulin, J. S. Pilon; Reid Towing and Wrecking Company, Limited, \$200,000. W. K. McKown, L. Choquette, G. E. Chart; Sanche and Leblanc, Limited, \$50,000. J. Sanche, S. Leblanc, F. Sanche; Themelis Brothers Company, Limited, \$10,000. G. F. Hanson, R. Berlinger, L. Daoust.

Toronto, Ont.—Movette Camera Corporation of Canada, Limited, \$40,000. R. L. Zien, S. H. Jacoby, Florence A. Sweet; Canadian Flour Export Company, Limited, \$100,000. R. Hyde, F. Watts, O. Heuman King; the Builders Moulding Company, Limited, \$40,000. W. C. Gardiner, F. Roseberry, T. E. McMurray; the Home Construction Company, Limited, \$40,000. C. J. Oille, W. H. Ford, L. M. Singer; Feldspar Milling Company, Limited, \$50,000. A. W. Holmsted, L. F. Lambier, Edith M. Carruthers; Phillips Brothers Shoe Company, Limited, \$40,000. J. W. Phillips, J. Phillips, Violet Phillips; Reeve-Dobie Mines, Limited, \$2,000,000. A. G. G. Keith, W. J. McWhinney, Kate M. Rose; the Casualty Company of Canada, \$500,000; the Big 4 Ranch, Limited, \$60,000. J. H. Fussell, T. Fussell, S. Hisey; Liberty Manufacturing Company, Limited, \$100,000. L. A. Howard, R. Wood, G. A. Stewart; British-American Rubber Company, Limited, \$250,000. G. E. Kellar, E. J. Swift, R. K. Grimshaw.

GOVERNMENT RAILROAD LOANS UNWELCOME?

That the extent of the financing involved in the Canadian railroad report is beyond any useful estimate at this time, is the statement of the Wall Street Journal in an editorial, which continues:—

"It was recognized that with money markets practically pre-empted by the governments of the world, the only Canadian applicant likely to receive attention would be the government, either as a borrower or an endorser. Equally was it recognized that the only market with money to lend was New York. With the Canadian government's large war commitments and future requirements, it is hardly likely the financing to rehabilitate a recklessly built and badly coordinated railroad system would be welcome here at the present time.

"The difference between Mr. Smith's report and that of Sir Henry Drayton and Mr. Acworth is that the latter makes the government the borrower with the direct liability, tending to lead almost inevitably to government ownership. The Smith report requires endorsement only, if needed, as of course it will be, with a property pledge and a provision for redemption, with reversion to the endorser, in the event of default.

"Another reason why it is impracticable to arrive at financing statistics is that the remedy for the railroad situation selected by the government cannot be predicted in the state of Canadian politics. Much also would depend upon the efficiency of future operation, and in this respect the Smith report offers the clearest way out. It is a practical railroad operating proposition, and not beyond success if it is undertaken in that spirit. Accepting the good faith of the majority report, operation of 25,000 miles of road by an irresponsible, self-perpetuating government appointed commission is about the last way to secure that operating efficiency, without which rehabilitation would be impossible, except at an unthinkable cost to the Canadian taxpayer."

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

Assets over \$5,000,000.00
 Losses paid since organization 68,000,000.00

BOARD OF DIRECTORS:

JOHN AIRD JOHN HOSKIN, K.C., LL.D.
 ROBT. BICKERDIKE, M.P. Z. A. LASH, K.C., LL.D.
 W. R. BROCK, President W. B. MEIKLE, Vice-President
 ALFRED COOPER (London, Eng.) GEO. A. MORROW
 H. C. COX Lt. COL. the Hon. FREDERIC NICHOLS
 D. B. HANNA BRIG. GEN. SIR HENRY PELLATT, C.V.O.
 E. HAY E. A. ROBERT (Montreal)
 E. R. WOOD

Head Office: TORONTO, Ont.

W. R. BROCK, President W. B. MEIKLE, Vice-President and General Manager C. C. FOSTER, Secretary

ESTO PERPETUA.

THE CONTINENTAL INSURANCE CO.
 OF NEW YORK
 "THE BIG COMPANY."
 ASSETS EXCEED \$34,000,000
Fire. Rent. Tornado.
 HEAD OFFICE FOR CANADA
 17 ST. JAMES STREET, MONTREAL
 Special Agent
 A. R. STELL, 31 Scott St., Toronto
 W. E. BALDWIN, Manager

British Northwestern Fire Insurance Company

Head Office WINNIPEG, Can.

Subscribed Capital \$594,400 Capital Paid-up \$242,000
 Security for Policyholders \$677,000

EDWARD BROWN, President E. E. HALL, Vice-President
 F. K. FOSTER, Managing Director

ATLAS Assurance Company Limited OF LONDON, ENGLAND

The Company commenced business in the REIGN OF GEORGE III. and the following figures show its record:—

At the Accession of	Income	Funds
KING GEORGE IV. ...	\$ 387,065 ...	\$ 800,605
KING WILLIAM IV. ...	857,115 ...	3,038,380
QUEEN VICTORIA ...	789,865 ...	4,575,410
KING EDWARD VII ...	5,500,670 ...	11,185,405
KING GEORGE V. ...	6,846,895 ...	15,186,090
and at		
31st DECEMBER, 1916 ...	7,980,685 ...	20,730,010

In addition the Company has a Subscribed Capital of Eleven Million Dollars (of which \$1,320,000 is paid up).
 Agents wanted in unrepresented districts.
Head Office for Canada, 260 St. James St., MONTREAL
 MATTHEW C. HINSHAW, Branch Manager

THE DOMINION OF CANADA GUARANTEE & ACCIDENT INS. CO.

Accident Insurance Sickness Insurance Plate Glass Insurance
 Burglary Insurance Automobile Insurance Guarantee Bonds
 The Oldest and Strongest Canadian Accident Insurance Company

Toronto Montreal Winnipeg Calgary Vancouver

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

Canada Branch Montreal
 T. L. MORRISEY, Resident Manager

North-West Branch Winnipeg
 THOS. BRUCE, Branch Manager

MARTIN N. MERRY, General Agent TORONTO
 Agencies throughout the Dominion

Waterloo Mutual Fire Insurance Company
 ESTABLISHED IN 1863
Head Office, Waterloo, Ont.

Total Assets 31st December, 1915.....\$908,244.00
 Policies in force in Western Ontario, over 30,000.00

GEORGE DIEBEL, President. ALLAN BOWMAN, Vice-President.
 L. W. SHUH, Manager. BYRON E. BECHTEL, Inspector.

SUN FIRE FOUNDED A.D. 1710
 THE OLDEST INSURANCE CO. IN THE WORLD

Canadian Branch ... Toronto
 LYMAN ROOT, Manager

THE LAW UNION & ROCK INSURANCE CO., Limited OF LONDON Founded in 1806

Assets exceed \$48,000,000.00 Over \$12,500,000.00 invested in Canada
 FIRE and ACCIDENT RISKS Accepted
 Canadian Head Office: 57 Beaver Hall, Montreal
 Agents wanted in unrepresented towns in Canada.

W. D. Aiken, Superintendent | J. E. E. DICKSON, Canadian-Manager
 Accident Department

Economical Mutual Fire Ins. Co. of Berlin
HEAD OFFICE BERLIN, ONTARIO
 CASH AND MUTUAL SYSTEMS

TOTAL ASSETS, \$725,000 AMOUNT OF RISK, \$27,000,000
 GOVERNMENT DEPOSIT, \$50,000

JOHN FENNELL, President GEO. G. H. LANG, Vice-President W. H. SCHMALZ, Mgr.-Secretary

The LONDON ASSURANCE
 Head Office, Canada Branch, MONTREAL
Total Funds ... \$20,000,000

Established A.D. 1720. FIRE RISKS accepted at current rates
 Toronto Agents .. S. Bruce Harman, 19 Wellington St. East

INVESTMENTS AND THE MARKET

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

Maritime Coal, Railway and Power Company.—The directors have declared an initial dividend on the common stock of 1 per cent. for the quarter ended May 31st.

Howard Smith Paper Mill Company.—The company's shares were called on the Montreal Stock Exchange for the first time last week. The shares are \$833,500 common stock, consisting of 8,355 shares of \$100 each; \$475,000 7 per cent. cumulative preference stock, consisting of 4,750 shares of \$100 each.

Smart-Woods, Limited.—The directors of the company have again placed the common stock of the company on a 5 per cent. dividend basis. In 1914, on the outbreak of the war, 2½ per cent. was paid, against 5 per cent. in the previous year. The company also suspended payments on the preferred, but the accumulation on that account was paid as the result of the improved conditions. The dividend is payable June 1st to stock record of May 26th.

Consumers' Gas Company.—This company is to issue 19,528 shares of new stock at \$75 a share, par value \$50 a share. This will be offered to shareholders in the proportion of one share of new stock to every five shares of old stock held by stockholders. The money to be raised by the sale of this stock is for the purpose of liquidating indebtedness shown in former financial statements of the company, which has borrowed from the banks instead of financing through the sale of stock since war broke out.

Hollinger Consolidated Gold Mines.—The April report shows gross profits of \$194,688. This is below recent earnings, but is above dividend requirements on the present basis. The seriousness of the labor situation is shown by the fact that the mill was operated less than 73 per cent. of the possible running time, and in order to produce the results shown the grade of ore treated rose to \$9.20 per ton. Working costs were \$4.25 per ton in the April period, as against \$3.97 in the previous month.

New Brunswick Telephone Company.—The company's statement of assets and liabilities shows that on March 31st assets were \$2,170,010 and liabilities \$2,145,030, leaving a surplus of \$24,980. Earnings were \$539,612 and expenses \$430,288, leaving a net revenue of \$109,324. In the profit and loss statement \$139,492 was shown to credit and \$114,503 to debit.

The officers are: Mr. S. H. White, president; Hon. F. P. Thompson, first vice-president; Mr. F. B. Black, second vice-president; Mr. A. W. McMackin, secretary-treasurer.

Canadian Car and Foundry Company.—The statement of the Canadian Car and Foundry Company, covering the year ending September 30th, 1916, it is understood in Montreal circles, will not show any results from the Russian contracts, as at that date the business was not completed, but at the annual meeting, in July, the management will be in a position to give the shareholders full particulars as to the profits made on the Russian business. As the statement to be issued covers the Canadian business, it is intimated that profits, after bond interest and depreciation, will be around \$375,000.

Niagara Falls Power Company.—The annual report states that all permitted means have been taken to meet the rapidly increasing demand for power. Two additional generating units in the Canadian plant have been completed and placed in service. A third unit is now in process of being added. The management points out that the rapid increase in power use in Canada has led the government considerably to reduce its permits for the exportation of Niagara power, and adds: "The export license of our Canadian company has been reduced from 75,000 horse-power to 30,000 horse-power. We have, therefore, been obliged to withdraw 45,000 horse-power from United States industries, despite insistent demands."

Cape Breton Electric Company, Limited.—The company's March return is as follows:—

	March, '17.	March, '16.	Increase.
Gross earnings	\$33,753	\$27,866	\$5,887
Operating expenses and taxes	20,904	19,939	964
Net earnings	\$12,848	\$ 7,926	\$4,922
Interest charges	5,272	5,169	103
Balance	\$ 7,576	\$ 2,757	\$4,819
Sinking fund requirements.	1,280	1,281	1
Balance (for reserves, re- placements and dividends)	\$ 6,296	\$ 1,475	\$4,820

Canada Copper Corporation.—From the operation of its Greenwood smelter last year the Canada Copper Corporation made a profit of \$215,305 after writing off \$235,238 to depreciation. This company now owns and operates the property formerly owned by the British Columbia Copper Company.

Mr. Allen H. Rogers, following an examination, believes the property, with 10,000,000 tons of assured ore and 2,000,000 tons of probable ore averaging 1.74 per cent. copper and carrying 20 cents recoverable values in gold and silver, sufficiently developed to warrant the erection of a 3,000-ton mill. He estimates cost of producing copper at 9.57 cents a pound, based on existing smelting contracts for the treatment of similar product elsewhere in British Columbia.

Production last year was \$5,196,289 pounds of copper, 49,929 ounces of silver and 12,366 ounces of gold. Costs were high, profitable operations being possible only because of high price of copper.

Dominion Textile Company.—The financial statement of the Dominion Textile Company for the year ended March 31st shows net profits for the year, after paying current interest on loans, all mill charges and writing off \$396,642 for repairs and improvements to the mills, amounted to \$1,582,705, to which amount was added \$74,377, being dividends on shares of the Dominion Cotton Mills Company, making total net profits of \$1,657,083, compared with \$1,555,572 for the previous year and \$1,230,767 for 1915. From the total net profits is deducted interest on bonds of \$193,041, and dividends \$435,331. The amount at the credit of profit and loss at the end of March was \$1,444,166, compared with \$1,093,534 in 1916 and \$956,303 in 1915. Sales for the year amounted to \$13,375,750, compared with \$10,438,098 the previous year.

Total quick liabilities of the company amounted to \$2,597,671, compared with \$3,675,760, a decrease of \$1,078,089, while the total quick assets of the company showed an increase of \$125,198 to \$4,731,395. Commercial loans were reduced from \$2,151,427 to \$1,885,355. Assets stand at \$13,700,819, an increase of over three millions owing to the acquisition of the Dominion Cotton Mills Company. The raw cotton on hand stands at \$1,371,970, compared with \$903,082 in 1916.

Tuckett Tobacco Company, Limited.—The net profits for the year ended March 31st were \$186,498, as against \$150,991 in the previous year, an increase of \$35,507. But of this sum \$140,000 was paid in dividends on the preferred stock at the rate of 7 per cent. per annum. The balance of profits, \$46,498, were carried forward. The figures for the past two years compare as follows:—

	1917.	1916.
By credit balance	\$220,953	\$218,961
Net profits for twelve months	186,498	150,991
	\$416,452	\$369,953
Less dividends	140,000	140,000
Balance at credit profit and loss account	\$276,452	\$229,953

The company has \$3,012,497 invested in real estate, buildings, plant and machinery, a nominal increase of \$13,597 over the previous year. The inventories of raw leaf, goods in process and manufactured, gives \$1,236,645, which is an increase of \$15,050. Bills and accounts receivable, after provision had been made for bad and doubtful debts, stood at \$237,197, as against \$269,715. The company had \$305,238 in cash, as against \$267,610.



**LONDON
GUARANTEE AND
ACCIDENT COY.
Limited**

ESTABLISHED 1869

Head Office for Canada:
TORONTO

Employer's Liability	Personal Accident	Sickness
Elevator	Fidelity Guarantee	Court Bonds
Contract	Internal Revenue	Teams and Automobile

AND FIRE INSURANCE

You Look for Security

Whether with the intention of taking out insurance or associating yourself with some Company, you look for security. The latest figures emphasize the unexcelled financial position of this Company.

Business in Force over.....	\$59,600,000
Assets over.....	16,400,000
Net Surplus.....	2,600,000

These are reasons why the Company is known as

"SOLID AS THE CONTINENT"

North American Life Assurance Co.

HEAD OFFICE - TORONTO, ONT.

**POLICIES PROVIDING
Guaranteed Annuities, Payable Monthly**

A POLICY THAT SECURES TO THE BENEFICIARY A DEFINITE INCOME PAYABLE IN MONTHLY INSTALLMENTS THROUGHOUT LIFE IS THE IDEAL LIFE ASSURANCE CONTRACT. SUCH AN INCOME IS GUARANTEED FOR TWENTY YEARS UNDER MUTUAL-LIFE-OF-CANADA CONTRACTS ISSUED ON THE LIFE, LIMITED PAYMENT LIFE AND ENDOWMENT PLANS. THE INCOME WILL BE INCREASED BY AN INTEREST DIVIDEND DURING THE TWENTY YEARS OF GUARANTEED PAYMENTS. WRITE FOR OUR BOOKLET—"POLICIES PROVIDING GUARANTEED ANNUITIES PAYABLE MONTHLY." FULL PARTICULARS OF ANY DESIRED PLAN MAY BE SECURED BY GIVING AGE OF THE PROSPECTIVE BENEFICIARY AS WELL AS YOUR OWN.

The Mutual Life Assurance Co. of Canada
Waterloo Ontario

Assurances, \$109,645,581. Assets, \$29,361,963. Surplus, \$4,595,151.

When a Life Company

receives from its Policyholders such informal and spontaneous expressions of approval as the following, it is clear that the relations between Policyholder and Company are all they should be:—

"I wish to thank you for the prompt and satisfactory manner in which you paid my policy, and also for the many courtesies shown me during the life of the same. I was much gratified to find the amount was larger than I had expected."

Those contemplating Life Insurance will do well to look into the Policies that earn such invariable approval—clearly shown in the unprecedented business being written by

The Great-West Life Assurance Co.

HEAD OFFICE : : WINNIPEG
DEPT. "P"

The Imperial Guarantee and Accident Insurance Company of Canada

Head Office: 46 KING ST. W., TORONTO, ONT.

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INCREASING OUTPUT OF ONTARIO'S MINES

Silver is Exception and Shows Considerable Decline— Labor Scarcity and High Operating Costs Noticeable

The returns from metalliferous mines and works of Ontario have been collected by the Ontario bureau of mines for the three months ending March 31st, 1917, and are given below. It will be seen that most items show a considerable increase, with the notable exception of silver:—

Summary of Metalliferous Production, First Quarter of 1917.

Product.	Quantity.		Value.
	1916.	1917.	
Gold (ounces)	107,818	127,692	\$2,601,760
Silver (ounces)	5,297,831	3,945,957	2,831,873
Cobalt, metallic (lbs.)	36,460	84,710	78,668
Cobalt oxide (lbs.) .....	.....	83,014	66,798
Nickel oxide (lbs.) .....	.....	5,495	550
Other Cobalt and Nickel compounds (lbs.) .....	.....	118,292	13,695
Nickel, metallic (lbs.)	11,976	.....	.....
Nickel in matte (tons)	10,032	10,141	5,070,410
Copper in matte (tons)	5,491	5,063	2,025,227
Copper ore (tons) .....	.....	1,507	44,097
Iron ore (tons)	6,573	52,694	94,718
Pig iron (tons)	160,749	163,020	2,743,441
Molybdenite concentrates (lbs.) .....	.....	25,073	32,202
Lead (lbs.) .....	.....	263,046	27,290

Gold and Silver.

Despite the scarcity of labor and high cost of operating gold properties, the production of the northern Ontario gold mines has increased by 18 per cent. over the corresponding period of 1916. Of the nine producing mines the Hollinger, Dome and McIntyre output amounted, respectively, to \$1,315,034, \$528,787 and \$425,408. Other producers in order were Porcupine Crown, Tough-Oakes, Schumacher, Vipond-North Thompson, Croesus and Dome Lake. The Teck-Hughes mill is now in operation, and precipitates are being shipped to the Buffalo mill at Cobalt until the local refinery is completed. All the above-mentioned mines are located at Porcupine, with the exception of the Tough-Oakes and Teck-Hughes at Kirkland Lake, and the Croesus in Munro township. In addition to gold, 20,465 ounces of silver, worth \$15,321, were recovered from auriferous ores.

A considerable decline in the production of silver is evidenced in the figures presented for the quarter as compared with the first three months of 1916. Deducting silver recovered from gold and copper ores, the total production from Cobalt and Gowganda amounted to 3,924,849 ounces, valued at \$2,816,091. Twenty mines contributed to this total. Those shipping one-quarter million ounces or over are named in order: Townsite City, Kerr Lake, O'Brien, La Rose and Coniagas. Production of bullion by the Nipissing Mine exceeded shipments by 636,182 ounces valued at \$481,438. As this company usually ships to London, no doubt the increase in ocean insurance rates has deterred marketing the entire output. Flotation methods are now in use at several of the mines for recovering silver from tailings dumps. For example, at the Buffalo, 5,444 tons of ore and 21,379 tons of tailings were concentrated. The average New York price of silver for the quarter was 75.69 cents, low 71.75 and high 78.64 cents per fine ounce.

At Delora, Thorold and Welland the refineries treated 1,109 tons of ore and 341 tons of residues from the silver camps. A total of 1,676,617 ounces of silver worth \$1,045,246 was recovered. In addition, 847,101 lbs. of cobalt metal was marketed, 25,998 lbs. of which was in the form of stellite, a high speed tool "steel" much used in munitions work. Cobalt and nickel in the form of oxides and other compounds add to the total output of the refineries.

Nickel and Copper.

Smelters at Copper Cliff and Coniston continue operating at the same high rate as last year. For the quarter year 18,995 tons of nickel-copper matter were produced, as compared with 80,010 tons for the year 1916. Ore smelted for the period was 358,961 tons. As a basis of valuation nickel and copper in the matte have been placed at 25 and 20 cents respectively, or the same price as in 1916 for nickel, but an

advance of 1½ cents per pound for copper. Construction of the new refinery of the International Nickel Company at Port Colborne is proceeding.

The prevailing high prices obtaining have stimulated copper mining, despite labor scarcity and high operating costs. A new shipper of chalcocite is the Hudson Copper Company at Havilah, near Bruce Mines, Algoma district. The main shipper was S. V. Ray, who is operating the Tip Top Mine at Kashabowie, west of Port Arthur. At Mine Centre, Rainy River district, a concentrator is being built by the Connell-Hewitson interests. In the meantime, shipments to Trail smelter have ceased. The concentrating mill and flotation plant of the Kenyon Copper Mines at Massey is being overhauled and shipments will be made in the near future.

Smelting Ontario Iron.

Iron ore from the Helen and Magpie mines which are operated by the Algoma Steel Corporation, was shipped to Ontario blast furnaces. No iron ore was exported. The Algoma Steel Corporation, Canadian Furnace Company and Steel Company of Canada smelted 50,838 tons of Ontario ore and 256,395 tons of foreign ore producing 163,020 tons of pig iron, of which 118,508 tons were used in steel making. Good progress is being made by Imperial Forgings, Limited, on the new electric steel and forging plant located in the Toronto harbor industrial area. It is expected to be ready for operation in July.

Ferro-Molybdenum.

The production of molybdenite for the quarter is greatly in excess of that for the entire year 1916. Concentrators treating Ontario ore are operated by the Renfrew Molybdenum Mines, Limited, at Mount St. Patrick, the International Molybdenum Company at Renfrew, and the Mines Branch, Ottawa. In addition, refineries in operation at Belleville and Orillia produced 41,967 lbs. of ferro-molybdenum valued at \$98,513.

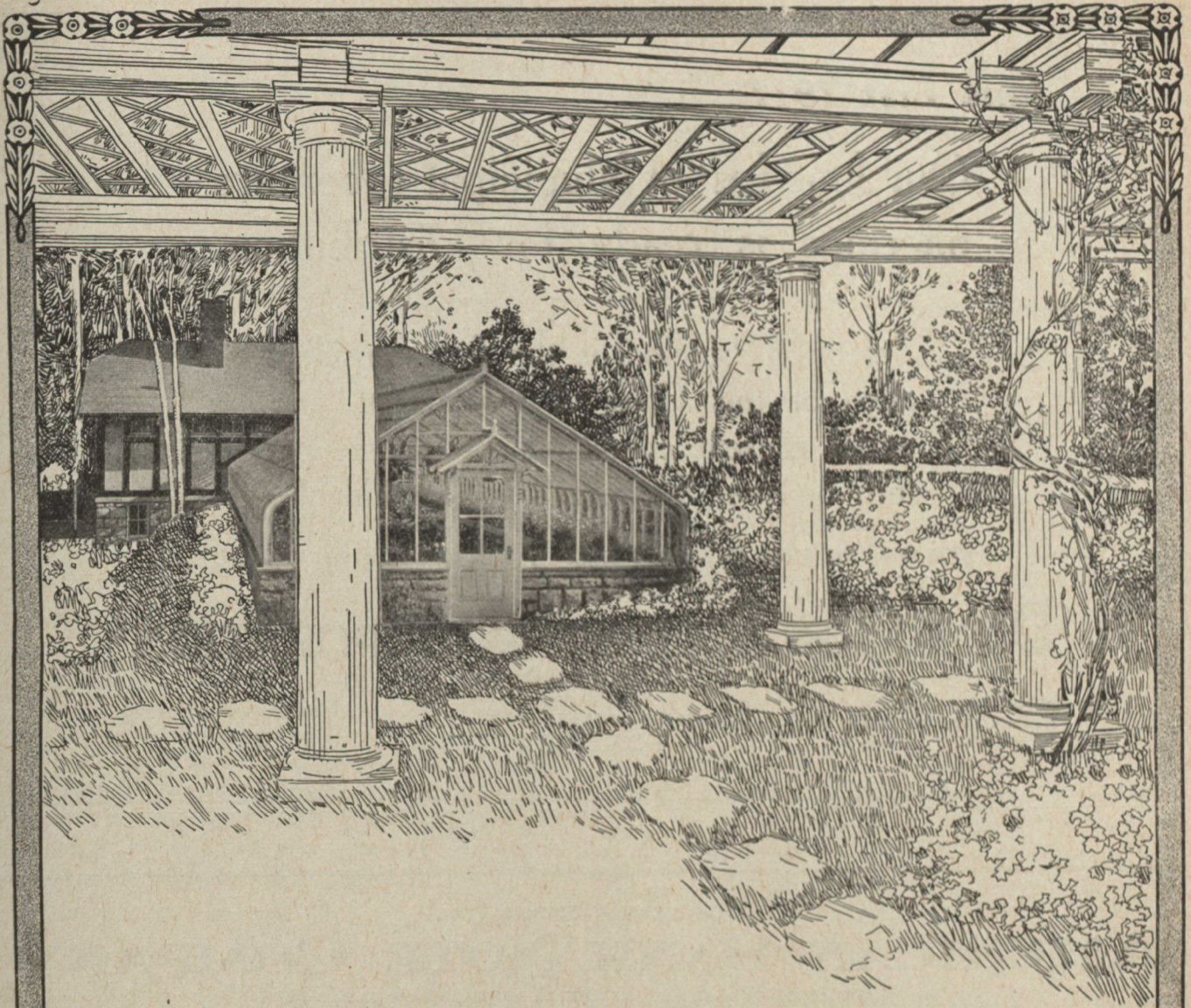
The entire production of lead came from Galetta, Carleton county, where the James Robertson Estate is operating both mine and smelter. A shipment was made from the Frontenac mine by the Indian Lake Lead Mining Company to the Kingston Smelting Company, but was not treated.

LIVE STOCK IN CANADA

For the twelve months ending February, the value of animal produce exported was \$121,612,208, an increase of 22 per cent. as compared with the corresponding period ending February, 1916, and 130 per cent. as compared with that ending February, 1914. These exports formerly averaged over \$50,000,000 annually, and as far back as 1903 reached \$69,817,542. From that year, however, a steady decline set in until 1913, when the value had fallen to \$44,784,593. The decline was due in a measure to the increase in domestic consumption, but there should be a continued expansion over the average of pre-war times if the present interest in raising live stock is maintained. The prevailing high prices and the anticipation of good prices for some years to come are giving a great impetus to the industry. In Winnipeg last month steers sold at \$10 per hundred weight as compared with \$8 a year ago, hogs at \$15.50, as compared with \$10.95, while eggs, milk and cream show proportionate advances.

While there are no signs as yet of any decline in the value of the animal produce exported, there is an evident falling off in the number of live stock in the Dominion. In the year 1913 the estimated number of cattle other than milch cows was 3,915,687, and in 1916 only 3,313,519, a decline of 15.4 per cent. Milch cows declined in numbers during the same period from 2,740,434 to 2,603,345, or by about 5 per cent. Swine and sheep also decreased in number. In Eastern Canada the raising of sheep has suffered from lack of co-operation among the breeders, but they are now working together with a view to removing the obstacles to the success of the industry. Except in the case of swine, there has been no decrease in the live-stock in the western provinces, where, despite shipments fully up to the average, the number of live stock on the farms continues to show a fair increase. The movement mentioned in a previous letter, to retain young stock for breeding purposes, is receiving decided encouragement from the provincial governments as well as from the bankers.—Monthly letter of the Canadian Bank of Commerce.

The number of directors of the Sawyer-Massey Company, Limited, has been increased from seven to nine.



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