

# Monetary Times

## Trade Review and Insurance Chronicle of Canada

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### More About Moratoria

Canada's government this week obtained authority to proclaim a moratorium if necessary. Hopes and opinions are that it will be unnecessary to take such steps. **Page 10**

### Wilson and War Loans

Money being an instrument of war, Washington frowns on loans to belligerent powers. Statement by the United States government to *The Monetary Times*. **Page 8**

### Panama Canal is Opened

While Europe is engaged in the deadly work of destruction, the United States has placed a great constructive work of commerce on the map of America. **Page 15**

### British Trade in Canada

As to who will get Germany's business in the Dominion, a report on Canadian trade by the British government's trade commissioner here, is exceptionally opportune. **Page 15**

### From Peace to War Gear

Being an appreciation of the remarkable manner in which Great Britain has adapted its economic machinery to the present unparalleled conditions in trade and finance. **Page 5**

### Halting Industrial Germany

Facts and figures showing that warfare has made a matter of some speculation, the bread and butter of thirty-five million industrial workers in Germany. **Page 7**

### War Effects in Canada

While a Montreal factory is turning out 80,000 military boots and tent and rifle makers are busy, a Toronto implement plant closes its doors upon three thousand men. **Page 6**

### Municipal Bond Financing

Montreal gets offer of 96; Saskatchewan's mortgage bond issue is now impossible; the local government board at Regina gives some timely advice. **Page 54**

DIVIDENDS AND NOTICES—Page 56.

DEBENTURES FOR SALE—Page 57.

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# INDEX TO ADVERTISEMENTS

Acheson, Durie & Wakeling .....	45
Adanac Securities & Trust Corp.....	36
Alliance Investment Co. ....	36
Alloway & Champion .....	29
American Bank Note Co.....	60
Ames & Co., A. E. ....	2
Anderson, Lunney & Co.....	36
Anglo-American Fire Ins. Co.....	42
Atlas Assurance Co. ....	44
Austin & Co., A. E. ....	43
Balfour, Martin, Casey & Co.....	45
Bank of British North America .....	22
Bank of Hamilton.....	25
Bank of Montreal.....	20
Bank of New South Wales.....	24
Bank of Nova Scotia.....	21
Bank of Ottawa.....	24
Bank of Toronto.....	22
Bank of Vancouver.....	27
Bellamy Investments Ltd.....	40
Bicknell, Bain, Macdonell & Gordon .....	45
Biggs & Co., J. C. ....	59
Blake, Lash, Anglin & Cassels .....	45
Blythe, Baldwin & Dow.....	46
Bond Buyer The.....	35
British America Assurance Co.....	44
British American Bank Note Co.....	4
British Colonial Fire Insurance Co.....	49
British Columbia Life Ass. Co.....	50
British Crown Assurance Corp.....	49
British Northwestern Fire .....	40
Brook & Allison .....	26
Brown Bros. Ltd. ....	36
Browne & Co., W. Graham .....	39
Cahill Frank S.....	45
Caldwell & Fraser .....	49
Caledonian Insurance Co.....	—
Canada Industrial Bond Corp.....	59
Canada Life Assurance Co.....	43
Canada National Fire Ins. Co.....	28
Canada Permanent Mort. Corp.....	29
Canada Standard Loan Co.....	39
Canadian Appraisal Co. Ltd.....	20
Canadian Bank of Commerce .....	36
Canadian Financiers.....	28
Canadian Guaranty Trust Co.....	26
Can. Office & School Furn. Co. Ltd.....	39
Clare & Co. Ltd., G. H. ....	46
Clarkson, Gordon & Dilworth.....	38
Coffee & Co., L. ....	32
Columbia Trust Co. Ltd.....	29
Commercial Loan & Trust Co.....	44
Commercial Union Assurance Co.....	30
Commonwealth Trust Co. Ltd.....	57
Condensed Advertisements .....	59
Confederation Life Association .....	50
Continental Life Insurance Co.....	46
Corbould, Charles D. ....	28
Credit Foncier, F. C. ....	46
Crehan, Martin & Co.....	46
Cross & Menzies.....	50
Crown Life Insurance Co.....	33
Crown Trust Co.....	—
Dale, A. A. M.....	46
Debentures for Sale.....	57
Dividends and Notices.....	56
Dominion Bank .....	23
Dominion of Can. G. & A. Ins. Co.....	44
Dominion Gresham Guarantee & Casualty Co.....	48
Dominion Life Insurance Co.....	50
Dominion Permanent Loan Co.....	29
Dominion Savings & Inv. Soc'y .....	29
Dominion Securities Corp. Ltd.....	60
Dominion Trust Co.....	32
Don Valley Brick Works .....	—
Dun & Co., R. G. ....	47
Eastern Trust Company .....	31
Economical Mutual Fire Ins. Co.....	42
Edwards, Morgan & Co.....	46
Empire Loan Co.....	28
Employers' Liability Assur. Corp.....	—

Falls, Chambers & Co. ....	47
Federal Life Assurance Co.....	47
Federal Securities Corporation.....	36
Fidelity Loan & Savings Co. ....	—
Fidelity Trust Co. ....	31
Gen. Accident Assur. Co. of Canada .....	2
General Financial Corporation.....	31
General Realty Corporation.....	39
Gibson & Co.....	37
Globe Indemnity Co.....	59
Goldie, A. W.....	47
Goldie & McCulloch Co. Ltd.....	—
Gordon & Co. Ltd., H. F. ....	40
Gould, W. W.....	47
Great North Insurance Co.....	47
Great-West Life Assurance Co.....	51
Great West Permanent Loan Co.....	48
Gresham Life Assurance Society.....	34
Guardian Assurance Company .....	59
Hamilton Provident & Loan Soc'y .....	48
Hanson & Co. Ltd., A. H. ....	28
Harris & Co., Inc., N. W. ....	40
Heath & Co., John .....	35
Henderson, Reid, Gibson & Co.....	51
Home Bank of Canada.....	47
Hornbrook, Whittemore & Allan .....	23
Hudson Bay Insurance Co.....	57
Huron & Erie Loan & Savings Co.....	48
Imperial Bank of Canada .....	28
Imperial Canadian Trust Co.....	20
Imperial Guar. & Accident Ins. Co.....	31
Imperial Life Assurance Co.....	51
Imperial Tobacco Co.....	59
International Securities Co. Ltd.....	—
Jenkins & Hardy .....	2 & 40
Kerry & Chace, Limited .....	47
Laing & Turner.....	38
Law Union & Rock Ins. Co. Ltd.....	47
Lawson, Welch & Co.....	42
Liverpool & Lon. & Globe Ins. Co.....	47
Liverpool-Manitoba Assurance Co.....	44
Lloyds Bank Ltd.....	44
London Assurance .....	49
London & Can. Loan & Agency Co.....	24
London City & Midland Bank.....	44
London Guarantee & Accident Co.....	29
Lon. & Lancashire Life Assoc'n .....	51
London & Lancashire Fire Ins. Co.....	—
London & Lan. Guar. & Acc. Co.....	48
London Life .....	51
London Mutual Fire Insurance Co.....	50
Loney & Co., Richard.....	48
Lougheed, Bennett, McLaws & Co.....	—
Lougheed & Taylor.....	45
Lovell G. J.....	39
Macaulay & Nicolls.....	40
McAra Brothers & Wallace.....	37
McCallum Hill & Co.....	2
McCutcheon Bros.....	46
Macneill & Young .....	4
McQuaid, E. S.....	43
Maryland Casualty Co.....	27
Mercantile Fire Insurance Co.....	47
Mercants Bank of Canada .....	26
Merchants Casualty Co.....	40
Merson & Co., G. O. ....	50
Metropolitan Bank .....	27
Mighton, Bell & Turner.....	—
Milnes Coal Co.....	40
Moffet, Frank B.....	50
Molsons Bank .....	26
Molsons Life Assurance Co.....	40
Monarch Life Assurance Co.....	27
Montreal Trust Co.....	—
Morris, John .....	32
Murray, B. W.....	41
Mutual Life of Canada .....	26
National Bank of Scotland .....	51
National Finance Co. Ltd.....	27
National Trust Co. Ltd.....	39
Natural Resources Security Co.....	33
Nay & James .....	37

Neely's Limited .....	36
Nesbitt, Thomson & Co.....	36
North American Life Assurance Co.....	42
North British & Mercan. Ins. Co.....	42
Northern Assurance Co. Ltd.....	48
Northern Crown Bank .....	49
Northern Trusts Co.....	24
Norwich Union Fire Ins. Soc'y Ltd.....	32
Oakes-Gray Realty Ltd.....	49
Occidental Fire Insurance Co.....	39
O'Hara & Co., H.....	42
Oldfield, Kirby & Gardner .....	39
Ontario Loan & Debenture Co.....	39
Osler & Hammond .....	28
Osler, Hammond & Nanton .....	35
Pacific Coast Fire Insurance Co.....	35
Pender, D.A., Cooper, Slasor & Co.....	4
Peperett Agency, J. R. ....	47
Phoenix Assurance Co. Ltd.....	40
Prudential Life Insurance Co.....	43
Prudential Ins. Co. of America.....	51
Quebec Bank .....	51
Reade, Hubert T.....	24
Regina, City of.....	47
Robinson & Black .....	38
Ronald, Griggs & Co.....	40
Royal Bank of Canada.....	47
Royal Canadian Agencies.....	23
Royal Trust Co.....	39
Russell Motor Car Co.....	33
Ruttan & Co.....	—
Saskatchewan General Trusts Corp.....	40
Saskatchewan Inv. and Trust Co.....	30
Saskatchewan Mortgage Corp.....	31
St. Boniface .....	34
Sovereign Life Assurance Co.....	38
Standard Bank of Canada.....	44
Standard Life Assurance Co.....	23
Standard Reliance Mortgage Corp.....	50
Standard Securities Limited.....	41
Standard Trusts Co.....	—
Sterling Bank of Canada.....	28
Sterling Mortgage Investment Co.....	25
Sterling Trusts Corporation.....	34
Sun Fire Insurance Co.....	30
Sun Life of Canada.....	44
Title & Trust Co.....	50
Toole, Peet & Co.....	32
Toronto Gen'l Trusts Corp.....	39
Toronto Mortgage Co.....	33
Toronto Paper Mfg. Co. Ltd.....	29
Tracksell, Douglas & Co.....	47
Trustee Co. of Winnipeg.....	40
Trusts and Guarantee Co.....	40
Union Assurance Society Ltd.....	31
Union Bank of Canada.....	44
Union Fire Insurance Co.....	24
Union Mutual Life Insurance Co.....	43
Union Trust Co.....	43
Waghorn, Gwynn & Co.....	32
Waterloo Mutual Fire Ins. Co.....	40
Watson, John B.....	42
Western Assurance Co.....	47
Western Empire Fire and Accident Ins. Co.....	49
Western Empire Life Ass. Co.....	43
Western Life Assurance Co.....	43
Western Trust Co.....	43
Westminster Trust Co.....	30
Weyburn Security Bank .....	32
Whitaker & Co., G. S.....	23
Williamson & Co., Rutherford.....	39
Willoughby-Sumner Co., J. H. C.....	47
Wilson & Perry .....	40
Winnipeg .....	47
Wood, Gundy & Co.....	—

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# Monetary Times

Trade Review and Insurance Chronicle  
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JAS. J. SALMOND  
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A. E. JENNINGS  
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## Britain's Change to High Gear for War

THE transformation of Great Britain's mechanism from peace to war speed has been remarkable. The oft-heard suggestion that the nation would be found unprepared in the event of crisis, is answered. In the midst of war alarms, stock exchange panic, credit breakdown, suspension of international exchange, the country quietly and effectively adapted itself to extraordinary conditions in short time. This has been illustrated in a striking manner in banking, finance and commerce. With national credit chains thrown out of order by war, Great Britain has repaired its own in a truly British way. The government and bankers had to contend not only with conditions created by hostile declarations. Good reason there is to believe they had to face also a German campaign in finance planned to bring disaster to British credit and to disorganize British finance so that effective action by England would be impossible. On the one side there were factors which might have overwhelmed the best government and banking brains. Yet the situation was handled in a way which, upon reflection, will excite keen admiration.

Among the first notable actions in banking spheres was the rapid increase in the Bank of England rate in three days, from 3 to 10 per cent. The effect of the high rate was as deadly in finance as is the bullet in war. Less than a week later, the high bank rate having done its work, it was reduced to 5 per cent. The London stock exchange was closed, thus cutting short what would have proved a disastrous panic. One pound and ten shilling notes were in circulation within two weeks of the declaration of war, this emergency currency being of great assistance. The regulation of food prices was controlled immediately by the government. The question of employment for the unemployed received consideration at once and a scheme of road-building was planned. From the peer to the navvy, everyone in Great Britain worked zealously for the cause of the Empire. The British government and its Opposition, and the Bank of England in co-operation stood firm in the financial hurricane, inspiring confidence not only in British people the world over, but in other nations, too, where British credit means so much. Consequently, there were no runs on banks, no banking failures, no notable stock exchange failures. The national machinery, after its first shock, revolved again, hindered certainly by the sands of military and naval operations, but not by financial disaster as well. The nation has changed the low gear for peace to the high gear for war, and with little trouble.

The way in which the international exchange situation was treated was, perhaps, the most interesting phase of this unique British work. Matters had reached a serious point. Since the outbreak of war, exchange

quotations had become prohibitive and gold shipments were practically impossible because of the presence of German cruisers in the Atlantic. As Hon. W. T. White, minister of finance at Ottawa, explained last week, the United States owes large sums in London which have to be paid in gold. Great Britain is the great creditor-nation, and London has been drawing the gold of the world to her vaults. There was, therefore, a rush in America to buy exchange, that is to say, gold in London. Any American or Canadian merchant or banker who has a balance in London could sell it at a high premium to other bankers or merchants who had to find funds in London to pay debts maturing there.

Before the war was declared there had been large shipments of gold to London because it was cheaper to send the gold than to buy exchange. War between Germany and Great Britain put an end to this, and the greatest difficulty was being experienced on this side of the Atlantic in making payments in Great Britain. It became practically impossible to finance shipments from Canadian ports of wheat, flour, meat and other food products.

There arose a great congestion of these commodities at Montreal awaiting normal exchange conditions. Shippers could not sell their grain or other produce bills because the banks could not sell these as usual in New York, and if they were sent forward for collection in Great Britain and paid there the banks here could not bring the gold over.

The result of attempting to finance Canada's vast export produce trade in such conditions of exchange would have been that Canada would pile up gold balances in Great Britain and be depleted of gold here.

This was, perhaps, the most difficult situation of all, its continuance meaning widespread disturbance to international finance and commerce. The British authorities, however, rapidly found a simple method to combat a dangerous problem. They arranged with the Canadian government that Canada's finance minister should act as trustee to hold gold for account of the Bank of England. United States bankers desiring to pay gold in London now will forward it to the finance minister at Ottawa for account of the Bank of England. Thus it will not be necessary to ship gold across the Atlantic to make payments in London and exchange rates should at once ease. United States and Canadian exports which will go forward to Europe this fall speedily will restore the financial balance and possibly bring it about that exchange will be in favor of America.

To break still more the deadlock in the money market, and to enable trade and commerce to resume their normal courses, the British Government then agreed to guarantee the Bank of England from any loss it might

incur in discounting bills of exchange of either home or foreign banks on trade accepted prior to August 4th. The Bank of England, therefore, was able to announce that it was prepared, on the application of the owners of any approved bill of exchange accepted before that date, to discount it at any time before its due date at the bank rate and without recourse to such holder, and upon the bill maturing, the bank would give the acceptor the opportunity of postponing payment, with interest at two per cent. over the bank rate. The Bank is prepared to approve such bills of exchange as customarily are discounted by it, and also good trade bills and acceptances of such foreign or colonial firms or bank agencies as are established in Great Britain. This will abolish a large part of the banking and commercial difficulties experienced in the past fortnight. Accepting houses now have their hands free in financing importations and commodities. The market thus is revived to such an extent that it will not be

necessary to take to the Bank of England nearly as many bills as the Government estimates, as the certainty of being able to find a purchaser greatly reduces the desire of the holder to sell.

Further, the British navy has shown in modern times that "Rule, Britannia," has a commercial significance which we now realize in a practical way. The shipping lanes have been kept open fairly well, with the exception of the short routes in the North Sea, and even those have been declared safe for shipping for brief periods from time to time. A London message says: "The whole country as well as the business community is quietly confident." With the British navy on the job and the satisfactory financial arrangements which have been made, commerce with Great Britain probably will be interrupted seriously only when opposing navies meet in extensive combat. That may mean but one interruption of any consequence.

## Paying the Piper Regardless of Tune

A MONTREAL factory has a government order for 40,000 pairs of military boots. The Massey-Harris plants at Toronto, manufacturing agricultural implements, are closing for a week, for stock-taking, and after, until further notice. The company's export trade is stopped. Two thousand five hundred men at least will be unemployed. Tent-makers and military equipment manufacturers are working night and day to fill orders. Parliament at Ottawa is arranging the basis of a war tax. Some industries benefit temporarily from the effect of the European struggle. Others are paralyzed by it. The outstanding fact is that the war must be paid for. Every nation, whether or not one of the belligerents, will bear its share. National debts will receive a heavy extra burden. In *The Monetary Times* last week, the probable cost of the war was discussed. Statisticians who have figured this agree pretty closely that \$50,000,000 a day is the approximate figure. If the struggle lasts a month, the cost will be \$1,500,000,000. If it extends to a year, although there are hopes that the economic problems arising, will not allow that,—the war bills will total \$18,000,000,000. Europe already has a pile of old war debts aggregating \$27,000,000,000.

Canada has authorized a \$50,000,000 war loan. Germany has authorized the use of \$1,250,000,000, and Great Britain has appropriated more than a billion. France will meet early costs through the sale of Government notes to the Bank of France. These large amounts will not suffice for long. A German economist prepared for his Government recently an estimate of the financial needs of the early period of a possible war. He reported that the cost of mobilization alone would be \$300,000,000 in the first six weeks, in addition to \$250,000,000 to be expended for supplies. Great Britain has been spending in time of peace a sum equal to the combined naval and military expenses in the most costly year of the Napoleonic war. In 1912 she used \$140,000,000 on her army and \$220,000,000 for the navy—an outlay of \$360,000,000 in a twelvemonth of peace. It might be that \$50,000,000 a day will not pay for the world's biggest war.

As pointed out by Mr. W. B. Little, a New York writer, there are three accepted theories for financing a national war. The first contemplates an expenditure all drawn from newly-levied taxes. The second proposes that the entire outlay be met from the proceeds of loans, which must be followed by new taxes equal at least to

the interest on the money borrowed. The third theory holds that extraordinary expenditures should come from a reasonable union of these two sources. It is necessary to distinguish between the regular and the extraordinary expenses brought on by a war. It is an error to think that current consumption is greater in time of war. The public consumption may increase, but the added burden is offset by the curtailment in private consumption. It used to be held that the infliction of taxes quickens production, but this theory easily may be carried too far. It has been demonstrated that excessive burdens laid on the backs of the producers stifles initiative and acts as a brake on the workers' energy.

A somewhat cheerful view of the financing of the campaign by Great Britain is taken by the London Statist, which reminds us that a little over a century ago, when the nation was at war with Napoleon, its income was a very small one, being less than one-eighth of what it is at present, and in a comparatively short space of time the British people succeeded in raising about £1,000,000,000 of money for war purposes, and so great was their confidence and courage that at the end of the great war, which severely taxed their resources, they were stronger and wealthier than they had been at the beginning. If the British people are animated with the spirit of their fathers they should experience no difficulty in providing loans for war purposes, if necessary, to the extent of several hundred millions a year. In the current year the new issues of capital in the London market alone will probably reach £250,000,000, after providing for the nation's expenditure upon the construction of houses and the extensions of works. If the occasion should arise, the British people should be able, without any serious difficulty, to raise loans amounting to £200,000,000 a year over and above any sums they may derive from the sale to the United States of a part of the great quantity of American securities they now possess.

Trade has been one of the first victims of the present war, which is between nations that do the greater part of the world's commerce. The eight countries already involved, as the New York Annalist points out, have carried on, in normal years of late, upward of \$15,000,000,000 out of the \$25,000,000,000 of international trading accredited to the nineteen leading commercial countries of the world. They do in their ships the transporting

of nearly seven-eighths of all transoceanic cargoes. Among them has centred, as if they held the heart and the brain of the living body of world-wide commerce, the streams of moving merchandise and of international monetary exchange and finance. When it was seen that the war was inevitable, commerce over the whole world abruptly ceased its regular movement and international credit collapsed.

During the seven years ended March, 1913, Canada sold \$1,122,000,000 worth of goods to Great Britain and \$903,000,000 worth to the United States. It bought from Great Britain \$763,000,000 of merchandise in the same period, and from the United States \$2,109,000,000. The disturbance to traffic on the Atlantic route ordinarily might have given a great impetus to United States trade in Canada, but the Dominion's difficulty is to obtain the funds with which to pay. Great Britain already has acted as banker to Canada to the extent of £500,000,000, but it cannot act in that capacity at present. The United States, therefore, may have to do a little lending in Canada, a country that has proved one of its best markets.

With a decisive British victory in the North Sea, the Atlantic trade channels should return to normal conditions. They are nearly so now. But a renewal of Canadian borrowing operations in London cannot be anticipated for a considerable time. Whatever may happen in Europe, there is bound to come a great change in the

international trade relationships of the world. Great trade routes may still focus in the English Channel, if the war be over soon, but other new currents inevitably will be established.

We have had already a sufficient demonstration of the drastic effects of this war upon trade, commerce and finance. It has made men eager to know how long the struggle will last. The power of armies and navies is one of the factors of termination, but equally important is the economic factor. So many nations are engaged that they may find, in a much shorter time than anticipated, the necessity of seeking peace because of acute financial and economic obstacles. Both Russia and Japan were exhausted by a single campaign. It is not unreasonable to believe, as the London Economist points out, that if all the leading States of the Continent could go on fighting for three years, or, at all events, if passions were so excited and the demands of the more victorious side were so extortionate that fighting was continued, exhaustion would be the inevitable consequence. Whichever side was able to acquire and retain the command of the sea would have a great advantage over the side that lost such command. That advantage might not assert itself so evidently for a considerable time as to end the conflict. In the present condition of Europe, unless a war can be very quickly finished, it will exhaust the combatants and immensely lessen the predominance of Europe in the other Continents of the world.

## Halting Germany's Industrial Machine

**M**ILITARY and naval Germany in its insane war lust is paralyzing industrial Germany. At the conclusion of hostilities, the nation's industry and commerce will have suffered a blow, from which it will take at least a quarter, perhaps a half century, maybe more, to recover. Modern Germany presents two outstanding facts, the great increase of the population since 1871 and the growing dependence of the population upon industrial and mercantile pursuits. Industry and trade in Germany maintain directly a population of about 34¾ millions, or more than half the entire population of the German Empire.

Chief among the causes which have helped to place Germany into the front rank of industrial nations is its possession of valuable mineral wealth and of capital to develop them. It has the largest known reserves of coal of all European countries. Upon that foundation, its iron and steel industries have been built rapidly and efficiently. It has copper, lead, zinc and other minerals in fair quantity and great wealth in its salt mines. It has practically a monopoly of potash, and supplies the world with that product.

The industrial hub of the country is the district which stretches from Dusseldorf on the Rhine land to Hamm in Westphalia, and covers a large part of those provinces. Speaking of that district, the Cologne Gazette prophesied some time ago that before long the district between Duisburg and Hamm would form "one enormous settlement, a single expanse of houses from 45 to 50 miles long and from 15 to 20 miles broad."

While Germany is still lagging behind in shipbuilding—the Clyde yards alone turning out a larger tonnage than all the German yards together—good progress is being made nevertheless. That is in some measure due to the naval policy of Emperor William, which would have been well if confined to peaceful work, but directed partly to the building of a gigantic navy, it likely

will prove disastrous in the comparatively near future.

Year by year, Germany has become more independent of other countries in industrial products. Comparing the statistics of 1897 with those of 1911, the value of Germany's imports increased in that period by 49 per cent. and that of the exports by 129 per cent., while the increase of population was 23 per cent. Although the country is still largely agricultural, it is no longer able to feed its population. About one-half of the agricultural land is divided into relatively small holdings, while one-quarter is held by large proprietors.

The railways have been State-owned for a generation. Four years ago the country had about 18 miles of railway to every hundred square miles of surface, a ratio exceeded in Europe only by Belgium, Holland, the United Kingdom and Switzerland, in the order named. In his striking picture of the growth of industrial Germany, Mr. W. H. Dawson, in a notable volume on the subject, states that the railway system of that country and the development of its natural and artificial waterways have helped to build up industry and commerce and economic efficiency each to an equal degree.

Another powerful factor in the industrial life of Germany has been the concentration of capital. For instance, ten industrial concerns and nine financial institutions have aggregate capital of \$638,750,000, an average of over \$33,000,000. Nearly all these large undertakings, including the Krupp gun and shipbuilding firm, with capital of \$45,000,000, and the Deutsche and Dresdner Banks, each with \$50,000,000 capital, have grown to their present size as a rule by amalgamation with rival enterprises. The firm of Krupp, in which Emperor William has a substantial financial interest, employs 70,000 persons. Now industrial Germany and its 35,000,000 workers, with the other half of that Empire's population, is thrown into war by Germany's military madmen.

# UNITED STATES AND LOANS TO CANADA

**President's Attitude on War Loans—Only Government Issues Meant—Statements of Secretary of State Bryan, and Morgans of New York, to *The Monetary Times*.**

*The Monetary Times* this week asked Mr. William Jennings Bryan, secretary of state of the United States, whether the attitude of President Wilson and that of Mr. Bryan in opposing the flotation of loans by the United States for belligerent powers, includes Canada. Mr. Bryan has informed *The Monetary Times* "that the announcement made by the president disapproving the loaning of money by American bankers to belligerent governments would seem to include the colonies of such governments as well as the governments themselves."

This means that United States bankers will be unable to advance funds to the Canadian government or to any of the provincial governments, should that course have been thought necessary or desirable, without incurring the displeasure of President Wilson and his administration. Canada will have to raise in the near future several millions of dollars for war purposes, but the Dominion government will do that by issuing Dominion notes against gold in the treasury. Mr. Bryan's explanation of the president's attitude, we take it, does not embrace the financing of municipal and corporation loans for peaceful enterprises. Canada anticipates raising many more loans of that kind in the United States.

Will the United States become the world's leading banker during war time, or will the extremely cautious administrative policy at Washington prevent this? Financial authorities in Europe and America agree that the engagement of so many European countries in war will give an unique opportunity to United States bankers and financial houses. On the other hand, the desire of President Wilson is that his country shall not be drawn into the international dispute in any way. He sees apparently possible complications by the proposed financing of belligerent powers by United States bankers. The three lending countries of any great consequence are Great Britain, France, and the United States. Two are eliminated as lenders by the present situation. There are minor lending powers in Europe, but they also are in the war zone.

## Is a Practical Issue.

The question has come to a practical issue in connection with the proposed war loan by the United States to France. Last week it was stated that the French government and Messrs. J. P. Morgan & Company, of New York, were engaged in preliminary negotiations regarding a loan. At the same time an unofficial expression of opinion was announced that President Wilson and Secretary Bryan were opposed to the floating of any loans in the United States for the benefit of any of the belligerent powers in Europe. *The Monetary Times* inquired of Messrs. J. P. Morgan & Company in New York as to this attitude. They replied, "We have no information that the president is opposed to the floating of loans for belligerent powers. At least neither he nor the secretary of state have given us any such intimation. As to ourselves, we have not declared any such attitude."

A few hours after the receipt of this message the following announcement was made at Washington by Mr. Bryan, secretary of state:—"Inquiry having been made as to the attitude of this government in case American bankers were asked to make loans to foreign governments during the war

in Europe, the following announcement is made: There is no reason why loans should not be made to the governments of neutral nations, but in the judgment of this government loans by American bankers to any foreign nation which is at war are inconsistent with the true spirit of neutrality."

Another communication was addressed by *The Monetary Times* to Messrs. J. P. Morgan & Company of New York. They replied, "In view of the attitude of the president, we are unable to answer your previous inquiry, as we have no further information than the statement issued at Washington."

This message tends to confirm the Washington despatch that Mr. Bryan's announcement noted above was based on an inquiry made to the United States government by the Swiss government. Dr. Charles Paul Hubscher, secretary of the Swiss legation, called at the state department and asked Secretary Bryan what the attitude of the United States government would be if the government of Switzerland sought to negotiate a loan in the United States. Mr. Bryan's reply is outlined in his announcement above.

## Money as War Instrument.

President Wilson is apparently in agreement with Mr. Oscar S. Straus, former secretary of commerce and labor in the United States. In a speech in 1908, Mr. Straus said:—"Everyone knows that the money advanced to belligerents signifies the giving to them of means for securing war instruments. Large Japanese loans were negotiated and obtained publicly in the United States and Great Britain, and Russian loans were advertised and obtained in France and in Germany during the Russo-Japanese war. Money is the most effective war instrument. It is simply sophistication to hold that a neutral cannot loan money to a belligerent without performing an unneutral act, and yet permit the subjects of a neutral nation to do this. The international authorities are practically agreed upon such a discrimination."

## Statement of Morgans.

On Monday Messrs. J. P. Morgan & Company issued the following statement:—"We have not been asked by the French government to make a loan, but we have been approached by private interests to know whether we would entertain negotiating a loan for the French government, in case the government should desire such loan.

"It was stated to us that if the loan should be made, it would be for the purpose of creating a credit in the United States, the proceeds of which would be used to buy American products for the French people, and that no part of the credit would be used for gold export.

"Immediately upon receipt of this inquiry we communicated the fact to the State Department, saying, that we were not at all clear that, if asked, we should desire to negotiate the loan; but that, in any event, we would not give the matter consideration without first acquainting the department with the facts, and ascertaining their attitude in regard to foreign loans at this time.

## Legal Rights to Loan.

"We advised them that irrespective of any legal right to loan to belligerents we should not care to consider the subject if the administration should have the slightest doubt in the matter. We have not as yet been advised of the attitude of the department and can quite understand that possibly they may desire to refrain from expressing any opinion.

"If they should not express an opinion, we shall be governed entirely by the interests of the general situation as we see them, should an application be made for the loan, which is not yet the case."

Since this statement was issued, the attitude of the department has been expressed.

On the same day, Dr. Paul Ritter, the Swiss minister, again made representations to the State Department at Wash-



ington in behalf of his government for a loan of gold from the United States. Switzerland, in a state of siege with practically her entire male population under arms, is facing a serious question in regard to feeding her army.

The imputation that his country might implicate the United States in a violation of neutrality by using the acquired money as a loan to belligerent nations was declared incorrect by Minister Ritter. He said that aside from the question of national honor, Switzerland's domestic financial stringency was such that she must have fluid currency to restore normal conditions at home.

Finally, as stated above, Canada comes within President Wilson's ban, so far at least, as loans to our federal and provincial governments are concerned.

### CANCELLING CALLS ON LOANS.

Negotiations are under way having for their objective the cancellation of future calls on oversea and Indian loans, issued on a substantial scale, for the outbreak of war, says a Canadian Associated Press cable. It is suggested that scrip-holders should receive an amount of stock proportional to the sum already paid up.

This would definitely dispose of a heavy liability that might seriously retard the resumption of stock exchange business on normal lines. Some of the colonial borrowers would be inconvenienced, but it is pointed out that, apart from the standpoint of Imperial patriotism, it would be in their own interests to avoid any spoiling of their own market by wholesale selling to avoid calls.

Pending any such arrangements, people who delay payment of their calls will be liable to pay 6 per cent. interest under moratorium.

### WESTERN TRUST COMPANY.

Net profits of \$114,056 were made by the Western Trust Company during the year ended June 30th, 1914. There was a balance of \$7,177 brought forward from the previous year, which gave a sum of \$121,233 for distribution. Dividends absorbed \$70,350, the disbursement being at the rate of 7 per cent. per annum. The reserve account was strengthened by the substantial sum of \$50,000, making the reserve fund \$200,000. This left a balance of \$883 to be carried forward.

An analysis of the company's financial statement shows it to be in a strong position. While the balance carried forward this year is much less than previously, the reserve fund has been increased considerably and is equal to about one-fifth of the paid-up capital. The company has always followed a conservative policy and there is evidence that this is to be carried on. The subscribed capital is \$1,005,000, all of which is paid up.

At the eighth annual meeting of shareholders, held in Winnipeg last week, the financial statement presented showed the trust guaranteed and agency funds of \$1,221,460. The assets of estates and agencies under administration by the company total \$5,532,166. The company's capital account is made up of the following items:—Real estate mortgages, \$1,148,288.47; stocks and bonds, \$79,102.99; office furniture, \$2,558.51; other assets, \$17,466.89; cash in banks, \$2,560.59; total, \$1,249,977.45.

The trust guaranteed and agency funds are as follows:—Real estate mortgages, \$1,098,536.58; cash in banks, \$122,924.33; total, \$1,221,460.91.

### GERMAN INVESTMENTS IN CANADA.

The only authoritative information regarding German investments in Canada, at present compiled, appears in "Capital Investments in Canada," published by *The Monetary Times*. This information in part, has appeared recently in an article on the subject in an issue of the Manitoba Free Press, in an article by Robson Black in the Toronto Star Weekly of August 15th, and in an editorial of the Montreal Journal of Commerce, on August 14th. Mention of the source of information was omitted, inadvertently, in each case.

## SOME CANADIAN INDUSTRIES BENEFIT

### Effect of War on Rubber, Leather, and Textile Plants in Canada

Monetary Times Office,

Montreal, August 19th.

Events of recent weeks are beginning to have their effect upon prices, including those of foodstuffs, garments and many other lines of manufactures. The price of crude rubber has doubled. Because of this advance, it was assumed that all rubber goods including rubber footwear, would advance sharply. Mr. T. H. Reider, vice-president of the Canadian Consolidated Rubber Company, was asked as to this. His reply was that it would not, in the immediate future at any rate. The company was in business, he said, to make as much money as it legitimately could, but it was not, generally speaking, in sympathy with a trading policy by which advantage of an international calamity would be taken in order to line the company's pockets. It would be a hardship on many people if the price of rubbers were advanced to the extent that the cost of the crude might warrant. The public might rest assured that the company would not try to lessen the buying power of the Canadian dollar.

#### In the Leather Trade.

The war has also brought about an exceptional condition in the leather trade here. Hides are affected in price, and predictions from the United States are that leather will advance to compel advances in the price of boots. Advances already have taken place in a number of lines.

Mr. D. Lorne McGibbon, president and managing director of the Ames-Holden-McCready Company, said the company will not advance its prices until compelled. Such advances are under consideration and everything points to higher prices in the near future.

Mr. McGibbon also stated that while trade was in anything but an enviable condition at the moment, the company was in receipt of government orders for about 40,000 pairs of military boots, the cost of which will be \$100,000. These orders were highly valued at present, not so much because of the profit in them as because they enabled the company to maintain its organization and thus keep itself in a position to execute orders of this or any other character which may be placed with it. He would not offer any opinion as to whether the negotiations between the company and the British war office representatives regarding the manufacture of boots for the British army, would result favorably or not.

#### Textiles and Cottons.

The textile industry, it is believed, is receiving stimulus from orders being placed by the government for army purposes. The Paton Manufacturing Company, of Sherbrooke, has closed a large order for goods, which it will not be able to complete before September 30th. This will be a welcome order under present conditions.

The Smart-Woods Company, which with many other manufacturing concerns, has felt the effect of hard times, has received orders for a large quantity of duck or twill goods such as tents, kit-bags, etc., for the government. In addition, the company is working actively on cotton bags, supplies of jute having been interfered with. The activity in the flour market, including the present of one million bags of flour to the British by the Canadian government, will be of assistance.

Whatever the cause for the stimulus in the cotton manufacturing trade, the statement is made that the Dominion Textile Company is now operating at 90 per cent. of capacity, as compared with about 75 per cent. a couple of weeks ago. Towards June 30th it was operating at only about 50 per cent. One of the Cornwall mills is busy on khaki cloth.

Many other lines, such as canned meats and vegetables, foodstuffs and agricultural products generally probably will advance in price.

There has been expended to date on the purchase and construction of the Panama Canal, \$360,173,375.33. These expenditures have been classified to May 1 as follows:—Administration, \$7,044,684; law, \$60,109; sanitation, \$17,208,154; construction, \$206,117,831; general items, \$90,167,566; fortifications, \$6,200,505.

## MORE ABOUT MORATORIA

## Canada Has Passed Necessary Legislation—Text of English Declaration

Legislation was enacted in the present session of the Dominion parliament authorizing the government to declare a moratorium at any time while a state of war prevails. No such measure has been necessary yet, but it is thought well to have legislation in case of necessity.

"Absolutely no necessity exists for a moratorium in Canada at the present time," said a leading banker when interviewed this week. "We do not think that it will be necessary in the future. But these are troubled times in which predictions as to the course of events, political or financial, are idle, and the government is acting wisely in fortifying the position with every protective measure possible."

The clause of the Canadian bill referring to the moratorium authorizes the governor-in-council, in so far as the same may be within the legislative authority of the parliament of Canada, to proclaim the postponement of the payment of all or any debts, liabilities and obligations, however arising, to such extent, for such time and upon and subject to such terms, conditions, limitations and provisions as may be specified in the proclamation.

A cable from Hon. George H. Perley, acting Canadian High Commissioner in London, to Premier Borden, states in reply to the latter's request for information as to the effect of the British moratorium, that no debt due from outside the British Isles is postponed unless incurred in Great Britain by any person or company having a business establishment or branch business in the British Isles. This applies also to dividends or interest payable in respect of trustee stocks and to bank liabilities and government payments.

## Text of English Declaration.

The following is the text of the moratorium declared by the English government on August 1st. The payment of all bills of exchange accepted prior to August 4 is extended one month at a rate of interest equal to the Bank of England rate current on the date of the original maturity of the bill:

"If on the presentation for payment of a bill of exchange, other than a cheque or bill on demand, which has been accepted before the beginning of the fourth day of August, nineteen hundred and fourteen, the acceptor reaccepts the bill by a declaration on the face of the bill in the form set out hereunder, that bill shall, for all purposes, including the liability of any drawer or endorser or any other party thereto, be deemed to be due and payable on a date one calendar month after the date of its original maturity, instead of on the date of its original maturity, and to be a bill for the original amount thereof increased by the amount of interest thereon calculated from the date of re-acceptance to the new date of payment at the Bank of England rate current on the date of the re-acceptance of the bill."

## Form of Re-acceptance.

Re-accepted under proclamation for £ (insert increased sum).

Signature .....

Date .....

## In England and France.

The most important moratorium declaration naturally is that of Great Britain. This will operate during the current month, but the suspension concerns only long bills. The banks are honoring cheques drawn on them, and depositors are not embarrassed by lack of cash. Cable transfers which are sold in New York on London are promptly met. The only difficulty is a scarcity of credits in that centre.

In France the prevailing moratorium affects cheques as well as long bills. The large credit banks in Paris have made the most of the privilege to suspend payments and are refusing to pay out cash to their depositors. Local bankers with credits in these banks are unable to sell cable transfers against them, and the only way they see out of their predicament is the establishment of new credits on the distinct understanding that they will be available. Trust companies and private firms with branches in Paris are offering cables on these branches, which are prepared to meet them in cash. Difficulty is experienced in their sale, because the credits are tied up the moment they are transferred to the French banks which have the accounts of the buyers of the cables.

## CANADA'S TRADE TO JUNE

## Exports During Twelve Months' Period Have Increased Greatly

The preliminary statement of the trade of Canada for June shows a decrease in the total imports from \$46,000,000 as compared with \$59,000,000 in June, 1913. The duty collections, consequently have dropped, the decline being about \$2,000,000. Total exports show a decline from \$35,000,000 to \$31,000,000. The total trade for the month was \$77,000,000 compared with \$93,000,000 in June, 1913. Of that sum, merchandise accounts for \$76,362,000 and coin and bullion for \$877,000. The effects of war will not be reflected fully in the trade statistics until the August figures are published. Imports of coin and bullion should then prove an interesting item.

During the next few months, there will probably be heavy exports in certain lines, if the Atlantic shipping routes are in normal condition. The trade for the first three months of the current fiscal year to June 30th, shows a decline compared with the corresponding quarter of 1913 of about \$40,000,000. The decrease in duty was \$7,000,000. On the other hand, total exports have dropped only \$5,000,000 as compared with the three months of last year. Total trade shows a decline for the period of \$45,000,000, made up chiefly of imports.

## Twelve Months' Figures.

Canada's trade for the 12 months ended June 30th, is shown in the following table:—

	Twelve months ended June		
Imports for consumption.	1912.	1913.	1914.
Dutiable goods ...	\$363,370,524	\$450,746,603	\$379,827,670
Free goods . . . . .	193,804,095	233,221,911	199,312,779

Total imports (merchandise)	\$557,174,619	\$683,978,514	\$579,140,449
Coin and bullion . . . . .	21,906,486	6,021,821	14,642,803

Total imports ..	\$579,081,105	\$690,000,335	\$593,783,252
Duty collected . . . . .	\$94,841,332	\$117,274,150	\$100,182,715

Exports.			
Canadian Produce—			
The mine . . . . .	\$44,012,900	\$57,857,228	\$58,059,877
The fisheries . . . . .	17,080,449	17,233,575	20,172,843
The forest . . . . .	41,743,304	43,518,571	43,241,666
Animal produce . . . . .	47,110,762	45,156,126	55,569,932
Agricultural produce	124,341,756	153,299,145	184,864,711
Manufactures . . . . .	37,475,637	45,826,663	61,720,376
Miscellaneous . . . . .	101,417	116,792	197,664

Total Canadian produce . . . . .	\$311,866,225	\$363,008,100	\$423,827,069
Foreign produce ..	17,359,443	21,762,174	25,707,387

Total exports (merchandise)	\$329,225,668	\$384,770,274	\$449,534,456
Coin and bullion . . . . .	9,725,350	14,801,991	24,227,640

Total exports ..	\$338,951,018	\$399,572,265	\$473,762,096
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Aggregate trade.			
Merchandise . . . . .	\$386,400,287	\$1,068,748,788	\$1,028,674,905
Coin and bullion . . . . .	31,631,836	20,823,812	38,870,443

Total trade . . . . .	\$918,032,123	\$1,089,572,600	\$1,067,545,348
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## Still a Billion Dollar Trade.

Compared with the corresponding 12 months of 1913, there is a decline of \$96,000,000 in the total imports, although they are \$14,000,000 greater than in 1912. The duty collected for the 12 months ended June was \$100,000,000, compared with \$117,000,000 in 1913 and \$94,000,000 in 1912.

The exports have increased considerably. For the year ended June, 1914, they totalled \$473,000,000 compared with \$399,000,000 in the previous year. Agricultural produce contributes the largest share, and manufactured products the second largest. The total trade for the year was \$1,067,000,000 compared with \$1,089,000,000 in 1913 and \$918,000,000 in 1912.

## FIFTY MILLION DOLLAR WAR LOAN

### Authority Granted at Ottawa to Raise It—Other Measures Passed

The first war session of the Canadian parliament in a hundred years was summoned at Ottawa on Tuesday. The speech from the throne was short and businesslike, referring to measures proposed and to the loyalty of and affairs in the British Empire.

Notice was given by Premier Borden of the resolution providing for an appropriation of \$50,000,000 to be devoted to the defence and security of Canada, to the conduct of military or naval operations in or beyond Canada, for promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or otherwise, and for the carrying out of any measures deemed necessary or advisable by the governor-in-council in consequence of the existence of a state of war.

#### May Raise Loan.

The government be empowered to raise by way of loan such sums of money as are required under the appropriations. It is thought that the government does not intend for the present to increase the revenue either by way of tariff adjustment or by way of imposing any war tax.

An order in council dealing with the action taken by the Dominion government on August 3 to insure the stability of banking credit was tabled in the Commons by the Prime Minister.

With the view to enabling the banks to maintain the volume of credit available to their customers and supply them with additional resources, the government, on the commendation of the minister of finance, empowered the latter to advance to such banks as may be designated by him from the federal treasury such sums as he may deem reasonable and proper, to be used by the specified banks in the usual course of their business.

#### Advances to Banks.

Such advances to the banks were authorized upon such high-class securities as the minister of finance may approve, the rate of interest to be charged being not less than 5 per cent. per annum, repayment to be made to the government within a period not extending beyond May 1, 1915. For the purpose of holding in trust for the government the securities lodged by the banks the minister of finance was authorized to engage the Royal Trust Company.

#### Issue of Dominion Notes.

The order in council further provided that in view of the inadvisability of attempting at the present juncture to make an issue of Dominion securities in the London market the proposed advances to the banks be made by an issue of such amount of Dominion notes as may be necessary, such notes to be issued against the deposit by the banks of high-class securities approved by the minister of finance. This is a technical departure from the terms of the Dominion notes act, and a bill of indemnity conforming and sanctioning the steps taken was introduced in Parliament on Wednesday.

The finance minister's bill will also authorize the chartered banks to make payment in the bank notes issued by such banks instead of in gold or Dominion notes, the total amount of the notes of any chartered bank circulation at any time not, however, to exceed the amount of its notes issuable under the provisions of the bank act, including an emergency note issue exceeding 15 per cent. of the combined unimpaired capital and reserve fund of the respective banks. A further important provision will suspend the redemption in gold of Dominion notes.

A moratorium was also authorized and is noted in this issue of *The Monetary Times* under the heading "More About Moratoria."

#### Money Already Spent.

Copies of an order in council passed since the outbreak of the war, and tabled in the Commons on Tuesday afternoon, show that the government paid \$1,050,000 for the two submarines purchased from Chile; that an order was placed with the Ross Rifle Company for 30,000 rifles and bayonets at \$33.25 for each rifle complete, aggregating approximately \$1,000,000; and that a third war expenditure was an order of \$1,000,000; and that a third war expenditure was an order of the Canada Tool and Specialty Company, Limited, of New Glasgow, for the conversion of 10,000 long Ross rifles and

sights to correspond with the present Mark III. rifle, at \$3.50 per rifle. This work is to be completed by April 1, 1915. The total expenditures on these three items is about \$2,100,000.

### CANADIAN NORTHERN FINANCING.

Sir William Mackenzie, president of the Canadian Northern Railway, has returned from London. He had succeeded in underwriting £3,000,000. Of this amount the public had subscribed for 21 per cent., a good proportion in stringent conditions. The remainder was safe with the underwriters until the declaration of war. "Now it is impossible to say what will become of the flotation," says Sir William. "The British moratorium which is now in force exempts both the underwriters and the subscribers from payment for a period extending at least until September 4th."

Much Canadian Northern Railway construction work consequently will be postponed.

### WAR AND BUSINESS.

Whatever line of business you are in, the great European war affects you. *The Monetary Times*, as Canada's oldest and most reliable financial and business journal, is giving from week to week the best story of the war as it affects finance and business. In this issue, the following articles will be found on the pages noted:—

	Page.
Britain's Change to High Gear for War .....	5
Paying the Piper Regardless of Tune .....	6
Halting Germany's Industrial Machine .....	7
President Wilson on War Loans .....	8
Cancelling Calls on Loans .....	9
German Investments in Canada .....	9
Some Canadian Industries Benefit .....	9
History of Treasury Bills .....	19
More About Moratoria .....	10
Will Issue More Dominion Notes .....	12
Notes of War, Finance and Commerce .....	13
Gold at Ottawa and Wheat .....	16
Germany's Trade War on Canada .....	19
About the Kiel Canal .....	29
Currency in Europe .....	22
World's Commerce and Shipping .....	30
Opportunity for United States Trade .....	36
Hoarding Gold in Europe .....	38
Life Insurance and War .....	42
Trade and Sea Mastery .....	52
Issue of One Pound Notes .....	53
Of the Closed Stock Exchanges .....	53
Bank of England Gold at Ottawa .....	58
Food and War Prices .....	58

*The Monetary Times* was the only paper on the continent of America to receive a special statement from the United States government regarding its attitude on war loans so far as Canada is concerned. It is printed on page 8.

"The following is a list of approved ports in the British Isles: Dundee, Aberdeen, West Hartlepool, Hull, London, Folkestone, Falmouth, Bristol, Holyhead, Liverpool, Greenock; all other ports are prohibited ports; aliens, subjects or citizens of friendly powers can land or embark at the approved ports with the permission of the alien officer at the port; they can land or embark at the prohibited ports only with permission of the Secretary of State in London. Aliens, subjects of enemy powers, cannot land or embark at the prohibited ports; they can land or embark at the approved ports only with the permission of the Secretary of State. Permission to land by the Secretary of State in any case is to be obtained on arrival; aliens desiring permission from the Secretary to embark should be furnished with the proper papers of identity. The Secretary of State desires to restrict landing and embarking of all aliens to the approved ports as much as possible. Any port may, of course, be closed altogether to traffic if the naval authorities consider it necessary."

### COMPANIES LICENSED.

The following companies have been licensed to do business in British Columbia:—

F. N. Burt Company, Limited, of Toronto. Wrought Iron Range Company of Canada, Limited, of Toronto. Hamilton Carhartt Manufacturer, Limited, of Toronto. Canadian General Fire Extinguisher Company, Limited, of Toronto. The Howell Creek Syndicate, Limited, of London, England.

The following companies have been licensed to do business in Ontario:—

Canadian General Fire Extinguisher Company, Limited (Dominion charter), capital, \$100,000. Fashion Craft Manufacturers, Limited (Dominion charter), capital, \$50,000. Canada Furniture Manufacturers, Limited (Dominion charter), \$3,000,000.

### WILL ISSUE MORE DOMINION NOTES

An Ottawa dispatch says:—The minister of finance has given notice of an important resolution authorizing an increased issue of Dominion notes on the gold security now held in the treasury. This will enable the government to a considerable extent to finance the \$50,000,000 appropriation for war purposes. The resolution provides that Dominion notes may be issued up to \$50,000,000, with only 25 per cent. of this amount held in gold in the treasury. At present the act provides that a total issue of \$30,000,000 only shall be made, against a treasury holding of 25 per cent. of this amount in gold. Above an issue of \$50,000,000 of Dominion notes the amount held in gold must, under the amending bill, be equal to all such excess.

If parliament passes the bill the Dominion will be able to issue \$20,000,000 in Dominion notes by placing \$5,000,000 in gold in the treasury, and this will mean an extension of the government's credit by \$15,000,000.

### JULY'S COBALT ORE SHIPMENTS.

The following are the shipments of ore from Cobalt during July:—

Mine.	Tons.
Beaver Consolidated Mine .....	32.2
Chambers Ferland Mine .....	30.0
City of Cobalt Mine .....	42.8
Cobalt Lake Mine .....	123.6
Cobalt Townsite Mine .....	210.0
Coniagas Mine .....	64.4
Crown Reserve Mine .....	41.4
Dominion Reduction Company .....	130.6
Hudson Bay Mine .....	119.3
La Rose Mine .....	131.4
McKinley-Darragh-Savage Mine .....	168.3
Nipissing Mining Company .....	130.2
O'Brien Mine .....	62.2
Penn-Canadian Mine .....	24.0
Peterson Lake Silver Company Mine .....	64.7
Temiskaming Mine .....	95.6
Trethewey Silver Company Mine .....	61.8
<b>Total</b> .....	<b>1,533.4</b>
<b>Gold Ore</b> —from Cobalt (originally ex Swastika)	
Tough Oakes Gold Mine .....	51.2
<b>New Liskeard</b> —	
Casey Cobalt Mine .....	88.6
<b>Elk Lake</b> —	
Miller Lake O'Brien Mine .....	27.7
<b>Porquis Junction</b> —	
Alexo Mine .....	653.7

London Metal Exchange will be re-opened, but only for an hour in the morning each day, and then only for private business and adjustments. There will be no official resumption now.

The Canadian Northern Railway has signed an agreement with the Grand Trunk by which the Canadian Northern secures the right to use the Grand Trunk tracks into Ottawa, with the use of the Central Station as its terminus there.

### HOW CANADA WILL RAISE FUNDS.

Upon coffee, sugar, spirits and tobacco will be placed an extra tax to meet partially Canada's special war expenditure. This was announced by Hon. W. T. White in the House at Ottawa yesterday. These taxes will raise, it is estimated, \$7,000,000. There will be also \$15,000,000 available from the increased issue of Dominion notes against a lessened gold reserve. Other minor tariff changes were announced.

### CHANCE FOR MORE TRADE.

With a view to stimulating and encouraging trade with the Dominions overseas, the war risks insurance committee have decided to fix the rate of cargo insurances, more especially those relating to food imports, at three guineas per cent. The alteration will take place from August 18, says a Canadian Associated Press cable.

The British Empire Industrial League appeals to overseas and home traders to make the most of the golden opportunity that is now afforded them of capturing for the Empire the millions hitherto snared by Germany and Austria-Hungary. The total value of German-Austrian exports are given as well over £530,000,000 sterling per year, the bulk of which is done with overseas countries. "This enormous trade," says the writer, "will now cease until peace is declared, and no better opportunity could be given to the British trader to seize it permanently. Our trade routes are free and safe, our manufacturers are not overburdened with orders; markets of the world are clear of our most unscrupulous competitors, whose vast commercial connection may now be easily secured by us."

### INDUSTRIES AND FARMERS FOR EDMONTON.

Good work has been accomplished by the industrial commissioner's department at Edmonton. The report of the capable and aggressive industrial commissioner, Mr. G. M. Hall, has been presented. It covers the seven months of the current year to August 1st. Industrially, the services of this department have been given principally to the establishment of a wallboard and building paper factory, a sweater factory, a factory for making automobile tires, rubber belting and garden hose, a factory for making flower pots and other pottery of like kind. Arrangements for starting all of these factories in Edmonton are being made as fast as possible and all should be producing goods within six months from date. These plants will cost \$450,000 and will employ 200 hands at the start.

Several other industrial plants are prospective and reasonably certain, among them a plant for making high-class brick, building tile, drain tile, etc., and an artificial ice plant. Still another will make crockery, wall and floor tiles, etc. Satisfactory tests of clay have been made by the industrial department to determine values, and other tests in confirmation of crockery clay quality are now under way. This last line is to be made and handled by a British firm who will certainly make Edmonton the location of a chain of warehouses and factories that will cover Canada. This matter has been decided, but request has been made to keep the name of the firm from publication for a while.

The agricultural department of the department's work has been particularly successful. They have the names and addresses of 494 farmers who have called at their office since March 11th. All of these men were looking for farms. Many of these farmers have located fairly close to Edmonton, others have gone to the Peace River district. Mr. Hall's department has sent 58 into the St. Paul de Metis district and it is known that all but two have located there.

The skill and labor of Mr. Hall and his department is unusually effective, because it is recognized that there must be agricultural workers to make the factory remunerative. Edmonton is one of the few cities doing valuable combination work of this kind.

Superintendent W. H. Biggert, of the International Harvester Company's Canadian works says dissolution order, of the United States government, will not affect the Dominion company, as it is under Canadian charter and entirely independent.

## War, Finance and Commerce

### Record Grain Loading

Four hundred and seventy thousand bushels of grain were loaded in one-half day last week at Montreal, a new record.

### Bank of England Gold

The Bank of England completed arrangements for issuance of drafts against gold lodged for its benefit in Canada and South Africa.

### Bank Uses Moratorium

The Civil Service Bank, a small institution in London, taking advantage of the moratorium, has suspended payment of cheques until September 4.

### Half a Million for Defence

Mr. J. K. L. Ross, the Montreal financier, is the millionaire who has placed at the disposal of the government a contribution of \$500,000 for defence purposes.

### Printing Five-Pound Notes

The printing staff of the Bank of England was engaged in twelve-hour shifts in producing a vast quantity of £5 notes. It is forty years since there was such activity.

### Welsh Tin Plate Trade

A big revival in the Welsh tin plate trade is commencing. Manufacturers are taking steps to secure all the export business hitherto supplied by Germany's 150 tin plate mills.

### English Army Beef Supplies

Chicago packers say they expect orders from the English government for army supplies, but prefer to fill them with Argentine and Australian beef, as this can be had cheaper than United States stock.

### Would Sell Ships

The Hamburg-American and the North German Lloyd steamship lines announce their willingness to sell those of their vessels confined in ports as a result of the war. The tonnage is heavy and value large.

### Lloyds Bombardment Risks

Lloyds underwriters are said to be doing big business in householders' bombardment risks in England. General rate is 20 cents per \$500 per annum, but premises in London can be insured for as little as 12 cents.

### Ten Shilling Notes

The ten shilling Bank of England notes have helped the banks to conserve the gold while still supplying the people with legal currency. The printing on the new notes is red, rendering them easily distinguishable from pound notes.

### Examine Stock Certificates

British Board of Trade has issued warning to holders of American and Canadian railroad shares to examine certificates and if registered owner is German or Austrian to take immediate steps to have stocks transferred into their own names.

### Guarantee Railroad Earnings

The British government has guaranteed the same net earnings of the railroad companies during war time as during an equal preceding period, the government now operating the railways with an executive committee of general managers.

### Government and Drug Supplies

The British government announces that certain drugs, the supply of which is limited, and the price of which has been raised in some instances fifty per cent. by the wholesale dealers, will be taken possession of if exorbitant prices are charged.

### Dawn Curfew for Argentine

In order to economize in coal, the supply of which has been greatly restricted on account of the war, the train service in Argentina has been greatly decreased, and in the city electric power for lighting is furnished only until 3 o'clock in the morning.

### World's Commerce Figures

World's commerce is estimated at \$40,000,000,000, United States buying 10 per cent. of all exports of leading nations. Foreign trade of United Kingdom is \$6,830,000,000, of Germany \$5,059,000,000, France \$2,884,000,000, United States \$4,277,000,000.

### Discounted Twelve Millions

Cable to New York Herald says that in two days of government guarantees, Bank of England has discounted paper amounting to at least £12,000,000. Negotiations for buying and selling of securities for cash are proceeding with greater freedom in London.

### Spanish Tariff Suspended

The Spanish Government has suspended the tariff on flour, corn and coal in order to meet the situation arising from the scarcity of those commodities. The tariff on maize and rye has also been reduced. The Spanish Government also will advise the Bank of Spain to assist foreign banks.

### Break in Mail Service.

The British Post Office advises that the mail service between the United Kingdom and Germany, German colonies, Austria-Hungary and Luxemburg is entirely suspended; that mails for other European countries can be received for despatch as opportunity offers; but that all services are irregular and uncertain.

### German Money Measures

German Reichstag has passed seventy-seven emergency bills, one of which authorizes \$1,325,000,000 loan. Another grants up to \$400,000,000 loans on stocks and securities in connection with Imperial Bank. Special loan institutions will issue special paper having same status as bank notes. All paper money issued by Imperial Bank is made legal tender.

### Finances of Brazil.

As the projected European loan of £200,000,000 to the Brazil government has been abandoned owing to the war, it is understood that Brazil will during the thirty days' moratorium period try to raise an internal loan of £19,700,000, two-thirds of which would be applied to satisfy foreign creditors and the balance to assist the general financial position of Brazil.

### London's Investment Surplus

London is estimated to have a surplus of \$2,000,000,000 for outside investment. Paris holds second place, representing about a quarter of that amount, and is great factor in finances of Russia, Spain and Turkey. Germany requires most of its cash for home enterprises. Holland and Belgium have active bourses. The St. Petersburg Birsha deals only in Russian securities and is smaller than the exchanges in Glasgow, Manchester, or Liverpool.

### May Prohibit Pulpwood Exports

Pulpwood producers may ask the provincial governments of Quebec, Ontario and New Brunswick to repeal the laws whereby export of pulpwood cut upon crown lands of these provinces is prohibited. The action will be taken in order to meet the unusual situation which has arisen out of the war. It is argued that the repeal of these laws will permit of much industrial activity taking place in Canada during the coming winter in connection with logging operations in the woods.

### Finance in London

The British government's guarantee has caused the discounting at the Bank of England, in enormous amount, of bills accepted prior to August 4. This has led to a great abundance of funds. The government is taking advantage of treasury bills in anticipation of the war loan. The banks are showing great timidity in re-employing liquid funds, but some fresh business is being transacted. The discount rate is 5½ per cent., and the rate for loans 4 per cent.

### Paish to Help Treasury

Sir George Paish has resigned as editor of The London Statist to assist the treasury during the period of war. The Chancellor of the Exchequer has appointed Sir George to assist the treasury in dealing with the economic and financial questions arising from the war. Sir George visited Canada last year. In Toronto, he prophesied the investment of £500,000,000 of British capital in Canada during the next fifteen years, a like amount having been invested here already.

## RECENT FIRES

## Monetary Times' Weekly Register of Fire Losses and Insurance

**Bedford, Que.**—August 8—Twelve buildings, including 6 barns, 2 cottages and 1 house. Cause, lightning.

**Knowlton, Que.**—August 8—Farm house, owned by Hon. Sydney Fisher. Cause, lightning. Loss, \$4,000. Insurance, house, \$2,000; contents, \$400.

**Berlin, Ont.**—August 14—Driving shed and garage, Scott Street, owned by H. A. Hietchich. Loss, \$3,000, partly covered by insurance. Cause unknown.

**St. John, N.B.**—August 13—The Intercolonial Railway elevator, containing 750,000 bushels of grain; also No. 8 freight shed and train shed and three freight cars. Cause unknown. Loss, \$1,000,000.

**Langstaff, Ont.**—August 12—Six freight cars and trestle bridge near the industrial farm. Cause, cars left rails at bridge, and there being a lot of combustible stuff on board, it is thought that the shock started the blaze.

**Toronto, Ont.**—August 11—Standard Foundry Company and storehouse of Grenadier Ice Company, foot of Jarvis Street. Cause, spark from foundry cupola igniting a quantity of tar; H. A. Marshall's lumber yard and planing mill, 507 Davenport Road. Cause incendiary. Loss, \$12,000.

August 15—Canadian General Electric building, 14 King Street E. Loss, \$25,000.

**Kingston, Ont.**—Fire Chief Armstrong's report for week ended August 11th, shows the following losses:—

August 9—Building, owned and occupied by A. Davis and Sons, Limited, tanners. Cause unknown. Loss, \$100,000.

August 11—Dwelling, occupied by Sergt. Adams, owned by Mrs. Setro. Cause, children playing with matches. Loss, contents, \$15; building, \$10.

**Montreal, Que.**—August 10—J. H. McComb's tar paper manufacturing plant, 97 Shannon Street. Cause unknown. Damage covered by insurance; building at 23 Bleury Street, occupied by Jaffay Brothers Company, Griffiths, Griffiths and Varley, Auld Mucilage Company, William V. Benedict Company, Bush and Nunns, George Witowski, Montreal Plating Company, W. A. Wood and the Central Cafe. Cause unknown; Madrid Restaurant, owned by Joseph Ramis, 1716 St. Lawrence Boulevard. Cause, match or cigarette.

August 12—Building, West Notre Dame Street, occupied by the Brunswick Balke Collender Company of Canada. Cause unknown.

August 13—Bijou Theatre, 419 Ontario Street E. Loss, \$5,000.

## ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED.

**Hamilton, Ont.**—Fire Chief Ten Eyck's report for June, shows the following losses:—

June 2—Sporting goods store, occupied by J. Nelson, 155 King E., owned by N. Bayless. Cause, overheated stove. Loss, contents, \$88; building, \$30. Insurance, contents, \$5,000; building, \$1,000 in Liverpool and London and Globe.

June 5—Dwelling occupied and owned by Harris Schmick, 257 York Street. Cause, gas plate. Loss, building, \$23. Insurance, building, \$2,750 in London and Lancashire; dwelling, occupied by G. Baryne, 371 Victoria Avenue N., owned by Mrs. Avery. Cause, defective chimney. Loss, building, \$18. Insurance, building, \$1,500 in Norwich Union.

June 9—Bowling alley, occupied by F. Cooper, 112 James Street N., owned by H. Holden. Cause, spontaneous combustion. Loss, contents, \$176; building, \$99. Insurance, contents, \$5,000; building, \$10,000 in Atlas, Norwich Union, Phoenix, Law Union and Rock, Home, Alliance and Aetna.

June 13—Fence, used by J. Beveridge, 27 Oak Avenue, owned by J. Connors. Cause unknown. Loss, \$10. Insurance, \$1,000 in Liverpool and London and Globe; dwelling, occupied by J. Dickenson, 133 Kensington Avenue, owned by J. Hill. Cause, defective chimney. Loss, build-

ing, \$20. Insurance, contents, \$800; building, \$2,000 in Hamilton Fire.

June 14—Apartment house, occupied by D. Towers, 148 Locke Street N., owned by E. Fauman. Cause, gas explosion. Loss, contents, \$25; building, \$24. Insurance, building, \$2,500 in Alliance Insurance Company.

June 15—Furniture factory, owned and occupied by Alex. Thomson, Merrick and Bay Streets. Cause, spontaneous combustion. Loss, building, \$54. Loss, contents, \$3,000; building, \$3,000 in Liverpool and London and Globe, Mercantile and Atlas; dwelling, occupied by Miss M. Mear, 223 Victoria Avenue N., owned by A. Blain. Cause, match. Loss, contents, \$85; building, \$200. Insurance, contents, \$500; building, \$2,000 in Manchester, Economical and Berlin.

June 16—Office and storeroom, owned and occupied by city corporation. Cause, spark. Loss, building, \$10. Insurance, building, \$500 in Liverpool and London and Globe.

June 18—Playhouse, occupied by W. Grant, 171 McNab N., owned by J. Fennough. Cause, children and matches. Loss, contents, \$4; building, \$10. Insurance, contents, \$500; building, \$1,000 in Royal and Dominion.

June 24—Frame roof over brick kiln, owned and occupied by Geo. Frie, Main Street W. Cause, from brick kiln. Loss, building, \$425. Insurance, building, \$600 in Phoenix, Union, Norwich Union, National Union, Providence, Washington, Springfield, Acadia.

June 25—Dwelling, occupied by I. Hood, 399 Victoria Avenue N., owned by Toronto Dwelling, Limited. Cause, spark. Loss, building, \$75. Insurance, building, \$1,000.

**New Westminster, B.C.**—Building of the Pacific Chocolate Company, Limited. Cause unknown. Loss, stock, \$7,700; building, \$6,200; plant, \$4,300. Insured in following companies:—Hartford, New Zealand, North America, Liverpool and London and Globe, Connecticut, Fidelity Phoenix, Caledonian, Factories Insurance Company.

**Florenceville, N.B.**—Station and four warehouses, occupied by McCain Prime Company, Porter Manzer, Limited, and B. F. Smith Company, owned by same companies. Cause unknown. Loss, buildings, \$8,000. Insurance, McCain Company, contents, \$4,000; building, \$2,000 in Royal, Westchester, Factories, National Benefit; Porter Manzer, Limited, building, \$2,000; Smith Company, building, \$1,800.

The following losses were adjusted by the E. A. Lilly Adjustment Agency, Edmonton, Alta.:—

**Strome, Alta.**—July 23—H. A. Andre's store. Total loss. Insurance, \$1,000 in Caledonian.

**Fort Saskatchewan, Alta.**—July 30—Rev. W. J. Howard's dwelling. Total loss. Insurance, \$800 in Winnipeg Fire.

**Edmonton, Alta.**—July 22—T. O. Carter's store. Loss, \$151. Insurance, \$2,000 in British North Western.

August 3—Gavin Spence's automobile. Insurance, \$600 in Occidental; Mrs. Woods' store. Loss, \$240. Insurance, \$1,000 in Mercantile; O. J. MacPherson's grocery store. Loss, \$500. Insurance, \$2,000 in Anglo-American.

August 5—C. H. Webber's dwelling. Total loss. Insurance, \$250 in Niagara Insurance Company.

The following losses were adjusted by Paterson and Waugh, 631 Tegler Block, Edmonton, Alta.:—

**Bruce, Alta.**—July 13—Barn, owned and occupied by W. H. Webb. Loss, building, \$194. Cause, lantern igniting ceiling joist or exploding. Insurance, building, \$300 in Commercial Union.

**Compeer, Alta.**—May 8—General country store, owned and occupied by Mason and Wulff. Loss, building, \$509; contents, \$1,215; fixtures, \$73. Cause, supposed kerosene lamp. Insurance, building, \$750; contents, \$2,250; fixtures, \$150 in Royal.

**Edgerton, Alta.**—May 3—Dwelling, owned and occupied by Thomas Dennett. Loss, building, \$431; contents, \$374. Cause unknown, supposed to have been caused by boy lighting matches. Insurance, contents, \$400; building, \$800 in Royal Insurance Company.

**Edmonton, Alta.**—July 22—Grocery store and ice cream parlor, occupied by Henry Lepointe. Loss, contents, \$293; fixtures, \$60. Cause unknown, supposed to have been matches. Insurance, contents, \$900; fixtures, \$200 in Commercial Union; dwelling, owned and occupied by G. ter Horst. Loss, building, \$20; contents, \$16. Cause, overheated stovepipe which passed through roof. Insurance, building, \$250; contents, \$750 in Insurance Company of the State of Penn.

# Monetary Times

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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.

**CONSOLIDATING DEBTS**

Now that loans in London are costing more than in former years and the public are not keen at present to respond to offers, many suggestions are being made to make various securities more attractive. Sir John Forrest, for instance, has proposed to consolidate the debts of the Australian States. He contends that if these debts are consolidated, borrowing will be effected upon easier terms, and the supervision of the Commonwealth Government, which will be responsible, will be of benefit to all concerned. The matter has been considered by the State Premiers, who could not come to any agreement, and referred the proposals to the State Treasurers. The latter are equally unable to agree.

There is considerable division of opinion, not only in Australia, but in financial circles generally. The Australian are "sovereign" States. The real difficulty arises when one of the big Australian States wishes to borrow. It may regard its needs as pressing, and may be able to show good cause, but if it has to compete for the attention of the central authority, there may be delays and inconveniences which will defeat the ends of the purposes of the new movement, and cause much irritation. On the other hand, say some of the critics, the central control may do much to check extravagance, and examination on merits will restrict unnecessary outlay. It seems unlikely that the idea will be adopted. So far as Canada is concerned, the provinces are not inclined for any further control by the federal government. Probably it would be better for Canada and its credit, were there more co-operation in several directions between the provinces and Ottawa.

J. W. Moyes' unique system of finance should be offered to the Kaiser.

\* \* \* \*

What would happen if a poor, little new issue prospectus put out its head?

**PANAMA CANAL OPENED**

The opening to traffic of the Panama Canal on Saturday was a great event in the trade world. A project for the benefit of commerce, it comes into being when shipping is disorganized by war. It follows the opening of the Kiel Canal, which was built largely for war purposes. A peaceful vessel, the Panama Railway steamer Ancon, was the first to pass through the famous Canal from the Atlantic to the Pacific. The battleships of belligerent nations may be among the earliest visitors to the great waterway. Their passage through the Canal is governed by regulations which were formulated in times of peace. They may not remain in the Canal for more than twenty-four hours, unless specially permitted. A war vessel of one nation must not follow the exit, from the Canal, of one of another nation, until after the expiration of twenty-four hours. The Canal has been opened at an inauspicious time. Rival battle-fleets are intent on serious gunnery. Commercial fleets are idle, lame or stealthy. But better times are in store. They may have come when President Wilson, in March, 1915, presides at the international celebration which will mark the official opening of the Canal.

A boat can make in eleven hours a trip through the Canal which otherwise would have taken thirty days. That is something the world's shipping will appreciate in due course. Europe is engaged at present in work of destruction. America, in the meantime, has completed one of the greatest works of construction.

When Canada mints its next coin, how would Hon. W. T. White, seated on the Bank of England's gold with rifle rampant, do as a design?

\* \* \* \*

If H. Pollman Evans is in Europe, he will find a Union Life policy will not fizz on the Germans.

**BRITISH TRADE IN CANADA**

Just as the valuable report of Mr. C. Hamilton Wickes is being published, showing how Great Britain can obtain a large share of Canada's import trade, war has called a halt to much of that trade. The report compiled by Mr. Wickes, the British Trade Commissioner for Canada and Newfoundland, will now serve more than its original, and useful, purpose. The struggle in Europe will probably give the United States a still greater hold of Canadian trade, and the United States is Britain's chief competitor in many lines. The careful advice given to British traders by the commissioner indicates the way to obtain trade, which should have been got long ago, and to win back that which may be lost during the present war period. On the other hand, Germany, which has been making remarkable commercial headway in the Dominion, will be checked severely for some years to come, giving Great Britain some little advantage.

Mr. Wickes, who has had extensive experience in the commercial world, has travelled widely, and has been for many years a close student of trade and its statistics, has compiled a report which cannot be appreciated only by cursory examination. If read with the care it deserves, it will prove of permanent value and practical use to the British trader and manufacturer.

Mr. Wickes thinks that the outlook for an increasing share in Canada's trade in "competitive merchandise"

being offered by manufacturers of the United Kingdom appears to be promising. He points out that the Dominion has grown within the last few years from a comparatively small community, mainly able to supply its own needs with a small import and export trade, to the Canada of to-day with a total export and import trade of over \$1,000,000,000, railway mileage in operation of 27,145 miles, and a population which insists on the supply of all the necessities and luxuries enjoyed by the most modern and highly civilized states. It cannot be a matter for surprise, therefore, that in many directions facilities for the handling of this immensely increased trade, as well as due provision for the requirements of the population, have not kept up with the demands made upon them. Those acquainted with the existing methods which have been gradually evolved in the older countries for coping with such conditions realize that Canada might profit by taking toll of their experience, where necessary, modifying it to suit her particular necessities; for example, says Mr. Wickes, by:—

(a) The adoption of modern equipment for the rapid and economical handling of merchandise at the ports as well as at the terminals.

(b) The provision of further warehousing facilities,

more particularly at the main distributing centres and terminals in the east.

(c) The provision of public markets to a greater extent for the sale of perishable produce in the larger cities and towns.

(d) Greater economy in marketing and distributing arrangements by the manufacturer and producer.

The detailed analysis of Canada's import trade, as given in the report, is the first of its kind, and is the result of considerable labor. To the British manufacturer who really wants to begin business or increase his trade with Canada, the analysis is invaluable. An important point made by Mr. Wickes is that only by the share of "competitive" trade of Canada which is secured should the efforts of the British manufacturer be judged, and only by these figures should the value of the Dominion market to the manufacturers of the United Kingdom be estimated.

If every Canadian will get down to business, business will get down to every Canadian.

\* \* \* \*

If you have no business faith, its substantial rewards cannot be yours.

## GOLD AT OTTAWA AND WHEAT

### Bank of England's Arrangement Will Clear Atlantic Ports of Grain

Monetary Times Office,  
Montreal, August 19th.

There is discussion here with regard to the effect upon the price of wheat, flour and food products generally, of the action of the Bank of England in establishing a gold reserve at Ottawa.

When war was first declared, the price of wheat received a decided upward impetus. This was fairly constant during the next two weeks, and early last week the price was 25 cents per bushel above the recent low level. Subsequently, the market has shown a disposition to sell off. This, it is claimed, is due to the accumulation of wheat at various ports, it having been impossible, until the arrangements noted above were made, to finance this wheat for export. There was a heavy war risk.

#### British Government's Action.

Then came a relief attempt by the Imperial government, the announcement being made that it would guarantee all war risks. This did not have the desired effect. There still remained the moratorium. Bankers insisted upon money being advanced and refused to finance the shipments. A few cargoes left Montreal port, but were not financed in the usual manner. Meantime, the elevators were filling to the brim and many ships were delayed in port. These conditions, so grain men declare, were responsible for the decline which occurred in prices. The price of wheat ran down several cents a bushel.

#### Will Clear Atlantic Ports.

No further difficulty need be anticipated on the score of finance. Millions of dollars in gold are now on their way to Ottawa from New York and other points. The Bank of England has instructed those who have gold for shipment to Europe, for the purpose of meeting obligations maturing there, that it will accept payment at Ottawa. These funds will be available for the purpose of financing the exports. Exporters think that this will clear quickly Atlantic ports of the grain which has been accumulating and that prices will resume their upward swing.

Last week the price of flour advanced 70 cents per barrel and even at that, millers will only sell in limited quantities. The effect has made buyers all the more anxious to obtain supplies.

## BANKS IN MEXICO.

The banks of Mexico city which recently closed, probably will re-open soon. The question of a circulating medium is causing some uneasiness in business circles. At present, says a dispatch, four distinct issues of bank notes are being passed in ordinary business transactions.

There is a disposition on the part of the public not to accept the bank notes of the issue of July 25, which are guaranteed by 6 per cent. ten-year gold bonds, or the notes issued by the Huerta regime through state banks then located in territory controlled by the constitutionalist army. The paper of the constitutionalist army is being freely circulated and accepted.

A commission composed of representatives of the clearing house banks have asked General Carranza, chief of the constitutionalists, to define the attitude of his new government as to the present legal tender. It is believed a provisional ruling will be made, thus permitting a resumption of banking operations.

## RAILROAD EARNINGS

The following are the railway earnings for the week ended August 14th:—

Canadian Pacific Railway.			
	1914.	1913.	Decrease.
August 14	\$2,162,000	\$2,630,000	— \$468,000
Grand Trunk Railway.			
August 14	\$1,068,710	\$1,150,198	— \$ 81,488
Canadian Northern Railway.			
August 14	\$ 319,500	\$ 436,900	— \$117,400

## COBALT ORE SHIPMENTS.

The following are the shipments of ore in pounds from Cobalt Station for the week ended August 14th:—

Cobalt Townsite Mine, 69,680; Dominion Reduction Company, 84,400; Cobalt Lake Mining Company, 64,120; total, 218,200 pounds, or 109 tons. The total shipments since January 1st, 1914, are now 24,297,133 pounds, or 12,148 tons.

In 1904 the camp produced 158 tons, valued at \$316,217; in 1905, 2,144, valued at \$1,437,106; in 1906, 5,835 tons; in 1907, 4,850 tons; in 1908, 29,360 tons; in 1909, 20,941 tons; in 1910, 34,041 tons; in 1911, 25,089 tons; in 1912, 21,509 tons; in 1913, 20,261 tons.



# INVESTMENTS AND THE MARKET

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

**Nipissing Mines Company.**—Preliminary estimates place Nipissing's July net at \$125,000, which is \$25,000 in excess of dividend requirements for the period.

**Crown Reserve Mining Company.**—Mr. S. W. Cohen, general manager, states that a new vein of high-grade ore has been struck and there is every prospect from the work already done that the silver recovered will be valuable.

**Dome Mines.**—During July the production showed average grade was \$4.19 on the treatment of 19,780 tons. The value of the gold produced was \$82,983, and the mill ran 91 per cent. of the total monthly hours. The average grade in June was \$4.51, in May it was \$3.83, and in April \$6.59.

**Bank of British North America.**—The court of directors have resolved to declare, at a meeting of the proprietors to be held on September 7th, a dividend payable in the usual course on October 3rd, of 40s. per share, less income tax, making 8 per cent. for the year; carrying forward about £48,000 to the new account.

**British Columbia Breweries.**—The sales during June amounted to 9,628 barrels for \$98,408, yielding net profits of \$36,634 and showing in comparison with the month of June, 1913, decreases of 654 barrels and \$4,504 respectively, with an increase in the net profits for the month of \$816. For the first six months of the present year the aggregate net profits amount to \$152,894, an increase of \$1,564.

**Granby Consolidated Mining and Smelting Company, Limited.**—The directors announced the deferment of their payment of the regular quarterly dividend of \$1.50. The company which has large mining properties in British Columbia, had paid 6 per cent. dividend since March, 1913. No reason is given by the directors for the suspension of dividends, but it is assumed that the European crisis is responsible for this action.

**Winnipeg Paint and Glass Company, Limited.**—In reply to an inquiry of *The Monetary Times*, Mr. R. W. Paterson, managing director of the company writes:—Generally speaking, conditions here are fairly satisfactory and although the war will probably prevent our making money this year, we do not think it will in any way affect our standing. We have very large reserves and do not borrow any money except for the purpose of carrying our customers.

**Laurentide Company, Limited.**—The directors of the Laurentide Company met in Montreal and passed the report for the year ended June 30th last. The annual meeting is next month. The statement, it is said, will show profits slightly less than in the previous year. The company has started the second month of its new year with much new business and rising prices.

Sir William Van Horne, president of the company, presided at the meeting of the board.

**Canada Steamships Lines, Limited.**—The directors have decided that in face of the unsettled business conditions produced by the war, the company should maintain itself in a strong financial position, and for such purposes husband its resources in every manner possible. The payment therefore of the quarterly instalment of dividend on the preferred shares of the company which dividend is cumulative, has been deferred until the outlook shall have cleared.

**Ontario Steel Products Company, Limited.**—Messrs. Molson and Robin, members of Montreal Stock Exchange, offer subject to prior sale, \$40,000 Ontario Steel Products Company, Limited, 6 per cent. first mortgage sinking fund gold bonds, being the unsold balance of the company's issue of \$600,000. The issue is being made at 95 and interest with a bonus of 25 per cent. in common stock.

An analysis of the company's latest annual report is printed on page 45 of *The Monetary Times* this week.

**Laurentide Company, Limited.**—A special meeting is being called for the purpose of obtaining the necessary authority to issue 6 per cent. bonds to enable the company to carry out the financial plans decided upon when the last issue of common stock was made.

The issue of bonds will be sufficient to provide for the taking up of the present issue, and also provide money for the additions to the paper plant and power development now under way, and leave a large sum in the treasury for future extensions. These bonds were practically placed, it is stated, but owing to the financial crisis it will now be necessary for the company to hold them over until the financial sky clears.

In the meantime, it is believed that the large profits now being made will enable the company to carry on the work for some time without borrowing to any large extent on the bonds.

The first mortgage as it exists is for \$1,200,000, of which \$360,101 have been retired. Some time ago it was reported that the new issue contemplated was \$2,500,000.

**Canadian Express Company.**—The company reports to the Interstate Commerce Commission, for April and ten months, compared as follows:—

	1914.	1913.	Inc. or dec.
Total receipts from operation . . . . .	\$ 261,901	\$ 276,922	— \$ 15,020
Express privileges . . . . .	113,178	121,473	— 8,294
Total operating revenue . . . . .	148,722	155,448	— 6,726
Total operating expenses . . . . .	129,504	130,814	— 1,309
Net operating revenue . . . . .	19,218	24,634	— 5,416
Taxes . . . . .	3,000	3,000	.....
Operating income . . . . .	16,218	21,634	— 5,416

Ten months:

Total receipts from operation . . . . .	\$2,730,240	\$2,764,594	— \$ 34,353
Express privileges . . . . .	1,253,387	1,268,619	— 15,231
Total operating revenue . . . . .	1,476,852	1,495,974	— 19,121
Total operating expenses . . . . .	1,398,509	1,315,305	+ 84,203
Net operating revenue . . . . .	77,343	180,668	— 103,324
Taxes . . . . .	28,700	28,500	+ 200
Operating income . . . . .	48,643	152,168	— 103,524

**Hollinger Gold Mines.**—For the period ended July 15 the gross profits of the Hollinger were \$132,712, compared with \$129,168 for the preceding four weeks, and \$123,523 for the period ending April 22. The mills treated 16,343 tons, a record output, and were in operation for 94 per cent. of their possible running time.

The monthly report shows that the value of the ore mined is not falling off. The period to July 15 produced ore with a value of \$13.62 a ton. The preceding four weeks it ran up to \$14.59, but for the two periods before that it was approximately the same as last month, \$13.10 and \$13.69.

The installation of additional stamps and other changes resulted in a decrease in the percentage of possible extraction. About 9 per cent. of the gold in the period's tonnage was not taken out. This, however, will be extracted later on.

The mine manager states that No. 1 vein has been cross-cut at the 675-ft. level. The workings are now at the 450-ft. level. The report states that there is no change in width or values in the vein at the lower level. The ore formation remains the same. Vein No. 41 was cross-cut at the 300-ft. level, where it proved to be 10 feet wide, and carrying good values.

With a larger output the mining cost per ton was reduced. The four weeks' date was \$4.32 per ton compared with \$4.57 for the previous period. The surplus after allowing dividends of 15 cents a share for the period now amounts to \$901,938.

## NEW INCORPORATIONS

## War Has Little Effect on Charter-Getting—Many New Companies

Canada's new companies incorporated this week number 155. The head offices of these companies are located in six provinces. The total capitalization amounts to \$79,406,975, the largest companies being:—

National Securities, Limited, Calgary.... \$1,000,000  
National Copper Company, Limited, Toronto 1,000,000

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

Province.	No. of companies.	Capitalization.
New Brunswick .....	5	\$ 258,975
Quebec .....	20	944,000
Ontario .....	28	3,695,000
Manitoba .....	4	870,000
Alberta .....	91	73,179,000
British Columbia .....	7	460,000
	155	\$79,406,975

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:—

**Brownsburg, Que.**—Brownsburg Furniture, Limited, \$49,000. J. E. A. Decelles, P. Lepine, V. Bouchard.

**Dorchester, N.B.**—Eastern Linen Mills, Limited, \$120,000. J. L. MacKinnon, W. M. McDonald, E. Hilton.

**Nicolet, Que.**—La Compagnie de Construction de Nicolet, Limited, \$20,000. H. N. Biron, H. Bourk, N. Jutras.

**Salisbury, N.B.**—Salisbury Farms, Limited, \$24,000. C. S. Bellhouse, W. G. Pin-Coffin, T. Wilson, E. A. Reilly.

**Saint Cuthbert, Que.**—Compagnie de Vins Canadiens de Saint-Cuthbert, \$12,000. H. Lafontaine, R. Lanoie, G. Sylvestre.

**Sault Ste. Marie, Ont.**—Algoma Dredging Company, Limited, \$100,000. B. C. Stuart, B. P. Lawson, G. W. Goodwin.

**Kingsville, Ont.**—The Ontario Tobacco Growers' Co-operative Association. H. D. Reynolds, A. McTavish Fraser, G. T. Coleman.

**Parry Sound, Ont.**—Parry Sound Barrel and Manufacturing Company, Limited, \$500,000. C. L. Sanford, J. A. Johnson, J. P. McKelvie.

**Rawdon, Que.**—The Montcalm Electric Light and Manufacturing Company, Limited, \$99,000. J. T. R. Gazelle, Jos. Amedee Fournier, E. Rowan.

**Morrisburg, Ont.**—Caloroxide Corporation, Limited, \$50,000. G. F. Johnston, J. W. Allison, L. Laurin. International Fuel Saving Corporation, Limited, \$50,000. G. F. Johnston, J. W. Allison, L. Laurin.

**Ottawa, Ont.**—The Ottawa New Edinburgh Clubhouse Company, Limited, \$50,000. W. Johnston, R. M. Courtney, G. L. Snelling. Nuca Oil Company, Limited, \$750,000. E. S. Leethem, H. E. Nunn, J. S. Hollinsworth.

**Vancouver, B.C.**—The Victoria Glass and Bottle Company, Limited, \$25,000. Vancouver Theatres, Limited, \$50,000. British Columbia Boundary Oil Wells, Limited, \$300,000. Vancouver Underwriters, Limited, \$10,000.

**Walkerville, Ont.**—The Robinson Cabinet Manufacturing Company, Limited, \$40,000. H. S. Robinson, C. A. Rukamp, J. J. Rukamp. Canadian Coil Company, Limited, \$40,000. S. Cuddy, C. McHugh, A. Klingensmith.

**Edmonton, Alta.**—Alberta Rivers Excursion Company, Limited, \$20,000. The Pioneer Fire Clay Company, Limited, \$250,000. The Fairview Hotel of Edmonton, Limited. Woodlawn Cemetery Company, Limited, \$35,000. Chadwick-Turner, Limited, \$200,000.

**Hamilton, Ont.**—Waterdown Stock Farm, Limited, \$40,000. J. H. Myers, G. A. Inksetter, J. A. L. Donaldson. The Hamilton Farm Products Company, Limited, \$40,000. J. H. Brinker, J. R. Roberts. South American Products, Limited, \$40,000. H. S. Lees, O. D. Peat, H. J. Baine.

**Winnipeg, Man.**—City Dairy Company, Limited, \$250,000. A. G. Kemp, F. A. Wilson, C. N. Jamieson. The Interior Elevator Company, Limited, \$100,000. N. McL. Paterson, J. S. Blair, G. Saunders. Macdonald's Consolidated, Limited, \$500,000. J. C. Macdonald, P. Chapman, G. C. Rae. Western Woodenware, Limited, \$20,000. H. F. Trench, J. F. Wallar, L. J. Carey.

**Montreal, Que.**—Le Magasin de Mutualistes, Limited, \$20,000. A. Latour, L. A. Picard, J. A. Barrette. Lafetiere Hotel, Limited, \$50,000. L. Lafetiere, O. Blais, L. Lafetiere, Jr. Strathcona Hotel, Limited, \$20,000. U. Leclair, E. Marsolais, O. Lafleur. Oriental Hotel, Limited, \$20,000. U. Leclair, E. Marsolais, O. Lafleur. Grand Central Hotel, Limited, \$20,000. U. Leclair, E. Marsolais, O. Lafleur. Canadian Pacific Railway Exchange Hotel, Limited, \$20,000. T. H. Vannalton, A. St. Onge, A. Lachapelle.

**Montreal, Que.**—The Wintering Hills Ranching Company, Limited, \$300,000. J. Barr, J. J. Trickey, T. Scott. Garden Homes, Limited, \$75,000. J. C. Duhamel, A. Desroches, J. V. Fortier. Franco-American Chemical Company, Limited, \$50,000. Hon. G. A. Sinard, A. Mignault, J. L. P. Lacasse. Olympic Club, Limited, \$5,000. W. H. Moorhouse, M. S. Euzel, F. J. Laverty. La Compagnie Immobiliere Canadienne, Limited, \$40,000. J. A. Gagne, L. A. Ouellette, A. Mullen. Compagnie Generale de Productions Artistiques, Limited, \$45,000. U. Belair, M. Garipey, E. Belair.

**Calgary, Alta.**—The Calgary General Trust Company, Limited, \$30,000. E. W. MacLean Company, Limited, \$25,000. The Farmers' Meat Markets, Limited, \$15,000. Peck, Daly, Golden, Limited, \$10,000. Atlantic Holding Company, Limited, \$90,000. Star Coal Mines, Limited, \$50,000. McKibbin Brothers, Limited, \$25,000. King George Stock Exchange, Limited, \$50,000. The Great West Ukrainian Publishing Company, Limited, \$20,000. The Melbourne Brokerage Company, Limited, \$50,000. Clancey Brokerage Company, Limited, \$10,000. National Securities, Limited, \$1,000,000.

**Toronto, Ont.**—Allen General Supplies, Limited, \$50,000. J. W. Bartlett, A. W. Smythe Roberts, N. R. Gooderham. Eastern Cities House Building Company, Limited, \$100,000. F. C. L. Jones, H. K. Harris, W. F. C. Sellers, A. E. Weston. Hammell, Ryan and Harris, Limited, \$40,000. J. Aitchison, D. McArthur, J. O. Buckley. Fairgrieve Metal and Stamping Company, Limited, \$75,000. F. Watts, D. E. Dean, O. H. King. The Washington Burial Company, Limited, \$40,000. J. R. Fleury, B. R. Rapier, L. L. Washington. National Copper Company, Limited, \$1,000,000. S. H. Allen, S. A. Murray, H. Dreany. Old Country Furniture Stores, Limited, \$40,000. E. Islip, R. C. Hatfield, F. B. Edmunds. Armstrong and Paffard, Limited, \$100,000. C. F. Ritchie, A. W. Ballantyne, G. H. Gausby. Woodbridge Saddlery Supply Company, Limited, \$40,000. L. Sinclair, F. Campbell, F. Brown. The Kress Shirt Company, Limited, \$50,000. E. H., Sr., E. W. Smith, R. Wherry. St. Vincent Investments, Limited, \$100,000. C. E. H. Medhurst, W. F. Curran Sellers, A. E. Weston. Reid and Brown Structural Steel and Iron Works, Limited, \$100,000. M. Macdonald, G. W. Adams, B. Williams. Schillers, Limited, \$10,000. H. Schiller, A. Schiller, C. M. Garvey. Bassano Townsites Company, Limited, \$100,000. D. R. Leask, F. H. Vanston, I. Rouse. The Toronto Automobile Trade Association, Limited, \$10,000. M. A. Kennedy, C. M. Ricketts, A. M. Thompson.

Application is being made for letters patent for the following companies:—

**Sackville, N.B.**—Excelsior Fur Farm, Limited, \$10,000. J. R. Taylor, C. S. Scott, A. D. Carter.

**New Glasgow, P.E.I.**—The Houston Fur Farms, Limited, \$39,990. J. C. Houston, J. B. Coulson, G. Houston.

**Freeland, P.E.I.**—Economy Fox Farming Company, Limited, \$100,000. A. Smith, H. D. Smith, W. J. Smith.

**Shediac, N.B.**—Shediac Fox and Fur Company, Limited, \$63,000. Hon. Charles Dalton, Hon. D. V. Landry, D. J. Doiron.

**Victoria West, P.E.I.**—The Enmore Dark Patch Fox Company, Limited, \$30,000. J. H. Yeo, L. M. Moore, W. A. Smith.

The following is a summary report of the new oil companies chartered in Alberta. There are 71 this week, with authorized capital of \$71,189,000. Fourteen of these companies have capital of \$1,000,000 each; 2, \$1,500,000; 1, \$10,000,000; and 1, \$20,000,000. The remainder have authorized capital of less than \$1,000,000 each.

**HISTORY OF TREASURY BILLS**

**British Government Has Financed With Them—Only Big Borrowers Should Do So**

(The British government has called for bids for an issue of \$75,000,000 treasury bills. Mr. Edward Hoare, chairman of the court of directors of the Bank of British North America, gives some interesting facts below regarding the history of such bills).

**BY EDWARD A. HOARE.**

In January and February of the year 1877 it was rumored in the city of London that the government were contemplating the issue of a new form of exchequer bill, and in March of the same year the Chancellor of the Exchequer (the Right Hon. Sir Stafford H. Northcote, Bart.), introduced a bill entitled: "An Act to provide for the preparation, issue and payment of Treasury Bills, and make further provision respecting Exchequer Bills," which being shortly passed through all its stages received the Royal assent in the same month and can now be referred to as 40 Vic., cap. 2.

This act provides for the raising of money by treasury bills in lieu of exchequer bills at the option of the treasury, such treasury bills not to be of longer currency than 12 months, with clauses relating to the disposal of the funds so raised, the cancelling of the bills and for prevention of fraud. This act was followed by a treasury minute dated March 16th, 1877, which provides for the form of the bills and other matters of routine. The first issue was made on March 28th, 1877, and on that occasion and for some time afterwards they attracted but little notice and passed into few hands, the principal holders being the discount houses.

**Banks Inclined to Hold Aloof.**

At that time the banks were rather inclined to hold aloof. The security was excellent, but the rate, they said, was too fine. Moreover, it did not suit them to have such large maturities on one day and they preferred to have the higher rates and the scattered maturities of good commercial paper. Some of the London banks are still of this opinion and seldom tender for the treasury bills, but others frequently apply for large amounts, and during recent years one foreign bank has on several occasions purchased by tender large amounts of these bills, sometimes even an entire issue, on behalf of the government which it represents.

With the discount houses, this form of security became popular, although to obtain the bills it was always necessary to tender at an extremely fine rate, the principal attraction being that they were accepted at the Bank of England as security for short loans. They were also preferred to the old exchequer bills by others seeking a temporary investment, and competition for them was generally keen.

**The Only Big Borrowers.**

Nothing speeds the flight of time like the maturity of a bill and to float this form of security in anticipation of providing the necessary funds for payment by the issue of stocks and bonds must always be dangerous. It has been demonstrated that a method of finance which is convenient and inexpensive for the British Government, the Government of India, the Dominion of Canada, and a few of the principal cities of the United Kingdom, may become both costly and dangerous when adopted by others who, excellent as their securities undoubtedly are, have not yet attained to the front rank in international credit.

It is evident that the impoverished apple crop of Great Britain will create a big demand for Canadian fruit during the coming season, reports Canadian trade commissioner Ray from Birmingham. Firms in his district are already inquiring for reliable exporters in order to make arrangements for periodic consignments next winter. Correspondence is invited with shippers anxious to open up or to extend their sales in the midland counties.

**GERMANY'S WAR ON CANADA**

**It Was a Tariff Engagement Lasting Seven Years and Canada Won**

In 1903 Germany declared war on Canada. It was a trade war and was characterized by the bitterness and determination which have been revealed in the present international struggle of arms. Canada accepted the challenge and seven years later took the honors of victory. This is the story. When Canada decided to grant a preferential tariff to the United Kingdom and various British possessions, the German government asked the Dominion for similar tariff treatment. This was refused, the preference having been given to Great Britain and its dependencies because of the strong commercial and sentimental relations which exist between the units of the British Empire.

Taking Canada's reply in bad form, Germany announced that imports from Canada would be treated less favorably than those from other countries. Germany then placed Canada in the least favorable tariff position. Canada retaliated by placing upon German imports to the Dominion a surtax of one-third of the duty specified in the general tariff. In other words, Germany had to pay a duty 33 1/3 per cent. higher than that paid by any other country shipping goods to Canada.

**How Trade Declined.**

One would have thought this action would have induced the trade department at Berlin to seek commercial peace, especially as Germany's share of Canada's import trade had risen from \$5,872,000 in 1894 to \$12,127,000 in 1903, when the trade war was declared. Its effects were striking. The total imports of merchandise from Germany, which in 1903 were \$12,000,000, dropped to \$8,000,000 in 1904, to \$6,642,000 in 1905, and to \$6,000,000 in 1909. Germany's exports to Canada were halved in six years, which proves that commercial sulkiness is not remunerative.

In 1910, the German government stated that Canada would be given again favorable tariff treatment. The Canadian surtax on German imports then automatically ceased. This had once more an astonishing effect on German trade. The imports from Germany increased from \$6,000,000 in 1909 to \$14,473,000 in 1913.

**Trade Year by Year.**

The details of the Dominion's trade with Germany, set forth below, are interesting:—

Fiscal Years.	Imports— (Merchandise). Total.	Exports— (Merchandise). Total.	Totals, Imports and Exports.
1894	\$ 5,872,085	\$2,046,052	\$ 7,918,137
1895	4,983,369	626,976	5,610,345
1896	6,454,705	757,531	7,212,236
1897	5,785,546	1,045,432	6,830,978
1898	5,763,784	1,837,448	7,601,232
1899	7,381,149	2,219,569	9,602,068
1900	8,706,641	1,715,903	10,422,544
1901	6,677,959	2,141,552	8,820,816
1902	10,919,994	2,692,578	13,612,572
1903	12,127,867	2,097,699	14,225,566
1904	8,028,544	1,819,223	9,847,767
1905	6,642,095	1,146,654	7,788,793
1906	7,040,091	1,872,557	8,912,648
1907 (9 months)	5,483,207	1,066,605	6,549,812
1908	8,250,745	2,374,607	10,625,352
1909	6,001,406	1,476,552	7,478,006
1910	7,958,264	2,501,191	10,459,455
1911	10,087,199	2,663,017	12,750,216
1912	11,146,739	3,814,914	14,961,660
1913	14,473,833	3,402,394	17,876,227

**Relations Completely Severed.**

The present war severs completely trade relations with Germany. According to Royal proclamation issued by the Dominion government last week, Canada is not to supply to or obtain from Germany any merchandise whatever, nor is it to contract to do so or to carry goods between the countries. The prohibition is absolute. Canadian German trade statistics thus will suffer further fluctuations of a serious nature.

# BANK OF MONTREAL

Established 1817

Incorporated by Act of Parliament

CAPITAL PAID UP	....	....	....	\$16,000,000.00
REST	....	....	....	16,000,000.00
UNDIVIDED PROFITS	....	....	....	1,098,968.40

## Head Office, MONTREAL

BOARD OF DIRECTORS

H. V. MEREDITH, Esq., President

R. B. Angus, Esq.	C. R. Hosmer, Esq.
E. B. Greenshields, Esq.	A. Baumgarten, Esq.
Sir William Macdonald	C. B. Gordon, Esq.
Hon. Robt. Mackay	H. R. Drummond, Esq.
Sir Thos. Shaughnessy, K.C.V.O.	D. Forbes Angus, Esq.
David Morrice, Esq.	Wm. McMaster, Esq.

SIR FREDERICK WILLIAMS-TAYLOR, General Manager  
 A. D. BRAITHWAITE, Assistant General Manager  
 C. SWEENEY, Supt. British Columbia Branches  
 F. J. COCKBURN, Supt. Quebec Branches  
 E. P. WINSLOW, Supt. North West Branches  
 D. R. CLARKE, Supt. Maritime Provinces and Newfoundland Branches

## Branches in Canada

At all important Cities and Towns in the following Provinces

Province of Ontario	Province of Nova Scotia
Province of Quebec	Province of Manitoba
Province of New Brunswick	Province of Saskatchewan
Province of Prince Edward Island	Province of Alberta
	Province of British Columbia

## Branches Outside of Canada

London, Eng.	....	47 Threadneedle St., E.C.	G. C. Cassels, Mgr.
		Sub-Agency, 9 Waterloo Place, Pall Mall.	S.W.
New York, N.Y.	....	64 Wall St.,	R. Y. Hebden, W. A. Bog, J. T. Molineux, Agents
Chicago, Ill.	....	108 South La Salle Street	
Spokane	....	State of Washington	
St. John's	....	Newfoundland	
Curling	....	Newfoundland	
Grand Falls	....	Newfoundland	
Mexico City	....	Mexico, D.F.	

## Bankers in Great Britain

London	....	The Bank of England
		The Union of London and Smith's Bank, Ltd.
		London County and Westminster Bank, Ltd.
		The National Provincial Bank of England, Ltd.
Liverpool	....	The Bank of Liverpool, Ltd.
Scotland	....	The British Linen Bank and Branches

## Bankers in the United States

New York	....	The National City Bank
		National Bank of Commerce
		National Park Bank
Philadelphia	....	Fourth Street National Bank
Boston	....	The Merchants National Bank
Buffalo	....	The Marine National Bank
San Francisco	....	First National Bank
		The Anglo and London Paris National Bank

Savings Departments connected with each Canadian Branch, and interest allowed at current rates.

Collections at all points of the world undertaken at most favourable rates.

Travellers' Cheques, Limited Cheques and Travellers' Letters of Credit issued negotiable in all parts of the world.

This Bank, with its Branches at every important point in Canada, offers exceptional facilities for the transaction of a general Banking business.

# THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO Established 1867

Paid-up Capital \$15,000,000

Reserve Fund \$13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., Pres.  
 ALEXANDER LAIRD - - - General Manager  
 JOHN AIRD - - - Assistant General Manager

373 Branches throughout Canada and in the United States, England, Mexico and Newfoundland.

NEW YORK AGENCY—16 Exchange Place  
 WM. GRAY and H. P. SCHELL, Agents

LONDON, ENGLAND, OFFICE—2 Lombard St., E.C.  
 H. V. F. JONES, Manager

MEXICO BRANCH—Avenida San Francisco, No. 50  
 J. P. BELL, Manager

ST. JOHN'S, NEWFOUNDLAND  
 S. H. LOGAN, Manager

Sterling and other foreign exchange bought and sold. Travellers' Cheques and Commercial and Travellers' Letters of Credit issued available in all parts of the world.

Drafts issued on the principal cities in foreign countries, drawn in the currency of the country in which the drafts are payable.

Foreign Money Orders issued, payable in all parts of the world.

# Imperial Bank of Canada

Established 1875

Capital Paid Up	..	..	\$7,000,000.00
Reserve	..	..	7,000,000.00

## DIRECTORS

D. R. WILKIE, President.	HON. ROBERT JAFFRAY, Vice-President
WM. RAMSAY, of Bowland	WM. HAMILTON MERRITT, M.D., St Catharines
Stow, Scotland	Sir J. A. M. AIKINS, K.C., M.P., Winnipeg
Hon. RICHARD TURNER, Quebec	ELIAS ROGERS
	PELEG HOWLAND
	W. J. GAGE

## HEAD OFFICE

D. R. WILKIE, General Manager	E. HAY, Asst. General Manager.	W. MOFFAT, Chief Inspector
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## BRANCHES

### Province of Ontario

Aurora	Fort William	Niagara Falls, (4 br's)	Sparta
Amherstburg	Galt	Niagara-on-the-Lake	St. Catharines,
Belwood	Hamilton	North Bay	(3 branches)
Bolton	Harrow	Ottawa   Palgrave	St. David's
Brantford	Humberstone	Port Arthur	St. Thomas (2)
Caledon East	Ingersoll	Port Colborne	Thessalon
Cobalt	Jordan-Vineland	Port Robinson	Thorold
Cochrane	Kenora	Preston	Timmins
Cottam	Listowel	Ridgeway	Toronto,
Elk Lake	London	Sault Ste. Marie,	(17 branches)
Essex	Marshville	(3 branches)	Welland
Fergus	New Liskeard	South Porcupine	Woodstock
Fonthill	Nashville	South Woodslee	Windsor

### Province of Quebec

Montreal, (3 branches) Quebec, (2 branches)

### Province of Manitoba

Brandon Portage la Prairie Winnipeg, (3 branches)

### Province of Saskatchewan

Balgonie	Kandahar	North Battleford	Regina	Waskatoon
Broadview	Moose Jaw	Prince Albert	Rosthern	Wynyard
Port Qu'Appelle				

### Province of Alberta

Athabaska Landing	Edmonton, (4 branches)	Medicine Hat	Redcliff
Banff	Lethbridge	Millet	Red Deer
Calgary, (2 branches)			Wetaskiwin

### Province of British Columbia

Arrowhead	Golden	Nelson	Wilmer
Chase	Invermere	Revelstoke	
Cranbrook	Kamloops	Vancouver, (4 branches)	
Fernie	Natal	Victoria (2)	

## SAVINGS DEPARTMENT

Interest allowed on deposits at all Branches of Bank from date of Deposit

TRADE WITH THE ORIENT

Market of 500,000,000 People Faces Western Shores of Canada

In concluding his special report on the trade of China and Japan, Mr. Richard Grigg, chief Canadian trade commissioner, hopes that it may be considered as full of promise with regard to the magnitude of the coming trade on the Pacific. It must be remembered that a population of nearly 500,000,000 people in the Orient face the western shores of Canada, and that signs are not wanting of a movement in this vast population which, for weal or woe, will profoundly affect the interests of the nations, Canada among them, perhaps in special degree because of her Pacific seaboard. That democratic influences will increase the purchasing power of both the Chinese and Japanese and will, thereby, create a great market for all kinds of commodities does not appear open to question and is an article of faith among men resident in the East or engaged in eastern commerce. How far or how quickly industrial activity will develop in the western provinces of Canada depends upon problems now in course of solution. That cost of production will increase in the Orient appears to be certain. Whether the labor costs in the Canadian west will render manufacture possible is not so clear. Ultimately it would seem that the west must either submit to the importation of a greatly increased volume of manufactured goods or to a condition which would render competition possible. There is no escape from the law of supply and demand, and growth of wealth and population must of necessity depend in British Columbia, as elsewhere, upon successful competition.

Vested Monopoly in West.

The emergence of Japan, her marvellously rapid transformation from a medieval and feudal into a modern state, equipped with all the material implements of western civilization, has raised, for the first time, the question whether the supremacy of the white races is as indisputable as public writers have hitherto imagined it to be, or in other words, whether the white races can rely upon the continuance of a vested monopoly in the civilization which they have built up during the course of so many laborious centuries. In The Times Japanese edition, 1910, from which the above has been extracted, there appears a letter from Count Okuma, who says in part:—

Japan, during the last half century has been confronted with abrupt changes in almost all her social affairs and she is still undergoing change. In comparing old Japan as it existed to the middle of the nineteenth century and the new Japan of the present day, nobody can help marvelling at the suddenness of this change. The feudal system which had grown up during hundreds of years was abolished in a single day. The benefits of education are now extended to the whole nation; new trades have sprung up out of contact with the new civilization; new enterprises have been developed, and in this domain changes have been almost revolutionary.

Looking to the Future.

What future changes will yet overtake us as we move forward to our national destiny? This is a subject which deserves and engages our deepest attention. That Anglo-Saxon civilization founded on justice and humanity should easily have influenced the life of Japan is something more than a mere chance coincidence. The expansion and development of new Japan has been achieved by absorbing western civilization. Japan has already opened wide her door to trade and commerce, and not only is she welcoming foreigners, but she is ready to welcome also the civilization of Europe and America, and her settled policy is to accomplish her national destiny by assuming a fair and impartial attitude toward her competitors. I am, as yet, only partially satisfied in my own mind with the present state of our progress, and I fully recognize how much is yet to be done and how great is still the need for us to quicken our exertions and direct them in the line of comparative studies. Moreover, as a sequel to early expansion prices have risen, and there are signs that our people may encounter grave difficulties in the cost of living. Sooner or later the nation may have to grapple with the social problems known as the

THE BANK OF NOVA SCOTIA

Incorporated 1832

Capital Paid Up - \$6,000,000  
Reserve Fund - \$11,000,000

DIRECTORS

J. Y. PAYZANT, President CHAS. ARCHIBALD, Vice-President  
G. S. CAMPBELL HECTOR MCINNES J. WALTER ALLISON  
J. H. PLUMMER N. CURRY R. E. HARRIS  
JAMES MANCHESTER WALTER W. WHITE, M.D.

Head Office ..... Halifax, N.S.  
General Manager's Office ..... Toronto, Ont.

H. A. RICHARDSON, General Manager. D. WATERS, Asst. Gen. Manager  
Supt's of Branches—J. A. McLEOD, GEO. SANDERSON. E. CROCKETT  
Chief Inspector—C. D. SCHURMAN.

BRANCHES

IN CANADA  
Nova Scotia

Amherst	Halifax,	River Hebert
Annapolis Royal	" Barrington St.	Stellarton
Antigonish	" North End	Sydney
Aylesford	Kentville	Sydney Mines
Bridgetown	Liverpool	Trenton
Canning	New Glasgow	Truro
Chester	New Waterford	Westville
Dartmouth	North Sydney	Whitney Pier
Digby	Oxford	Windsor
Glace Bay	Pictou	Yarmouth

Prince Edward Island

Alberton Charlottetown Kensington Montague O'Leary  
Summerside Victoria

New Brunswick

Bath	Fredericton	Newcastle	St. John
Bristol	Gagetown	Petitcodiac	" Charlotte St.
Campbellton	Grand Manan	Port Elgin	" Haymarket Sq.
Centreville	Hampton	Riverside	" North End
Chatham	Hillsborough	St. Andrews	" West St. John
Chipman	Jacquet River	St. George	St. Stephen
Dalhousie	McAdam	St. John	Sackville
East Florenceville	Minto	" Prince Wil-	Sussex
Fairville	Moncton	liam Street	Woodstock

Quebec

Chandler Montreal New Richmond Quebec  
Maisonneuve Sub. New Carlisle (sub. Paspebiac Ville St. Pierre  
to Montreal to Paspebiac Port Daniel Westmount

Ontario

Arnprior	London	Toronto	Toronto
Barrie	Merriton	" King St.	" Queen &
Belmont	Mount Dennis	" Bloor &	Church Sts.
Berlin	Ottawa	" Spadina	" St. Patrick-
Brantford	Peterborough	" Bloor & St.	Spadina
Port William	Port Arthur	" Clarend	Welland
Hamilton	St. Catharines	" Don branch	Weston
Harrietsville	St. Jacob's	" Dundas St.	Woodstock
(sub. to Belmont)			" East End

Manitoba

Winnipeg Winnipeg (Elmwood)

Saskatchewan

Kamsack Moose Jaw Prince Albert Regina Regina  
Saskatoon Saskatoon, West Side North End

Alberta

Calgary Calgary, West End Edmonton Lethbridge

British Columbia

Mission City Vancouver, Hastings Street Vancouver,  
Victoria Granville Street

In Newfoundland

Bay Roberts Bonavista Burin Grand Bank St. John's  
Bell Island Brigus Carbonear Harbor Grace Twillingate

IN CUBA

Havana Monte Street, Havana

IN JAMAICA

Black River Kingston Mandeville Montego Bay  
Port Antonio Port Maria St. Ann's Bay Savanna-la-Mar

IN PORTO RICO

San Juan

In the United States

Boston Chicago New York Agency, 48 Wall Street

CORRESPONDENTS—In Great Britain

THE LONDON JOINT STOCK BANK LIMITED ROYAL BANK OF SCOTLAND

In France—CREDIT LYONNAIS In Germany—DRESDNER BANK

In the United States

NEW YORK—Bank of New York, N.B.A. BOSTON—Merchants National  
Bank. CHICAGO—First National Bank. PHILADELPHIA—Fourth Street  
National Bank. BALTIMORE—Citizens National Bank. SAN FRANCISCO—  
Canadian Bank of Commerce. MINNEAPOLIS—First National Bank.

This Bank annually submits its Books and Statements to independent outside audit

# THE BANK OF BRITISH NORTH AMERICA

Established in 1836. Incorporated by Royal Charter in 1840

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

## HEAD OFFICE

5 GRACECHURCH STREET, LONDON, E.C.

Head Office in Canada

ST. JAMES ST., MONTREAL

H. B. MACKENZIE, General Manager

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

Agents and Correspondents in every part of the world

*Collections made at Lowest Rates*

Drafts, Money Orders, Circular Letters  
of Credit and Travellers' Cheques issued,  
Negotiable anywhere

Agents in Canada for Colonial Bank, London, and West Indies

SAVINGS DEPARTMENT AT EVERY BRANCH

## Commercial Banking

The Bank of Toronto affords to its many commercial customers an accurate service, supplemented by complete facilities and extensive connections. Careful attention is given to the banking accounts of merchants, manufacturers and business and professional men. Your banking account is invited.

# THE BANK OF TORONTO

INCORPORATED  
1855

Head Office: TORONTO, CAN.

PAID-UP CAPITAL ..... \$5,000,000  
RESERVED FUNDS ..... 6,307,272

## DIRECTORS

Duncan Coulson, *President*

W. G. Gooderham, *Vice-Pres.* J. Henderson, *2nd Vice-Pres.*  
Hon. C. S. Hyman William Stone  
John Macdonald Lt.-Col. A. E. Gooderham  
Nicholas Bawlf Lt.-Col. F. S. Meighen  
J. L. Englehart Wm. I. Gear

Thos. F. How, *General Manager* T. A. Bird, *Chief Inspector*

## BANKERS

London, England ... London City & Midland Bank, Ltd.  
New York ... National Bank of Commerce  
Chicago ... First National Bank

ASSETS - - - \$60,000,000 3

"labour question," with which Europe and America are already so painfully familiar.

The closing lines of this communication from one of the leading authorities of Japan confirms the expression of opinion found on page 32 of the report, and is interesting from the Canadian point of view because it indicates a limitation of the power of Japanese competition and at the same time suggests a greatly enlarged consumption of Canadian commodities. Just as the growth of population in Canada will provide a market for Japanese commodities not produced in Canada, trade will be built up by eastward cargoes of Canadian products. The same remark applies to China, more particularly in regard to flour and lumber, with the addition of the numberless commodities which follow the establishment of trade exchanges.

The department of trade and commerce at Ottawa has just issued Mr. Grigg's report in a pamphlet of 50 pages. Owing to the absorbing interest of matters in Europe, it has not had the attention it deserves. Mr. Grigg recently made a lengthy trip of investigation to China and Japan and this valuable report is the result.

## CURRENCY IN EUROPE

### Issue of One Pound and Ten Shilling Notes in England

Considering the magnitude of the crisis in Europe, the currency situation in Great Britain has been handled with exceptional ability. The impression given by the British government, the governors of the Bank of England and of British bankers as a group, was that there existed no reason for financial alarm. Runs upon banks did not occur. Some of the banks paid out fairly large sums, but others received deposits in greater volume than withdrawals.

In view of the difficulty of making ordinary payments with the available currency, there are being issued through the British government one pound and ten shilling notes, put out by the banks, subject to a certain tax proportionate to the total issued. These notes will constitute a first lien on the assets of joint stock banks until redeemed.

As for the increase in the Bank of England's fiduciary issue, under suspension of the bank act, this does not mean suspension of specie payments.

### Followed Continent's Example.

In deciding to issue such notes, England has only followed the continental powers in an effort to supply the deficiency of small currency which has been caused by the disappearance of gold. Already, as the Wall Street Journal points out, long before the present war flurry, the governments of Russia, Germany, Italy and Belgium had adopted the system of small notes, and France and Switzerland have been driven to it by the events of the past ten days. In the first-named group of countries, the policy of issuing small notes has been in force for several years. It was a part of the policy discussed at the German Bank Inquiry of 1908 to draw gold out of circulation and store it in the vaults of the Reichsbank.

### Russia's Specie Payments.

Russia, when she first resumed specie payments in 1897, endeavored to create a gold circulation like that of England; but after the war with Japan she reversed this policy, and in recent years notes for ten roubles (\$5.15) or less have come to constitute nearly half of the note circulation. France and Switzerland, weighted down as they were with legal tender silver, preferred to reserve the power to issue small notes for a war measure, and their prescience in this respect has been vindicated by the events of the last few days.

The immediate occasion of the issue of small notes in England is to meet the demand for currency of small denominations to replace the sovereigns and half sovereigns which are being hoarded or exported. Not since the recovery from the Napoleonic wars have notes been issued in England for less than £5.

After the experience of the past few weeks, some American authorities are suggesting that gold as an actual medium of exchange has seen its best days in England.

# THE DOMINION BANK

Sir Edmund B. Osler, M.P., President. W. D. Matthews, Vice-President  
C. A. BOGERT, GEN. MANAGER.

## Banking Business in Foreign Lands

Business Houses, Corporations, Grain, Stock and Provision Dealers will find the facilities of The Dominion Bank adequate for all foreign financial dealings.

With a Branch in London, England, and correspondents in all parts of the world, transactions are speedily effected on most favorable terms. Foreign Exchange bought and sold. Drafts and Letters of Credit issued. Advances made on shipments, both export and import. Collections promptly made and remitted for.

274

## The Standard Bank of Canada

Established 1873 120 Branches  
Capital (Authorized by Act of Parliament) \$5,000,000.00  
Capital Paid-up 2,860,240.00  
Reserve Fund and Undivided Profits 3,812,457.17

### DIRECTORS

W. F. COWAN, President. W. FRANCIS, K.C., Vice-President.  
W. F. Allen, F.W. Cowan, H. Langlois, T.H. McMillan, G. P. Scholfield  
Thos. H. Wood

HEAD OFFICE, 15 King St. West **TORONTO, Ont.**  
GEO. P. SCHOLFIELD, General Manager.  
J. S. LOUDON, Assistant General Manager.  
SAVINGS BANK DEPARTMENT AT ALL BRANCHES

## THE Weyburn Security Bank

HEAD OFFICE, WEYBURN, SASKATCHEWAN

Capital Authorized . . . . \$1,000,000

BRANCHES IN SASKATCHEWAN AT

Weyburn, Yellow Grass, McTaggart, Halbrite, Midale Griffin, Colgate, Pangman, Radville, Assiniboia and Benson.

A GENERAL BANKING BUSINESS TRANSACTED

H. O. POWELL, General Manager

## THE HOME BANK OF CANADA

ORIGINAL CHARTER 1854

NINE OFFICES IN TORONTO

Branches and Connections throughout Canada

Your account is respectfully solicited for any transaction in which a Chartered Bank may be of service.

M 4

# THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Authorized . . . . . \$ 25,000,000  
Capital Paid up . . . . . 11,560,000  
Reserve and Undivided Profits . . . . . 13,500,000  
Aggregate Assets . . . . . 180,000,000

Head Office, MONTREAL

### Board of Directors:

H. S. HOLT, President. E. L. PEASE, Vice-President  
E. F. B. JOHNSTON, K.C., 2nd Vice-President.

Wiley Smith	W. H. Thorne	A. J. Brown, K.C.
Hon. D. MacKeen	Hugh Paton	W. J. Sheppard
Jas. Redmond	T. J. Drummond	C. S. Wilcox
G. R. Crowe	Wm. Robertson	A. E. Dymont
D. K. Elliott		C. E. Neill

### Officers:

E. L. PEASE, General Manager; W. B. TORRANCE, Supt. of Branches; C. E. NEILL and F. J. SHERMAN, Assistant General Managers.

STUART STRATHY, Supervisor of Ontario Branches.  
C. A. CROSBIE, Supervisor of British Columbia Branches.  
T. R. WHITLEY, Supervisor of Central Western Branches.  
A. D. McRAE, Supervisor of Maritime Province Branches.  
C. E. MACKENZIE, Supervisor of Cuban Branches.

### Branches in Canada

155 in Ontario and Quebec, 70 in Maritime Provinces,  
60 in Central Western Provinces, 45 in British Columbia.

### 3 Branches in Newfoundland Branches in West Indies:

28 in Cuba, Porto Rico and Dominican Republic, also

Bahamas	Barbados	Jamaica
Nassau	Bridgetown	Kingston

Grenada	Trinidad
St. George's	Port of Spain and San Fernando

British Honduras  
Belize

British Guiana  
Georgetown New Amsterdam

LONDON, Eng.,	NEW YORK,
Princes St., E.C.	68 William St.

A General Banking Business Transacted

ESTABLISHED 1817

**BANK OF NEW SOUTH WALES**

PAID-UP CAPITAL . . . . .  
RESERVE FUND . . . . .  
RESERVE LIABILITY OF PROPRIETORS

AUSTRALIA



. . . . . \$17,500,000.00  
. . . . . \$11,750,000.00  
. . . . . \$17,500,000.00  

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\$46,750,000.00

AGGREGATE ASSETS, 30th SEPT., 1913

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\$236,841,080.26

HEAD OFFICE, GEORGE STREET, SYDNEY. LONDON OFFICE, 29 THREADNEEDLE STREET, E.C.  
GENERAL MANAGER—J. RUSSELL FRENCH

The Bank has 336 Branches and Agencies, viz.:—168 in New South Wales, 37 in Victoria, 48 in Queensland, 6 in South Australia, 11 in West Australia, 3 in Tasmania, 57 in New Zealand, 3 in Fiji, 2 in Papua, 1 in London, and has Agents and Correspondents all over the World. The Bank collects for and undertakes the Agency of Other Banks and transacts every description of Australasian Banking Business. Wool and Produce Credits arranged.

## THE QUEBEC BANK

### QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of One and three-quarters per cent. upon the Paid-up Capital Stock of this Institution has been declared for the current quarter, and that the same will be payable at its banking house in this city, and at its branches, on and after Tuesday, the first day of September next to Shareholders of record on the 15th August next.

By order of the Board,

B. B. STEVENSON,  
76 General Manager.

Quebec, 21st July, 1914.

## THE BANK OF OTTAWA

DIVIDEND No. 92.

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 this day been declared for the current three months, and that the said dividend will be payable at the Bank and its branches on and after Tuesday, the First day of September, 1914, to shareholders of record at the close of business on the 18th of August next.

By Order of the Board,

Ottawa, Ont.,  
July 20th, 1914.

GEORGE BURN,  
General Manager

## Northern Crown Bank

HEAD OFFICE . . . . . WINNIPEG

Capital (paid up) . . . . . \$2,860,000

A general banking business transacted at all branches

DIRECTORS

PRESIDENT Sir D. H. McMillan, K.C.M.G.  
VICE-PRESIDENT Capt. Wm. Robinson  
Jas. H. Ashdown A. McTavish Campbell W. J. Christie  
Sir D. C. Cameron, K.C.M.G. H. T. Champion John Stovel

## BRANCHES IN WESTERN CANADA

ALBERTA	MANITOBA	SASKAT- CHEWAN	Lloydminster
Calgary	Arden	Alameda	Lockwood
Edmonton	Beausejour	Allan	Macoun
High River	Binscarth	Aneroid	Manor
Macleod	Brandon	Balcarres	Marengo
Red Deer	Crandall	Bladworth	Maymont
	Glenboro	Borden   Brock	Moose Jaw
	Isabella	Cadillac	Nokomis
	La Riviere	Dubuc	Prelate
	Melita	Dundurn	Prince Albert
	Miniota	Duval	Qu'Appelle
	Pierson	Earl Grey	Quill Lake
	Pipestone	Fiske	Regina
	Rathwell	Fleming	Rockhaven
	St. Boniface	Foam Lake	Rush Lake
	Somerses	Glen Ewen	Saltcoats
	Sperling	Govan	Saskatoon
	Stonewall	Hanley	Sedley
	WINNIPEG	Harris	Sheho
	Portage Ave.	Holdfast	Stornoway Stn.
	and Fort St.	Imperial	Swift Current
	Portage and	Kinley	Tate   Venn
	Sherbrooke	Lancer	Viscount
	Main & Selkirk	Langham	Waldeck
	William and	Laura   Liberty	Wolseley
	Sherbrooke		Yorkton

## BRANCHES IN EASTERN CANADA

ONTARIO	Odessa	Seeley's Bay
Bath	OTTAWA	TORONTO
Bracebridge	Sparks St.	King St.
Brockville	Rideau St.	Agnes St.
Burford	Wellington St.	Spadina Ave.
Cheltenham	Port Dover	Woodbridge
Comber	Scotland	Woodstock

## OFFICERS OF THE BANK

R. Campbell, General Manager L. M. McCarthy, Supt. Branches  
V. F. Cronyn, Supt. Eastern Branches J. P. Roberts Supt. B.C. Branches

## Union Bank of Canada

ESTABLISHED 1865

Head Office - WINNIPEG

Paid-up Capital . . . . . \$ 5,000,000  
Reserve . . . . . 3,400,000  
Total Assets (Over) . . . . . 80,000,000

## BOARD OF DIRECTORS

WILLIAM PRICE, Esq.	-	Honorary President
JOHN GALT, Esq.	-	President
R. T. RILEY, Esq.	-	Vice-President
G. H. THOMSON, Esq.	-	Vice-President
W. R. Allan, Esq.	-	E. L. Drewry, Esq.
Hon. S. Barker, Esq., P.C., M.P.	-	E. E. A. DuVernet, Esq., K.C.
M. Bull, Esq.	-	S. Haas, Esq.
Col. John W. Carson	-	F. E. Kenaston, Esq.
B. B. Cronyn, Esq.	-	Wm. Shaw, Esq.

G. H. BALFOUR, General Manager  
H. B. SHAW, Assistant General Manager  
F. W. S. CRISPO, Superintendent of Branches and  
Chief Inspector

London, Eng., Branches, 6 Princes Street, E.C.,  
and West End Branch, Haymarket, S.W.

THE Bank, having over 310 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.

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



**CANADIAN RAILWAY SITUATION**

**Analysis of the Financial Aspects—More Expenditure Ahead**

The discussion which has taken place in press and Parliament regarding Canadian Northern affairs has given a timely fillip to public interest in two important matters, namely, railway capitalization and railway aid, writes Mr. J. L. Payne, in the journal of the Canadian Bankers' Association. Mr. Payne is statistician of the department of railways and canals, and has frequently contributed to *The Monetary Times*. The urgent need for transportation facilities in Canada, together with the plans growing out of that need, have to some extent excluded the proper consideration of details. The financial aspect seems to have come under that head. The application of Mackenzie and Mann for assistance to the extent of \$45,000,000 has, however, caused the Canadian people to take a new view of the railway situation, and they are now disposed to use the interrogation point in a way that may lead to salutary enlightenment.

**Dealing in Millions.**

For the inertness which has prevailed there is, of course, an explanation. The facts with respect to railway accounts necessarily lead to the digestion of very big figures, and ninety-nine people out of a hundred are lost when they get beyond sums that are expressed in thousands. The difference between eleven millions and ten millions is really a very substantial amount; but it seems to be the natural thing for most men to say "ten or fifteen millions" rather than "ten or eleven millions." When it comes to hundreds of millions, the average mind loses all sense of proportion, and, be it remembered, it is the average mind which creates what we call public opinion. We should not be surprised, therefore, that the money side of our railway problems, as represented by capital liability, assets, aid, earnings, operating expenses, and so on, has been understood by only a few, while more than ninety-nine per cent. of the people at large have been both ignorant of the facts, and, being busy, indisposed to see them.

**Capital Liability of Railways.**

It would seem to be opportune, in view of what has transpired during the past two or three months in particular, to summarize the rather bulky mass of data relating to the capital liability of Canadian railways, and calmly see what it means. On 30th June last, the capitalization of operative lines stood at \$1,369,992,574, divided as follows: Stocks, \$729,374,516; bonds, \$477,290,834, and consolidated debenture stock, \$163,257,224. Strictly speaking, stocks do not constitute a liability. It is the bonds that count, since they are in the nature of mortgages, and carry with them the right to take possession of physical property in the event of default. The consolidated debenture stock in the account attaches wholly to the Canadian Pacific, and is unique in the sense that it is perpetual and provides a lien only for interest. In addition to the funded debt of operating roads, there were \$148,063,722 of bonds outstanding in the name of railways officially regarded as being under construction. Among these railways was the Grand Trunk Pacific. The account as a whole has been considerably swollen in the interim. In fact, it has for some time been growing at the rate of about \$60,000,000 a year.

**Ability to Pay.**

Adding together the two foregoing items of funded debt, we have a total of \$625,354,556, which, joined to the consolidated debenture stock, creates an aggregate of \$788,611,780 upon which interest charges must be met annually. The rate of interest varies from 3.50 to 5 per cent. The average would be about 4.25. At that rate we have a fixed charge of \$33,516,000 per annum, which must be met out of net earnings before a penny is available for dividends on stocks. Now, let it be observed that the bond indebtedness of Canadian railways, while large as a whole, is relatively low.

It amounted to precisely an average of \$18,200 per mile in 1913 for the railways concerned. The average of American railways last year was a little over \$41,000 per mile, and for British lines it ran beyond \$200,000. In the last analysis, the standard by which all financial obligations are properly measured is the ability to pay. In 1913 all the railways of

**BANK OF HAMILTON**

HEAD OFFICE, HAMILTON

CAPITAL AUTHORIZED ..... \$5,000,000  
 CAPITAL PAID UP ..... 3,000,000  
 SURPLUS ..... 3,750,000

**DIRECTORS**

Lt.-Col. THE HON. J. S. HENDRIE, C.V.O., President.  
 CYRUS A. BIRGE, Vice-President.  
 George Rutherford J. Turnbull C. H. Newton  
 C. C. Dalton W. A. Wood Robert Hobson

and J. P. BELL, General Manager.

**BRANCHES**

**ONTARIO**

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

**MANITOBA**

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

**SASKATCHEWAN**

Aberdeen	Caron	Marquis	Redvers
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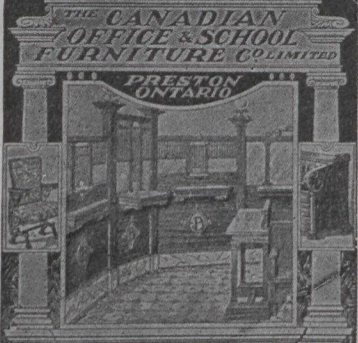
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Canada had a difference between gross earnings and operating expenses of \$74,691,013, which, it will be seen, was ample for the purposes of meeting fixed charges. As a matter of fact, it provided for the payment of interest on funded debt, as well as consolidated debenture stock, provided for taxes, enabled \$27,333,373 to be paid in dividends, and left a snug balance to the good. There is the further significant fact that gross earnings rose from \$96,064,526 in 1903 to \$256,702,703 in 1913.

**Soundness and Strength.**

If the account of capital liability be considered, as a whole, it suggests soundness and strength. The emphasis here is on the words "as a whole." When reviewing the Canadian railway situation, however, it must always be borne in mind that both capitalization and operations are very much centralized. That is to say, an overwhelming proportion of the railway interests of the Dominion is controlled by a few corporations. Let a short statement of facts be put in tabular form:—

Railway.	Mileage.	Bonds.	Net Earnings.
Algoma Central .....	135	\$ 10,758,000	\$ 206,051
Canadian Pacific .....	12,238	29,747,299	43,815,669
Grand Trunk .....	3,560	182,847,214	12,572,932
Grand Trunk Pacific..	1,396	121,967,161	.....
Canadian Northern....	6,488	188,144,648	7,716,826
Canada Southern ....	380	22,630,000	5,318,482
Pere Marquette .....	199	5,870,000	996,515
Total .....	224,396	\$561,934,275	\$70,626,475

**Controlled by Seven Corporations.**

Included with the Canadian Northern are all the lines operated by Messrs. Mackenzie and Mann, with the exception of the Inverness and Richmond, the capitalization of which is wrapped up with a coal mining company. The Canadian Pacific also embraces the Dominion Atlantic and the Quebec Central. These seven railways are all that have a capitalization of \$5,000,000 and over. The Dominion Government and Ontario Government systems are excluded, as being without capitalization and standing by themselves. The net earnings, as given above, represent merely the difference between gross revenue and operating expenses, without deductions whatever.

Here we have 24,396 miles of railway out of 29,304 in operation on 30th June last, or a little over 83 per cent. of the total, under the control of seven corporations. If the Grand Trunk Pacific be regarded as a Grand Trunk enterprise, which it really is, then the number would be reduced to six. The funded debt of the group amounts to over 91 per cent. of the aggregate for all railways. The net earnings of five out of the six—excluding the Grand Trunk Pacific for the reason that the earnings in 1913 applied to only part of the system—make up over 94 per cent. of the total, or \$70,626,475 out of \$74,691,013. These facts will make clear the centralization to which allusion has been made.

**Stocks and Bonds.**

It is not worth while going analytically into the account with respect to stocks. The amount outstanding last year was \$918,573,740, including \$163,257,224 of consolidated debenture stock; but much of it was without market value. Dividends in 1913 aggregated \$33,670,561, including the Canadian Pacific Railway debenture stock, as compared with \$12,760,435 in 1907; but there were only seven railways concerned. The names and amounts were: British Yukon \$97,956; Canada Southern, \$450,000; Canadian Pacific, \$28,144,477; Grand Trunk, \$4,705,864; Hereford, \$32,000; Quebec Central, \$135,264, and Toronto, Hamilton and Buffalo, \$105,000. It will be observed that the Canadian Pacific contributed 83 per cent. of the total. Stocks to the amount of \$320,862,552, including \$109,363,053 of the Grand Trunk common, and \$105,659,500 attached to Mackenzie and Mann roads did not pay anything.

Turning back to the matter of bonds, there is an aspect of the matter which merits special attention, and that is the Government guarantees. Up to the 30th June last, these guarantees amounted to the respectable sum of \$274,960,374, of which \$95,486,590 was in the name of the Dominion. The account has since been increased by more than \$50,000,000. Of the existing total, \$235,000,000 has been given to Mackenzie and Mann roads, although it should be added that not

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Paid up .....	1,000,000	5,000,000
Uncalled .....	4,000,000	20,000,000
Reserve Fund .....	900,000	4,500,000

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all of it has been earned. When these Mackenzie & Mann roads are completed, within the next two or three years, they will have a large bond liability—not less than \$350,000,000. The fixed charges thereon will amount to at least \$14,000,000. As has been shown in a preceding paragraph, the net earnings of all the Mackenzie and Mann lines last year was less than \$8,000,000. New mileage is very seldom productive, and, when the influx of capital ceases, the situation will call for exceedingly capable administration and profitable traffic conditions in order to protect the guarantors. The whole matter, in all its bearings, suggests gravity.

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Few people realize what Canada has done to secure transportation facilities. It was in tremulous faith the Canadian people took up the matter of aiding the construction of the Canadian Pacific in 1881. Many regarded the burden as insupportable and the project as unpromising. We have got bravely over our timidity. The account of aid as it stands to-day makes the Canadian Pacific Railway enterprise appear insignificant, although, be it remembered, it is largely identified with the foundation of Canada's present marvellous prosperity. By rail and water, directly and indirectly, the Dominion has expended more than a billion and a quarter dollars to provide means of transportation. No other people have done so much. Within ten years the Dominion Government alone has given \$50,000,000 in cash aid; has provided \$150,000,000 in guarantees, and built the eastern section of the Transcontinental at a cost of \$180,000,000—an average of \$38,000,000 per annum. It has done much more. It has spent tens of millions for harbors, channels, and light-houses, and has commenced the Hudson Bay Railway and the new Welland Canal at a probable cost of at least \$100,000,000 before both works are completed for operation.

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Big railway enterprises are under way. Last year there were 18,648 miles of new line under construction, chiefly in the western provinces. It will take a great deal of money to carry out this vast work. Assuming that 10,000 miles will be built and equipped during the next four years—a reasonably low estimate—and that the bond liability will average \$20,000 per mile, it will be seen that \$200,000,000 will be needed to finance these undertakings. Since there were a trifle over six employees per mile of line in 1913, the addition of 10,000 miles to operate mileage would involve a largely increased distribution of wages. In one way and another, it would represent the livelihood of more than 300,000 souls. In fact, transportation ranks next to agriculture among the industries of the Dominion, and it is expanding rapidly.

#### ABOUT THE KIEL CANAL

The original Kiel canal, which is 61 miles long, had a depth of 29½ feet and bottom width of 72 feet and a surface width of 210 feet. The improvements which have been in process for five years and have been carried on without interrupting traffic were designed to give the canal a draft of 45 feet, a top width of 400 feet and a bottom width of 150 feet.

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Subscribed Capital	- - - -	1,005,000
Paid-up Capital	- - - -	1,005,000

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## WORLD'S COMMERCE AND SHIPPING

### Great Britain is First and Germany Has Eleven Per Cent. of Total Tonnage

Within a week of the declaration by Germany of war upon England, British battleships had seized 75 German merchant vessels. That was the Admiralty's announcement. Since then, many more have been taken. In recent years, Germany has made much progress in shipbuilding and in extending her trade fleet. The world's carrying power now includes approximately 31,000 vessels with an aggregate capacity of 47 million gross tons and has nearly doubled in capacity during the last 20 years. In number, however, this commerce fleet has decreased slightly, thus showing a tendency toward larger carrying units. These figures are based upon the tonnage of all vessels of over 100 tons engaged in trade, whether domestic or foreign, on ocean, river and lake.

#### Great Britain is First.

Great Britain ranks first and the United States second in number and tonnage of vessels engaged in commerce, but this is due to the vast number engaged in lake and ocean coastwise trade, since the number of United States vessels engaged in foreign trade, according to reports received by the bureau of foreign and domestic commerce, department of commerce, is less than that of Great Britain, Germany, France, Italy or Norway.

According to a recent statement of Lloyd's, out of an aggregate tonnage of 47 million gross tons in 1913-1914, 40 per cent. were credited to Great Britain, 11 per cent. to the United States, 11 per cent. to Germany, about 5 per cent. each to Norway and France, 3 per cent. each to Holland, Italy and Japan, and from  $2\frac{3}{4}$  to  $1\frac{3}{4}$  per cent. to Russia, Sweden, Austria-Hungary, Denmark and Spain.

#### Carrying Trade of United States.

The carrying trade of the United States shows a marked growth in coastwise and lake traffic and a striking decline on the ocean. While the gross tonnage of United States vessels engaged in lake and coastwise trade was increasing from 3,657,304 tons in 1883 to 9,798,561 tons in 1913, that of their vessels in the foreign trade was decreasing from 1,302,095 tons to 1,027,776 tons, an increase in one case of 168 per cent. and a decrease in the other of 21 per cent. during a 30-year period in which the value of their foreign trade rose from  $1\frac{1}{2}$  billion to  $4\frac{1}{4}$  billion dollars.

The volume of the over-sea commerce served by the world's merchant marine cannot be definitely stated. It is known, however, that a considerable portion of the 40 billion dollars' worth of merchandise imported and exported annually by the various nations is carried by vessel. The United Kingdom, being an island community, necessarily imports and exports all its merchandise by vessel. The United States sends about four-fifths of its exports to South America and over-sea countries. Brazil sends 95 per cent. of her exports to extra-South American communities. Nearly half the goods shipped from countries in Asia is destined for extra-Asiatic communities, and practically all of Africa's trade staples find markets outside the Dark Continent. While trade between the European nations is considerable, those countries ship a large part of their surplus products to other parts of the world.

#### German Merchant Tonnage.

At the beginning of 1912, 14 German seaports had each a fleet of merchant steamships with a registered tonnage exceeding 20,000, and four seaports had a steamship tonnage of over 100,000—viz., Hamburg, with 706 steamships and a tonnage of 2,263,000 (besides 520 sailing vessels and towing boats with a tonnage of 294,000); Bremen, with 378 steamships and a tonnage of 1,179,000 (besides 210 sailing vessels and towing boats with a tonnage of 139,000); Stettin, with 118 steamships and a tonnage of 144,000; and Flensburg, with 88 steamships and a tonnage of 115,000. The entire sea-going merchant service comprised 2,009 steamships with a tonnage of 4,144,000 and 61,000 seamen; 2,401 sailing vessels with a tonnage of 463,000, and 13,000 seamen; and 322 towing boats with a tonnage of 104,000, and 1,000 men.

Mr. P. J. McIntosh, of New York, is a new director of the Montreal Public Service Corporation.



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**VANCOUVER AS GREAT PORT**

**It is Open all the Year, Has Ample Anchorage and Miles of Waterfront**

That the United States Consul at Vancouver, Mr. R. E. Mansfield, has proper appreciation of that point as a great shipping port, is shown in his report just made to his government at Washington. He says:—One of the principal features and an important asset of Vancouver, as the transportation, commercial and industrial centre of British Columbia, is the splendid harbor on which it is situated. Nature is the important factor in the creation of great harbors, and has highly favored Vancouver.

Burrard Inlet, the harbor proper, extends for 12 miles from the Narrows, as the entrance is called, eastward to Port Moody at the head of the inlet, which was first selected as the location for the terminal wharves and docks of the Canadian Pacific Railway, the first of the transcontinental lines to reach the British Columbia coast in 1886. Later when the Canadian Pacific Railway extended its lines farther west and decided to construct its terminals on the south shore of Burrard Inlet, on the site where Vancouver stands now, the foundations were laid for the greatest seaport and shipping centre in the Canadian west. The inlet, 12 miles long, and two miles wide on the average, forms an area of about 24 square miles. Extending northwesterly from a point about seven miles from the entrance up the north shore is what is known as the North Arm, an extension longer than the main inlet, and averaging two miles wide.

**All the Year Round.**

The favorable features of Vancouver Harbor are an all-the-year-round open port, ample anchorage, many miles of water front with depth sufficient for the largest vessels, perfect security from weather conditions, and accessibility to the open sea and to the coast waters of British Columbia. The waters of the harbor are of a great depth in mid-channel, more than 30 fathoms in places, while near the shore there is a depth of water in most places of more than 25 feet. In some instances deep water extends so close in that large vessels can anchor within a few rods of the shore.

The shipping facilities of Vancouver Harbor have so far been confined generally to the south shore of the inlet, where much of the water front is occupied by sawmills and other industries. But the growing shipping interest will soon require practically all the south shore, and is already extending to the north shore, where large docks, wharves and shipbuilding plants are being constructed. Within a few years the factories along the inlet within the corporation limits will give way to wharfage and docks, as the sites are becoming too valuable for manufacturing purposes.

**Extension of Wharfage.**

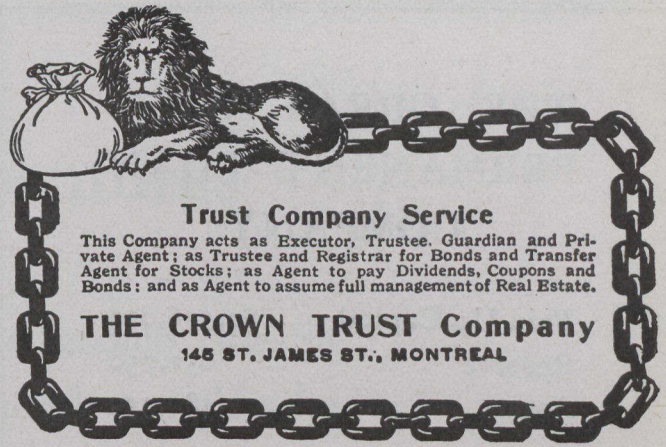
Extensive improvements are being made to accommodate the increasing business of the port, for which several million dollars will be spent this year, and when the new government and private docks, wharves and dredging schemes planned and under construction are completed, the facilities of the harbor will be greatly increased, making the Vancouver Harbor one of the best on the Pacific coast.

In addition to the deep-water harbor of Burrard Inlet the needs of smaller craft have also been provided for in the shallow waters of False Creek, a small inlet running just south of and parallel with the main body of water. False Creek, the shores of which are mostly tide flats, is the rendezvous and furnishes a harbor for Vancouver's "mosquito fleet," where there is usually a congestion of small-craft traffic, especially of tug-boats, scows and launches. It is also used as a storage basin for log booms for the various sawmills that line its shores.

**Shipping and Railway Companies.**

Five transcontinental railways, the Canadian Pacific, Grand Trunk Pacific and Canadian Northern Pacific—all Canadian lines—the Great Northern and the Chicago, Milwaukee and St. Paul—American lines—have their terminals in Vancouver, in addition to which the following steamship companies have headquarters and agencies in this port:—

The Canadian Pacific Railway operates a line of fast-mail steamers between Vancouver and China and Japan; also a line between Montreal and Liverpool and from Liverpool to Hongkong and Yokohama, in connection with the fast trains on the Canadian Pacific Railway, making a round-the-world



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 This Company acts as Executor, Trustee, Guardian and Private Agent; as Trustee and Registrar for Bonds and Transfer Agent for Stocks; as Agent to pay Dividends, Coupons and Bonds; and as Agent to assume full management of Real Estate.

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circuit of transportation under the management of one company. This company, also operates a line of coast steamers, carrying passengers and cargo from Vancouver to various British Columbia, Alaskan and Puget Sound ports.

The Canadian-Australian Royal Mail Steamship Line operates a monthly service from Vancouver to Hawaii, New Zealand, Fiji Islands and Australian ports.

The Ocean Steamship Company (Limited), the China Steamship Company (Limited), and the Blue Funnel Line, from London, Glasgow and Liverpool to Vancouver, will use the Panama Canal route when that waterway is opened. Other lines are:—

Harrison Direct Line, from Glasgow, Antwerp, London and Liverpool to Vancouver.

Pacific Coast Steamship Company, Vancouver to San Francisco.

Grand Trunk Pacific Steamship Company, weekly service to Prince Rupert, Granby Bay, British Columbia, Stewart, Alaska and Victoria and Seattle.

Union Steamship Company, Vancouver to other British Columbia ports.

Terminal Steamship Company (Limited), British Columbia coast service.

Northern Steamship Company, British Columbia coast and Alaskan service.

Hamburg-American Line, from Hamburg and Antwerp to Vancouver, via the Orient.

East Asiatic Line, from Hamburg, Rotterdam and Antwerp, via Magellan Strait to Vancouver. This line and others with headquarters in Europe, will use the Panama Canal route when the canal is opened.

Royal Mail Steam Packet Company, operating a service between Great Britain and the Pacific coast, via the Orient.

#### Fleet of Tramps.

Included in the port business are several ferries, which operate a regular service between Vancouver and the suburban municipalities situated on the inlet.

In addition to the regular service of the above-named companies, many tramp steamers and sailing vessels visit this port monthly which, added to the number of fishing boats, tugs, barges, etc., used in handling the traffic of the port, present always a scene of great activity in Vancouver Harbor.

Mr. James Carruthers and his colleagues on the directorate of the Canada Steamship Lines, Limited, has placed at the Dominion government's disposal the company's fleet of grain carriers. Mr. Carruthers and Mr. J. W. Norcross, a fellow director, are lending the government valuable advice. This grain fleet and Britain's battle fleet should help the food situation in the United Kingdom.

Mr. R. H. Sperling, who is retiring from the general managementship of the British Columbia Electric in British Columbia, was given a luncheon by the business men of New Westminster. Mr. Sperling had proposed to leave immediately for London to take a seat on the company's board of directors. Mr. Sperling pointed out that the New Westminster line was the biggest central wheel of interurban railways in the Dominion, that 460 trains ran in and out of the city every day, that 150 miles of line radiated from the Royal City depot, and that New Westminster was the fifth city on the American continent in point of terminal street car traffic. Mr. Sperling is well liked on the coast and will make a valuable member of the company's directorate.

It is reported that timber limits extending over 115 square miles along the foreshore of Seymour Inlet and adjacent waters in British Columbia, including 3,000,000,000 feet of high-grade cedar, were recently transferred to a syndicate of capitalists from the United States. It is said to be the intention of the purchasers to begin logging operations on the limits in the near future, and the plans contemplate placing several sawmills on the property. The scarcity of cedar and the increasing price of high-grade timber in the United States have caused American millmen to turn their attention to British Columbia, which has the largest compact area of merchantable timber on the continent. The abolition of the duty on Canadian shingles and other forest products has encouraged and given impetus to the shingle industry, which has made great progress in the province recently.

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Head Office ... REGINA, Canada

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Subscribed Capital	....	....	1,150,000
Capital Paid up and Reserve	....	....	700,000

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## MUST HAVE AN AGENT

**British Commissioner in Canada Gives Manufacturers of Old Land Some Hints on Trading**

Discussing Great Britain's trade with the Dominion, in his report to the Imperial Government, just published, Mr. C. Hamilton Wickes, British trade commissioner for Canada and Newfoundland, says:—

There are not many British firms of whose manufactures the Canadian market takes sufficient volume at the present time to support an office and staff of their own.

Many difficulties to direct marketing present themselves in the Dominion without the intervention of a representative or agent; of course, there are Canadian firms who visit England to make purchases, but there are few who have offices of their own in the United Kingdom.

**Agent is Necessary.**

In order to develop business an agent in some form or other is, in practice, necessary. While there are British manufacturers operating on this market through their own office, and others through agents who are unexcelled in the thoroughness of their marketing arrangements, the greater number are less fortunately situated. It will be understood that in the ordinary course of the duties attaching to this office a very large number of merchants, importers and agents engaged in handling a variety of classes of merchandise have been seen and interviewed in connection with the enquiries received from the United Kingdom, as well as other firms who have sought our services in order to be put into touch with British firms and sources of supply. In this way a great deal of experience has been gained of the views that these firms have formed relative to British methods which, in their opinion, hamper or hinder the position of British trade with the Dominion.

**Manufacturer is Criticized.**

In many instances the British manufacturer is criticized for failing to appreciate that conditions here may vary from those met with by him in other countries with which he has been accustomed for many years to conduct business. Particularly is this the case where importers of British goods here refer to the necessity for a closer study and a more accurate knowledge of the tariff and the customs law and regulations as modified by orders in council and memoranda issued by the customs department. Our informants state that a cursory knowledge of these appears to satisfy British firms trading with Canada, while, in their opinion, they are matters which it would pay him well to study. In this I am inclined to agree; my experience gained from interviews with British firms at home is that they are inclined to look upon tariffs as an unmitigated nuisance, instead of studying the provisions with a view to trying to make use of them in efforts to displace competitive goods coming from foreign countries whose traders are compelled to meet a heavier impost.

**Some Important Points.**

I will now proceed to set out some of the more important points which have been brought to my notice:—

(1) The necessity for a closer study of the technicalities of the export trade—e.g., freights, insurance, exchange, packing and casing of goods.

(2) The requirements necessary to obtain the advantages of the preferential section of the tariff. Knowledge of the leading features of the intermediate tariff in favor of France, Belgium, Italy and the Netherlands. Intimate acquaintance with the customs laws and regulations as compiled from the Customs Act, orders in council and memoranda issued by the customs department.

(3) A better knowledge of the terms and credits customarily given on this market to Canadian buyers.

(4) The importance of fixing such a "selling cost price," whether "ex warehouse," or "f.o.b., U.K. port," as will adequately cover the agent's commission and other incidental expenses. In many instances also more attention should be paid to the price at which the articles are retailed.

(5) The necessity for the selection of suitable agents or representatives. In particular, the terms on which they ought to be employed, taking into consideration the prevailing custom.

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(6) The preparation of catalogues in Canadian currency, and fixing one ruling rate of discount in place of many varying rates.

(7) The adequate supply of samples, with due care that such samples are suitable for the Canadian market, and that the samples asked for by the agent are forwarded.

(8) Better knowledge of the geographical features of the Dominion, the distance between the various towns, and the time occupied and the expense incurred by the agent travelling between the different distributing centres.

(9) The necessity for the British principal to read the letters of his agent carefully, answering the questions addressed to him, and paying greater attention to the advice tendered. When this is in the nature of criticism, to try and remove the cause, rather than to assume that the agent is at fault and impertinent in making complaints. British principals are blamed for omitting to reply to criticisms, as well as to enquiries made for information about their goods.

### HOARDING GOLD IN EUROPE

A notable fact is the preparation which the State central banks of the Continent of Europe have been making to meet the stress and strain of any situation that may arise, writes the Paris correspondent of the New York Journal of Commerce. At this end of July, 1914, these banks—including the Bank of England, which has done little or nothing—have run up their gold holdings to the unprecedented sum of \$3,223,600,000. Of this, France and Russia hold each an entire quarter; Germany a tenth, Austria a twelfth, Italy a fifteenth, England a sixteenth, and so on down to Greece, with less than a fifteenth part of this official gold reserve of Europe.

The Bank of France, which is steadily buying, shortly will have \$160,000,000 more gold actually in its vaults than it had at the same date last year. Russia will have \$94,000,000 more gold and Germany perhaps \$60,000,000 more than a year ago. These three nations, through their central banks, have been the great buyers of gold during the year; and Germany has bought much more than appears in the figure of her present holding, for she has not been able to protect her acquisitions to the same degree as France and Russia. It may be said that these three nations buy gold to keep—until that unlikely day when peace among nations shall be secured.

The total increase of the gold held by all the State central banks of Europe since July, 1913, is more than \$350,000,000, of which the immense part, \$314,000,000, has been gained by France, Russia and Germany. The total increase since the American "panic" of 1907 is not far from \$1,000,000,000. At that time—and not until the German demonstration at Agadir over Morocco in 1910, and particularly not till the beginning of the Balkan wars in October, 1912—there was no continuous fears that a general European war might easily break out. These later war scares, indeed, are mainly responsible for that "hoarding" by individuals which, in Germany and France at least, has resulted in withdrawing more gold from the world's circulation than has been done by the increase in bank holdings.

Owing to the war the president and directors of the Canadian Forestry Association have decided to cancel the arrangements for the forestry convention which was to have been held in Halifax next month, and to postpone the convention indefinitely.

Mr. F. T. Stanford, of Toronto, who was elected treasurer of the Canadian Life Underwriters' Association at the Halifax convention, is associated with the Imperial Life Assurance Company. He was an indomitable worker as secretary of the association for several years and will maintain the standard in his new appointment. His is always a smiling countenance.

Hon. Philippe Kay, is Canada's trade commissioner in France. Others holding similar positions in the war zone are:—C. F. Just, Hamburg; J. T. Lithgow, Holland; C. E. Sontum, Norway; and in the United Kingdom, E. de B. Arnaud, Bristol; J. E. Ray, Birmingham; F. A. C. Bickerdike, Manchester; Fred Dane, Glasgow; and Harrison Watson, London.

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**MANITOBA FIRES AND CAUSES**

**Financial Waste Was One Million—Commissioner Lindback Speaks Strongly but not too Severely**

Manitoba's fire losses aggregate \$1,070,521, for the year ended November 30th, 1913. Presuming the population to be 600,000, this represents a per capita loss of \$1.78.

The greatest losses occurred in the province at large, outside the city of Winnipeg, and while the per capita loss for these 11 months has been somewhat reduced from other years, when it has been as high as \$3 for the province, and even \$5 in Winnipeg, it is, of course, still out of all proportion to what it ought to be, suggests Fire Commissioner Lindback in his annual report.

In his comments the fire commissioner makes these pointed remarks:—"Matches, defective stoves and chimneys, as well as sparks from locomotives where conditions should have called for special care, caused several of the losses of \$10,000 and over. This is all due to what may be called 'temperamental' hazard. Habitual recklessness in the use of volatile and combustible substances and such conditions favorable to the outbreak of fires through lack of care in the cleanliness of premises, unsafe flues, etc. This condition of mind in contact with the element of fire despises preventive measures, and looks upon fire when it has occurred as a mere accident in life, calling for neither excuse nor condemnation. It will take a long, continuous process of education, beginning with the young children, to cure the effects of this natural disposition, and to produce a fitting respect for the value of both life and property.

**Factors in Prevention Work.**

"Elimination of hazardous buildings is another factor in the fire prevention work. During the year, Commissioner Lindback ordered demolished about 80 dilapidated or non-revenue-bearing structures thereby preventing fires which otherwise would have endangered the neighborhood. Such buildings, too, incite to incendiarism, as proved by some exploits in Winnipeg, and the epidemic of fires started in Brandon during the summer fair.

"Inspection of premises before the fire is one of the greatest needs for a quick reduction of these heavy losses, and can be best conducted by the fire department, guided by printed inspection blanks in duplicate, to be filed with the chiefs of the respective halls, and at the fire commissioner's department. In addition to this, we should enlist the public schools in this work through proper text-books in the hands of the teacher, or by practical short talks by men experienced and versed in fire prevention work."

**Financial Losses were Million.**

The financial loss reported to the commissioner's office was:—

Winnipeg . . . . .	\$ 276,814
Rest of province . . . . .	793,707
Non-reported losses . . . . .	50,000
<b>Total . . . . .</b>	<b>\$1,120,521</b>

The following figures show the monthly fire loss:—

1913.	Winnipeg.		Province.	
	Fires.	Loss.	Fires.	Loss.
January . . . . .	32	\$ 17,926	18	\$213,500
February . . . . .	26	116,744	10	53,966
March . . . . .	53	6,532	28	65,578
April . . . . .	24	30,014	19	154,833
May . . . . .	20	19,739	16	18,021
June . . . . .	24	38,149	20	144,261
July . . . . .	17	7,072	16	35,430
August . . . . .	12	2,038	14	23,562
September . . . . .	15	7,485	21	53,588
October . . . . .	16	28,134	18	13,038
November . . . . .	8	2,981	9	17,930
<b>Total . . . . .</b>	<b>247</b>	<b>\$276,814</b>	<b>189</b>	<b>\$793,707</b>

**What Causes Show.**

Winnipeg citizens who were careless with matches are shown to have created a monetary loss of \$44,418 in 35 fires. Careless smokers started 20 fires causing a loss of \$7,936. Electric wiring, and there is again carelessness here, caused five fires with a loss of \$100,974. Other instances of this

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CASH AND MUTUAL SYSTEMS  
Total Assets, \$600,000 Amount of Risk, \$26,000,000  
Government Deposit, \$50,000

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ESTABLISHED IN 1863.

Head Office WATERLOO, Ont.

Total Assets 31st December, 1911 - - - \$725,000.00  
Policies in force in Western Ontario, over - - - 30,000.00

WM. SNIDER, President. GEORGE DIEBEL, Vice-President.  
FRANK HAIGHT, Manager. ARTHUR FOSTER, Inspector.

element is seen in many of the following list of causes with number of fires caused and the loss respectively:—

Bearing overheated, 1, \$150; boys playing around buildings, 7, \$7,606; careless handling paint, 1, \$5; candle, 1, \$40; clothes too near stove and radiator, 2, \$10; coal oil lamp explosion, 5, \$993; crucible for melting brass too near wood, 1, \$1,424; curtains caught fire, 2, \$13; coal oil stove, 5, \$1,014; defective boiler, 1, \$1,000; defective chimney, 20, \$2,072; defective stovepipes, 4, \$654; dust explosion, 1, \$10; electric iron, 2, \$235; film caught fire, 1, \$10; fireworks, 2, \$845; fumigating room—sulphur took fire, 2, \$30; gas explosion from coal, 5, \$2,180; gas stove explosion, 5, \$1,943; gas jet, 2, \$33; gasoline explosion, 6, \$791; gunpowder explosion, 1, \$150; grease boiling over on stove, 1, \$809; hot ashes, 3, \$64; incendiary, 9, \$1,515; matches (children with), 11, \$490; matches (supposed to be mice), 1, \$500; overheated stovepipes, 16, \$4,754; oily waste, 1, \$2,500; plumbers' torch, 3, \$3,270; refuse, 5, \$3,044; spark from chimney, 14, \$789; spark from stove, 4, \$655; spark from locomotive, 2, \$40,798; stove too close to woodwork, 2, \$40; spontaneous combustion, 1, \$5; suspicious, 6, \$4,989; temporary heating defective, 3, \$1,200; thawing out water pipes, 10, \$672; tramps, 5, \$2,992; unknown, 13, \$33,186.

The causes of fires and losses in the province, outside the city of Winnipeg, during 1913 were respectively:—Bush fires, 2, \$1,178; careless smoker, 6, \$11,343; coal oil stove explosion, 3, \$2,159; defective chimney, 6, \$4,303; defective stoves and stovepipes, 4, \$1,326; electric iron, 1, \$2,900; electric wires, 6, \$6,143; gas explosion from coal, 2, \$67,975; gasoline explosion, 1, \$15; heated box in elevator, 1, \$3,000; incendiary, 7, \$46,229; lamp explosion, 4, \$555; matches (children with), 7, \$128,470; matches (careless with), 2, \$10,277; matches (mice gnawing), 2, \$215; overheated furnace, 3, \$4,312; overheated stoves and stovepipes, 33, \$60,382; rubbish pile, 4, \$637; sparks from furnace, 2, \$1,830; sparks from stove, 7, \$30,495; sparks from locomotive, 2, \$130,100; sparks from chimney, 8, \$6,293; suspicious, 9, \$31,131; tramps, 2, \$850; unknown, 65, \$241,589.

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Regarding war risks and life insurance, the bulletin of the Mutual Life Assurance Company of Canada, says:—"The British officers during the Boer war of 1899-1902 showed that about eight per cent. of those soldiers who carried insurances and engaged in active service became claims on the companies. It would thus appear that if the Canadian offices are adequately to protect themselves, that a heavy extra should be added to the premiums of those policyholders who engage in active service in the present war. Indeed this conflict is likely to be much more fatal than any former war has been. However it would be a terrible hardship if having made the supreme sacrifice our soldiers were obliged to pay a large additional premium for the protection of those they leave at home. The probability is that the class of men principally involved would consist of those who could not possibly pay such an extra. Thus they would be, so to speak, penalized for their patriotism. Taking this view of the matter the company has decided through the executive to waive the extra on existing policies. The cost though considerable, we know will be cheerfully borne by all our members.

"Not all of our policies contain any conditions in regard to military service and it is only such policies as contain what is known as the Military Clause that will be affected. This clause provides that in the event of the policyholder entering active service in time of war, the payment of an extra premium becomes necessary in order to maintain the policy in force. Notwithstanding this provision the company has decided that in the present emergency, no extra premium will be charged for active service in the defence of the Empire, whether at home or abroad. This ruling applies to existing policies. So far as new insurances go, the decision is that for the present policies will not be written on any terms on the lives of those entering or intending to enter upon active military service."

A policy of life insurance is always an evidence of prudent forethought, and no man with a dependent family is free from reproach if his life is not insured.—Lord Lyndhurst.

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 Z. A. LASH, K.C., LL.D.      E. R. WOOD

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**Losses paid since organization over \$37,000,000.00**



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Total Annual Income      Total Fire Losses Paid \$164,420,280  
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 Total Funds Exceed.. 124,500,000      Government ..... 1,077,033

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**ONTARIO STEEL PRODUCTS**

**Company Presents Satisfactory Report—Organization Expenses Written Off**

The profit and loss account of the Ontario Steel Products Company, Limited, shows net profits for the year ended June 30th, of \$106,437. This amount is after providing for depreciation of properties, reduced market value of securities and the entire cost of organization. Deducting bond interest of \$36,000 and preferred dividends of \$52,500 there remained a sum of \$17,937. The company's fixed assets including real estate plant, power rights and goodwill total \$1,785,451. The current assets, amounting to \$2,259,689 are divided as follows:—Cash, \$3,351.94; bills and accounts receivable, \$96,459.33; inventories, \$346,107.45; securities (at market price), \$26,144; deferred charges to operations, \$2,175.

On the other hand the company has current liabilities of \$118,913, made up as follows:—Bank overdraft, \$14,881.27; bills and accounts payable, \$72,907.14; bond interest due July 2nd, 1914, \$18,000; preferred dividend payable August 15th, 1914, \$13,125. The reserve for depreciation, etc., is \$22,838.94.

**Shared Unfavorable Conditions.**

In discussing the company's report, Mr. W. Wallace Jones, the president, states:—"The company shared in the generally unfavorable conditions which existed during the past 12 months, and consequently all the plants were not run to their full capacity. Furthermore, a disastrous fire at the Gananoque Spring and Axle plant seriously interfered with operations, at a most inconvenient time; and while the direct loss was fully covered by insurance, the disorganized conditions that obtained during rebuilding operations seriously affected profits from these works. This fire, which completely gutted the spring works and damaged the axle works at Gananoque, occurred on October 1st, 1913. Rebuilding operations were commenced on October 15th, the building being completed on December 20th, and manufacturing operations resumed on January 2nd. The new building, which is larger than the one destroyed, is strictly fireproof construction, and the insurance rate has been substantially reduced in consequence.

**Windsor Plant Postponed.**

"During the year large extensions and improvements at the shovel plant have been satisfactorily completed, but owing to trade conditions are not being operated at the present time. In view of the development in the auto spring business, the directors recently purchased the property of the Canadian Malleable Range Company, at Chatham. This property is very conveniently situated, and the price paid was reasonable. The directors also have purchased from the Thousand Islands Railway Company a piece of land which later on will be used for an extension to the shovel plant. The McNee property, adjoining the spring and axle warehouse at Gananoque, has also been purchased at a reasonable price, and will give additional and badly-needed storage capacity for springs and axles. The directors have not deemed it prudent to proceed with the suggested factory at Windsor at the present time.

**Written Off Organization Expenses.**

"During the year the plants have all been put in a state of high efficiency, and several new lines of goods have been put on the market. Contrary to the usual custom, the company has written off all organization expenses this, the first year; and have also set up a substantial reserve for future bad debts."

The company has first mortgage 6 per cent. bonds of \$600,000. These are due on July 2nd, 1933. It has authorized capital stock of \$1,500,000 of which \$750,000 are 7 per cent. cumulative preferred shares and \$750,000 ordinary shares. All this is paid up.

Mr. John A. Tory, the strength of the Sun Life Assurance Company's business in Ontario, has been to an extraordinary extent the vitality of the Life Underwriters' Association movements. He was delegated at Halifax to represent the association at the convention of the United States Life Underwriters.

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REVIEW OF THE MONTH

Canadian Flotations in London—Investment Offerings—  
Dividend Changes—New Stock Exchange Listings

CANADIAN FLOTATIONS IN LONDON.

The following flotations, amounting to £5,123,287 of interest to Canadians, were made in London during July:—

**South Vancouver.**—£223,287 5 per cent. consolidated stock at 91.

**Imperial Tobacco Company of Canada.**—500,000 £1 shares at 19 shillings.

**Canadian Northern Railway.**—£3,000,000 4 per cent. guaranteed debenture stock at 94.

**Winnipeg.**—Greater Winnipeg District Water Board issued £400,000 4½ per cents. at 95.

**Ontario Province.**—£1,000,000 4½ per cent. registered stock at par. Left with the underwriters 90 per cent.

Canadian flotations in London now are stopped entirely by the war.

SPECULATIVE AND INVESTMENT OFFERINGS.

The following speculative and investment offerings were among those made in Canada during July:—

**Wright Hotel Company, Limited.**—\$150,000 capital stock at par.

**Northern Navigation Company, Limited.**—\$275,000 first mortgage 5 per cent. gold bonds.

**Ontario Power Company of Niagara Falls.**—\$2,000,000 2-year 6 per cent. collateral notes.

**Canadian Tube and Iron Company.**—One thousand new shares at par to the company's shareholders.

**Howe Sound and Northern Development Company, Limited.**—\$100,000 6 per cent. debentures at 95 and accrued interest.

**Montreal Amusement Company, Limited.**—\$200,000 7 per cent. cumulative preferred stock at par and bonus of 50 per cent. common stock.

**Abitibi Power and Paper Company, Limited.**—\$250,000 7 per cent. cumulative preferred stock at \$945 a share, with 50 per cent. bonus common stock. (This issue was announced but later was postponed.)

**George and Barker Salmon Packing Company.**—\$150,000 first mortgage 6 per cent. 15-year sinking fund gold bonds at 98 and interest. The bonds are guaranteed by the British Columbia Packers Association.

JULY DIVIDEND CHANGES.

**Tooke Brothers, Montreal,** deferred its dividend of 7 per cent. on their preferred stock.

**Mortgage Corporation of Nova Scotia.**—Declared a dividend of 1½ per cent. on the paid-up capital for three months, ending June 30th, 1914, payable August 1st.

NEW STOCK EXCHANGE LISTING.

The following security issue was listed during July:—

**National Breweries, Limited.**—22,543 shares common, 27,750 shares preferred and \$2,000,000 bonds on Montreal Stock Exchange.

Mr. James M. Robertson, formerly vice-president of Thomas Robertson and Company, Limited, has been elected to the presidency rendered vacant by the death of the late Mr. James Reid Wilson. Mr. John Wilson, son of the former president, becomes vice-president and Mr. S. R. Brewer has been elected to the vacancy on the board.

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Manager

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Security .. \$29,600,000



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Established 1859


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Liabilities do .....	435,913.64
Surplus do .....	559,122.19
Security for Policy Holders....	1,022,235.01

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HEAD OFFICE ... WINNIPEG

**Hudson Bay Insurance Co.**


Head Office .. VANCOUVER, B.C.

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Authorized Capital .. ..	\$2,000,000.00
Subscribed Capital .. ..	872,400.00
Paid-up Capital .. ..	188,080.00
Net Cash Surplus .. ...	107,041.60
SECURITY TO POLICYHOLDERS ...	979,441.60

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REPAYMENT OF MUNICIPAL LOANS

Administration of Sinking Funds—Mortgage Not as Safe an Investment as Municipal Bond

BY S. P. GROSCH.

(Conclusion).

In investing sinking funds it should always be remembered that they are trust funds and should be administered as such. The keynote to all investments should be security rather than large returns. It is really money set aside for the holder of the debentures in order that he may rest assured that when the time for repayment arrives there will be sufficient money ready and waiting to retire the loan. It is a fund that when invested should be in securities of like safety to the original loan itself.

The investments should not be restricted to one kind of security, but should be in different kinds of securities not centred in one locality, but spread over as large an area as possible. Personally, I am very much in favor of investing in the debentures of other municipalities, school districts, and government securities, rather than in mortgages. If mortgages are taken at all they should be taken on only gilt-edge revenue producing properties, with a limit of approximately one-third of the appraised value of the property. The mortgages should be taken preferably on lands outside the limits of the local authority making the investment, in order that the investing area may be extended and all local feeling removed.

**Mortgage Not As Safe.**

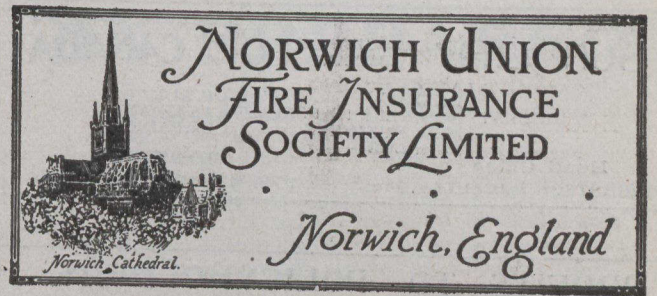
Generally speaking a mortgage is not as safe an investment as a municipal bond, which has all the taxing powers behind it, and is a first charge on all rateable property, and is therefore prior to the mortgage itself. If taxes are not paid the mortgagee must advance or cause to be advanced the amount of such taxes to protect his security, and in making payment of taxes the mortgagee is in part assisting the municipality in paying its bond indebtedness. Moreover, although there are occasional delinquents who have not paid their debenture coupons as promptly as might be desired, since the inception of the province of Saskatchewan, there has not been a single municipal or school bond repudiated. The same statement cannot be made in respect to mortgage investments.

When investments are made in such a manner as to spread over an area, little less in extent than provincial, the security then becomes, in respect to area, an almost provincial security; and if loss were sustained in any particular locality it would not wipe out the fund, as would be the case if all were invested in that particular locality.

**Small Amounts Handled.**

In Saskatchewan a large portion of the indebtedness of local authorities has been incurred during the last decade. Sinking funds have been accumulating for a comparatively short period. Local authorities have not as yet been called upon to handle large amounts for investment; these amounts will increase from year to year, and will bring with them more difficult problems for solution in respect to their administration. Up to the present, no mistakes have been made which are insurmountable, but sinking funds generally have been administered with care and with a view to safety; let us not forget, however, that like the credit of individuals, municipal credit rests upon confidence and such confidence rests upon the performance by local authorities of the obligations which they have undertaken, the businesslike manner in which they consider the repayment of their loans, the method in which they administer their sinking funds and conduct their affairs at large.

Mr. C. F. Just is Canada's trade commissioner at Hamburg and it is hoped he is now out of the war zone. Mr. Just is an enthusiastic Canadian and an efficient commissioner, and a proficient linguist. His brother, Sir Hartman Just, is a high official in the British Colonial Office and was a visitor to Canada a few years ago. Another brother is associated with the Canadian Appraisal Company at Montreal.



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Deposited with Canadian Government and Government Trustees, over.....	Revenue, over.....	7,900,000
7,000,000	Bonus declared.....	40,850,000
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(Staff Correspondence).

Vancouver, August 15th.

The first serious effect of war on the Pacific coast is the shutting down of the Granby Company's works at Grand Forks. The Granby has its smelter, the largest in the British empire, there, bringing the ore from its mines at Phoenix. It has been operating full capacity, but with the order forbidding the export of certain products, it will not be able to sell its output. The works up the Coast, started not long ago, and which have proved profitable, have not closed yet. The Britannia mine on Howe Sound, close to Vancouver, treats about the same kind of ore as the Granby, but no announcement has been made by that concern yet. It was getting ready to work on a larger scale. Any cessation as a result of the war will be only temporary.

#### Mining Conditions Were Good.

Reports from the interior are that conditions were never better in the mining districts, and it will be regrettable if any setback is received. A recent visitor to the Kootenay lake country told *The Monetary Times* that the old Ainsworth camp is taking on new life. There are 500 people there now, with three hotels and three stores. The Consolidated Mining and Smelting Company is working the No. 1, the Highland and the Maestro, while three other propositions are being operated by other parties. The success of the Consolidated throughout the whole district has been an incentive to more active operations. At Sandon, the Surprise mine is prophesied to become another Standard, one of the big silver producers on the continent.

Notwithstanding momentous current events, the big fairs on the Coast will be held as usual. Vancouver's fall exhibition is booked for September 3-12, and preparations are in hand to make it the largest yet. At Victoria, the Dominion exhibition will be held this year, and as conditions are good on Vancouver Island the fair should be successful. Then there is the usual provincial fair at New Westminster.

#### Trade With Australia.

During the past two or three weeks there have been two or three indications of efforts to increase trade relations with Australia. Mr. G. Gunnerson, principal of the firm of Gunnerson and Company, of Melbourne, was here a few days ago, before proceeding south. He is trying to arrange for direct shipments of British Columbia lumber to Australia. That country consumes 170,000,000 feet annually, the chief exporter being the United States, with Norway and Sweden second. British Columbia has shipped considerable lumber through agents in San Francisco. This week a representative of a San Francisco firm was here arranging for the shipment of a couple of cargoes from a local mill to Australia about the end of the year.

Another visitor is Mr. P. E. Quinn, trade representative at San Francisco of New South Wales. Although the time is not altogether auspicious, he will establish a trade office for his government at this port. New South Wales is at a disadvantage in the Canadian markets compared with New Zealand which has a reciprocal tariff, but Mr. Quinn thinks when election matters are settled in Australia, tariff negotiations will be commenced again.

#### Grain Growers at Kamloops.

Mr. A. W. Switzer, organizer for British Columbia for the Grain Growers Company, of Winnipeg, states that the company will build an elevator, feed mill and a cleaning and sacking plant at Kamloops if reasonable support is forthcoming. The location of the plant has not been decided, but if the ranchers of the Kamloops district will support the association sufficiently to cover the fixed investment necessary, the company will provide the capital for carrying the stock, buying grain and transacting general business.

The Imperial Oil Company, a Standard Oil concern, is active at the head of Burrard Inlet. About \$750,000 are being spent there, and the company will have a wharf 750 feet long, with slips for the smaller craft. Three hundred and fifty men are at work at the site.



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## TRADE AND SEA MASTERY

### Keep the Ship Lanes Clear—What British Authorities Say

The man of commerce the world over has been able to appreciate in the past two weeks what the quiet presence of the British navy has meant to commerce in past years. The British Admiralty has said to the trawlers of England's east coast, "You may resume your fishing operations," and they sailed the North Sea. When the Admiralty gave other news the ships remained in port. "The ocean route is clear from Montreal to Liverpool and any ship can sail when she pleases in perfect safety." That was the announcement of the collector of customs at Montreal last week. The navy was patrolling the beat. A week after England and France became engaged in the struggle, an investment of approximately \$700,000,000 in shipping trembled and stood still. Exporters would not do business until the financial horizon was cleared and even then they would not ship until they knew the navy was doing its quiet work in a more grim manner than usual.

The United States, the only great commercial country not engaged in the war, is just as anxious as other countries for the maintenance of trade routes by the British navy.

#### Mastery of the Sea.

Says a Boston writer:—"An open ocean is now the vital need. It should come soon—somehow. Until there is sea security, the world's commerce will shrink from salt water. Physically there will be few ships available; and, financially, relatively still less exchange. An end to that deadlock is devoutly to be wished by buyer and seller, non-combatant and belligerent. Mastery of the sea would be to Germany as invaluable as it is improbable. But save for a miracle, or a series of them, it will unquestionably fall to England, supported by her allies. And to the rest of the world this outcome would work vastly to the more advantage. The plain if brutal economic as well as military truth is that the best thing for everybody save Germany would be the speediest possibly crippling or bottling up of the German war fleets."

#### Foodstuff Prices Rise.

A representative of the London Financier has gathered the views of English firms connected with the import corn and shipping trades, and the following expressions of opinion have been elicited:—

"In the event of our being at war with any naval Power it would inevitably follow that the prices of all foodstuffs in the United Kingdom, whether imported or not, would rise considerably.

"The British government is at least in as good a position regarding the importation of foodstuffs as any other belligerent would be. Perhaps better, as we should certainly be far stronger at sea than any other country. Concerning insurance, it is quite impossible to make any sort of forecast as to how things might go, as the rates would change from day to day according to the circumstances, and the insurance rates would have a very direct bearing on the course of prices: but, there again, the importers of foodstuffs into other European countries would, in all probability, be in a worse position than the British importers, simply for the reason that the British Navy would be able more effectually to look after our mercantile marine than would be the case with Continental nations."

#### As to Transatlantic Supplies.

Another authority remarked: "Even during war the financial considerations would to a large extent dominate the situation—if we could offer higher prices for wheat, for example, than other belligerents, or if the market here was regarded as safer and surer, we should get the wheat in preference to anybody else. Then, again, assuming that the British and French navies, would be able to dominate the Mediterranean, which no doubt they would, India would be a great strength for us in the matter of wheat. There would be, I suppose, no question at all of any interference with British commercial vessels anywhere east of Suez, so that both France and England would have little to fear as regards importations from the East.

"On the other hand, Germany, if at war, might have to depend very largely upon the Hungarian supplies of grain, and, as she would be in a position of very great difficulty with respect to over-seas supplies, the German food prices

would be likely to rise quite as much, and more quickly, than ours. Looking at the prospect of very heavy wheat imports from the United States after the next harvest, it is obvious that our Transatlantic supplies—from the United States and Canada—might be heavier than usual, and a moderate increase in the price of wheat in the British market would undoubtedly attract every available sack of wheat that could be had from those sources, and on the Atlantic it seems very improbable that there could be any effective interference on the part of the enemy's vessels. Meat supplies from the Argentine, again, would incur hardly any risks, and if prices rose much, it would be a matter of sentiment rather than danger.

#### Regarding the Hostile Navies.

"It is practically certain that the hostile navies would be quickly placed on the defensive, if they were not altogether bottled up in their ports. Another advantage we should have would be this, that, owing to the vast superiority of the British Navy in the matter of numbers, we should have far less difficulty in providing convoys, if necessary, than any other nation, and this would naturally have the effect of moderating the insurance rates. It appears to me that it is more than likely that, so far as prices do rise in this country, whether we go to war or not, that it will be more the effect of sentiment and the eagerness of merchants to take every advantage of every excuse for a profit than any real risk of interference with our oversea trade."

### COMPANIES CHANGING NAMES.

The following companies in Alberta have changed their names:—

The Producers Petroleum Company, Limited, to the Soo Pacific Oils, Limited. The North-West Lumber Company, Limited, to Alberta North-West Lumber Company, Limited.

### COMPANIES REGISTERED.

The following companies have been registered to do business in Alberta:—

The North British Canadian Investment Company, Limited, of Glasgow, Scotland. Regina Oil and Gas Company, Limited. Saskatchewan Petroleum Company, Limited. Winnipeg Insurance and Vessel Agency, Limited, of Winnipeg. W. D. Head Drilling Company, of Los Angeles, Cal. Norris Commission Company, Limited, of Winnipeg. Coomac Oil Fields, Limited, of Toronto.

The following company has been registered to do business in British Columbia:—

Usca Investment and Securities Company of Indianapolis, Indiana.

### COMPANIES INCREASING CAPITAL.

The following companies in Alberta have increased their capital stock:—

The Eagle Oil Company of Calgary, Limited, from \$10,000 to \$500,000. The Dominion Oil Company, Limited, from \$10,000 to \$1,500,000. The Press Publishing Company, Limited, from \$100,000 to \$150,000.

The following company in Prince Edward Island has increased its capital stock:—

The Magic Silver Black Fox Company, Limited, from \$190,000 to \$500,000.

The following companies in Ontario have increased their capital stock:—

Gilson Manufacturing Company, Limited, from \$50,000 to \$100,000. The Ives Modern Bedstead Company, Limited, from \$150,000 to \$250,000.

The following companies with Dominion charters have increased their capital stock:—

The Robert White Company, Limited, from \$250,000 to \$300,000. Wilt Twist Drill Company, of Canada, Limited, from \$150,000 to \$200,000.

# Good Times Ahead

**T**HE sudden breaking out of war caused many to "run to cover." Like the chicken on whom the rose leaf fell, some of us became a prey to fear and were ready to declare "the sky is falling."

Now our vision is clearing, our alarm has fled, we have recovered our poise and our courage. We are seeing, also, our opportunity. Swiftly and almost overwhelmingly has come to us the perception of the fact that the competition of Continental Europe has been taken away. We are faced with a condition and an opportunity both tending to our advantage as a country of industry, agriculture and trade. Good times are ahead, if Canada and Canadians see and seize the present opportunity for enlarging their industries and trading.

We must be careful

We must have courage

## OF THE CLOSED STOCK EXCHANGES

### New York Trading for Cash—No Panic in London

The special committee of five of the New York Stock Exchange have ruled that members of the Exchange desiring to buy securities for cash may send a list of the same to the committee on clearing house, giving the amount of securities wanted and the prices they are willing to pay. No offers to buy at less than the closing prices of Thursday, July 30, will be considered. Members of the Exchange desiring to sell securities but only in order to relieve the necessities of themselves, or their customers, may send a list of the same to the committee giving the amounts of securities for sale. No price less than the closing prices of Thursday, July 30, will be considered.

A somewhat similar arrangement is under consideration by the authorities of the Montreal and Toronto exchanges.

#### Cash Basis in London?

London brokers are said to be favorable to a resumption of cash business in a limited list of securities on the lines of Paris Parquet. In the meantime brokers are increasingly active. Bankers have not relaxed pressure upon the Stock Exchange committee to restart limited cash dealings. Brokers have been circularizing clients, giving lists of securities for which buyers and sellers are available, and there has been a good response.

Canadian Pacifics have been sold privately, it is said, at 162, consols at 70.

#### No Panic Overseas.

That the London Stock Exchange was free of panic up to the Friday on which business was ordered to be suspended entirely by the committee, is the statement of the correspondent of the London Economist, who says:—

"The announcement of Friday morning, made soon after 10 o'clock, that the Stock Exchange would be closed until further notice came as a final thunderclap in the ears of

members. Excited crowds thronged Throgmorton Street, and the committee's action was said to be due to the fact that the postponement of the Paris settlement, already announced, would have caused the hammering of dozens of London firms having accounts open with that centre. So the committee stepped in, closed the House sine die.

"The Stock Exchange insist that up to Friday there was no panic in the real sense of the word. Nor was there, because to the House eye there were none of the scenes associated by tradition (as well as by the dictionary) with that word."

## CANADIAN BANKER ON DUTY.

Mr. H. A. Richardson, general manager of the Bank of Nova Scotia, and Mr. W. P. Hunt, manager of the Montreal office, have returned to Canada after a two months' trip abroad, partly in connection with the proposed branch of the bank in London. Owing to the present situation, arrangements in regard to this branch have been postponed.

In an interview, Mr. Richardson said:—"There is not unlikely to be considerable distress in Great Britain, through unemployment, and the calling of wage-earners to the front, indeed we may have some troubles of our own in that connection, and it is only fair and human that we in Canada, who can afford it, should assume some part of the responsibility of assisting the families of the men who are literally fighting our battles. The press throughout the whole Dominion may well bend its energies to persistently emphasizing the duty of our citizens; that they should do nothing that might tend to hamper the normal working of our financial and commercial machinery, but rather make any sacrifices to keep conditions healthy and sound, thus enabling us to do our full share in assisting the Mother Country to come through this crisis with flying colors."

The war risks insurance office reduced the rate on cargo insurance from 4 to 3 guineas per cent. on Tuesday.

# EVENTS AND PHASES OF THE BOND MARKET

## United States' Opportunity as Banker—Saskatchewan Mortgage Bonds Cannot Be Floated—Montreal's Issue.

CANADIAN municipalities are looking to the United States for funds. With the prevailing conditions in Europe, it is impossible to raise loans in Great Britain. The last municipal flotation overseas was that of South Vancouver early in July. The amount was £223,287 5 per cent. consolidated stock, at 91. In June, the city of Moose Jaw made a private sale in London of \$465,000 5 per cent. debentures. This week a bond house of Montreal has offered to market a loan of \$7,300,000 for that city in New York. The price is 96.

Despite the attitude of the United States government respecting loans to European governments engaged in warfare, it seems improbable that Washington will frown upon the bankers who undertake to help to finance Canada's peaceful enterprises. In the early part of last century the United States depended on Europe, and especially on Great Britain, for most of the new capital needed for its development. To-day the accumulations of the United States people are greater than those of any other nation. It is true that additional amounts of foreign capital are still invested in the United States, but the amount is insignificant in comparison with the

country's own savings. The wealth of the United States is growing, according to Sir George Paish, at the rate of about \$7,000,000,000 per annum, whereas the investments of Europe in the country rarely exceed \$300,000,000 in a single year.

The annual growth of banking deposits in the United States in normal years is about \$1,000,000,000; the issues of new capital by subscription, so far as the amounts are ascertainable, are about \$3,000,000,000; and the sums spent on buildings in the leading cities of the country alone reach \$1,000,000,000. Allowing for a certain amount of duplication in these totals on the one hand and on the other for the large sums spent in buildings in all the small cities and villages, upon farm improvements, new factories, mines, lumber propositions, additional stock and machinery, etc., the rapidity with which the wealth of the United States is growing will be evident. There is an excellent opportunity for the United States to strengthen financial relations with the Dominion. Canadian banks and bond houses will continue to do their share of the business as in the past, but obviously the temporary loss of Great Britain as a buyer of Canadian securities should benefit the United States.

### NEARLY SEVEN MILLIONS AUTHORIZED

#### Saskatchewan's Local Government Board Has Been Busy—Some Municipalities Lax

Municipal officials are fully aware that in many respects, especially as to the successful financing of municipal enterprises, announces the Saskatchewan local government board, their interests are closely interwoven with those of the dealer in municipal securities. To protect those interests it is necessary to maintain a high standard of credit, and the greater the efforts to show that the administration of the affairs of the municipality are carried on in a systematic, economical and business-like manner, the more favorably will it be regarded when looking for loans for carrying out such improvements and enterprises as are necessary and legitimate.

The Saskatchewan local government board stands in a way as the intermediary between the municipality and the bond buyer. It therefore behoves the municipality to assist the board, and thereby assist themselves, by keeping it posted as to their position in every respect, at the same time sparing no pains in their efforts to keep their affairs in such condition as to reflect credit upon those responsible, and then use every means available to exhibit them, thus enhancing their credit by establishing public confidence in such debentures or other securities as they may have to offer.

#### Municipal Officials Must Help.

The board has now been operating for a period of seven months, and during that time many problems have come before it, some of them of a most perplexing nature. In dealing with them it is frequently hampered by an apparent disposition on the part of some officials in submitting their requirements, to furnish such information only as they consider necessary for the accomplishment of their object. It is not believed that this is done deliberately, but rather from a lack of comprehension of the methods of the board, and in some instances from a failure on the part of officials to post themselves on the legislation governing the various local authorities. On account of this municipalities contemplating the borrowing of money by way of debenture often encounter delays which are attributable solely to their failure to accompany their applications with such information as

will enable them to be dealt with promptly and intelligently. It is, therefore, desirable that when a debenture loan is in contemplation by a municipality that the first step be to apply to the local government board for instructions as to what information should be submitted with the application. These instructions will be given in every case and without doubt will result invariably in expediting the matters to which they relate.

#### Must Provide Funds First.

It has come to the notice of the board that many municipalities, more particularly villages, are in the habit of doing work on capital account without first providing the necessary funds for the purpose.

Up to the present the board has been indulgent in dealing with cases of this kind, the irregularities in most instances having occurred previous to the commencement of its financial supervision. In future municipalities should bear in mind that when works are decided upon to be paid for by way of the issue of debentures, that it is absolutely necessary to procure the sanction of the proper authority before beginning operations, and further that moneys raised by this means for a particular purpose must be applied to that purpose and positively to no other.

#### Loans Authorized by Board.

The following is a summary of loan applications which have been dealt with by the Saskatchewan local government board from January 1st to July 31st, 1914:—

	Applications received.	Amount.	Loans authorized.
Cities . . . . .	67	\$5,189,263	\$4,359,657
Towns . . . . .	51	947,848	387,850
Villages . . . . .	39	113,100	81,300
Rural municipalities . . . . .	29	208,290	133,500
School districts . . . . .	291	1,130,100	1,008,850
Rural telephone companies	145	833,400	831,200
	622	\$8,422,001	\$6,802,357

There can be no mitigating circumstances to excuse the diverting of debenture funds from the purpose for which they were raised, and the board will be compelled to deal with cases of this kind, with the sole view of enforcing proper methods of financing, without favor to any particular municipality.

**SASKATCHEWAN'S MORTGAGE BONDS.**

Premier Scott of Saskatchewan has written a letter to the Grain Growers' Association at Pinkham, regarding the Saskatchewan co-operative farm mortgage act. Mr. Scott says that the total demoralization of the money situation by the present trouble in Europe practically destroys all possibility of hope of the act being brought into operation this year.

The act contemplates the procuring of most of the necessary moneys by the sale of the co-operative company's bonds in London. "Our home savings available for investment in those bonds," says Mr. Scott, "cannot be expected to supply beyond a very limited amount of the total moneys required. Most of the bonds for a time at least must be disposed of to the same investors who buy our government and railway company bonds. These investors are on the far side of the Atlantic. Everyone in any degree conversant with such matters will readily see how important it is, keeping an eye open to the future success of the co-operative money scheme, that it shall not be damaged at the start by having its first bond issue floated when the market is unfavorable.

"The success of subsequent issues will certainly depend considerably on the fate of the first issue. For months past the market conditions have been so bad that both governments and railway companies have hesitated to offer bonds for sale, bonds which are a regular and well-known article to the Old Country subscriber. The co-operative company's bond will at first be of necessity a new and unknown article, and in comparison will, therefore, need an unusually favorable market at the outset. It follows that it would be a fatal mistake to bring the scheme into force at a time like the present when the market is in the worst possible condition."

**MONTREAL IS OFFERED NINETY-SIX.**

The firm of St. Cyr, Gonthier and Frigon, Montreal, have submitted an offer to the board of control to place the proposed loan of \$7,300,000 in New York. The offer is 96 net to the city. Comptroller Hebert stated that this price was conditional, but he thought it would be realized. He stated that the board of control at once accepted the offer as in their opinion, as well as that of Montreal bankers, it was useless to think of going to the London market this year for any kind of a loan. The bank commission is to be one-tenth instead of one-eighth of 1 per cent. If the terms of the loan are accepted in New York, the sum of \$3,000,000 would be paid now, and the balance in 30 days.

The loan of \$7,300,000 is the second half of the city's borrowing power of about \$13,000,000 for the current year. The rate is 4½ per cent. for 40 years.

**MUNICIPAL BOND MARKET**

**The Monetary Times' Weekly Register of Municipal Activities and Financing**

**Edmonton.**—The city's short term issues this year amount to \$2,000,000. They are six months notes discounted at 6 per cent. by the bank and are against taxes.

**Galt.**—The ratepayers have passed two by-laws, one for a loan of \$12,000 to the Galt Machine Screw Company, and the other for \$20,000 to be spent on roads and machinery.

**Saskatoon.**—Over \$600,000 of this year's taxes have been paid. During last month alone, the amount received totalled \$310,000. Thus, the larger portion of 1914 taxes have already been collected.

**Hamilton.**—Four money by-laws were defeated this week. They were to raise \$175,000 for trunk sewers in the eastern part of the city, \$50,000 for east and west end branches of the library, \$125,000 for improvements to the city hospital and \$75,000 for purchase of a stone quarry.

**New Toronto.**—The contract for a waterworks system has been signed. The estimated cost is \$41,000. Bonds to the extent of \$7,800 have been taken by the Roberts Filter Company, of Philadelphia and the balance by private interests in New York.

**Montreal.**—The board of control will recommend the postponement of certain public works. Comptroller Hebert

has stated that by acting prudently and by means of temporary loans the city can meet its obligations until the financial conditions are improved sufficiently for the completing of the loan of \$7,300,000. He added that he is opposed to going into the money market at present as, with each point lost on the loan, the city would be deprived of \$73,000.

**Alberta.**—The following school districts have been authorized to borrow money:—Glenmore, No. 114, \$5,000. Milton Williams, Box 1658, Calgary; New Home, No. 2911, \$350. Frank Loos, Minda; Austro-Ruthenian, No. 2954, \$1,000. C. V. Larson, Landonville; Garth, No. 3039, \$1,200. John L. Webster, Garth; Miquelon, No. 3067, \$1,000. S. H. Dunham, Tofield; Battle Heights, No. 3090, \$1,500. Geo. W. Madder, Wainwright; Chilmark, No. 3102, \$1,000. Bert Kelso, Chilmark, via Clemens; Ryerson, No. 3113, \$1,500. D. H. Campbell, Youngstown; Portobello, No. 3146, \$1,000. John Elder, Millet.

**Calgary.**—In a statement prepared by acting city clerk Barnes in connection with the sale of bonds by the city, it is shown that the council has on hand for disposal, bonds to the amount of \$1,452,000, made up as follows:—Exhibition buildings, \$360,000; waterworks extensions, \$250,000; bridges, \$452,600; electric light and power extension, \$300,000; street railway sub-base, \$90,000. The general debenture debt of the city is \$13,395,310, from which is deducted the following items:—Sinking fund, \$1,252,826; waterworks debentures, \$3,335,200; electric light debentures, \$2,227,000 and street railway debentures, \$2,280,510, leaving the net debenture debt, \$4,299,774.

**Calgary.**—The offer of the city to furnish for active service, a military unit, preferably of mounted men, probably will necessitate a vote of the ratepayers on a by-law to borrow sufficient to make, with public subscriptions, the \$500,000 required. As soon as arrangements are completed, this will be done. Mayor Sinnott is advised that the city is likely to receive shortly the proceeds of half a million dollars worth of debentures which were sold in London before the declaration of war, and of which sale he has just heard. This means less stringency than was anticipated. The commissioners will, however, adhere to their policy of conservatism.

**Toronto.**—City treasurer Patterson has issued his annual statement for 1913, showing receipts amounting to \$47,564,155.28, and disbursements of \$42,758,383.39. The amount of cash on hand and in the banks at the end of last year was \$4,805,771.89. City auditor Sterling, reporting on the audit of the treasurer's books, gives the following figures to show the magnitude of the city's gross financial transactions:—Debits, \$106,532,606; credits, \$106,533,736; bank deposits, \$43,163,724; bank withdrawals, \$41,633,342. Regarding the hydro-electric finances, he says that the hydro-electric system, apart from the sinking fund rates, owes the city, for interest due and accrued to 31st December, 1913, \$274,126. In reference to the hydro report that the city maintained the sinking funds and that these obligations, totalling \$289,211.16, were properly charged against and assumed by the hydro, the auditor says that the hydro system should pay over to the city that amount so that the fund can be reported as existing either in cash or high-grade investments. The summary of the current assets and liabilities is as follows:—Liabilities, \$31,508,346.23; assets, \$31,061,410.23; deficit, \$446,936. The balance sheet of December 31, 1913, however, gives the city a surplus as shown by the following figures:—Assets, \$86,558,914.90; liabilities, \$76,853,743.62; surplus, \$9,705,171.28.

**Regina.**—The following is a list of debenture applications granted by the Saskatchewan local government board and the applying treasurers:—

School Districts.—Cupar S.D., No. 972, \$11,000. Geo. Penfold, Cupar.

Rural Telephone Companies.—Rainton, \$6,300. J. W. Smith, Rainton; Cedoux, \$5,000. C. Bierma, Cedoux.

Cities.—Swift Current, \$112,005.30. Geo. D. Arnott, Swift Current; Swift Current, \$15,124.37. Geo. D. Arnott, Swift Current.

**Regina, Sask.**—The following is a summary of applications for borrowing powers for authorization by the local government board of Saskatchewan from August 7th to August 13th, 1914:—

	Received.		Authorized.	
	No.	Amount.	No.	Amount.
School districts . . . . .	4	\$ 31,000	1	\$ 11,000
Rural telephones . . . . .	2	11,300	2	11,300
Towns . . . . .	3	43,306.50	..	.....
Cities . . . . .	1	127,129.67	1	127,129.67

# DIVIDENDS AND NOTICES

## THE CANADIAN BANK OF COMMERCE

### DIVIDEND NO. 110

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 the 31st August next, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st September, 1914.

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

By order of the Board,

ALEXANDER LAIRD,  
General Manager.

Toronto, July 17th, 1914.

## 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 three months ending 31st July, 1914, and that the same will be payable at its Banking House in this City, and at its Branches, on and after Tuesday, the First day of September next, to Shareholders of record of 31st July, 1914.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR,  
General Manager.

Montreal, 21st July, 1914.

## THE ROYAL BANK OF CANADA.

### DIVIDEND No. 108.

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 Tuesday, the 1st day of September next, to shareholders of record of 15th August.

By order of the Board.

E. L. PEASE,  
General Manager.

Montreal, P.Q., July 21, 1914.

## CROWN-RESERVE MINING COMPANY, LIMITED.

### Dividend No. 55.

Notice is hereby given that a dividend of 2 per cent. for the month of August has been declared, payable the 15th September, 1914, to shareholders of record the 31st August.

Transfer books will not be closed.

Dividend cheques will be mailed on the 14th September by our Transfer Agents, "The Crown Trust Company."

By order of the Board.

JAMES COOPER,  
Secretary-Treasurer.

Montreal, August 17th, 1914.

## OPPORTUNITY FOR UNITED STATES TRADE.

Mr. William H. Maxwell, Jr., representative of the London Times in North America, in an interview with the Central News Agency, said:—

"The consensus of opinion throughout Great Britain seems to be that this war is, as they term it, America's opportunity. The supplies of manufactured goods, for instance, hosiery, from Chemnitz and other German points has absolutely stopped and the American manufacturers being relieved of this low-priced competition will immediately feel the benefits of the whole British demand. The same condition applies to all lines of manufactures in which American producers have had to meet continental competition.

"Financial conditions in London began to improve the minute the London Stock Exchange was closed. The im-

## CANADIAN PACIFIC RAILWAY COMPANY

### Notice to Shareholders

The Thirty-third Annual General Meeting of the Shareholders of this Company for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the seventh day of October next, at the principal office of the Company, at Montreal, at Twelve o'clock noon.

### Special Meeting.

The meeting will be made special for the purpose of considering and, if approved, of authorizing an increase of the present authorized Ordinary Capital Stock of the Company by the amount of \$75,000,000, that is, from \$260,000,000 to \$335,000,000, in order to make it accord with the amount for which the Company has the sanction of Government, no portion of such additional stock to be issued however until the authority of the shareholders has been obtained at a Special General Meeting called for the purpose.

The common Stock Transfer Books will be closed in Montreal, New York and London at 3 p.m. on Friday, the twenty-first day of August. The Preference Stock Books will be closed in London at the same time.

All books will be re-opened on Thursday, the fifteenth day of October.

By order of the Board,

W. R. BAKER,  
Secretary.

Montreal, August 10th, 1914.

## UNION BANK OF CANADA

### DIVIDEND 110

Notice is hereby given that a dividend at the rate of 8 per cent. per annum on the paid-up Capital Stock of this Institution has been declared for the current quarter, and that the same will be payable at its Banking House in this city, and also at its branches, on and after Tuesday, the first day of September next, to Shareholders of record of August 17th, 1914.

By order of the Board.

G. H. BALFOUR,  
General Manager.

Winnipeg, July 15th, 1914.

## LAKE OF THE WOODS MILLING COMPANY, LIMITED

### Dividend Notice

Notice is hereby given that quarterly dividends of 1¾% on the Preferred Stock and of 2% on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, have been declared, payable on Tuesday, September 1st, 1914, to Shareholders of record at the close of business on Saturday, August 22nd.

By order of the Board.

R. NEILSON,  
Assistant-Secretary.

portant failures were occasioned by the failure of continental remittances to meet the various London firms. This condition taken together with the slump in prices of securities of weaker countries has thrown the stability and intrinsic value of American securities into high relief. The disposition seems to be to regard American securities as the safest and soundest in which European investors can put their funds. Even when this present war is over it is feared that in several of the continental countries there will be severe internal disturbances which will make it absolutely necessary for continental investors to put their securities and funds in some safe harbor. This will mean the aggrandizement of London and New York and the safest financial centres in the world. Every advantage should be taken of this opportunity by American corporations and bankers to push their propaganda for the sale of American securities in Europe."



**GRENFELL'S DEBTS.**

At a meeting in London of the creditors in bankruptcy of Arthur Grenfell, chairman of the Canadian agency, he estimated his unsettled liabilities at £160,000, and returned Canadian Agency, Limited, as an unsecured creditor for £140,000 of that amount. In connection with the claim of the Canadian Agency, Limited, proof of debt had been lodged for £1,009,121, less securities valued at £153,083, thus reducing the net claims to £856,038.

The debtor disclosed as assets cash at bankers, £100; personal book debts, £300; household furniture, £12,000; equity of redemption in Roehampton house, value uncertain, and various share certificates.

He attributed his present position to the failure of the Canadian Agency, Limited, and to the present political crisis.

Grenfell intends to propose a composition, and the meeting was adjourned until November.

**SOME REAL ESTATE PRICES.**

Settlements with owners of property taken for the Erie Terrace widening were reported to the Toronto board of control by assessment commissioner Forman as follows:—

- Miss Margaret Pantalau, \$42.10 for 210.5 square feet.
- John E. Love, Erie Terrace, \$39.66, for 198.3 square feet.
- John Greenless, Ashdale Avenue, \$42.82, for 214.1 square feet.
- Edward Knott, Ashdale Avenue, \$88.64, for 443.2 square feet.
- Harry Long, Ashdale Avenue, \$71.32, for 356.3 square feet.
- Samuel McComb, Ashdale Avenue, \$102.70, for 513.5 square feet.
- Greenwood Hargreaves, Ashdale Avenue, \$105.70, for 528 square feet.
- Thomas E. Crisp, 307 Ashdale Avenue, \$110.92, for 179.6 square feet.
- Mrs. Mary Mulvaney, Ashdale Avenue, \$373.70, for 1,413.5 square feet.

**ISSUE OF ONE POUND NOTES.**

Notes of one pound sterling ceased to be legal in England in 1826. These and ten shilling notes are now being issued again. In the 18th century it was open to any person almost to issue notes for any amount, however small. Thousands of tradesmen issued them, for instance, and they became at last an intolerable nuisance. All this small paper currency was originally abolished in 1775. The preamble of the act gives an idea of the existing conditions:—

“Whereas various notes, bills of exchange, and draughts for very small sums have for some time past been circulated or negotiated in lieu of cash within that part of Great Britain called England, to the great prejudice of trade and public credit, and many of such bills and draughts being payable under certain restrictions, which the poorer sort of manufacturers [i.e., hand workers: the word had not yet reached its modern sense], artificers, laborers, and others cannot comply with, otherwise than by being subject to great extortion and abuse: be it therefore enacted that all promissory or other notes, bills of exchange, or draughts or undertakings in writing for the payment of any sum or sums in money less than the sum of 20s. in the whole which shall be made or issued at any time from and after the 24th day of June, 1775, shall be, and the same are hereby declared to be absolutely void.”

An act of 1777 abolished all notes under £5. When specie payments were suspended in the later years of the great war the £1 notes were allowed from year to year until 1826, when there was a re-abolition of notes under £5. Since then they have been illegal in England, though their re-issue has often been proposed, and it must be admitted that many of the objections to them, which were quite valid in the reign of George III., have now no force whatever. On the Continent and in the United States paper currency is used to an immensely greater extent than in Great Britain. Gold coin is rarely encountered in Canada, for instance.

**CONDENSED ADVERTISEMENTS**

Advertisements on this page will be accepted hereafter at the following rates:—“Positions Wanted” advts. one cent per word each insertion; “Positions Vacant,” “Agents or Agencies Wanted” advts. two cents per word each insertion; all other advertisements, three cents per word each insertion. A minimum charge of 50 cents per insertion will be made in each case.

**FIRE INSURANCE INSPECTOR** wants position; several years' experience from Coast to Coast; controls considerable tariff business; good record as canvasser.—Box 367, *The Monetary Times*, Toronto.

**A WESTERN PULP AND LUMBER PROPOSITION** being floated in Belgium and England, held up on account of war, and organizers would like to hear from Canadian financial firms in a position to handle proposition involving half a million dollars. Box 371, *The Monetary Times*, Toronto.

**CHARTERED ACCOUNTANT**, Canadian, age 36, wide experience during ten years' independent public practice, also law and engineering training, seeks engagement with chartered accountant firm or as chief accountant with financial or manufacturing or public service corporation. Capable manager and correspondent, active, successful; character and standing of the best. Ready September. Address Box 365, *The Monetary Times*, Toronto.

**Hornibrook, Whittemore & Allan**

General Insurance and Mortgage Agents ... **CALGARY**

Delaware Underwriters, Philadelphia. Equitable Fire & Marine Insurance Co. Germania Fire Insurance Co. of New York. National Provincial Plate Glass & General Insurance Co., Ltd. National Surety Co. of New York. Rochester German Underwriters Agency. Yorkshire Insurance Company Limited.

Agents wanted at unrepresented points in Alberta & Saskatchewan.

**DEBENTURES FOR SALE**

**TENDERS FOR WATERWORKS AND SEWER DEBENTURES.**

**TOWN OF NEEPAWA, MAN.**

Tenders, addressed to the undersigned, will be received up to Thursday, August 27th, 1914, for the purchase of \$7,500 waterworks and sewer debentures of Town of Neepawa as follows:—

Extension of waterworks system .....	\$2,609.34
Frontage tax sewers .....	4,890.76
Total .....	\$7,500.00

The debentures bear interest at the rate of SIX per cent. per annum, payable half-yearly on the first days of May and November, repayable thirty years from date of issue, and have Interest Coupons attached.

The highest or any tender not necessarily accepted.

J. W. BRADLEY,  
Secretary-Treasurer.

Neepawa, Manitoba.

Calgary oil exchanges are open and doing business again, though trading is light. With few exceptions all stocks are down and public interest is so taken up with the war that were it not that 15 wells are actually drilling, some of them day and night, oil developments might be thought at a standstill, which is far from being the case. The Herron Elder Company, whose smaller shareholders were adverse to amalgamation with the Consolidated, and at whose request an independent investigation was made into the company's financing, has emerged victorious from the inquiry.

## FOOD AND WAR PRICES

### Getting the Stuff Here and Length of War, are Important Factors.

The effect of the war on Canadian food trades is interesting. According to the current issue of the Canadian Grocer: "If the war does not actually interfere with the production of certain foods, the advance in others will cause such a sympathetic feeling that at least a great many of them will also be affected similarly."

"Foodstuffs," it says, "may be divided into two parts for the purpose of analysis here—imports and exports. While it is undoubtedly true that all foodstuffs coming from the Mediterranean will advance to a certain extent, the advance will be measured by the possibilities of getting the stuff to this country and the length of the war."

#### War Risks and Freight Rates.

"Apart from that altogether, the increase in rate of exchange, the rise in war risks and freight rates will have a tendency to advance prices all along the line. This advance alone equals 8 to 10 per cent. Should, however, the ocean routes be kept continually open, prices of products from countries not actually engaged in the struggle may not go very high, and especially those foods not actually required for the maintenance of life."

"But all foods that come to us from within the war zone will go up."

"As a direct result of the European war the following advances have already occurred on the Canadian wholesale market:—Sugar, 10 cents per cwt.; flour, 30 cents per barrel; rolled oats, 20 cents per cwt.; oatmeal, about 25 cents per cwt.; rice, 50 cents per cwt.; beans, 40 cents per bushel."

"Advances have also occurred in canned meats, future prunes, nuts, cream of tartar and other are possible in Mediterranean foodstuffs. English goods generally are up some 20 per cent. and French goods practically doubled."

#### Question of Transportation.

"If safe transportation is guaranteed vessels bound for Canada, products of countries not actually engaged in the war may recede. At time of writing cessation of transportation is having tendency to hold prices on this continent down and to cause prices in the East to be withdrawn or to advance."

"The tea market is unsettled. Three advances of 2 cents each are announced on London cables, and this applies to Ceylons and Indias particularly. In Canada opinions are divided as to whether importations can be made via Vancouver. In any event we should be able to get supplies from Japan either direct to Vancouver or through the United States. Coffee and spices should not be affected except by outside influences, but in all the markets there should be taken into consideration prospects for higher costs of transportation, increased rates of ocean insurance, higher exchange, etc."

#### Outlook is Not Serious.

"Generally speaking, the outlook is not a serious one in Canada so far as supply is concerned. There is little need for anxiety as regards staples, for this country produces much more than is consumed and there is an open border to the south. The United States will probably be the clearing house for food supplies in the event of a big European war, and Canada should have no trouble in getting what she needs even with England involved. This should apply to many imported lines as well. However, we may have to pay the price, not only for the foreign commodities, but for the home-grown as well, if England begins to call upon us for supplies."

Mr. W. B. Bierce, formerly connected with the defunct Ontario Fire Insurance Company in Ontario, and with other Canadian insurance companies at Vancouver, has returned to Detroit, Mich., to become manager of the agency founded by his father 46 years ago.

A meeting of shareholders in A. and F. Pears, Limited, will shortly be held to consider a proposal for amalgamation with Lever Brothers, Limited. By the directors' scheme, the present ordinary shareholders in Messrs. Pears, who have been receiving a 10 per cent. ordinary dividend, will become holders of preferred ordinary stock, yielding 12 per cent. The business will be carried on under the same name as hitherto.

## BANK OF ENGLAND GOLD

### New York Financiers Talk of the Arrangement Made with Ottawa

The arrangement of the Bank of England to deposit gold at Ottawa, described fully in *The Monetary Times* last week, has aroused great interest.

One of the most important dealers in foreign exchange in New York city says: "The deposit of Bank of England gold at Ottawa in preventing the transfer of gold across the high seas will preserve the world's stock of gold. If gold were shipped and sunk, it could not be replaced, but would be a total loss. If the gold on the Kronprinzessin Cecilie had been sunk, it would have swamped Lloyds or any other insurance concern, and there would have been nothing in place of the metal. The preservation of the gold supply is therefore of the utmost importance."

"A fall in exchange as soon as commodities and grain are purchased in quantity through the deposit of gold at Ottawa is absolutely certain. There has never in history existed foreign exchange favorable to a country at war, and as soon as present balances are satisfied, exchange must become unfavorable to England. How soon the bottom will drop out of the exchange market, I cannot predict, but all wise managers are protecting themselves against the contingency."

#### Much Gold to Ottawa.

Mr. A. J. Hemphill, president of the Guaranty Trust Company, says that \$5,000,000 gold shipped by the company on the Kronprinzessin Cecilie and returned to it last week, ultimately will be forwarded to Ottawa in accordance with the arrangement whereby deposits with the treasurer of the Dominion of Canada may be credited to the Bank of England.

"The Bank of England has a moral claim upon the gold," Mr. Hemphill added, "notwithstanding the inability of the steamship company to deliver it in London. The Bank made commitments against it as soon as the gold was engaged in New York. In my opinion all of the \$10,600,000 gold returned by the Kronprinzessin Cecilie will be sent to Ottawa."

#### Will Pay Debts.

A well-known international banker in New York stated that the arrangement would allow the shipping of gold to the credit of the Bank of England without paying exorbitant rates of insurance or running the risk of a confiscation of the gold as contraband.

"As far as I know, no New York banker has availed himself of this new facility. It is a problem whether or not we should take advantage of it. What we are all working for is the establishment of such international exchange relations as will permit us to export our products, to find a market for our grain, cotton, steel, copper and merchandise. Assume that we send gold to Ottawa, we derive no future benefit from it. We will have depleted already inadequate bank reserves and have simply paid out money which will bring us no return in the future. We must, of course, pay what we owe. We always have. But since England has declared a moratorium, we can certainly take a little time now, time enough in any event to endeavor to perfect a plan whereby our obligations may be met in products we have for sale."

A London despatch says \$100,000,000 in gold may go to Ottawa, as a result of the Bank of England arrangement. Authorities here are sceptical regarding the probability of such a large sum being shipped.

## BUY MUNICIPAL DEBENTURES NOW.

In issuing a list of odd amounts of Canadian municipal debentures, the Dominion Securities Corporation, of Toronto, says:—"For the person seeking a safe investment, one which will give relief from the anxiety and care of such times of stress as are prevailing now, municipal debentures provide a splendid medium. Government and municipal obligations have a record for safety surpassing that of any other form of investment." The prices quoted are lower than usual and present an opportunity, particularly to the man of small or moderate means, to obtain safe investments at advantageous rates.

**A FEW OUTSTANDING FACTS FROM THE 67th ANNUAL REPORT OF THE CANADA LIFE.**

THE SURPLUS EARNED was \$1,709,960, the greatest in the Company's history.  
 THE INCOME was \$8,094,885, a material increase over that of any previous year.  
 THE ASSETS were increased by \$3,860,271. TOTAL ASSETS, \$52,161,794.  
 THE ASSURANCES in force total \$153,121,364, an increase for the year of \$8,273,000.  
 THE INTEREST RATE was again improved and the mortality of the year was more favorable than the expectation, and this with a low expense ratio contributed to the earning of a record surplus.

**Canada Life Assurance Company - - - Head Office, Toronto.**

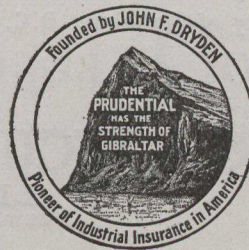
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Energy, persistence, enthusiasm are required. In return we offer liberal agents' contracts, attractive policies and a reputation for properly safeguarding policyholders' interests. For further particulars write

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**GUARANTEED RESULTS**

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Policies issued by this Company are the most liberal and up-to-date issued in Canada, free from unnecessary restrictions and conditions. All Policies guaranteed by The Liverpool & London & Globe Insurance Company, Ltd., assets over Sixty-five Million Dollars (\$65,000,000.00).

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Special attention to Northern Properties now in course of development.

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References—Imperial Bank and McDougall & Secord

## Canadian City Bonds

Absolute safety of principal and an income return of from 5% to 5¾% may be obtained from an investment in the Bonds of the following Canadian cities:—

Security.	Due.	Yield.
City of Victoria, B.C. ....	1962	5%
City of Sault Ste. Marie, Ont. ....	1929	5%
City of Berlin, Ont. ....	1915-43	5%
City of Fort William, Ont. ....	1934	5 <sup>1</sup> / <sub>8</sub> %
City of Port Arthur, Ont. ....	1934	5 <sup>3</sup> / <sub>8</sub> %
City of Moose Jaw, Sask. ....	1933	5 <sup>1</sup> / <sub>4</sub> %
City of St. Boniface, Man. ....	1944	5.30%
City of Lethbridge, Alta. ....	1944	5 <sup>1</sup> / <sub>2</sub> %
City of Prince Albert, Sask. ....	1944	5 <sup>3</sup> / <sub>4</sub> %
City of Nanaimo, B.C. ....	1928	5 <sup>3</sup> / <sub>4</sub> %

## DOMINION SECURITIES CORPORATION

LIMITED.

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TORONTO.

LONDON, ENG.

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