

# The Monetary Times

Trade Review and Insurance Chronicle  
OF CANADA

ESTABLISHED  
1867

TORONTO, FEBRUARY 15, 1918

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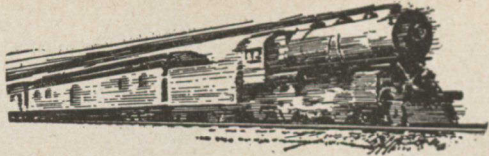
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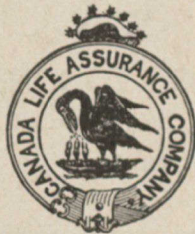
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Capital Stock Paid Up

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# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND  
President and General Manager

FRED. W. FIELD  
Editor

A. E. JENNINGS  
Assistant General Manager

## Immigration to Canada in War Time

THE DOMINION *Has Received 300,000 Immigrants Since the Struggle Commenced—New Population from United Kingdom Naturally has been Small—United States Has Sent Us Many Citizens—What is the Outlook after the War?*

By CHARLES W. STOKES

IN the matter of immigration there is a tendency to allow the possible phenomena of the future to overshadow the *faits accomplis* of the present. It is the most monotonous of bromides to predict an enormous immigration into Canada after the war, sometimes with very superficial consideration of the very complex problems involved, very often as a panacea for all the abnormal circumstances that will demonstrate themselves at the cessation of hostilities, and occasionally as a probable menace to industrial conditions. But what is most often overlooked is that immigration is going on at the same time, and has, indeed, shown a very marked revival.

War, theoretically, should terminate immigration. On one hand is the difficulty of leaving belligerent countries; on the other is the patriotic aversion to seeking material advancement (for that is what immigration means) during a period of national stress. Habituated, as we are in Canada, to considering immigration in the mass, most of us fail to remember its unit origin; or, to put it in other words, the reason why we have immigration at all is because a number of men and women in other countries have, separately and individually, resolved to seek their fortunes here. There is every theoretical argument why this class should disappear during the war; but the fact remains that social dissatisfaction, as expressed in the process of emigration, has not been stifled, even in the clash of arms.

Whether or not the result is in the best national interests of the various countries concerned is a matter for debate, but it is still remarkable that Canada, during the three years and more that it has been at war, has received about three hundred thousand immigrants, and that the last fiscal year witnessed a 50 per cent. increase over the previous year.

War, in fact, has failed to stop immigration. True, it has greatly reduced its volume; but, as a compensation, it has improved its quality. Instead of the 402,000 immigrants who entered Canada during the fiscal year 1912-13, only 75,374 entered in the year 1916-17; but there was an evident difference in the composition of the immigrating class. Instead of the four hundred thousand assorted human beings who clamored at our gates, of every nationality, trade, and condition of life, physique and mentality, we had last year seventy-five thousand who exhibited their faith in Canada by braving the dangers of reaching it, and—in the case of American immigrants, for the United States was not then at war—by leaving the haven of neutrality for the uncertainties of a country at war.

An organized campaign of mendacity, it must not be forgotten, was conducted by unseen interests in the United States previous to the entry of that country into the Allied ranks with the object of preventing American migration into Canada. It took the form, generally, of the dissemination of "reports," chronicling the imposition of heavy war taxes, the confiscation of land, the conscription of Americans, and the oppression of neutrals not openly sympathetic with the Allies.

There is a great amount of credit due to the two hundred thousand sturdy Americans who refused to accept such puerile detraction, and, between August, 1914, and April, 1917, crossed the border to make their homes on belligerent soil.

War eliminated the curiosity seekers and revealed the really serious in intent, thereby purifying immigration of much that was inimical to progress, but was difficult to avoid without recourse to absolute mandatory prohibition. With the exception of 1915-16 (48,537 immigrants) immigration in 1916-17 was the smallest since 1903; but, nevertheless, it comprised 22,715 farmers, a percentage of 30. In 1912-13 the percentage was 28—only 2 per cent. difference, it is true, but sufficiently encouraging in a change that takes years to accomplish. In 1916-17, only 31,440 declared their occupations as being general laborers, mechanics or clerks as against 218,582 in 1912-13—42 per cent. against 54 per cent. An upward tendency manifested itself, even in the westernization of immigrants. In 1916-17, 27,539 (37 per cent.) stated upon arrival, or showed railroad transportation proving, their destination as the prairie provinces, against 137,033 (34 per cent.) in 1912-13. It is the prairie provinces that need the immigrant, not the East, and to see him on his way there instead of being stranded in Montreal or Toronto is not the least remarkable happening of the present unusual condition.

As would have been expected, British immigration has been very small in volume. The following table shows the decline from the bumper year, 1912-13. It is a little misleading, perhaps, in regard to the first year of war, owing to the fact that, the fiscal year beginning April 1st, the major part of the immigration season—the spring and early summer months—is not separated from the period of collapse from August 1st; but it will illustrate how the war has reduced British immigration to the lowest since 1899:—

Year ending.	Total.	British.	American.
March 31st.			
1913 . . . . .	402,432	150,542	139,009
1914 . . . . .	384,878	142,622	107,530
1915 . . . . .	144,780	43,276	59,770
1916 . . . . .	48,537	8,664	36,937
1917 . . . . .	75,374	8,282	61,380

Of the British immigrants in the last year, 1,803 declared their occupations as agricultural; of the Americans, 20,822. Of the other nationalities, the greatest immigrant class has been Newfoundlanders (1,243) and Italians (758). To bring these figures down to date, to illustrate the marked revival in American immigration, it can be added that during the first ten months of 1917, 33,134 United States immigrants entered western Canada—an immigrant being a person who states his intention of living permanently in a country—bringing with them \$4,932,190 in cash and \$1,488,898 in effects. These totals are more than double those of the same period of 1916 and nearly four times those of the same period of 1915.



If, as J. Obed Smith, commissioner of Canadian immigration in London, once declared to the writer, the personal value of each immigrant to Canada, represented by his wealth-producing power, is \$1,200 per annum, it is a fact that must not be allowed to escape observation that Canada, since it has been engaged in war, has actually imported a total of about \$360,000,000 of wealth-producing power.

The cause of the increased American immigration has, perhaps, been threefold. It represents, of course, the consummation of the advertising efforts of the Dominion; but these three causes, although embodied in the advertising, have really an independent origin. First, here was the enormous Canadian harvest of 1915, as a result of which western Canada's extraordinary wheat average of 29 bushels per acre received very widespread publicity in the United States, which has only 17 bushels. The immigration statistics for the fiscal year, 1916-17, which comprised the whole of the summer of 1916, show how rapidly the American market responded to this leading publicity feature.

#### Activity in Agriculture.

Secondly, there has been the universal activity in agriculture as a result of the scarcity of food and the prosperity of the agricultural class. This boom has nowhere been more pronounced than in western Canada, whose farmers are walking examples of the unexpected prosperity that has come to the man on the soil. Concurrent with this has been the advertising of the cheapness of western land. Selling prices of Canadian Pacific Railway land in 1916 averaged only \$16.12 per acre, and Hudson Bay lands only about \$18, which prices, in comparison with prices in the United States, have not escaped the land-hungry man. Thirdly, the demand for farm labor in the west, both in spring and autumn, and the high prices paid for it, have attracted a great number of foot-loose men, whose occupations have been more or less close to the soil. To get these men, the Canadian government lent its assistance in the shape of advertising campaigns; and a very large percentage of these imported laborers have remained in the west, buying lands or filing on homesteads.

Immigration propaganda is still being continued in London with hardly unabated force. Advertising is still continued both by the Canadian government and by the various parties interested in the immigration business—and this, withstanding the heavy demands upon the Canadian government, the Canadian Pacific, and every other Canadian interest in London, with office organization and space for various forms of personal service in the ranks of the Canadian forces. There could scarcely be a more convincing belief in advertising as a means of creating future "goodwill" than that the Canadian government still buys advertising space in order to stimulate a desire—intangible and complex at the best of times—in the minds of those who, for the present, owing to military necessity, constitute an absolutely non-responsive market.

#### Future of British Immigration.

What will be the future of British immigration is difficult to say, bearing in mind the uncertain quantity of discharged soldier movement. Only a vague outline of the subject could be attempted; but it is fairly safe to hazard a guess that it will be composed largely of non-agricultural immigration. Every European country is going to offer the brightest possible inducements to keep its agriculturists and would-be agriculturists at home. The war has created amongst other problems, entirely new considerations of nationality, and it is obvious that if Canada is to specialize in agricultural immigration, it must go outside the British Isles. The United States will in the future be the biggest immigration field, and next to it, probably, will be the Scandinavian countries. Nationality, indeed, is only one of the vexed questions that will arise for early settlement. The attitude of labor—more especially, organized urban labor—is, for example, an uncertain factor that already casts its shadow upon the future. The workingman is already awake to the possible depreciation in the labor market consequent upon the arrival of a great mass of discharged soldier labor that may find its way to the farm, but, on the other hand, may fail to get farther than the cities. It is impossible to do more than mention this important aspect of post-bellum immigration; but, as was suggested at the beginning of this article, we are all apt, when predicting large immigration after the war, to do so somewhat superficially, without regard to what the active resumption of immigration, even on the old basis, would actually mean.

## DOMINION PERMANENT LOAN STATEMENT

### Position of Assets and Liabilities—Fair Return for Shareholders and Depositors Expected

The following interim statement of assets and liabilities of the Dominion Permanent Loan Company, Toronto, which closed its doors two weeks ago, has been issued by Mr. G. T. Clarkson, of E. R. C. Clarkson and Company, interim liquidator for the company:—

<b>LIABILITIES.</b>	
Due to Creditors—	
Debentures, with accrued interest .....	\$2,555,312.39
Savings deposits .....	208,974.56
Unclaimed dividends .....	45.00
Sundry Creditors .....	5,282.18
	\$2,769,614.13
Due to Shareholders—	
Permanent stock subscribed ..	\$1,410,700.00
Prepaid shares subscribed ..	118,400.00
	1,529,100.00
<b>Total .....</b>	<b>\$4,298,714.13</b>
<b>ASSETS.</b>	
Cash on hand and in banks ...	\$ 7,705.19
Call loans .....	825.92
Loans against shares of company .....	320.00
	\$ 8,851.11
Loans secured by mortgages—valued at—	
In Ontario .....	\$ 2,968.78
In British Columbia .....	7,684.48
In Manitoba .....	2,390.76
In other Western Provinces ...	8,465.33
In Nova Scotia .....	8,020.14
Of Provincial Loan Company ..	9,007.27
	38,536.76
Due by Shareholders:	
On Permanent shares .....	273,121.97
On prepaid shares .....	45,878.43
	319,000.40
Real estate owned by the company, valued at ...	13,155.00
Advances to Grand Forks Townsite Company and Spokane and British Columbia Railway, including interest charged thereupon, book value .....	4,389,520.91
Office furniture and motor .....	1,250.00
<b>Total .....</b>	<b>\$4,770,314.18</b>

Those in control of the liquidation proceedings are of the opinion that the Spokane and British Columbia Railway and townsite properties, which represent the most substantial part of the company's assets, are good assets. It is hoped to realize upon them and to deal with them so that a very fair return will be obtained for the debenture holders and depositors of the Dominion Permanent. Under present conditions, it is entirely impossible to forecast the result of negotiations which will be commenced in respect to these properties, or to predict how these matters will ultimately be settled. The railway was built as an investment, when the mines at Republic, Washington State, were active. It is said to run through good territory, from Republic to Grand Forks. The section from Republic to Spokane is not served by a railway, and that section is also considered sufficiently good to support a railroad. This is the unconstructed portion of the line in which the Dominion Permanent is interested. The railway company has met with difficulty in financing the construction of that part of the road. With the continuance of the war and the disturbed railroad situation, its opportunities for financing the new construction are poor.

In connection with the townsite lands, it appears that the Dominion Permanent advanced moneys to the Grand Forks Townsite Company, which in turn advanced funds to the railroad company for the construction of its undertaking.

It is improbable that the Dominion Permanent Loan Company has advanced more than \$1,750,000 of actual capital, but it has been crediting interest from year to year upon such advances and carrying this to the credit of profit and loss account, out of which dividends have been paid. In view of the condition of affairs, it is therefore a question whether the company actually earned the profits out of which it is authorized to pay dividends. That is a matter which will undoubtedly be inquired into during the liquidation proceedings.



## ONTARIO'S WORKMEN'S COMPENSATION ACT

### Chairman Price Explains How Assessments are Determined—Experience of Previous Years

The workings of the Workmen's Compensation Act of Ontario and the determination of assessments for the different classes was the subject of an address by Mr. Samuel Price, chairman of the Ontario Workmen's Compensation Board, at the annual convention of the Canadian National Clay Products Association, at Toronto. Mr. Price stated that under the present law the workman or his dependants are compensated in a larger number of cases than under the former law, the underlying principle being that the industry should bear a portion of the loss caused by injury to its workmen just as it must bear the expense of replacing broken machinery.

He continued:—"Among the other advantages of the new law are the speedy and inexpensive mode of payment to the workman; immunity of the employer from litigation and from what might be ruinous liability for damages; and the removal of a prolific cause of friction between workmen and employer.

"The questions to be determined in the allowance of compensation are usually few and simple, and the amount in the great majority of cases is fixed by the act or is merely a matter of computation.

#### Must Notify Board.

"The workman is required to notify the accident promptly to his employer and the employer to notify the board. Reports giving the necessary information for determining the right to and fixing the amount of compensation are required from the workman, from the employer, and from the attending doctor, further inquiry or investigation being made where it seems necessary. In ordinary cases the award is made within a few days after the receipt of the last report and payments go forward promptly, cheques for temporary disability being sent bi-weekly, and pension payments monthly.

"The employer is notified of every award made to any of his workmen and of every payment made for medical aid, and the board is always glad to receive from him any useful suggestion or information concerning the case.

"The industries covered by the new law (omitting railways and other industries under schedule 2) are enumerated in what is called schedule 1 of the act. They are divided now into 34 classes or groups.

"For assessment and compensation purposes each class stands upon its own footing. Each carries its own burden, except only that a small general fund, one per cent. per year, known as the Disaster Reserve, is set aside to assist in meeting any extraordinary call that may arise in any class.

"Separate accounts are kept of all assessments received and all compensation awarded for each of these classes. Any balance at the end of the year, after all credits and charges have been made, is carried forward to the credit or debit of the class. Each of the 34 classes of industry is thus in effect a mutual insurance association of the employers in that class.

#### Governed by Requirements.

"The rates for each class are fixed and the assessments made much in the same way as a municipality levies its taxes. They are governed by the requirements. The assessment is in the form of a rate or percentage on every \$100 of pay-roll. The rates fixed for the year are intended to cover the burden of that year. At the beginning of the year an estimate of his probable pay-roll is obtained from each employer and he is assessed provisionally upon that estimate. At the end of the year the actual amount of pay-roll is obtained and the assessment is adjusted accordingly.

"In fixing the rate the experience for previous years is used as a guide. The amount of compensation and the amount of assessments in the class for the preceding year are ascertained, an estimate being made of the amount still remaining to be paid for accidents which by reason of continuing disability or for lack of reports have not been finally disposed of before the end of the year, and an estimate being also made of the extent to which the actual pay-roll statements received from employers at the end of the year will exceed the estimates given by them at the beginning of the year. In this way the total expenditure and the total income of the class for the year are arrived at as nearly as possible,

and the sufficiency or insufficiency of the rate charged determined.

"If it is seen that the rate charged has produced sufficient money, or if the surplus or deficit is small, the same rate will be continued for the current year. If there is any considerable difference, the rate will be increased or decreased accordingly; and if the difference is large, the rate will also be altered retroactively for the prior year.

"Any surplus to the credit of the class remains in the class funds, and this is also taken into consideration in fixing the rate. Any additional matters, such for instance as medical aid which went into effect the middle of last year, must be provided for by making an estimate of the probable amount of expenditure therefor, and this must be considered in fixing the rate.

"Where there are different lines of industry in the same class, each bearing a separate rate, the experience in each separate line of industry is also considered, and if the situation calls for it the proportionate ratings as between the different lines of industry in the class are altered. As, however, each class in the schedule is an insurance group, all lines of industry in the class must share to some extent the good or ill-fortune of the class as a whole, and the rating for each separate line of industry cannot be made to depend upon the experience in that line of industry alone. The experience of the class as a whole must be considered. This is especially the case where the amount of pay-roll in any line of industry is small. To charge that line of industry with its own cost might leave a very excessive burden on its employers for one year while perhaps relieving them almost wholly from assessment another year. This would destroy the underlying insurance principle which is the basis of the system.

#### Was the Best Estimate.

"The first table of rates fixed for the different classes of industry upon the coming into force of the act in 1915, and before there was any actual experience to go upon, was merely the best estimate that could be made of the requirements with such assistance as could be obtained from other rating schedules. At the end of the first year it was found that a general reduction could be made. This was done in a number of cases retroactively; and the rates for 1916 were made upon the whole considerably lower than the original 1915 rates. The 1917 rates, while making adjustments in a number of cases, were, even with the allowance estimated to be necessary for the new medical aid provisions, only slightly higher upon the whole than the 1916 rates. It is hoped that in general little increase will be required for 1918, even with the full year's medical aid to be provided for as against the half-year's medical aid in 1917.

"For the manufacture of clay products the original rate in 1915 was fixed at 90 cents per \$100 of pay-roll. In 1916 this was reduced to 60 cents. At the end of 1916 it was found that the experience for the class was not as good as had been expected, and the rate was raised retroactively to 90 cents; and a 90 cent rate was also fixed for 1917. It is hoped that this rate may still be sufficient for 1918, but this cannot be definitely settled until the experience for the past year has been fully tabulated.

"Comparing this 90 cent rate with the rates elsewhere, we find that Ohio charges \$1.45; Michigan, \$2.06; New York, \$2.91; Pennsylvania, \$1.31; Illinois, \$2.37; Wisconsin, \$2.32; Indiana, \$2.25; Kentucky, \$1.97; Colorado, \$1.53; Washington, \$1.50; California, \$2.30.

"The way to keep the rate low is to avoid accidents. This will now be a matter of special individual concern to each employer, inasmuch as under the system of merit rating which is to be adopted the employer having a bad accident experience will pay a higher rate of assessment than the employer whose accident experience is good. The adjustment will be made after the accident experience of each employer has been finally ascertained.

#### For Medical Aid.

"It is a gratifying feature of the administration of the Ontario Act that, apart from the contribution for the expenses of the employers' accident prevention associations, practically all the money contributed by employers goes to the workmen or their dependants as compensation or is paid for medical aid. For the year 1917 the total amount contributed by employers toward the expenses of administration will be less than one and one-sixth per cent. of the amount of compensation awarded. During the year awards of compensation amounting approximately to \$2,900,000 involved an



administration expense to employers of only \$33,000, the remainder of the expense being borne by the province.

"The system of state insurance for compensation to workmen, to which the Ontario Act belongs, is one of recent growth. In 1911 it existed in only one state upon the continent. Now it prevails in fifteen of the United States and three of the provinces of Canada. Employers and workmen alike are interested in making it a success. Properly carried out it should be cheaper, more beneficial, and more equitable than any other system. Profits and unnecessary expenses are eliminated. The administrative body in such a system has no personal motive to give the workman or his dependants less than they are entitled to and no motive to charge the employer more than he should pay."

#### METHODIST CHURCH MAY CARRY FIRE RISKS

It is proposed that the Methodist Church establish a fire insurance company of its own, to carry risks on the church property held in Canada, Newfoundland, Japan and China, under the Canadian General Conference. Rev. Dr. Chown, the general superintendent, has prepared statistics supporting the scheme. He says: "The value of the property of the Methodist Church, as reported to the last General Conference, was \$41,905,245. Deducting land values, there is insurable property worth \$31,241,584. Upon this we are carrying insurance to the extent of \$15,729,517, or about 50 per cent. of its estimated value. The manager of many an insurance company would be happy if he could step into a business of such dimensions. It should not be beyond the ability of the Methodist Church to provide for intelligent and economic administration of fire insurance as a branch of the Church's affairs.

"Fire insurance is not in general an unprofitable business. It usually earns dividends for its stockholders. These should be earned and applied to the support of worn-out ministers' fund or some other worthy object."

#### HOME INSURANCE COMPANY

Not only is the Home Insurance Company, of New York, known by its exceptional size—for it is the largest fire insurance company on this continent—but it is known also for its unusual strength and the excellent service it gives to clients. The company was incorporated in 1853, and since that time has built up an enviable financial position. At the end of the past year its cash assets exceeded \$44,000,000 and its net surplus over liabilities was more than \$13,000,000. Its surplus as regards policyholders is more than \$19,000,000. The company's authorized capital is \$6,000,000, all of which is paid up. According to the latest statement, the liabilities are approximately \$25,000,000.

The Home Insurance Company has always had a serviceable organization, which has catered to the needs of both large and small insurers. In Canada, where it has done business for sixteen years, it has a splendid staff. Mr. Fred. W. Evans is the company's chief agent and attorney for the Dominion, with headquarters at Montreal. Mr. A. M. M. Kirkpatrick is the chief agent for the province of Ontario, with office at Toronto. Mr. A. C. Baillie acts as special agent for Canada, with headquarters at Winnipeg, and Mr. F. W. Underdown is special agent for the province of Quebec. In 1917, the company's total income in Canada amounted to over \$2,000,000, representing the various lines transacted in this country, namely, fire, automobile, hail, windstorm, sprinkler leakage and explosion insurance. The income last year showed a substantial increase over that of 1916.

According to the Dominion government returns for 1916, the company had total assets in this country of \$1,383,907, and this sum was materially increased in 1917. Among its holdings on deposit with the Dominion government at Ottawa are \$1,283,733 par value of Canadian securities. In addition, \$250,000 was subscribed by the company to our Victory Loan last fall. Mr. E. G. Snow is president of the Home Insurance Company and A. M. Burtis is secretary. The Canadian organization has achieved excellent results. They reflect in Canada the policy of the home office in New York, which has built up such a splendid business during the past sixty-five years.

#### NEW BRUNSWICK BORROWS \$1,000,000

The province of New Brunswick is making an issue of \$1,000,000 through Messrs. A. E. Ames and Company, Toronto. The bonds are 10-year sixes, dated February 15th, 1918, and due February 15th, 1928. The issue price of 99.08 and interest gives a yield to the investor of 6.18 per cent. The bonds are payable in gold, both for principal and interest, in Canada and the United States.

#### WORK ON FIRST STEEL SHIP

Fabrication and assembling of materials for the first of the fleet of merchantmen to be built by the Dominion government has been commenced, and a similar work for two other vessels will shortly be undertaken, according to Ottawa despatches. The first ship, which will be a steel steamer of 4,350 tons burden, will be laid down at the Canadian Vickers yard at Montreal. A second of 8,200 tons will follow at the same establishment, and, it is expected, a contract for a third ship of 3,800 tons will soon be made with the Collingwood Shipbuilding Company, which has a vacant berth in its yard. It is hoped that the ships to be built at the Vickers yard will be in commission by September next.

The government's shipbuilding programme contemplates the laying down of the keels of some forty ships to June, 1919.

Arrangements have been made whereby the government is assured of a supply of ship plates and steel materials for its shipbuilding programme to June, 1919.

#### WESTERN LIFE ASSURANCE COMPANY

A substantial volume of business was written by the Western Life Assurance Company, of Winnipeg, last year, the new policies issued and revived amounting to \$1,054,750. The total insurance in force at the end of the past year was \$2,091,899, an increase of \$495,430, or 31 per cent., over the business of the previous year. As is the case with other insurance companies, the death losses of the Western Life included a substantial amount as the result of the war, \$5,250 of total death claims of \$8,309 being due to war.

The company received cash revenue from premiums and interest amounting to \$78,058, an increase of \$26,195, or 50 per cent., over 1916. A large sum of \$115,739 was received from stockholders. This is a satisfactory feature of the financial statement. There is a balance of \$36,945 owing on capital stock notes and a balance of \$15,024 owing on stock premium notes. The company's total assets are shown at \$193,153, of which mortgages represent \$20,778; policy loans, \$12,021; bonds and debentures, \$78,849; cash on hand, \$66,824; and net outstanding and deferred premiums, \$11,093. Taking this total of assets, there is a surplus of \$70,203. There are further assets which are not reckoned in the above figures. These include office furniture and equipment, bills receivable, capital called and paid, the balances owing and interest accrued on stock notes, and a small amount of agents' balances. If these assets are included, the total surplus to policyholders is increased to \$134,445.

The reserves held for the security of policies in force, computed on the Om. (5) table of mortality, with interest at 3½ per cent., being in accordance with the Dominion Insurance Act, now amount to the sum of \$110,917, an increase of \$20,815, or 23 per cent., over 1916.

Mr. Adam Reid is managing director of the company, and has been energetic and enterprising in the always difficult work of building up a new life insurance company. The Western Life recently obtained a Dominion license. Mr. A. E. May, of Edmonton, is president of the company.

Mr. Adam Reid, managing director and founder of the Western Life Assurance Company, Winnipeg, was presented, at the company's annual meeting last week, with an illuminated address and a gold watch, suitably inscribed, by the field force, the branch office and the head office staffs of the company. The address expressed their appreciation of his services in the past and pledged their loyalty and confidence in his leadership for the future. The presentation was made to commemorate the granting of a Dominion license to the company.



# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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## INCOME TAX

According to the income Tax Act which operates in Canada for the first time this year, returns must be made to the Dominion government before February 28th. The taxes are payable on June 1st next. Returns of income in 1917 must be made by all married persons in receipt of income in excess of \$3,000 and unmarried persons in receipt of incomes in excess of \$1,500. The law applies to all residents of Canada within that category and all corporations operating in the Dominion. There has been delay in issuing the necessary forms on account of exceptionally heavy work in the government printing office. Because of this delay, the date by which returns should be made, namely, February 28th, will be extended. Copies of the Act may be obtained from the Department of Finance, Ottawa. Useful summaries and comments regarding it have been issued by the Royal Bank of Canada, Montreal, and the Bank of Hamilton, Hamilton.

In its compilation, the Bank of Hamilton points out that if one is the member of a partnership, or syndicate, one pays on one's share of the partnership, or syndicate, profits (the actual partnership is not taxed) and is liable to taxation on profits made but not distributed, as well as on what one actually withdrew during the year.

If in addition to salary, or fixed income from a trustee, one has real estate affording a revenue, expenses such as interest on mortgage, taxes, insurance, repairs and possibly reasonable depreciation on buildings (but not depreciation on the general value) may be deducted from the gross revenue, and on what is left of the income derived therefrom pay tax.

If one has a fixed salary and unproductive real estate, the cost of carrying this cannot be deducted from the income by way of salary, but if there are other sources of income one may, as far as they go, charge the expense of carrying the unproductive asset to them.

If outside salary or regular income a person invests, say, in bonds or stocks, profit on the capital invested is

not taxable, nor loss deductible from income, but interest or dividends (unless in the latter case the company declaring them has paid tax under the Act, or in the former case they be Dominion bonds issued free of tax) received therefrom are taxable. As in the case of the business profits tax, many queries will arise but the act should be working smoothly in the near future. In the meantime, enough is known of its provisions for the public to prepare to complete their forms, as soon as received and return them promptly to the authorities.

## INVESTORS AND PEAT

The shortage of fuel has revived interest in the proposal to manufacture peat fuel. Already there are signs of the organization of many companies to develop the peat bog areas of Canada. Appeals will probably be made to the public for capital for this purpose. In that event, investors will do well to remember that the Dominion government, through the mines branch of the Department of Mines, thoroughly investigated the manufacture of peat fuel some years ago. The investigation proved that, as the water in peat is in what is called the "colloidal" form, it cannot be expelled by pressure. Similarly, processes for expelling the moisture by the application of artificial heat will inevitably fail on account of excessive cost.

In a timely warning, the Commission of Conservation, Ottawa, states that it is because such methods of manufacture have been stubbornly adhered to in the past, that so much money has been lost in attempts to create a peat fuel industry in Canada. Raw peat contains from 86 to 90 per cent. of water. Pressure will not reduce this to less than 80 per cent. The only economical method for expelling the moisture is by the action of the sun and wind. The chemical properties of the raw peat foredoom to failure any process of manufacture utilizing pressure to reduce the moisture content.



### REBATING AND INSURANCE

Various insurance departments have been advised that insurance agents have made a practice of agreeing with the insured before the issuance of the policy to accept goods in lieu of cash in the payment of premiums—that is, "to trade out the premium." The Minnesota state insurance department has been asked to give its opinion as to whether or not this constitutes rebating within the meaning of the law. The Minnesota law provides that no agent, special agent, broker, solicitor, employee, intermediary or representative of any insurance company shall permit any advantage or distinction in favor of any insured with respect to the amount of premium on any policy or shall offer to pay or allow directly or indirectly as an inducement any rebate on the premium on the policy, or any valuable consideration or inducement not specified in the policy, or to give, sell or purchase or offer to give, sell or purchase as an inducement to insure or in connection therewith anything of value whatsoever not specified in the policy.

The law further provides that no person shall receive or accept from any agent, special agent, broker, solicitor or employee, intermediary or representative or any other person any rebate or premium, special favor or any valuable consideration or inducement not specified in the policy of insurance. Any person violating any of the provisions of the law above referred to is punishable by fine of not less than sixty nor more than two hundred dollars.

The Minnesota commissioner of insurance is of the opinion that any agreement entered into by an insured and an agent whereby the agent agrees to take from the insured goods in lieu of cash in payment of the premium upon any policy would be a valuable consideration or inducement not specified in the policy and would therefore be in violation of the law. Where such an agreement was entered into the agent and the insured would be equally guilty of violating the law.

Occasional rebating is reported among Canadian insurance men. The practice, however, has almost ceased. The good work of the life underwriters' associations of

Canada has been largely responsible for the improvement. During the past few years these associations have raised the standard of ethics in the life insurance business to a high plane. At the same time, the calibre of life insurance salesmen has rapidly improved. To-day the Canadian life insurance salesmen are, as a group, among the most straightforward and capable business men of the country.

### PROVINCIAL RESOURCES

One of the most interesting statements in the budget speech of Hon. Edward Brown, provincial treasurer of Manitoba, referred to the suggested transfer by the Dominion to the province of its natural resources. This is a matter in which he has been active and the general subject will probably be discussed by the various provincial premiers in conference at Ottawa this week. Should this transfer take place, Manitoba will acquire title to 26,000,000 acres of lands held by the Dominion, in addition to large mineral resources, timber and fisheries. Mr. Brown emphasized the necessity, in view of these facts, of establishing now the principle in law that only the interest arising out of the sale of provincial assets should be treated as revenue, and that the principal moneys shall be placed in a special fund, ear-marked for investment, and invested so as to assist in developing the province and building up its industries.

Mr. Brown anticipated that, were this legislation passed and followed by the receipt by the province of its natural resources, during a period of 10 to 20 years of activity in these resources, a fund could be built up by way of mortgage investment that would not only be equal to but would make entire provision for the liquidation of the present provincial debt, at the same time aiding materially in settlement, production and in stimulating the trade of the province. This is an ambitious programme and naturally some difficulties will be met. However, it is a worthy plan for this great western province, which led the way in per capita subscriptions to our recent Victory Loan.

## FINAL RETURNS OF CANADA'S VICTORY LOAN

	Population.	Number of subscribers.	Per capita.	Amount subscribed.	Subscription per capita.
Alberta . . . . .	496,000	56,117	1 in 8.8	\$ 16,515,150	\$33.29
British Columbia . . . . .	394,000	50,563	1 in 7.8	18,814,700	47.75
Manitoba . . . . .	555,000	78,856	1 in 7.0	32,326,600	58.25
New Brunswick . . . . .	350,000	26,469	1 in 13.2	10,463,350	29.89
Nova Scotia . . . . .	508,000	39,521	1 in 12.8	18,588,150	36.59
Ontario . . . . .	2,582,000	363,000	1 in 7.11	204,185,400	79.08
Quebec . . . . .	2,263,000	126,534	1 in 17.88	94,287,250	41.66
Prince Edward Island . . . . .	93,000	5,300	1 in 17.54	2,331,350	25.07
Saskatchewan . . . . .	650,000	73,675	1 in 8.82	21,777,050	33.50
	7,891,000	820,035	1 in 9.62	\$419,289,000	\$53.13

The above are the final returns of the Canadian Victory Loan, issued in November last. The total subscriptions of \$419,289,000 include \$6,000,000 of conversions which have not yet been allocated to the various provinces, and adjustments made accordingly.

There were 820,035 subscribers to the Loan as compared with 40,800 subscribers to the previous loan. One in every 9.62 of our population subscribed to the Victory Loan, a remarkable record. In per capita subscriptions Manitoba did best with 1 subscriber to every 7 of population, followed by

British Columbia, 1 in 7.8, and Ontario 1 in 7.11. Ontario furnished \$204,185,400, or nearly half of the Loan. The total subscriptions were equal to \$53.13 for every man, woman and child in the Dominion. If the war continues it will be necessary to float another large domestic loan, probably for as substantial an amount as the Victory Loan. This, however, is not a matter for consideration until possibly November or December next, except that in the meantime it is vital to the winning of the war that thrift should be practised and money saved for investment in our war loans.



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## MANITOBA'S BUDGET

### Hon. Edward Brown, Provincial Treasurer, Reports Deficit of Only \$184,000

The Manitoba government concluded the fiscal year ended November 30th last with a deficit of only \$184,000. Analysing the provincial statement of assets and liabilities, Hon. Edward Brown, provincial treasurer, stated in his budget speech that following the plan adopted in the new system of accounting, the assets were classified as capital, current and deferred. They present a total, speaking in round figures, of \$70,000,000, as compared with \$66,500,000 last year, or an increase of \$3,500,000. This increase is made up principally of an increase in the school land funds held in trust by the Dominion of some \$200,000; an increase in the public buildings and public utilities of the province of \$1,500,000, and a new item, the claim of the province against Thos. Kelly and Sons of \$1,400,000, which includes interest to the date of the statement.

"Dealing with the other side of the ledger," said Mr. Brown, "namely the liabilities, we find that the bonded indebtedness of the province is made up of \$18,000,000 of revenue-producing debt, which pays its own way, represented by the telephones, elevators, drainage and judicial district bonds, and \$14,000,000 of non-revenue bonds, represented by public buildings. This debt shows an increase of \$2,000,000 during the year, which was authorized at the last session of the legislature, and was disposed of on a basis of 5½ per cent. A considerable amount of this, however, is still on hand.

#### Two Treasury Bills.

"In addition to the increase in the bonded debt of the province there appears in the statement of current liabilities two treasury bills for \$500,000 and \$300,000 respectively, both of which have since been paid. The first-mentioned of these was issued for the purpose of supplying seed grain to the farmers, and the further purposes of advancing money to farmers to buy stockers and further of buying the wool product of the province in order that the highest price might be obtained for the aggregate quantity.

"In spite of high money rates the money for seed grain was advanced to the farmers of the province for the first time in our history at a rate of 5 per cent. This rate was made on the distinct understanding that repayments would be made by the end of the fiscal year, and it is a matter of some gratification to me that on January 2, when payment of the treasury bill had to be made of \$500,000, we had actually in the bank by way of collections the sum of \$183,000. Since that time the balance has been entirely wiped out.

"Of the amounts advanced for stockers only one account is at present unpaid, and we have the satisfaction of knowing that the stockers made money for their owners. This little item of business cost the province some \$4,600, made up principally of exchange in paying the treasury bill \$1,750, and the difference between the deposit rate of interest, namely 3½ per cent. and the 5 per cent. we paid for the loan during the period of collection. The other treasury bill mentioned in the statement, namely \$300,000, was issued for the purpose of supplementing the revenue previous to the receipt of the Dominion half-yearly subsidy and has since been repaid.

#### Wrote Down Indebtedness.

"While we show an increase of \$2,000,000 in our bonded indebtedness we wrote down our bonded indebtedness by \$440,000 being the profit arising out of our bond conversion scheme for the benefit of the British treasury, and which appears for the first time in this statement. We fully expected a year ago to have carried out a further conversion of our sterling debt, but the entrance of the United States into the war closed the New York market to foreign securities and prevented us from doing so. If we were to deduct from this item the entire amount of discounts which have arisen out of the sale of our securities since the war period, putting these securities on a net 5 per cent. basis, we would still have a handsome balance. This cannot be said of the record made by any other province in Canada.

"Without going into further details of the assets and liabilities we find the surplus of assets over liabilities to be \$34,000,000, or a gain of \$950,000 since the last statement.

"The total amount of the provincial bonds or stock which has been acquired by our sinking fund has been definitely allocated in reduction of the telephone debt, namely, \$455,530.

"Before the fiscal year closed, following our established custom, we advertised for claims against the province for 30 days, and that we actually succeeded in paying every claim whatsoever outstanding, except a sum of \$17,000, which sum is shown in the balance sheet as 'unpaid accounts.' We have reckoned accrued interest on our bonded indebtedness to the date of the statement, charging ourselves with this amount, and have adjusted all revenues paid in advance, crediting ourselves only with the amount earned to the date of the statement, and we have also charged ourselves with all grants partly earned but not actually due at the date of the statement, these three items involving an amount of \$550,000, which are items governments as a rule do not take cognizance of.

#### Unpaid Revenue.

"We have outstanding unpaid revenue as follows:—

Interest past due on school lands contracts held at Ottawa .....	\$ 521,122
Interest past due on provincial land contracts .....	334,445
Amount outstanding of succession duties .....	278,178

Making a total of unpaid revenue of ..... \$1,133,745

"We have not taken this unpaid revenue into our operating account at all. We not only charge ourselves with all unearned income and grants partly earned but not due, and with all unpaid bills, but we do not take into account on the other side all this unpaid revenue, merely showing it as a deferred asset in our balance sheet of assets and liabilities. The estimates approved by the legislature at the last session foreshadowed a probable deficit of \$250,000.

"On a strictly revenue basis there is an adverse balance of only \$184,175 for the fiscal year ended November 30 last.

#### Cash Balance.

"The following is a concise statement of the cash balance held by the province as at November 30, and upon which the province is receiving interest in every case at the rate of 3½ per cent. on the daily balances:—

Cash to credit of consolidated revenue ...	\$ 191,437
Cash, seed grain and other collections ..	447,377
Unexpended capital for public buildings ..	1,473,806
Cash in hands municipal commissioner, judicial districts .....	406,003
Special provincial funds (trust accounts)	952,749
Cash in treasury of telephone commission .....	392,115
Total cash .....	\$3,863,487

"The following investments are held within the province by the treasury department, in addition to the above cash:—

Province of Manitoba debentures .....	\$1,000,000
Provincial bonds held by telephone commission .....	250,000
Provincial bonds held as investment for judicial district funds .....	50,000
War loan bonds telephone commission ...	100,000
War loans held for drainage districts ....	207,500
War loans held for trust account .....	36,920
Bonds of the municipality of Franklin ....	96,000
School district debentures .....	65,198
Town of Emerson bonds .....	24,315
Manitoba Farm Loans Association stock ..	100,000
War loan bonds held for town of Pipestone	18,010
Provincial bonds redeemed by sinking fund, and allocated in reduction of telephone debt .....	455,530
	\$2,403,473

or a gain in investments over the previous year of \$471,371.

"While the bonded indebtedness of the province has been increased by \$5,000,000, the investments of funds within the province, together with the cash in hand amount to over \$6,000,000, and by means of legislation introduced this session, it is proposed to increase the investments from year to year until such time as these amount to and provide for the entire debt of the province."

Hon. Frederic Nichols, Toronto, president of the Canadian General Electric Company, has been elected to the directorate of the United States Fidelity and Guarantee Company.



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# THE BANK OF NOVA SCOTIA

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Reserve Fund - 12,000,000  
Total Assets over 130,000,000

HEAD OFFICE - HALIFAX, N.S.

### BOARD OF DIRECTORS

CHARLES ARCHIBALD, President

G. S. CAMPBELL and J. WALTER ALLISON  
Vice-Presidents

JOHN Y. PAYZANT                      HECTOR McINNES  
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W. D. ROSS                              HON. M. C. GRANT

General Manager's Office, Toronto, Ont.

H. A. RICHARDSON, General Manager.  
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### BRANCHES IN CANADA

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

### IN NEWFOUNDLAND

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

### IN WEST INDIES

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

### IN UNITED STATES

BOSTON                      CHICAGO                      NEW YORK (AGENCY)

### CORRESPONDENTS

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

France—Credit Lyonnais.

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

# THE MOLSONS BANK

Capital Paid-Up, \$4,000,000                      Reserve Fund, \$4,800,000  
Incorporated by Act of Parliament 1855.

HEAD OFFICE ... MONTREAL

### BOARD OF DIRECTORS

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

### BRANCHES

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

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

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

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

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



## LIFE INSURANCE LEGISLATION

### Differences in Provincial Legislation Affecting Life Insurance Contracts in Canada

BY WILLIAM B. TAYLOR, B.A., LL.B.

(Conclusion.)

#### Dominion of Canada.

Legislation under the Parliament of Canada affecting Life Insurance. Relates to those Insurance Companies licensed by the Insurance Department of the Dominion or incorporated under the laws of Canada.

The provisions of the Insurance Act of the Dominion, assented to on September 20th, 1917, do not relate to contracts of insurance in the same way as the legislation of the other provinces. The companies licensed or incorporated under the Dominion law carry out the provisions and restrictions of the Insurance Act of Canada.

#### Relating to Life Insurance Companies Generally.

The license of a company expires on the 31st day of March in each year but may be renewed from year to year; such renewal may be subject to any qualification or limitation.

#### Policy Contract.

1. The policy contract must be contained in the policy and no provision shall be incorporated therein by reference to rules, by-laws, application or any other writing unless they are endorsed upon or attached to the policy when issued.

2. To furnish any estimate or statement of future dividends or surplus is forbidden.

3. No rebates or discrimination or distinction of any kind in favor of individuals of the same class in equal expectation of life in the amount of premiums charged or dividends payable under the policy shall be permitted. Penalties are imposed for breach of these conditions.

4. Each company shall deposit with the superintendent of insurance a copy of its rates for all plans of insurance.

5. Surplus on participating policies shall be ascertained and distributed at not longer intervals than every five years, provided that, where the company issues deferred dividend policies, it shall ascertain and apportion once in every five years to each class thereof the share in such surplus to which such class is equitably entitled, and the total sum of the shares so ascertained and apportioned shall be charged and carried in the company's accounts like a reserve until such fund has been actually disposed and paid to the policyholder entitled.

6. Where the policyholder upon receiving notice of the allotment of surplus to his policy does not elect to take any of the options given in the notice within three months after the date of mailing of the notice, the surplus shall be applied by the company to the purchase of a paid-up addition thereto, except in the case of term or industrial policies, where it is applied in payment of any premium that may be payable.

#### Policy.

1. No policy of life insurance shall be delivered in Canada by any company until a copy of the policy form has been sent by registered mail to the superintendent of insurance.

2. Every policy shall contain the following privileges:—  
(a) Thirty days' grace for payment of premiums except in the case of the first premium. A company may, however, charge 6 per cent. interest during the days of grace.

(b) The insured may, without the consent of the company, engage in active service of the Militia of Canada. Notice is required to be given by or on his behalf to the company within 90 days after date of such engagement and such extra premium is to be paid during the continuance of such service as the company shall fix in pursuance of the terms of the policy.

(c) The policy shall be incontestable after two years from its date except for fraud, non-payment of premiums or for violation of the condition respecting military service and except as to adjustment of the amount on account of understatement of age.

(d) The policy and the endorsements or attachments thereto constitute the entire contract and in the absence of fraud all statements are deemed representations and not warranties.

(e) In case of understatement of the age the amount payable shall be such as the premium would have purchased at the correct age.

(f) A statement of surrender values, paid-up insurance or extended insurance to which the policyholder is entitled.

(g) After three years' premiums have been paid the company shall loan 95 per cent. of the surrender value of the policy at a rate of interest not exceeding 7 per cent. per annum to the insured upon production and assignment of the policy to the company, under form to be approved of, but after which the policy is to be returned to the policyholder if he so requests.

(h) A table showing surrender and loan values.

(i) A table showing the amount of instalment and annuity payments if provided for in the policy.

(j) Provision for renewal of the policy within two years from date of lapse under condition.

[The articles of Mr. Taylor, of which the above is the sixth and concluding, will be reprinted by *The Monetary Times* in pamphlet form, constituting a valuable reference. Orders are being received now.]

## ALBERTA'S FUR INDUSTRY

That Alberta will this year have a fur production amounting to between \$10,000,000 and \$15,000,000 is the assertion of H. A. Simpson, of Calgary. This is a large increase over previous years, and the production this season is developing an export business that a few years ago was undreamed of. It was estimated that 50,000 coyote pelts alone will have been shipped out of the province this year before the summer comes, and 1,500,000 rat hides. A great percentage of the rat skins are going to England to be used by the militia in lining coats for men in the aviation division, while the United States vies with England in bidding for the coyote hides. Five years ago \$1 to \$1.50 was considered a fair return to the trapper for coyote hides; this year the average for one hundred skins sold by one trapper was \$15.50, while some sold at \$18 in their raw state.

## MANITOBA PUBLIC UTILITIES

The sixth annual report of the Manitoba Public Utilities Commission was tabled in the provincial legislature on February 4th.

The commissioner considered it advisable to address all municipalities and corporations operating or intending to install utilities, calling attention to the provisions of the Public Utilities Act, which require that authority be first obtained from the commission before issuing any stocks, certificates, bonds or other evidences of indebtedness (payable in more than one year from date thereof).

The purpose of this provision is to see that convenience and necessity warrant the proposed expenditure; that the securities to be issued are compatible with the value of the properties covered by same, and the application of proceeds to said purpose, to prevent the diversion of capital funds from proper channels, and the increasing of a debt to refund prior indebtedness. Obviously, securities so regulated and approved by the commission would be more readily negotiated, and have an enhanced market value.

The importance of establishing a uniform system of accounting for public utilities has been demonstrated in the case of the city of Winnipeg, in respect of its hydro-electric and waterworks utilities, as shown in the published annual reports.

The principle was also applied by the commission to the Winnipeg Electric Railway Company and subsidiary companies, which were ordered to separate the various utilities in accordance with a prescribed classification of accounts prepared by the commission. This work was accomplished by an eminent firm of engineers and accountants, and the annual statements of the several utilities as at December 31st, 1916, bear ample testimony to the value of the commission's requirements. The statements have not been analyzed and are given with reserve. The system is being gradually applied in the case of lesser utilities throughout the province, but this commission is not satisfied with the progress made. To obtain the desired results it will be necessary to add an accounting department to the activities of the commission.







## ONTARIO HAS LARGE SURPLUS

### Hon. T. W. McGarry Presents His Budget—Provincial Borrowings

In three and a half years of wartime, which called for many unusual disbursements, Ontario piled up a surplus of over \$3,000,000, including a net surplus of \$1,751,374 for 1917, the largest in the history of the province, according to the budget speech in the legislature on Tuesday, by the Hon. T. W. McGarry, provincial treasurer.

"A statement of the first year of the war, a review of the year 1913-14, discloses the fact that there was a deficit of \$697,928.58," he said. "As explained at the time, that deficit was due partly to the refusal of certain companies to pay taxes and partly to the fact that we had expended the sum of \$294,000 in advances for flour for Great Britain and the Belgian people.

"In the following fiscal year, that of 1914-15 (the first full year of the Hearst administration), we were able to announce a surplus of ordinary receipts over ordinary expenditures of \$271,370.

"Last year, when presenting the financial sheet for the fiscal year 1915-16, there was announced 'the greatest surplus that had been,' namely, \$1,134,996.74. During 1917 our total ordinary receipts amounted to \$18,269,597.23, and our total ordinary expenditures were \$16,518,222.64, leaving a net surplus on the year's operations amounting to \$1,751,374.59.

#### Reduced Net Debt.

"Not only have we the greatest surplus ever announced in this House, but we have, in addition, reduced the net debt by \$1,216,301.70, and have expended on capital account \$5,155,000 in excess of the amount borrowed for these purposes. Altogether we have expended on capital account the sum of \$10,155,245.35. Our total borrowings were \$5,000,000, so that, as stated above, we expended over \$5,000,000 out of ordinary revenues and the balance carried over from last year.

"Of this sum of \$10,000,000, \$5,700,000 was for Hydro-Electric, \$410,000 for Timiskaming and Northern Ontario Railway and \$2,000,000 to pay off a loan. So, on the whole, our capital expenditure, outside of these particular items, was very considerably reduced.

"Last year we received from the provincial war tax the sum of \$2,050,128.39, and we expended \$2,414,447.55, or \$364,319.16 more than we received, and this additional sum has been charged up to ordinary expenditures."

#### United States Money Markets.

The United States money markets had been closed to Ontario since the Republic entered the war and the province had been able to "carry on" financially as a result of the income and the balance from other years, said Mr. McGarry. Ontario was undoubtedly "the soundest province, Dominion or nation engaged in the war." During the year the province borrowed five millions. Of this, two millions were borrowed at 5.006 per cent. without any commission and one million at 4.92 per cent. No other province or country had been able to borrow at such favorable rates. In addition, two millions had been borrowed at one of the banks at the end of the year at 6 per cent. An extremely acute situation developed when the United States was shut off to Ontario for borrowing. It was not a favorable time to put on a loan here. The finance minister at Ottawa sent for the Ontario treasurer some weeks ago and satisfactory arrangements were made for financing Ontario so long as the war continues for what is absolutely essential. Some bonds would be placed locally in a short time at a lower rate than it would be possible to secure from the finance minister.

Mr. McGarry furnished the following figures showing the estimated receipts and the estimated expenditure for the fiscal year ending October 31, 1918:—

#### Estimated Receipts.

Subsidy, \$2,396,378.88; interest on common school funds held by the Dominion (\$75,000), interest on investments (\$150,000), \$225,000; lands, forest and mines department, \$2,875,000; public institutions, \$300,000; education department, \$65,000; provincial secretary's department, \$210,350; motor vehicles licenses, \$1,100,000; agriculture, \$200,000; casual revenue, \$400,000; insurance department, \$73,000; the amusement tax act, \$500,000; succession duties, \$2,500,000; corporation tax act, \$1,800,000; the Ontario temperance act, \$150,000; law stamps, \$125,000; game and fisheries, \$615,000; earnings Timiskaming and Northern Ontario Railway,

\$250,000; Hydro-Electric Power Commission, interest, etc., \$1,200,000; provincial war tax, \$2,060,000; total estimated receipts, \$17,044,728.88.

Civil government, \$1,109,478.36; legislation, \$326,018; administration of justice, \$807,097.05; education, \$2,571,479.23; public institutions maintenance, \$2,143,486.70; agriculture, \$1,017,468; colonization and immigration, \$98,112; hospitals and charities, \$611,015.11; maintenance and repairs of government buildings, \$257,628.40; public buildings, \$277,347.28; public works, \$117,800; colonization roads, \$87,000; highways department, \$81,604; game and fisheries, \$340,804.87; attorney-general's department, miscellaneous, \$186,355.75; treasury department, miscellaneous, \$75,519.79; provincial secretary's department, miscellaneous, \$303,693.74; charges on Crown lands, \$955,543.35; refund account, \$105,573.74; miscellaneous expenditure, \$97,508.36; total, \$11,570,533.82.

#### Capital Expenditure.

Purchase of No. 17 Queen's Park, \$20,000; hospital for insane, Kingston, additional land, \$30,000; hospital for feeble-minded, Orillia, additional buildings (part re-vote), \$63,500; hospital for insane, Woodstock, additional buildings, \$40,000; hospital for insane, Hamilton, additional buildings, \$50,000; hospital for insane, London, new wing, \$20,000; hospital for the insane, Whitby, additional buildings, etc. (part re-vote), \$110,000; hospital for insane, Mimico, additional buildings, \$75,000; educational buildings, \$66,500; agricultural buildings, \$37,500; court houses, industrial farms, jails and registry offices, districts, \$64,000; total, \$12,147,033.82.

## CANADIAN CAR COMPANY'S CONTRACT

The Canadian Car and Foundry Company has obtained a contract for the construction of twelve mine sweepers for the French government, all for delivery this year. They will be built at the Fort William plant. This is the contract which street gossip had credited to the United States government. So Mr. W. W. Butler, general manager, informs *The Monetary Times*.

## SOVEREIGN LIFE ASSURANCE COMPANY

Another strong financial statement has been submitted by the directors of the Sovereign Life Assurance Company of Canada, which has made satisfactory progress during the past few years. This company is one of the eastern institutions which moved to the West some years ago, and, under the management of Dr. H. J. Meiklejohn, managing director, has grown into a substantial underwriting corporation. Dr. Meiklejohn has been properly cautious in his policy, receiving the active support of his colleagues on the board, headed by Mr. R. R. Scott as president. The company's officers have watched the expenditures, both large and small, very closely and have managed affairs with economy, at the same time not losing sight of the important factors of enterprise and progress. The result has been shown in the annual statements of the past few years.

During 1917 policies were issued and revived during the year amounting to \$2,237,500, an increase over the amount written in the previous year of \$544,000, and the largest amount written in any one year since the company's inception. The total assurance in force at December 31st amounted to \$7,626,684, which is an increase of \$1,232,600 over the amount in force one year previously. The net cash income from premiums was \$257,572, which is \$40,493 in excess of 1916. The cash interest income amounted to \$78,282, exceeding the corresponding income for 1916 by \$5,137. The total cash income, \$335,998, exceeded that of 1916 by \$45,701, and represents an increase over that of the previous year of 15.7 per cent.

Expenditures under all heads were \$168,040, compared with \$162,829 in 1916. The total amount paid to policyholders during the year (including claims, surrenders, profits on policies, etc.), was \$55,690, comparing with \$69,712 paid the previous year. The difference is largely accounted for by a number of claims reported towards the close of the year, in respect of which settlement will fall in 1918. The total assets increased from \$1,358,587 at the beginning of the year to \$1,538,840 at the end of the year (the actual net increase being thus \$180,253—by far the largest in the company's experience).



# THE STERLING BANK

OF CANADA

Like seeks like—that is why many progressive institutions have entrusted their banking affairs to the Sterling Bank.

**Head Office**  
King and Bay Streets, Toronto 58

## The National Bank of Scotland

Limited

Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825

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

**Head Office** **EDINBURGH**

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.  
LONDON OFFICE—37 NICHOLAS LANE, LOMBARD ST., E.C. 4

JOHN FERGUSON, Manager. DUGALD SMITH, Assistant Manager.

The agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies domiciled in London, are retired on terms which will be furnished on application.

## AUSTRALIA and NEW ZEALAND

# BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)  
AUSTRALIA

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



J. RUSSELL FRENCH, General Manager

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

**HEAD OFFICE: GEORGE STREET, SYDNEY.**

**LONDON OFFICE: 29 THREADNEEDLE STREET, E.C.**

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

ESTABLISHED 1865

# Union Bank of Canada

**Head Office - WINNIPEG**

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

### BOARD OF DIRECTORS

Hon. Pres., SIR WILLIAM PRICE President, JOHN GALT, Esq.  
Vice-Presidents, R. T. RILEY, Esq.; G. H. THOMSON, Esq.

W. R. Allan, Esq.	B. B. Cronyn, Esq.	F. E. Kenaston, Esq.
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Hume Blake, Esq., K.C.	S. Haas, Esq.	R. O. McCulloch, Esq.
M. Bull, Esq.	A. Hitchcock, Esq.	Wm. Shaw, Esq.

Major-General Sir John W. Carson. J. S. Hough, Esq., K.C.

H. B. SHAW, Gen. Manager

J. W. HAMILTON, Assistant General Manager

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London, Eng., Branches, 6 Princes Street, E.C., and West End Branch, Haymarket, S.W.  
New York Agency, 49 Wall Street, New York City.  
GEO. WILSON, Agent.

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

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.

## BANK OF HAMILTON

HEAD OFFICE, HAMILTON

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

### DIRECTORS

SIR JOHN HENDRIB, K.C.M.G., President.  
CYRUS A. BIRGE, Vice-President.

C. C. Dalton	W. E. Phin	W. A. Wood
Robert Hobson	I. Pitblado	J. Turnbull

J. P. BELL, General Manager.

### BRANCHES

#### ONTARIO

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

#### MANITOBA

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

#### SASKATCHEWAN

Aberdeen	Caron	Maver	Redvers   Regina
Abernethy	Dundurn	Melfort	Rouleau
Battleford	Estevan	Meeta	Saskatoon
Brownlee	Francis	Moose Jaw	Stoney Beach
Carievale	Loreburn	Mortlach	Tuxford

#### ALBERTA

Brant	Nanton	Armstrong	Vancouver B.
Calgary	Oyen	Kamloops	N. Vancouver
Cayley	Stavely	Port Hammond	S. Vancouver
Champion	Taber	Salmon Arm	(Cedar Cottage
Granum	Vulcan	Vancouver	P.O.)

#### BRITISH COLUMBIA



LIFE INSURANCE COMPANIES' INVESTMENTS IN OUR FOUR WAR LOANS

COMPILED BY THE MONETARY TIMES

LIFE INSURANCE COMPANY	First War Loan		Second War Loan		Third War Loan		Victory Loan		Remarks
	Subscription	Allotment	Subscription	Allotment	Subscription	Allotment	Subscription	Allotment	
Aetna .....	\$ 525,000	\$ 525,000	\$ 100,000	\$ 100,000	\$ 250,000	\$ 250,000	\$ 300,000	\$ 300,000	This company was absorbed by the Sun Life Co. of Canada in December, 1917. \$40,000 subscription represents conversion of 1st and 3rd War Loan Bonds, difference paid in cash
British Columbia .....	20,000	20,000	.....	.....	20,000	20,000	40,000	40,000	
Canada .....	1,500,000	1,500,000	1,000,000	407,500	4,000,000	2,890,000	8,407,500	6,282,500	
Capital .....	25,000	25,000	20,000	20,000	100,000	90,000	140,000	140,000	
Confederation .....	500,000	500,000	250,000	207,500	2,000,000	1,440,000	2,500,000	2,273,750	The holding of the 2nd loan and \$1,090,000 of the 3rd loan were turned in on account of the Victory Loan subscription
Continental .....	100,000	100,000	100,000	47,500	200,000	155,000	500,000	500,000	\$292,500 of 1st, 2nd and 3rd War Loans were turned in on account of Victory Loan subscription
Crown .....	100,000	100,000	150,000	67,500	200,000	156,500	79,000	79,000	On the subscription of the 1931 War Loan, the company made a further purchase of \$12,000. The company turned in its old bonds, and its new subscription of \$79,000 was extra
Dominion .....	115,000	115,000	115,000	69,500	200,000	155,000	500,000	500,000	The company converted its previous holdings of \$290,000 into the new Victory Loan, paying the difference in cash
Excelsior .....	150,000	150,000	100,000	82,500	300,000	255,000	200,000	200,000	The company subscribed for \$200,000 of the Victory Loan, and converted the amounts it held of the second and third war loans so that the total holdings in the Victory Loan are \$587,500. The company disposed of \$50,000 of the first loan and converted the balance into the 3rd loan, this amount being included in the \$300,000 mentioned as subscribed. To the 2nd loan \$100,000 was subscribed, \$82,000 of which was allotted. The company later purchased \$50,000 of the 2nd loan.
Great-West .....	1,000,000	1,000,000	1,000,000	407,500	1,500,000	940,000	4,500,000	3,829,000	The company surrendered the full amount of war bonds held under allotment of previous loans in part settlement of allotment under Victory War Loan
Gresham .....	30,000	30,000	25,000	25,000	20,000	20,000	25,000	25,000	In addition, the company bought further bonds of the 1925 loan amounting to \$25,000, making its total holdings \$100,000. These figures are of local application only, as the Society has a total holding of \$4,250,000 in the British War Loans, and a further \$940,000 in war loan stock issued by the Allies and the British Colonies
Imperial .....	350,000	350,000	750,000	307,500	1,500,000	1,132,500	2,465,000	2,340,000	



## The Saskatchewan Mortgage and Trust Corporation

LIMITED

REGINA - - SASK.

Executor, Administrator, Trustee, Financial Agent, Etc. Mortgage Investments and collections undertaken for clients. Every attention given to affairs of clients in other Provinces.

## Murray's Interest Tables

show the interest due on all your investments.

Tables range from 2½% to 8% from 1 day to 368 on sums from \$1.00 to \$10,000

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Executor, Administrator, Assignee, Trustee, Etc.

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A GENERAL BANKING BUSINESS TRANSACTED

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Inquiries Invited

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Lieut.-Col. G. H. DORRELL



LIFE INSURANCE COMPANIES' INVESTMENTS IN OUR FOUR WAR LOANS—Continued from Page 18

LIFE INSURANCE COMPANY	First War Loan		Second War Loan		Third War Loan		Victory Loan		Remarks
	Subscription	Allotment	Subscription	Allotment	Subscription	Allotment	Subscription	Allotment	
London & Lancashire.....	\$ 100,000	\$ 100,000	\$ 100,000	\$ 82,500	\$ 120,000	\$ 120,000	\$ 150,500	\$ 150,500	In addition to the original subscriptions there have been several exchanges and additional purchases made by the company, but no sales. The total holdings at date amount to \$806,000, and are exclusive of the company's holdings at home in the British War Loans
London.....	250,000	250,000	300,000	127,500	500,000	425,000	1,300,000	1,300,000	The company subscribed for \$1,300,000 of the Victory Loan, and converted all previous War Loan Bonds (\$812,500) then held, now holding a total of \$1,300,000.
Manufacturers.....	500,000	500,000	700,000	287,500	1,000,000	715,000	1,500,000	1,125,000	The company purchased later \$335,000 of the 1st War Loan, turning in their total holding of \$835,000 to the 2nd loan, thus gaining a holding of \$1,122,500 of the 2nd loan. The company also purchased in the open market \$285,000 of the 3rd loan, making a holding of \$1,000,000 of that loan. At the time the Victory Loan was issued, \$2,131,700 of old war loans were held. This sum was all turned into Victory Loan, making, with the new money subscribed, a total holding of \$3,256,000 of Victory Bonds.
Metropolitan, New York.....	3,000,000	2,000,000	3,000,000	2,725,000	3,000,000	3,000,000	5,000,000	5,000,000	Victory Loan allotment includes subsequent purchases
Monarch.....	40,000	35,000	50,000	43,000	100,000	94,600	125,000	125,000	The company made a subsequent purchase of \$325,000 of the 1st War Loan. Ultimately, all earlier holdings were converted into Victory Loan \$220,000 of former loans was converted, the total holding of the company being \$345,000
Mutual, of Canada.....	500,000	500,000	1,500,000	537,500	2,500,000	1,843,700	5,400,000	4,265,600	
National.....	150,000	100,000	150,000	67,500	175,000	137,500	345,000	345,000	The company purchased \$1,000,000 1st War Loan Bonds, due 1925, which were later used in part payment for subscription to Victory Loan. It also purchased \$285,000 additional 3rd War Loan Bonds, making holding of \$1,000,000.
New York.....	1,000,000	1,000,000	.....	.....	1,000,000	715,000	2,000,000	1,875,000	
North American.....	500,000	500,000	500,000	207,500	1,000,000	715,000	1,000,000	1,000,000	The company has made a number of exchanges but no sales, and the total holding of paid-for war bonds was, at December, 1917, \$230,000. This total is large for the company, and is partly attributable to the fact that the amount of deduction for policy loans made which is allowed by Life Insurance Investment Act, was very small, owing to special efforts made
Northern.....	105,000	105,000	50,000	32,500	210,000	165,000	235,000	235,000	
Prudential, Newark.....	500,000	500,000	700,000	287,500	500,000	365,000	2,200,000	2,200,000	Subsequent purchases increased holdings of the first three loans to a total of \$2,200,000, all of which was converted into Victory Loan Bonds
Saskatchewan.....	.....	.....	.....	.....	10,000	.....	20,300	20,300	The company subscribed for \$20,300 of the Victory Loan, converting \$300, 1925; \$5,000, 1931; and \$5,000, 1937 loans. This leaves the company with \$10,000 of the third loan, or a total subscription to the various loans of \$30,300.
Security.....	.....	.....	.....	.....	10,000	.....	12,000	12,000	The company converted 3rd War Loan of \$10,000 into Victory Loan
Sovereign.....	60,000	60,000	60,000	35,500	60,000	53,000	100,000	100,000	The company converted prior holdings into Victory Bonds, with a further small subscription to bring to even figures. Total of Canadian War Loans now held is \$250,000, represented by 1937 maturity

Continued on Page 22



## Put the Burden on Those Trained to Carry It.

One business man should not be asked by another to give the time required to perform the duties of Executor when a capable and experienced Corporation makes that work a regular business and performs the service at no greater cost. The remuneration for the services of this Corporation is fixed by the Court in the same manner in which the fees of an individual Executor are determined.

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

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General Manager.

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

The Empire  
Loan Company

WINNIPEG, Man.

THAT many people of business judgment and financial standing have appointed this institution their executor, is an evidence of the satisfactory quality of the service the Company renders in managing property.

We are glad to be consulted about the problems such management involves.

**National Trust Company  
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Capital Paid-up, \$1,500,000

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MONETARY TIMES—Vol. 41, 1907-08

An old subscriber to The Monetary Times desires to complete his files, and in order to do so would like to secure a copy of Volume 41—1907-08.

Anyone possessing such a volume and caring to dispose of it is asked to address "Bound Volume"

MONETARY TIMES - 62 Church St., Toronto

## Going Overseas?

To those going overseas, whether in a military or civil capacity, to do their bit, or to those who contemplate spending the Winter away from home, and who may need a strong, reliable corporation to look after their affairs in their absence, we offer the suggestion that they leave a Power of Attorney in our favor. It will relieve them of all the details and worries incidental to looking after their Estates. Compared with the relief afforded and the service rendered, the charge would be small and the satisfaction great. Interviews invited; correspondence solicited. All business treated as strictly confidential.

**The Standard Trusts Company**  
346 MAIN STREET WINNIPEG



LIFE INSURANCE COMPANY	First War Loan		Second War Loan		Third War Loan		Victory Loan		Remarks
	Subscription	Allotment	Subscription	Allotment	Subscription	Allotment	Subscription	Allotment	
State.....	\$ 300,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ .....	\$ .....	\$ ..... .....	\$ ..... .....	Through additional purchases and conversion, the company's holdings are at present \$1,250,000 of the three loans.
Sun.....	2,000,000	2,000,000	5,500,000	2,487,700	10,000,000	4,765,000	11,500,000	9,444,850	
Travelers, Hartford.....	100,000	100,000	100,000	47,500	200,000	155,000	750,000	687,500	
Travelers, of Canada.....	15,000	15,000	25,000	25,000	25,000	25,000	50,000	50,000	The company subscribed \$50,000 to the Victory Loan and the allotment was \$50,000. Of this amount \$35,000 was new money, the balance representing a conversion of \$15,000 of the 1st War Loan
Western.....	.....	.....	15,200	15,200	20,000	20,000	65,000	65,000	The figures of the 2nd War Loan include \$5,000 purchased from brokers; all former holdings were converted in payment of the subscription of \$65,000 to Victory War Loan.
Western Empire.....	.....	.....	20,000	20,000	.....	.....	75,000	75,000	The 2nd War Loan Bonds of \$20,000 were applied on the Victory Loan

WAR TRADE BOARD CREATED

Representative Men Have Been Named by Dominion Government

The Dominion government has decided to create a War Trade Board. The members are: Sir George Foster, minister of trade and commerce; Messrs. Frank P. Jones, Montreal; John W. McConnell, Montreal; James H. Gundy, Toronto; Charles B. McNaught, Toronto; Joseph Gibbons, Toronto.

Mr. C. A. Magrath as fuel controller, and the Hon. H. Laporte as chairman of the war purchasing commission, are to be members of the board ex-officio. The minister of trade and commerce is appointed chairman. The members of the board will elect a vice-chairman.

The executives of the labor organizations were asked to nominate a representative of labor. Mr. Gibbons, whose name was among those submitted, will represent organized labor on the board.

The powers and duties of the board are officially announced as follows:—

Powers and Duties of Board.

(1) To have direction of licenses for export and to make recommendations with regard thereto.

(2) To have direction of licenses for import and of applications to the proper authorities of exporting countries for permit to export to Canada, and to make recommendations with regard thereto.

(3) To undertake and carry out such supervision as may be necessary of all industrial and commercial enterprises, and by co-operation with producers to prevent waste of labor, of raw materials and of products.

(4) To make recommendations for the maintenance of the more essential industries as distinguished from those of a less essential character.

(5) To investigate and keep records of the country's stock of raw materials, partly finished products and finished products, and when necessary to direct their distribution so as to obtain the best results in the national interest.

(6) To consider and recommend methods of curtailing or prohibiting the use of fuel or electrical energy in the less essential industries.

(7) To direct priority in the distribution of fuel, electrical energy, raw materials and partly finished products.

(8) To investigate generally conditions of trade, industry and production (except food production) and to make recommendations with regard thereto.

(9) To work in co-operation with the Canadian War Mission at Washington, and, through that mission or otherwise, to co-operate with the War Trade Board of the United States, or other bodies constituted for the like purpose, with a view to securing the most effective unity of action by the two countries for war purposes.

Co-operation of Departments.

It is provided that any department of the government may attach to the board such of its officers as may be deemed advisable.

The board is to co-operate with the several departments of the government in any matter requiring common or united action, and each department is to assist and co-operate with the board and its officers.

The order-in-council creating the board also contains a proviso that nothing therein shall take away or affect the powers of the food controller. It contains a further proviso that for the present the powers of Mr. Magrath as fuel controller and of Sir Henry Drayton as controller of electrical energy shall continue pending further arrangements as to united control and direction in both fuel and power.

An official statement issued by the prime minister declares that the board is constituted, "following very careful consideration of more effective organization for the purpose of the war, and having regard to the necessity of more effective measures for maintenance of industries essential for that purpose."

The Ontario fire marshal has ordered an enquiry into the fire which destroyed the plant of the Office Bureau in Aurora, Ont., on the same day that an application was made at Osgoode Hall, Toronto, to wind up the concern. One of the largest creditors, who lives in Toronto, has demanded a complete investigation into all the circumstances. The night the fire took place many of the town hydrants were frozen, severely handicapping the work of the fire-fighters.



### The Hamilton Provident and Loan Society

Notice is hereby given that the Forty-sixth General Annual Meeting of the Shareholders of this Society will be held at the Society's Office, in Hamilton, on Monday, Fourth day of March next, at twelve o'clock noon, for the purpose of electing Directors to serve for the ensuing year, and for all other general purposes relating to the management of the Society.

A full statement of the Society's affairs for the year ending December 31st, 1917, will also be submitted to the Meeting.

D. M. CAMERON, Treasurer.

### "INVESTMENTS"

A MUCH MISUSED TERM

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

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

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

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LONDON INCORPORATED 1870 Canada

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

5% SHORT TERM (5 YEARS) DEBENTURES YIELD INVESTORS 5%

ASSETS OVER \$8,000,000

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### Six per cent. Debentures

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

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Ask for Booklet "About Debentures."

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WINNIPEG, TORONTO, REGINA, CALGARY,  
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Interest at 4 per cent. payable half-yearly on Debentures

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Debentures issued, one hundred dollars and upwards, one to five years. Best current rates. Interest payable half-yearly. These Debentures are an Authorized Trustee Investment. Mortgage Loans made in Ontario, Manitoba and Saskatchewan.

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Debentures issued to pay 5% a Legal Investment for Trust Funds.

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Correspondence Solicited.

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## AGRICULTURE IS THE BACKBONE

### Canadian Farmer Becoming One of Most Up-to-date and Prosperous Agriculturalists, Says Mr. E. R. Wood

That investors of the United Kingdom had placed through our loaning institutions many millions of pounds sterling in farm mortgages throughout Canada, was one of the many interesting statements of Mr. E. R. Wood in presenting the report of Central Canada Loan and Savings Company at the recent annual meeting. Mr. Wood recalled that not only have the people of Britain loaned their funds in generous amounts to the Canadian farmer through these channels, but they have also purchased the bulk of Canada's farm products. Britain has largely financed the Canadian farmer, and at the same time has been his best customer. We shipped to Britain, for example, during the fiscal year ended March, 1917, \$230,000,000 of our grain exports out of a total valued at \$289,000,000. The United Kingdom bought in the same year \$90,000,000 of the \$128,000,000 of animal produce which we exported.

"During the three years of war, our farm products have been exported in increasing volume and at rising prices," continued Mr. Wood. "In 1915 we shipped over \$209,000,000 worth of Canadian agricultural and animal products abroad; in 1916 \$352,000,000; and in 1917 \$501,000,000. Most of this went to the United Kingdom.

#### Agricultural Exports Lead.

"Despite the great impetus given to Canadian manufacturing by the munitions industries, the exports of Canadian animal produce and agricultural products continue to exceed those of factory products. For many years the exports of our farm products have exceeded those of our manufactures. The exports of Canadian agricultural products, including animal produce, for the fiscal year 1914, totalled \$251,000,000 and for 1917 \$501,000,000. The exports of Canadian manufactures in the same years were valued at \$57,000,000 and \$477,000,000 respectively.

"Agricultural conditions throughout the Dominion are unusually satisfactory. The farmers, generally speaking, are in excellent financial shape. They were, in the aggregate, substantial contributors to Canada's Victory Loan in November last. They have taken advantage of prevailing conditions to pay their obligations, to increase their savings and to invest their surplus funds in the government's war securities. The Federal and provincial governments have active departments of agriculture, which are furthering the interests of the industry in a way that will make the Canadian farmer one of the most up-to-date and prosperous agriculturalists of the world.

#### Future of Interest Rates.

"The future of interest rates is a subject on which opinions are sharply divided. The duration of the war is obviously an important factor. As this is unknown, the question is problematical. Canadian government borrowing for war purposes was the outstanding feature last year, and our war loans will certainly have the right of way during 1918. Provinces, municipalities and corporations, however, will require to make issues, and the extent of these and the rates it will be necessary to pay will determine the rate to be paid on mortgages. No doubt, this will be somewhat higher than last year.

"The past year has been, financially, a somewhat remarkable one in Canada. One of the outstanding features was the growing investment power of the country; an important consideration in view of the necessities of war financing. The Canadian bond sales in 1917 totalled \$756,000,000, making a new high record. Dominion government loans—and chiefly war issues—accounted for \$675,000,000 of the total. Of the total loans of \$756,000,000 Canadian investors purchased no less than 75 per cent. as compared with only 33 per cent. in 1916; which, up to that time was the highest percentage share ever taken by this country's investors.

"The Canadian people realize that, in view of war finance requirements in the United Kingdom and the United States, they must finance, for the time being, at least, the development of their natural resources, the nation's daily business, and their share of the war. In addition, they must be prepared to advance substantial credits to the United Kingdom for her large purchases in this country. The task is heavy for a young country, which until very recently was one of the foremost borrowing nations in the money markets.

"The achievement of Canada in connection with the Victory Loan in November, however, is an indication of what the

Dominion is able to do with proper organization. As is generally known, while the finance minister asked for \$150,000,000, the national organization responsible for the sale of the bonds in co-operation with the minister, made the objective \$300,000,000. That amount was surpassed by \$118,000,000, making a total subscription of \$418,000,000. The fact that there were over 800,000 subscribers to the loan, as compared with only 40,000 to the previous war loan, is very gratifying. One in every 9.76 of the population is a holder of Victory bonds; thus having a direct stake in the country's welfare and in its share of war financing. Our Victory Loan record compares well with, and in most cases surpasses, the war finance achievement of other countries. The second Liberty Loan of the United States, for example, was subscribed to by one in every 10.74 of the population, compared with our record of one in every 9.76. The Liberty Loan subscriptions included many substantial amounts from the banks. The Canadian banks were not asked to subscribe to the Victory Loan, they having other important government financing in hand. The Victory Loan was entirely subscribed by the people and by financial, industrial and other corporations.

#### Down to War Basis.

"In 1917 our Federal and provincial government borrowings accounted for over 90 per cent. of our bond issues. Our municipal, railroad, corporation and other loans were responsible for less than 10 per cent. This illustrates the sharp curtailment effected in all other than war expenditures. Financially, Canada is down to a war basis. Our municipal bond issues, for example, last year were \$25,000,000, compared with over \$50,000,000 in 1916. In order to still further conserve our financial resources for war purposes, an order-in-council was passed in December last, making it necessary for the finance minister's authority to be obtained for the issue of new securities.

"For the past three years Canada has participated in what we may term the prosperity of war. This has been due to the receipt of war orders from the United Kingdom, the United States and elsewhere. High prices have been realized for all we have produced on farm and in factory. Estimates, based on the official figures available, indicate that up to the end of 1917 the Dominion had received \$1,810,000,000 of war orders. Of that sum \$1,000,000,000 represents orders placed here by the Imperial Munitions Board on behalf of the British government.

"War orders have been instrumental in building up a record export trade. For the fiscal year ended March 31st, 1917, our total exports were \$1,179,211,100; which, together with our imports of \$845,356,306, gave us a total trade of \$333,854,794. The balance in our favor was \$354,000,000. For the 12 months ended September last our favorable balance was \$415,000,000, and for the 12 months' period ending March next it will probably be \$500,000,000. At the end of the fiscal year, 1912, we had an unfavorable balance of \$214,000,000. Our reversal from a debtor to a creditor nation in this way, in such a comparatively short period, is a matter for considerable gratification. It is a good omen for our future financing, particularly in regard to the war.

#### Debt and Production.

"The debt continues to increase substantially on account of the war, but with thrift, greater production and the development of our vast natural resources, no one doubts our ability to pay the annual interest charges, and, in addition, to provide a part of the war principal. It is good to know that an increasingly large share of the interest payments on our debt is being made to the Canadian people, who, consequently, are not only taxpayers but bondholders also. The payment of interest in this country, rather than its export abroad, is very desirable.

"For the first time in our history the value of our crops last year exceeded a billion dollars. They contributed \$1,089,000,000 to the value of our primary production, as compared with \$825,000,000 in 1915. From the field crops, forests, mines and fisheries of Canada in 1917, we obtained new wealth of \$1,507,000,000, as against \$975,000,000 in 1914. The value of our production in those four items alone last year exceeded the total of the national debt by over \$500,000,000. With the requisite capital and labor after the war, drawn from our own country, from the United Kingdom and from our other Allies, there is before Canada an era of growth which, when in progress, will surprise not only ourselves but other countries which have sent new citizens and capital for Canadian expansion. The value of our primary production, after a few years of development of our great resources, will materially exceed even the remarkable record which the Dominion made last year."



# The Union Trust Company Limited

HEAD OFFICE, TORONTO

Winnipeg, Man.

London, England.

Regina, Sask.

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W. H. Smith, Toronto.

A. Percy Taylor, Toronto.

The Seventeenth Annual Statement submitted to the Shareholders at the Annual Meeting held at the Head Office, Toronto, Thursday, February 14th, 1918.

## CAPITAL ACCOUNT.

ASSETS		LIABILITIES	
Mortgages and other securities on real estate and Interest thereon to Dec. 31st, 1917.....	\$ 726,197.35	Capital Stock, fully paid.....	\$1,000,000.00
Municipal Debentures, Bonds and Stocks and Interest thereon to Dec. 31st, 1917.....	45,845.96	Reserve Fund.....	450,000.00
Loans on Debentures, Bonds and Stocks and Interest thereon to Dec. 31st, 1917.....	140,307.60	Profit and Loss Account.....	15,702.77
Real Estate.....	542,413.26	Dividend No. 42, payable January 2nd, 1918.....	20,000.00
Real Estate (foreclosed).....	14,059.83	Other Liabilities.....	7,213.09
Other Assets.....	10,581.48	Suspense.....	66,092.62
Cash on Hand, and in Banks.....	93,141.71	Items Accrued (not yet payable).....	13,538.71
	\$1,572,547.19		\$1,572,547.19

## GUARANTEED INVESTMENT ACCOUNT.

Mortgages on Real Estate.....	\$3,463,330.39	Guaranteed Investment Certificates.....	\$6,055,901.44
Municipal Debentures, War Loans, Bonds and other Securities.....	3,784,224.69	Trust Savings Accounts.....	1,605,980.81
Cash on hand, and in Banks.....	414,327.17		
	\$7,661,882.25		\$7,661,882.25

## ESTATES AND AGENCIES.

Inventoried Value of Real Estate Mortgages, Stocks, Bonds and Debentures, etc., in the hands of the Company as Executors, Trustees, Agents, etc.....	\$5,908,258.98	Value of Assets of Estates and Agencies in hands of the Company.....	\$6,031,762.78
Cash on hand, and in Banks.....	123,503.80		\$6,031,762.78
	\$6,031,762.78		
Total.....	\$15,266,192.22	Total.....	\$15,266,192.22

## PROFIT AND LOSS ACCOUNT.

Quarterly Dividends Nos. 39, 40, 41 and 42.....	\$85,000.00	Balance brought forward December 31st, 1916.....	\$36,531.13
Patriotic Funds.....	2,250.00	Net Profits for year after defraying cost of management, fees, and expenses of every kind.....	98,446.64
Federal Income Tax.....	4,259.29		
Transferred to Reserve Account.....	27,765.71		
Balance carried forward.....	15,702.77		
	\$ 134,977.77		\$134,977.77

C. D. HENDERSON,  
Secretary.

JAMES K. PICKETT,  
Acting General Manager.

## AUDITORS' CERTIFICATE.

We have made a continuous audit of the Cash and Bank Accounts with the books and vouchers of The Union Trust Company, Limited, for the year ended 31st December, 1917, and have verified the securities, and we hereby certify that the accompanying balance sheet, bearing our signature, is a true and correct statement of its affairs at the date named. The books are properly kept, and all required information has been freely given.

A. C. NEFF, F.C.A. Auditors.  
HARRY BURCH.



## INVESTMENTS AND THE MARKET

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

**Canada Copper Corporation, Limited.**—The company is making rapid progress in its preparation to extract ore at a minimum cost, according to New York dispatches. A main transportation tunnel, to be 2,900 feet long, was started in September and is now two-thirds completed. Recent rate of progress exceeds 600 feet a month. On finishing the tunnel the company will immediately drive a large raise to connect with the upper tunnel and works, where preparations have been practically completed for mining the overlying ore body. The power line, which transmits a current generated at Bonnington Falls, 100 miles distant, is ready for operation, and the Canadian Pacific Railway has completed the preliminary work on the branch line to connect the mines with Princeton, B.C., where the mill is located. These facilities will effect the highest degree of operating economy.

**Penman's, Limited.**—Shareholders are looking forward with considerable interest to the forthcoming financial statement for 1917, as it is expected that the showing will equal, if not exceed, the record showing of the preceding year, according to Montreal advices. Incidentally, the question of an increased dividend rate is giving the shareholders cause for considerable thought, in view of the large earnings. In 1916 the profits amounted to 31 per cent., and it might be added that since 1910 only twice have they gone under 10 per cent., and very slightly at that, while in 1915 they ran as high as 27 per cent. The dividend record shows that since 1907 up to 1916, the dividend rate was 4 per cent., while a bonus of 1 per cent. was added in 1916, which has since prevailed, making the current distribution 5 per cent. The shareholders think they might reasonably expect 7 per cent. under the circumstances.

**City Dairy Company.**—The financial statement for the year ended December 31, 1917, shows profits considerably in excess of those for the preceding 12 months, with the 1917 profits at \$70,274, as compared with \$18,018 in 1916. Profits in 1915 were \$101,647, but fell off substantially in the following year, by reason of increased costs of products, materials and supplies.

The past year the company, under new management, notwithstanding the heavy increases in operating expenses, has increased the volume of business transacted, resulting in a corresponding substantial gain in the year's profits. Important operating economies introduced during 1917 have effected beneficial results, and the taking over by the City Dairy organization at the end of December last of the entire distribution of milk and dairy products formerly made by S. Price and Sons, Limited, as pointed out by President C. B. McNaught, will show during the current year significant operating economies.

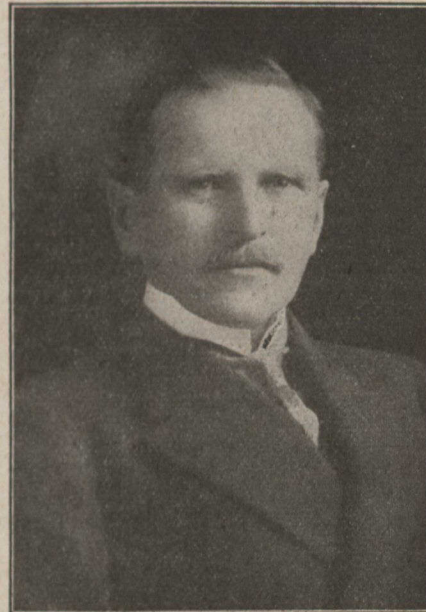
**Ottawa Traction Company.**—In the fourth annual report for the year ended December 31, 1917, both gross and net earnings were in excess of the previous 12 months, with the increase in net amounting to slightly more than 10 per cent., with the respective totals at \$535,289 and \$484,564 for the last two years, a balance of \$50,724 in favor of the 12 months just closed. The company's gross figures for 1917 were given as \$1,240,627, comparing with \$1,154,918 for 1916. Operating expenses for the two periods amounted to \$705,338 and \$670,348, respectively, showing an increase closely proportionate to the increase in net earnings. During the 12 months 29,347,692 passengers were carried, as compared with 27,033,778 in the preceding year. The rolling stock was augmented to the extent of three pay-as-you-enter cars and the roadbed was improved at a cost of \$50,000. Four quarterly dividends of 1 per cent. each and a bonus of 1 per cent. were paid. Interest on bonds accounted for \$44,079. Mileage payments totalled \$16,442, taxes \$24,484 and business war tax \$40,615. The company laid aside \$110,000 for depreciation and \$18,085 was transferred to the profit and loss account. Assets amounting to \$3,432,959 were shown in the balance sheet, comparing with \$3,395,342 at the end of 1916.

**Belding Paul-Corticelli, Limited.**—The net profits of the company amounted to \$142,754 in the year ended November 30th last, against \$135,984, the previous high record established in 1916, and only \$18,123 in 1915. Profits were equal to 16.5 per cent. on the preferred stock issue and to 10.9 per cent. on

the common. Payments of two years' back dividends on the preferred, taking \$120,457, were, therefore, made possible without impairment of the improved position into which the company had worked the previous year. The return of \$35,000 from a mortgage investment which matured during the year added that much to the cash assets of the company and practically accounted for the difference in working capital shown in the balance sheet. At the end of 1916 working capital was \$701,918, and at the end of 1917 it was \$736,663. Three years ago it was \$500,676. Changes in the character of current assets and current liabilities were favorable in each case. Cash and receivables accounted for gains in the former, inventories being slightly lower, while bank loans were reduced \$20,000 to \$175,000, against \$452,000 three years ago. In the same three years there has been a reduction in funded debt through sinking fund account of about \$70,000. After paying two years' dividend arrears and reserving \$5,000 for accidents, \$17,296 was added to profit and loss, which stands at \$249,475.

### BOND DEALERS' ASSOCIATION

Mr. E. R. Wood was elected hon. president of the Bond Dealers' Association of Canada at the annual meeting which was held in Toronto, on February 12, following a meeting of the executive on the previous day. There are 69 firms identified with the organization and owing to its widespread



**J. M. MACKIE, MONTREAL,**  
Elected President of the Bond Dealers' Association  
of Canada.

nature, it was decided to divide it into three sections, embracing Quebec and the Maritime Provinces, with the exception of Prince Edward Island, in the east, Ontario in the centre, and Manitoba, Saskatchewan, Alberta and British Columbia in the west. It was from the Bond Dealers' Association that the Dominion executive of the Victory Loan was formed, and the amazing showing made at that time was a tribute to the organizing ability of the Canadian bond dealers. A permanent paid secretary will shortly be appointed, but in the meantime the secretarial duties will be carried on by Mr. C. H. Burgess, who has been acting secretary for the past year.

The officers elected for the current year are as follows: Hon. president, Mr. E. R. Wood; president, Mr. J. M. Mackie, Montreal; vice-presidents, Mr. J. H. Gundy (Toronto), Sir Augustus Nanton (Winnipeg), and Mr. Edwin Hanson (Montreal); treasurer, Mr. A. H. B. Mackenzie, Montreal. The executive is composed of 18 members; Messrs. J. M. Mackie, Edwin Hanson, R. P. Leclerc, A. G. Nesbitt and R. A. Stevenson, in the east; J. H. Gundy, J. W. Mitchell, A. E. Ames, W. C. Brent, R. C. Matthews and W. L. McKinnon, in Ontario; and Sir Augustus Nanton, Hon. Edward Brown, A. L. Crossen, Manitoba; G. H. Sneath, Saskatchewan; and F. B. Pemberton, British Columbia. Alberta's representative has not yet been chosen.



THE pioneer American fire insurance company to recognise and provide for the needs of both large and small insurers everywhere, by establishing numerous, well selected and widely distributed local agencies, and by conservatively and steadily enlarging its underwriting capacity to meet the needs of all.

“The Largest Fire Insurance Company on the Continent.”

# THE HOME INSURANCE COMPANY NEW YORK

Home Office: No. 56 Cedar Street, New York

ELBRIDGE G. SNOW, President

AUTHORIZED, SUBSCRIBED AND PAID-UP CAPITAL, \$6,000,000.00

One Hundred and Twenty-Ninth Semi-Annual Statement  
January, 1918

CASH ASSETS	- - - - -	\$44,048,651.58
CASH CAPITAL	- - - - -	6,000,000.00*
LIABILITIES	- - - - -	25,047,401.00
NET SURPLUS OVER LIABILITIES	-	13,001,250.58*

\*Surplus as regards Policyholders, \$19,001,250.58

\$1,283,733 Par Value of Canadian Securities on Deposit with  
Dominion Government at Ottawa

In addition, \$250,000 subscribed to New Victory Loan

FIRE, WINDSTORM, HAIL, SPRINKLER LEAKAGE,  
AUTOMOBILE, WAR RISK

STRENGTH      REPUTATION      SERVICE



# WAR-TIME BUSINESS AND PROFITS—BOTH ARE VITAL

## Vicious Tendencies Toward Business Life—Need of Fair Play—Farmers, Manufacturers and Other Producers and Their Products—Danger of Strangling Industry and Drying Up the Sources of Our Wealth—Taxation and Expansion—Unworthy Socialism

Being the Text of An Address Delivered Before the Canadian Club of Orillia by S. R. Parsons, President of the Canadian Manufacturers' Association, and Published Under the Sanction of the Executive Committee of the Association, as Being of Interest to All Canadians at This Time

"Canadians, let us know each other better—let us understand and sympathize with each other's problems—for in that knowledge lies increased production, good feeling between city and country, prosperity in reason and fair play for all," was the burden of a thoughtful and far-reaching address by Mr. S. R. Parsons, President Canadian Manufacturers' Association, speaking, February 8, before a very large meeting of the Canadian Club of Orillia.

Continuing, Mr. Parsons said:—

"It should surely be possible to discuss dispassionately, and with fairness to all interests, some present tendencies in our public mind toward the business life of the country. If ever we needed calm deliberation and clearness of vision it is at the present critical time. We are all more or less on edge owing to war conditions, and in our anxiety that each individual or interest should play a worthy part we too easily, and oftentimes with lack of knowledge through inexperience, strike at the other fellow or group. People are unsettled and out of sorts. The farmer denounces the Government, the railways, the manufacturer and the storekeeper. The professional man, be he minister, doctor, lawyer, or what not, curses everybody within reach because war prices prevail, and seems to think all others are profiteers and sharks, holding him up at every turn. The manufacturer and merchant rail at conditions of labor, soaring pay rolls, shortage and tremendously increased costs of raw materials, Government and railway embargoes, increasing taxes, and threatened extinction of reasonable profits. The workers, notwithstanding heretofore unheard of wages, are aggravated at the figures they have to pay for all supplies, and therefore grumble at all and sundry.

"Tennyson tells us:

"In wars of freedom and defence  
the glory and grief of battle won or lost  
Solders a race together."

If so, the surface signs of unity of thought and purpose of working are certainly lacking in Canada.

### City and Country in Same Boat.

"One curious phase of our disturbed mental condition is that it leads some people to believe that the good, fair-minded, honest folk for the most part live in the country and all the opposite kind are to be found in the towns and cities and engaged in business life. This tendency was well illustrated recently in two editorials appearing in the same number of a religious weekly, published in Toronto. The one was headed 'Prosperous Farming,' and detailed with evident approval and satisfaction the case of a farmer in Saskatchewan, who last spring bought a section of land for which he agreed to pay over twenty-one thousand dollars, and upon which he made but a trifling payment. At the end of the year, the article stated, he had about twenty-five thousand dollars in returns for the wheat grown, or—to quote from the editorial—'more than enough to pay for the whole farm.'

"The other editorial, referring quite evidently to war-time commercial life and conditions, denounced the making of money in war time and condemned in unmeasured terms those who are heaping up profit at such a time as this. Now, to an average business man it would appear that a little consideration should show that the farmer referred to made his enormous and extraordinary profit on account of war prices on wheat; in other words, if there is such a thing as a 'war profiteer,' surely this man was one, for profits anything like his upon the actual capital invested were never heard of in the making of munitions, the curing of bacon, or any other

line; yet the farmer is commended and the manufacturer or trader condemned. Why? Is it any worse to make profits out of manufactured goods, or by other means, than out of wheat? Of course the case of this particular farmer was, no doubt, somewhat exceptional and perhaps seldom duplicated, but this surely is also equally true of a manufacturer or trader who makes abnormal profits.

### The Farmer and His Buggy.

"Another case in point along the line of the farmer more than holding his own as compared with the manufacturer is well illustrated by a recent occurrence. A certain farmer desired to purchase a buggy, and having used one that was in every way satisfactory, he went to the manufacturer and asked if another one could be supplied of the same kind. The manufacturer replied affirmatively, and the farmer asked the price, which was stated to be one hundred and eighty dollars. At this he held up his hands in holy horror and stated that his father had paid only eighty dollars for the buggy he was now using, and that he certainly would not pay any such outrageous figure for a new one. The manufacturer then looked up his records and stated to the farmer that it was quite true that his father had purchased the buggy at a price of eighty dollars. 'But,' said he, 'I find the record states that your father paid for this not in cash, but by giving me one hundred bushels of wheat. Now,' said the manufacturer, 'I will give you this new buggy for one hundred bushels of wheat, and in addition I will buy your wife a new dress and you a new suit of clothes.' This the farmer would not agree to, and the manufacturer's efforts to convince him that the price was fair, under present conditions, were unavailing.

### Need be no Antagonisms.

"Now, there should be no antagonism whatever between the farmer and the manufacturer or trader. They are all necessary to the country's well-being and prosperity, despite the erroneous impression of some people to the contrary, and it would be better if they exercised more confidence in and good-will towards each other. It should be a matter for congratulation if the farmers, manufacturers, mine owners and all other producers are prosperous. It is a belief held very widely by men of lengthened and varied experience that the average farmer in Canada, over a series of years, makes as large a return upon his invested capital as does the average trader or manufacturer. One thing is certain, and that is that seldom does a farmer fail to make a living at all events. This cannot be said of many manufacturing and trading ventures, as farmers and other investors know to their sorrow. In this connection it is interesting to note the profits of the Grain Growers' Grain Company of Manitoba, and associated companies, from the Presidency of which Hon. Mr. Crerar, the capable and well-regarded Union Government Minister of Agriculture, has been drafted to serve his country at Ottawa. The total profits of the three concerns (which, according to newspaper reports, have recently amalgamated) handling grain, running elevators and stores, buying and selling live stock, coal, binder twine and other supplies, etc., for the year 1915-16 were over \$1,800,000 on a capital, it is stated, of \$2,000,000, which is equal to a 90 per cent. return. No doubt the profits of the new amalgamated company for the present year will be equally good, if not very much better. The huge profits made, fortunately go into a great many hands, as the shareholders are numerous and are associated to some extent on a co-operative basis. This feature of the wide distribution of profits among numerous shareholders also characterizes many of our large industrials.



**Productive Power is Vital.**

"It should never be forgotten for a moment that we could not exist as a nation if it were not for what we produce—what we grow, take out of the earth, make in various ways and sell at a profit. A few figures will indicate the chief sources of our wealth. For the year 1916 the estimated values of our main products were as undernoted:—

Manufactured products .....	\$1,621,000,000
Field crops .....	886,000,000
Animal products .....	303,000,000
Forest products .....	173,000,000
Minerals (unsmelted) .....	138,000,000

"The producer of minerals at Cobalt and elsewhere received the highest price on record for his silver on account of war conditions, and yet there was no outcry about inordinate profits. This is true of producers in other fields as well, outside of manufactured products. In a recent despatch from Ottawa it is stated that the total catch of sea fish in Canada for the month of November realized a value of about double as compared with the same month one year ago, largely on account of higher prices being paid to the fishermen.

**"It is quite clear that this war is a contest of productive power—the power of the armies in the field backed by the power of men in fields, factories and elsewhere.**

"He certainly is very short-sighted who sees only the incomparable sacrifices our brave boys are making at the front, but overlooks the essential aid that producers and others at home are rendering in the great war. A graduate of Toronto University, a well-known editor, now an officer on active service in France, wrote the speaker recently and magnanimously said: 'I often think that you in Canada, who are struggling to keep the country going, have a harder task than ours.'

**Criticism of Manufacturers.**

"Now, in connection with the production of the lines enumerated there seems to be little criticism on the part of the public against prices obtained and profits made except in the matter of manufactured goods. It ought, however, to be remembered that in addition to the question of ethics involved in this criticism Canada would have been in a deplorable condition, financially and commercially, without her great manufacturing industries during the war—aside altogether from the magnificent contribution to the war needs of the Allies. Nor should it be overlooked that in 1914-15 there were heavy losses in manufacturing, yet, notwithstanding this, employers were in most cases holding on to their men and obligating themselves in connection with those who recruited, besides contributing largely to all patriotic funds. Of course it is quite easy to understand that the farmers of the Northwest or elsewhere can hardly object to a price being fixed for wheat that enables them to make such large profits—profits on a scale that they would take strong exception to if made in ordinary manufacturing. It should also be borne in mind that these high prices for farm products are sure to apply for some years—war or no war. The present prosperity of many manufacturers, though, will largely come to an end when war ceases.

**Curbing Manufacturers' Profits.**

"Is it not possible, though, that the Government, in yielding to the popular cry for a curbing of the profits of manufacturing in one particular line, has been unfair and unwise in singling out any industry for its control. In limiting the profits of an industry to a maximum of eleven per cent. the question is, too, if it will not have the opposite effect to that desired. In the first place, such limitation is likely to do away with that initiative and ambition so necessary to the success of all undertakings. In the next place, as interest on investments, in general, bears from six to seven per cent., it would appear that a company having money in such an undertaking could only receive at the maximum four or five per cent. over and above what they could make in simply investing their means here and there within the channels of safety. Aside from the special risks involved in manufacturing, it is well known to all business men that four or five per cent. will not enable any rapidly expanding manufacturing company to properly extend its operations, provide for additional plant, larger stocks and higher values of raw and finished products, increased accounts receivable, and more working capital, all of which is essential. In this respect it is quite different from a financial institution that has its resources in a liquid form and whose working capital is largely supplied by a confiding public.

"A manufacturer, generally speaking, has very little, if any, cash, but has his assets spread over real estate, buildings, plant, book debts, materials finished and unfinished, etc., etc. Further, manufacturers in this country have no surplus of capital and, therefore, depend upon the banks for a line of credit to enable them to conduct their business through the busy seasons. Now, it is quite conceivable, in fact, altogether likely, that a company, limited as indicated, might go to a bank and ask for a line of credit, say a million or several million dollars, according to the capital turnover, etc., to be used at a certain season or seasons of the year. A banker, naturally, would ascertain whether the company would be able, out of its sales and earnings, to pay back the money borrowed in addition to providing for necessary expansion. If there was not a fair prospect of doing this, owing to Government or other limitations, the money would not be loaned and the business would thus be crippled or might even be ruined.

**Big Profits, But No Cash.**

"Taking a hypothetical case, it is, therefore, probable that the 'sixty-nine per cent.' spoken of recently, which the Government think they will get back at the end of the year from a company said to be making eighty per cent. profits, could at best only be largely, if not wholly, in assets of one kind and another other than cash, and the Government would, in consequence, have to take stock in the company instead of getting cash out of it, or in the event of the latter would compel the company to liquidate. If winding up were not advisable or possible the Government might very properly be called upon to assume its share of the liabilities which a growing and rapidly developing business forces upon the enterprise.

"This is no fancy picture, as any experienced manufacturer or banker will declare; in fact, confirmation is contained in a despatch from New York to The Toronto Globe of November 29th, telling of prosperous industrials being short of working capital to meet current bills, owing to present conditions, and omitting well-earned dividends, as well as trying to devise plans to borrow money to meet excess profits taxes. A very important consideration also is that conditions such as outlined above would, in turn, deprive farmers and other initial producers of a favorable market, such as they now have, for their products. It is officially admitted that limiting profits will make little, if any, reduction in prices. What is, perhaps, at present the most serious phase of this particular Government limitation is the fact that it is sure to limit the total output of packing house products at the very time when the world is crying out for them.

**Tax Abnormal Profits.**

"It is a crucial question, therefore, to face as to what should be done on the one hand to maintain to the fullest extent all our producing interests, and on the other hand, especially in the times through which we are passing, to have these interests contribute properly to the enormous expenditure which the country is called upon to make. If industries, such as farming, manufacturing, mining, cattle raising, trading, financial institutions, insurance companies, etc., etc., are worth anything to the country at all, they should be strengthened and maintained to the fullest possible extent. **The Government, however, should tax extraordinary profits, wherever made, in a manner that, while providing needed revenues for the country, would neither destroy the incentive to effort nor deprive the business of those surplus profits with which alone legitimate and necessary expansion can be taken care of.**

"Of course, a huge and extraordinary turnover, even at a very reasonable and quite proper margin of profit, will in any year yield a specially large return upon the capital; on the other hand, a normal turnover at the same margin might show a small return or even a loss. It is often impossible to forecast the result. No manufacturer, farmer or other producer, trader or speculator ought, however, to object to the Government taxing abnormal profits. There must, though, be a fair appreciation of the value of all industry and the fullest encouragement given to same. Further measures of taxation approaching confiscation—which are being advocated in some quarters, but mostly by irresponsible and immature writers and talkers—whether applied to manufacturing, agricultural, or other essential producing industries, will speedily destroy all enterprise and initiative and bring about chaotic conditions. It should never be overlooked that individuals or groups of men, whether engaged in manufacturing, farming, mining, trading, or any other line, cannot make profits for themselves without at the same time benefiting the country



at large. The Finance Minister understands this perhaps better than anyone else.

"The question of moral obligation in connection with the proper use of holdings is not germane to this discussion, but in this regard manufacturers and other classes, in large numbers, have played a worthy part.

#### Expansion is Essential.

"If ever there was a time when all kinds of industry should be reasonably stimulated and put in a shape to bring national prosperity it is the present. This point of view is clearly set forth by Mr. C. W. Barron, publisher of the Philadelphia and Boston News Bureaus, and one of our foremost economists. It will be remembered that Mr. Barron was in Toronto during the first year of the war and delivered one of the sanest and most helpful addresses on war conditions and outlook that has ever been heard. On October 30th last, Mr. Barron, in referring to the enormous obligations the United States was undertaking in connection with the war, said, in part, in a carefully prepared statement:

"All this borrowing to carry Uncle Sam's financial burden in the form of Liberty Loans is dangerous, unless assets in transportation and other public utilities and all investment fields are conserved and built up. In other words, earnings must be expanded and values must be built up in this country behind Uncle Sam and his Liberty Bonds. If it is decreed that this is inflation, the answer must be that contraction spells disaster, and we have contracted values in this country, especially in the transportation field, by many billions, and they should be promptly restored as the foundation of war loans and the prosperity necessary for a successful war. **You do not win wars with shrinking assets, but you do win them with expanding values—expanding values in all fields where live and work the heart and hand and brain of man.**

"Let it not be forgotten that the two and one-half billions paid in taxes next year from this year's profits will be deducted from next year's earnings, and unless there are expanded profits and expanded values, our war finance will be on a dangerously contracting base.

"The sooner a few wholesome truths are understood, both locally and nationally, the safer will be the cause of liberty throughout the world, for the United States and her credit resources, as well as her men and munitions, are today the reserve power for Liberty.

"Economists figure that to properly sustain the continuous burden of war our savings must be put up from six billions per annum to at least twelve billions per annum.

"If we put Judge Gary's one hundred billions into the war we must prepare to raise the interest to pay the cost of the war loan.

#### Germany is Bankrupt To-day.

"Germany is bankrupt to-day because she promised to make Paris and London pay her war bills, and she is meeting the interest on her war loans, not from taxes or income, but from new borrowings. She is fighting the whole world for a gambler's stake of make or break."

#### UNION TRUST COMPANY

Commendable action was taken by the directors of the Union Trust Company, Toronto, in making a stringent revaluation of its assets. It was rightly believed to be in the best interests of the company to have the securities tabulated in the annual statement on an absolutely sound and conservative basis. The assets were therefore specially revalued and a portion of the reserve fund was used to effect the necessary adjustment. Even after this change the company's reserve fund stands at \$450,000, which is equal to 45 per cent. of the paid-up capital of \$1,000,000. There is a possibility of recovering some of this depreciation when normal times return. In the meantime, it is undoubtedly a wise policy to carry the assets on the basis of values prevailing at the close of the year. The Union Trust Company, with other financial corporations has, as pointed out by Mr. H. F. Gooderham, the company's president, at the meeting, suffered from the depreciation in the value of securities. The wastage of capital due to the war has caused a severe reduction in the market value of first-class securities, such as Dominion and provincial government and municipal issues and has also had a serious effect upon the value of other investments.

"The reference to Judge Gary's one hundred billions is a remark which the Judge made at the Japanese Commissioner's reception, stating that the United States could put one hundred billions into the war for human freedom. If the above arguments are sound as applying to the United States, they surely apply with life force to Canada. **It would not be at all difficult to dry up the sources of our wealth.**

"Since Mr. Barron's article was published it has been announced that the United States Government has taken over the control of all the Railways in that country, thus securing to some extent the financial results aimed at in that portion of his statement concerning the Transportation Companies. From the purely monetary standpoint, if large savings can be effected through co-ordination and co-operation (a probable result) the country will benefit; if not, higher rates will have to be put into effect or the National Treasury be called upon to make up any loss.

#### Fair Play for Every Class.

"It must be admitted that there are certain classes in our country who are neither farmers, manufacturers, miners or other producers, traders, workers in that country, thus securing to some extent the financial results aimed at in that portion of his statement concerning the Transportation Companies. From the purely monetary standpoint, if large savings can be effected through co-ordination and co-operation (a probable result) the country will benefit; if not, higher rates will have to be put into effect or the National Treasury be called upon to make up any loss.

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should, therefore, be the endeavor of all right thinking people to try and secure proper adjustments so that mutual helpfulness might prevail among all classes of the country, and injustices removed, and every man should get a square deal as far as this is possible. It appears, however, that what we are drifting into, perhaps unconsciously, is the cheapest form of unworthy socialism, which is chiefly concerned in tearing down that which is stable in the hope of getting some share of the plunder. The pendulum is swinging that way and if it goes too far, as it now promises, it will bring about a condition which is inimical to all virtue and honesty, worthy ambition and fair dealing between man and man. **If, individually, some of us cannot make money at present it is well to remember that the one who can is a valuable asset to his country in her present need, and that upon all of us rests a very serious national obligation not only to try and make but to save.** As citizens of a great commonwealth, destined to be much greater if we play our part like men, and remembering our obligations to the body politic, no matter what class we may belong to, we should be much more concerned for what is right, straightforward, and of permanent value to the country at large than in trying to secure for any one interest or group that which is purely selfish or sectional. Should we not also in our discussions in private and on the platform, in the pulpit and the press, have a broader outlook based on larger knowledge of all great questions of production and trade, so vital to a new country, in order that we could thus deal with same on a non-partisan, less personal, but more logical and scientific basis? Unthinkingly we may help destroy that which is nationally indispensable, and in sowing the wind we shall reap the whirlwind."—Advertisement.

The directors were able to report, at the annual meeting on Thursday, a satisfactory year's business. The company's income was somewhat less than that of the preceding year because of the generally disturbed financial conditions. In addition to the earnings shown in the statement, there are some accruing but not actually received. The net profits for the year, after payment of interest on guaranteed funds, cost of management, and expenses, amounted to \$8,446 to which sum was added \$36,531, the amount brought forward from the preceding year. This gave a total of \$134,977 for distribution. Payment of quarterly dividends aggregated \$85,000. War taxes, patriotic and other funds absorbed \$6,509. To the reserve account \$27,765 was transferred, leaving a balance to be carried forward of \$15,702.

The retirement of Mr. J. M. McWhinney as general manager of the company was announced. Mr. James K. Pickett has been appointed acting general manager and will probably become general manager. He has managed the company's Winnipeg branch for nearly three years, having met with marked success in that position. Mr. Pickett is also well known in Eastern Canadian financial circles, and the affairs of the company should be well administered under his care as general manager. Mr. C. D. Henderson is secretary.



# The London Life Insurance Company

HEAD OFFICE - - LONDON, CANADA

## Forty-third Annual Report shows Wonderful Progress during 1917

BUSINESS WRITTEN . \$15,703,593.10      A GAIN OF . \$2,667,647.30  
 BUSINESS IN FORCE . \$50,787,365.64      A GAIN OF . \$9,072,048.23

Lapse Ratio and Expense Ratio again reduced in both Departments.

Quinquennial Profit Distributions for 1918, 155% of Estimates.

## SYNOPSIS OF FINANCIAL STATEMENT

Receipts.		Revenue Account.		Disbursements.	
Total Premium Income .....	\$1,908,100.62	Paid Policyholders or Heirs .....	\$ 646,726.30	All Other Disbursements .....	716,995.57
Interest on Investments .....	474,524.13	Balance to Investment Account .....	1,021,375.81		
Items in Suspense .....	2,472.93				
	\$2,385,097.68				\$2,385,097.68
Assets.		Balance Sheet.		Liabilities.	
Mortgages, Debentures and Stocks.....	\$6,798,746.83	Policy and Annuity Reserves .....	\$7,270,186.00	Accumulating and Accruing Profits .....	224,974.00
Loans on Policies and Other Invested Assets .....	852,582.61	Investment Reserve and Other Liabilities.	240,883.64	Surplus on Policyholders' Account.....	305,225.55
Outstanding and Deferred Premiums, Net .....	223,578.27				
Interest Due and Accrued .....	175,361.48				
	\$8,050,269.19				\$8,050,269.19

### THE ANNUAL REPORT EMBRACES THE FOLLOWING PARTICULARS:

#### BUSINESS.

The gain in amount of New Business was over 20%. The Business in Force has more than doubled in five years and more than quadrupled in ten years.

#### INCOME.

The Income shows a splendid gain of \$400,000, also over 20% of the Income in 1916.

#### EXPENSE.

Both branches of the business again show a reduction in the expense ratio as compared with the previous year, which again was very favorable, as compared with previous years.

#### RATE.

All Bonds, Debentures and Stocks owned by the Company have been carried into the Statement at a figure considerably below the current market value. As usual, the Liabilities have been provided for in the most ample manner—the reserve basis being more stringent than that adopted by any similar Company in Canada or the United States. The Liabilities include full reserve for all profits accrued under participating policies to date of statement.

#### ASSETS AND LIABILITIES.

#### WAR CLAIMS.

Including the claims due to the Halifax Disaster, the War Claims of the year amounted to over \$200,000—which, it is anticipated, is the largest strain the Company will be under in this connection in any future calendar year. The total claims of the year were well within the expected.

#### PROFIT DISTRIBUTIONS.

The financial position of the Company is so strong that notwithstanding the heavy war mortality the liberal profit scale now in force is maintained and will give, during 1918, actual results 55% in excess of original estimates under present rates.

#### SURPLUS.

The Surplus according to the Government Standard has increased from \$834,642.58 at the beginning of the year to \$945,513.55 at the close of the year. After deducting the amount necessary to bring the Reserves to the Company's Standard and providing for other special funds, the Net Surplus on Policyholders' Account is \$305,225.55.



## RECENT FIRES

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

**Armour Heights, Ont.**—February 7—The building, six automobiles, five motorcycles and five side cars of the Royal Flying Corps were destroyed. Estimated loss, \$15,000.

**Belleville, Ont.**—February 11—The Caldwell block on Front Street was damaged. Estimated loss, \$7,000.

**Dundas, Ont.**—February 10—The Boyle block was destroyed. Estimated loss, \$25,000.

**Halifax, N.S.**—February 6—St. Mary's Temperance Society Hall on Barrington Street was damaged. Estimated loss, \$5,000.

**London, Ont.**—February 7—Office of the Grand Trunk Railway freight sheds and many books and records damaged. Caused by overheated stove. Estimated loss, \$1,000.

**Montreal, Que.**—February 5—The "British 5, 10 and 15 cent store," at 2280 Ontario Street E., was damaged.

**Moose Jaw, Sask.**—February 4—Residence of S. Hutchins, 213 Hochelaga Street W., was damaged. Estimated loss, \$700.

**Oakville, Ont.**—February 12—Major W. F. Eaton's country residence was destroyed.

**Pottersburg, Ont.**—February 5—The Dart's butcher shop was damaged.

**Redbank, N.B.**—February 1—House of John Arsenau's was destroyed.

**Toronto, Ont.**—February 11—Planing mills of C. B. Williams, on St. Albans Street was damaged. Estimated loss, \$2,000. The building of the Canadian Novelty Wood Company was damaged. Estimated damage to building, \$800; to contents, \$200.

**Wainfleet, Ont.**—February 5—Barn of Mr. McCullom was destroyed. Estimated loss, \$8,000.

**Welland, Ont.**—February 10—Hagar place was destroyed. Estimated loss, \$5,000.

**Weston, Ont.**—February 12—Enameling room of the Canada Cycle and Motor Company was damaged. Estimated loss \$300.

**Windsor, Ont.**—February 5—Home of Mr. Brady at 70 Crawford Avenue was destroyed.

**Winnipeg, Man.**—February 4—Restaurant of D. Rezzeni, 184 Higgins Avenue, was damaged. Caused by hot ashes left in wooden receptacle.

## ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

**Fullarton, Ont.**—December 20, 1917.—Chopping mill, saw mill and cheese box factory of R. J. Harmer was destroyed. Estimated damage to stock, \$15,050; to buildings, \$3,000. Insurance on buildings, \$1,750; on stock, \$700. Carried in the Waterloo Fire Insurance Company and Merchants Fire Insurance Company.

**Toronto, Ont.**—February 4—Passenger station and offices of Canadian Northern Railway were destroyed. Caused by defective electric wiring. Estimated damage to stock, \$2,000; to buildings, \$2,700. Insurance carried on stock, \$2,000; on building, \$2,700. Carried in the Western Assurance Company.

**Vancouver, B.C.**—Fire Chief Carlisle submits the following report for the month of January, to *The Monetary Times*: The estimated total damage resulting from fires (excluding figures in connection with the A. H. Timms Printing Company's loss, January 8th, which has not as yet been adjusted), was \$12,620, of which amount \$12,203 was covered by insurance, leaving the property loss above insurance at \$327. The total value of the property involved was \$720,850. The causes of fires are as follow: Backfire (carburetter), 2; backfire (from oil-burning furnace), 1; children playing with matches, 2; chimney fires, 24; defective chimney, 1; defective furnace, 1; defective furnace pipe, 1; defective stove pipes, 2; electrical origin (defective wiring), 3; hot ashes falling from forge, 1; hot ashes placed in garbage can left on floor, 1; match under flooring ignited by hot water pipe, 1; oil stove upset, 1; overheated furnace, 1; overheated stove, 1; spark igniting escaping gas near tar well, 1; spontaneous combustion (oily waste), 1; striking match near gasoline (auto tank), 1; tarpot boiling over and exploding gas meter underneath, 1; and Xmas tree decorations catching fire, 1.

**Victoria, B.C.**—Fire Chief Davies gives the following report for December, 1917, to *The Monetary Times*: Number of alarms received, 16; loss, buildings, \$65; contents, \$165; total, \$230; insurance, buildings, \$56,000; contents, \$45,000; total, \$101,000; property at risk, \$694,550.

## MONEY MARKETS

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

	Buyers.	Sellers.	Counter.
N.Y. funds .....	13-16 pm	17-32 pm	.....
Mont. funds .....	par	par	¼ to ¼
Sterling—			
Demand .....	\$4.81	\$4.81.25	\$4.83½
Cable transfers ....	\$4.82.10	\$4.82.40	\$4.84½
New York rates: Sterling demand,	\$4.75 5-16.		
Bank of England rate,	5 per cent.		

## CANADA LANDED AND NATIONAL INVESTMENT CO.

Notwithstanding the high rates of interest demanded for debenture securities and the dearth of satisfactory mortgage investments, the Canada Landed and National Investment Company was able last year to meet all its obligations, to pay its usual dividend of 9 per cent., and to place to the credit of the profit and loss account \$50,000, and this after making ample provision for any losses which may arise. The company's financial report shows that the reserve fund equals the paid-up capital, a condition which must be gratifying to the shareholders. The debenture debt has diminished by reason of the stringent financial conditions existing in Great Britain, and the consequent high rate of interest prevailing, conditions which naturally have a profit-reducing effect, a result not likely to improve during the continuance of the war.

Despite the high interest rates in Scotland, the limited demands for loans in Canada and the necessity to keep strong cash reserves, the company was able, after payment of all expenses, including war taxes and contributions to various patriotic objects, to show a net income of \$158,209, equal to 13.129 per cent. of the paid-up capital. The company carried forward a balance of \$197,601.

Mr. Edward Saunders is the managing director of the company, which is one of the oldest and most reliable of our mortgage loan companies. He has the support of a strong directorate, with Dr. John Hoskin as president. The company's financial statement reflects a substantial position.

## CANADIAN GUARANTY TRUST COMPANY

The financial position of the Canadian Guaranty Trust Company, of Brandon, was considerably improved last year, judging by the satisfactory financial statement presented at the recent annual meeting. Most companies doing a trust and loan business have been affected materially by war conditions but notwithstanding that fact, this progressive little Brandon company was able to increase its earnings during 1917. Its net profits for the year after making the usual deductions were \$14,509. These profits were made on a paid-up capital of \$194,119. The company's rest and undivided profits are over \$30,000. The net earnings, together with the balance brought forward, gave a sum of \$20,215 for distribution. The company first transferred \$5,000 of this amount to its reserve fund, which now totals \$25,000. A small amount, \$433, was written off office furniture and safety deposit boxes. Dividends absorbed \$9,683. A balance of \$5,099 was carried forward. This is slightly less than a year ago, but at the same time the reserve fund, as previously stated, was strengthened by \$5,000.

In presenting the director's report to the shareholders, Mr. A. C. Fraser, president, pointed out that the company's assets were of the highest character, such as Dominion and municipal bonds, first-class mortgages and cash in bank. Mr. Fraser has, with Mr. John R. Little, the company's manager, taken an active part in its progress. The special work of the Canadian Guaranty Trust Company is the administration of estates. The company has an inventory value of unrealized original assets of estates, agencies, etc., under administration of \$1,125,637. This corporation has been doing business for eight years and has made excellent progress.



# Safeguarding the Investor

The Investor—whether he deals in large or small sums—should make sure of the reliability of the investment house with which he does business. He should know that he is receiving or paying the actual market price for his investment.

This is ensured when you deal with a member of the Toronto Stock Exchange.

If you are interested in buying or selling any security, you will get full information from any member of the Toronto Stock Exchange, without obligating you in any way. The following is a complete list of the members :

Ames & Co., A. E. .... Union Bank Building  
 Anderson & Co., T. O. .... 33 Melinda Street  
 Baillie & Co., Jas. W. .... 33 Melinda Street  
 Blaikie & Co., Geo. W. .... Standard Bank Bldg.  
 Bongard, Ryerson & Co. .... 85 Bay Street  
 Brent, Tovell & Co. .... Dominion Bank Bldg.  
 Brouse, Mitchell & Co. .... 71 Bay Street  
 Buchanan, Seagram & Co. .... 23 Jordan Street  
 Burritt & Co., A. P. .... 12 Jordan Street  
 Cassels & Biggar .... Standard Bank Bldg.  
 Cassels, Browne & Co. .... Dominion Bank Bldg.  
 Cassels, Son & Co. .... Canada Life Bldg.  
 Croft & Murphy .... 6 King Street West  
 Cronyn & Co., Edward .... 71 Bay Street  
 Deacon & Co., F. H. .... 97 Bay Street  
 Duncanson, How & Co. .... 10 Jordan Street  
 Dymont & Co., Albert E. .... Dominion Bank Bldg.  
 Fergusson & Co., G. Tower. .... 23 Toronto Street  
 Fletcher, Macfarlane & Co. .... 90 Bay Street  
 Green, Dodds & Co. .... Royal Bank Bldg.  
 Hambly & Co., G. W. .... 12 King St. East  
 Heron & Co. .... 4 Colborne Street  
 Jarvis, Aemilius. .... 103 Bay Street

Lawson & Co., Edward E. .... C. P. R. Building  
 Lyon & Plummer .... 21 Melinda Street  
 Martens & Co., A. H. .... Royal Bank Building  
 McMillan Nicholson & Co. .... Royal Bank Building  
 Mitchell & Co., W. G. .... 36 Victoria Street  
 Morris & Wright .... Hamilton, Ont.  
 Morrow & Jellett. .... 103 Bay Street  
 Mulock & Co., Cawthra .... { 12 King St. E., Toronto  
 Hamilton, Ont.  
 Niven & Co., J. K. .... 47 Wellington St. E.  
 O'Flynn, H. H. .... Bank of Hamilton Bldg.  
 O'Hara & Co., H. .... Royal Bank Building  
 Osborne, J. Ewart .... 59 Yonge Street  
 Osler & Co., A. E. .... 7 Melinda Street  
 Osler & Hammond .... 21 Jordan Street  
 Pardoe & Co., Avern .... C. P. R. Building  
 Pellatt & Pellatt .... Bank of Hamilton Bldg.  
 Perry & Co., Norman D. .... Lumsden Building  
 Playfair, Paterson & Co. .... 2 Toronto Street  
 Stark & Co., John .... Royal Bank Building  
 Stewart, Fred. J. .... C. P. R. Building  
 Tomenson, Forwood & Co. .... { 42 King W., Toronto  
 Hamilton, Ont.  
 Watt & Watt. .... Bank of Hamilton Bldg.

# Toronto Stock Exchange

## MUNICIPAL BOND MARKET

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

About \$20,000,000 of Canadian municipals will mature in the United States this year. In view of the war financing requirements in that market, not only is it practically impossible to sell new issues there, but only in a few instances will we be able to effect renewals. This means that arrangements must be made in Canada to take up the greater part of the \$20,000,000 municipal maturities.

Municipal finance will probably be one of the topics discussed at the conference of provincial premiers at Ottawa this week. It is generally conceded that we cannot afford to impair Canadian credit by defaults of bond interest or principal on the part of municipalities which have financed with a little too much optimism during the past few years. The primary responsibility is with the municipality, but the provincial authorities should be acting as counsel in their affairs at present.

**Sarnia, Ont.**—Tenders are called for \$24,031 5½ and 6 per cent. bonds. M. J. Woods, city treasurer.

**Dundas, Ont.**—The tax rate will be thirty mills on the dollar. The estimated expenditure for the present year is \$69,811, and receipts, \$67,546.

**Vancouver and North Vancouver.**—The figures regarding the financial position of North Vancouver and printed under this heading in our issue of January 18th, were then incorrectly credited to Vancouver.

**Vernon, B.C.**—The land assessment within the city limits amounts to \$2,173,296, with improvements valued at \$1,517,000. The school district is assessed at \$797,966 for land and \$118,015 for improvements. The total this year shows a reduction of \$31,481 from last year's assessment.

**Victoria, B.C.**—The city will float an issue of \$300,000 worth of debentures locally. The sums obtained last year by sales of local improvement bonds justify the experiment, it is

said. Data respecting the possibilities of subscriptions will be obtained in view of their experience with recent Victory Loan sales.

**Brandon, Man.**—The statement of assessment for 1918 issued by city assessor W. H. Bates shows a total of \$15,050,025 assessed on the lands and buildings within the five wards of the city. In addition the statement contains a notice of a special B. tax of \$70,000 levied in Ward Three. Business taxes amount to \$333,268. The population of the city is given as 14,608.

**Montreal, Que.**—New taxation sanctioned by the Quebec legislature will enable the city of Montreal to raise an extra \$4,500,000 per annum. The total revenue to be raised will be \$16,000,000. The new taxation will bring in revenue as follows:—\$10 per annum levy against bachelors, \$200,000; increase in realty tax to five mills, \$3,000,000; surtax of from one to five per cent. on plants of public utilities' companies on streets, \$247,097; surtax of three per cent. on all paying rent over \$150, \$400,000.

**Ladysmith, B.C.**—The total assets of the city for 1917 aggregate approximately \$200,000 while the liabilities, including all bond issues, only amount to a trifle over \$100,000, thus leaving a surplus of assets over liabilities of nearly \$100,000. Of these liabilities \$96,000 are bond issues, \$85,000 of this amount is revenue producing, and the balance is practically all for permanent street work under the Local Improvement Act.

The city's most valuable asset is probably the electric plant, which is owned and operated by the municipality. During the past year this plant has furnished current for house, store, and street lighting, from which the revenue totalled about \$11,000, with an operating expense of about \$7,000. In addition to this, the city employs an electrician, who does practically all the electrical wiring and repair work in the city. This work is done at a minimum price for the citizens, and any profit that accrues from this source belongs to the public.

**St. Lambert, Que.**—A block of \$175,000 town of St. Lambert, Que., 20 years 5½ per cent. gold bonds is being offered by Messrs. Hanson Brothers, Montreal. The price is 93 and accrued interest yielding 6½ per cent. On purchases of blocks of \$10,000 and over, a concession of 1 point is being



made, bringing the price to 92 and interest, yielding 6.65 per cent. The issue has been approved by the priority board of the Department of Finance. The following is a financial statement of the municipality as furnished by the town officials:— Assessed value of taxable real estate, \$6,743,840; general debenture debt (including present issue), \$555,992; less water-works debentures, \$137,991; electric light debentures, \$33,224; sinking fund, \$20,770—\$191,085; net debenture debt, \$364,907; local improvement debt (property owners share only), \$601,898. Population, 5,000. Tax rate, 8½ mills.

The town of St. Lambert is an important residential suburb of Montreal, situated on the south shore of the St. Lawrence River, immediately opposite the city. By means of the Montreal and Southern Counties (Electric) Railway, via Victoria Jubilee Bridge, the business district of Montreal is reached in fifteen minutes. The municipality owns and operates its own water and electrical distribution systems. There is a provision in the by-law covering this issue, under which the annual sinking fund shall be deposited with and administered by a responsible trust company. St. Lambert is one of the few municipalities in the province of Quebec which has adopted this conservative plan whereby an annually increasing fund is deposited with a trustee for the redemption of bonds.

**Lethbridge, Alta.**—Mayor Hardie addressed a letter to the city council in regard to the proposed tax sale to include 1914, 1915 and 1916 arrears. After reviewing the tax situation he submitted the following plans for a reduction in the mill rate:—

1. (a) From the people by paying taxes promptly, reduction of luxuries in city affairs and an increase in electric light rates, 5 mills

(b) By suspending the sinking fund for 5 years on the assumption that at the end of that period the population would be 20,000 souls, 7 mills. Total, 12 mills.

2. (a) Same as section (a) in first plan, 5 mills.

(b) Levying sinking fund on 5 per cent. basis instead of 3 per cent., 1¼ mills. Total, 6¼ mills.

3. (a) Same as section (a) in No. 1 plan, 5 mills.

(b) Extending sinking fund collection over 50 years on a 5 per cent. basis, 64-10 mills. Total, 114-10 mills.

"The above plans," he says, "would not be unjust to anyone. It is a matter of keeping faith, and in this connection the suspension of a sinking fund is at times deliberate and is essential in sound finance if money must be borrowed to maintain it.

"To borrow to keep up the sinking fund is purely a fictitious operation which really adds to the debt and in no wise reduces it. Of course the financial people do not recognize impossible conditions and say 'live up to your contract.' In the commercial world it has been found that this is not-always possible, and the impossibility need not be followed by bad results, in fact in most cases where the situation is sound, as in Lethbridge, and carefully handled the result is good."

**Calgary, Alta.**—Arrangements have been made by the city of Calgary with The Molsons Bank for taking care of the city's \$2,000,000 loan which falls due on March 15th next. The bank will pay off the \$2,000,000 obligation to Spitzer, Roric & Company, and the Quebec Bond Company, and act as agent for the city in the sale of treasury notes to an equivalent amount, at six per cent. for two and three years. The mayor at a recent meeting of the finance committee detailed his negotiations with United States financiers, and said the best offer that could be obtained from them was an extension of the \$2,000,000 loan for six, ten and twelve months, at a substantial interest rate. It was to prevent the sacrifice of its debentures, or the payment of an exorbitant rate of interest that The Molsons Bank agreed to step in and meet the city's obligation on March 15th. The bank will charge no commission. It was pointed out that the arrangement is especially favorable in that the Dominion government has agreed to advance money to the provincial governments at 6½ per cent., or ½ per cent. more than the rate at which The Molsons Bank is undertaking to sell the city's treasury notes.

The proposed arrangement, recommended by the city's finance committee, in detail, is as follows:—

This committee recommends that the offer of The Molsons Bank to loan the city \$2,000,000 on the security of a demand note for the said sum, bearing interest at the rate of 6 per cent. per annum, payable monthly, for the purpose of retiring the \$2,000,000 issue of treasury notes maturing March 15th, 1918, be accepted.

It is understood that this agreement with the said bank for the said advance is to include the following terms:—

1.—A new issue of treasury notes for \$2,000,000 maturing March 15th, 1921, bearing interest at 6 per cent. per annum, payable half-yearly, is to be deposited by the city with the said bank.

2.—The city is to hypothecate to The Molsons Bank as trustee for any subsequent purchaser or purchasers of the said treasury notes, the debentures now hypothecated to the said bank as security for the said issue which is to be retired.

3.—The said bank may sell the said treasury notes at its discretion on giving 60 days' notice of its intention so to do to the city, unless the city sells or redeems same in the meantime.

4.—In case of a sale of the said treasury notes by the said bank, the purchaser or purchasers of any such notes shall have the right, on thirty days' notice to the city, during the first two years from the date thereof, to exchange said notes for such amount of the said debentures held by the said bank as trustee for the said purchaser, and at such price as will return to the said purchaser 6 per cent. on his investment, this right of the purchaser to be exercisable only in the event the said debentures are not sold as hereinafter provided for.

5.—The city shall have the right to sell the said debentures at any time, on depositing the net sale price thereof, with the said bank as trustee, provided that if the city does not sell same within two years from the date of the said treasury notes, the bank, as trustee, may sell the said debentures on giving to the city sixty (60) days' notice of its intention so to do, unless the city, within the said period, sells the said debentures, or deposits with the bank a sum equal to the net sale price contemplated in such proposed sale. In the event, however, of the city or the bank selling the said debentures for more than is sufficient to redeem the said treasury notes, or such portion thereof as may then be outstanding, only such sum as is required for the purposes of redemption shall be deposited or retained.

6.—It is further understood that any further terms or conditions required by the said bank shall be submitted to the council for approval, and the solicitor of the city is hereby authorized to prepare and submit the necessary by-laws, agreements and form of treasury notes to the council for its consideration.

Incidentally, the committee also approved the tentative agreement made by the mayor with The Molsons Bank for advancing the city \$1,000,000 for current expenses on the same terms as last year; that is, the money is advanced against the 1918 taxes at 5 per cent. up to the amount in the city's sinking fund, approximately \$6,000,000, and at 6 per cent. above that sum.

#### ABITIBI POWER AND PAPER COMPANY

The annual statement of the Abitibi Power and Paper Company, Limited, submitted at the meeting of the shareholders on Monday, showed that the company's earnings for the year 1917, before providing for depreciation, exhaustion of timber areas, interest, etc., were \$1,323,001. For depreciation, writing off, etc., there was appropriated \$981,879, and a balance of \$341,123 was carried forward. This, added to a surplus of \$360,925 at the end of 1916, made a total of \$702,047, out of which were paid dividends on the preferred stock amounting to \$70,000, leaving a net surplus of \$632,048 at December 31st, 1917.

The year's net surplus of \$341,123 before dividends compares with \$256,164 in 1916. If a full year's dividend on the preferred stock were allowed for in each case the surplus would equal 5.4 per cent., earned in 1917, against 3.7 per cent. in 1916. In view of the fact that no details are given as to the nature of the large appropriation for reserves, etc., no other comparisons are possible. The gross profit, \$1,323,001, compares with \$625,878 in 1916. The only point of difference in this comparison is that interest was deducted after showing gross profit in 1917 and before showing gross profit in 1916. In the property account for the year was included an expenditure of \$2,162,897 on extensions and improvements by which the daily capacity of the plant is increased to 325 tons ground wood pulp, 130 tons sulphite pulp and 225 tons of paper.

Additional capital, rendered necessary by increased production and increased cost of operation, was obtained through the issue and sale of \$1,000,000 of 15-year 7 per cent. convertible debenture stock.



# Canadian Guaranty Trust Company

## Report of the Proceedings of the Eighth Annual Meeting of Shareholders

The Eighth Annual General Meeting of the Shareholders of the Canadian Guaranty Trust Company was held in the Company's Board Room, 1031 Rosser Avenue, Brandon, on Wednesday, the 6th day of February, 1918.

Those present were: J. B. Beveridge, A. C. Fraser, A. A. Cameron (Oak Lake), Robt. Johnston, Elam H. Smith, G. R. Campion (Bellevue), J. S. Maxwell, John R. Little, J. A. McDonald, D. A. Reesor, Thos. Beattie, H. L. Adolph, John Crawford, G. S. Munro (Reston), J. K. McInnis (Regina), S. S. Simpson, J. A. Dempsey (Neepawa), Wm. Ferguson, John A. Dyer, Hon. G. R. Coldwell, J. S. Nelson, Jos. Donaldson, John T. Clark.

The Secretary called the meeting to order. On motion of Mr. George R. Campion, seconded by Mr. J. S. Maxwell, the President, Mr. A. C. Fraser, was called to the chair.

The Secretary read the notice calling the meeting and proof of mailing the same; also reported as to quorum.

After the Minutes of the previous Annual General Meeting had been read and adopted, the Secretary read the Eighth Annual Report of the Directors, the Financial Statement and the Auditor's Report, as follows:—

To the Shareholders:—

In submitting the Eighth Annual Report of the Company for the year ending 31st December, 1917, your Directors have pleasure in noting the satisfactory results obtained.

Notwithstanding all the adverse circumstances which were experienced because of war conditions, the earnings of the Company have been increased and its financial position considerably improved.

After providing for the regular dividend for 1917, the Rest and Undivided Profits of the Company are now over thirty thousand dollars on a paid-up capital of less than two hundred thousand dollars.

The assets are of the very highest character, the greater portion of them being Dominion of Canada Bonds, First Class Mortgages, Municipal Securities, and Cash in the Bank.

The special work of our Company, which is the Administration of Estates, is rapidly growing, as is indicated by the financial report. It is gratifying to know that the handling of this important part of our business has given great satisfaction, as is shown by the written and personal approval received from those with whom we have done business.

Your Board specially recognize the commendation due the employees of the Company for their faithful services. Respectfully submitted.

A. C. FRASER,  
President.

### FINANCIAL STATEMENT FOR YEAR ENDING DECEMBER 31st, 1917.

#### ASSETS.

Capital—	
Mortgages on Real Estate .....	\$ 67,200.60
Bonds and Debentures .....	45,810.87
Bills Receivable .....	1,900.00
Interest and Commission Accrued...	36,793.02
Office Furniture and Safety Deposit Boxes .....	2,805.58
Advances to Estates .....	65,701.42
Cash on Hand and in Bank .....	13,757.17
	<hr/>
	\$ 234,085.75
Trust, Guarantee and Agency Accounts—	
Mortgages on Real Estate .....	\$247,046.60
Stocks, Bonds and Debentures.....	3,943.66
Cash on Hand and in Bank .....	44,700.66
	<hr/>
	\$ 295,700.01
Trust, Estates and Agencies—	
Unrealized Original Assets, including Real Estate, Mortgages, Stocks, etc., at inventory value.	\$1,125,637.61
	<hr/>
	<u>\$1,655,423.37</u>

#### LIABILITIES.

Capital—	
(Subscribed \$593,050.00)	
Paid thereon .....	\$194,110.21
Unclaimed Dividends .....	5.07
Reserved for War Tax for 3 months, ending 31st of December, 1917..	179.19
Reserve .....	25,000.00
Dividend No. 5 .....	9,683.28
Balance to Profit and Loss.....	5,099.00
	<hr/>
	\$ 234,085.75
Trust, Guarantee and Agency Accounts—	
For Investment and Distribution.....	295,700.01
Trust, Estates and Agencies—	
Inventory Value of Unrealized Original Assets of Estates, Agencies, etc., under Administration .....	1,125,637.61
	<hr/>
	<u>\$1,655,423.37</u>

#### PROFIT AND LOSS.

##### Dr.

To Written off Office Furniture and Safety Deposit Boxes .....	\$ 433.12
“ Dividend No. 5 .....	9,683.28
“ Transferred to Reserve Fund .....	5,000.00
“ Balance Carried Forward .....	5,099.00
	<hr/>
	\$ 20,215.40

##### Cr.

By Balance Brought Forward from 1916.....	\$ 5,706.37
“ Net Profits for the year after deducting Cost of Management, Directors' Fees, Auditors Fees, Rent, Taxes, etc. ....	14,509.03
	<hr/>
	\$ 20,215.40

#### AUDITOR'S CERTIFICATE.

I hereby certify that I have made a monthly audit of the books of accounts of the Company, and that the above Balance Sheet and Profit and Loss Statement are true, correct and full statements of the condition of the affairs of the Company as on December 31st, 1917, as disclosed by the said books of accounts.

The Cash and Bank Balances have been certified, and the Mortgages found duly certified as valid by the Company's Solicitor. The Trusts and Estates are in good order and are being well and carefully administered.

J. B. BEVERIDGE,  
Auditor.

Brandon, Manitoba, January 9th, 1918.

The Scrutineers reported the following elected as Directors for the ensuing year, namely: A. C. Fraser, Lieut.-Col. A. L. Young, John R. Little, Hon. George W. Brown, Wm. Ferguson, H. L. Adolph, E. O. Chappell, J. S. Maxwell, John A. McDonald, G. S. Munro, Hon. W. M. Martin, John E. Smith, A. A. Cameron, D. A. Reesor.

At a meeting of the Directors held subsequent to the meeting of the Shareholders, Mr. Alex. C. Fraser was appointed President; Lieut.-Col. A. L. Young, Vice-President; and Mr. John R. Little, Managing Director.



## C.N.R. OWNS 51 PER CENT. OF STOCK

That Mackenzie, Mann and Company, as owners of 49 per cent. of the stock of the Duluth, Winnipeg and Pacific Railway, would be entitled to a pro rata share of the profits from this road, even after the arbitration on the value of Canadian Northern Railway shares is decided, was the interesting admission which government counsel, W. N. Tilley, K.C., elicited from D. B. Hanna in his cross-examination of the Canadian Northern Railway's third vice-president at the arbitration proceedings at Osgoode Hall on Tuesday. The Canadian Northern Railway owns the remaining 51 per cent. of the stock in this company in return for guaranteeing the bonds of the road, Mr. Hanna stated. He also admitted, in reply to Mr. Tilley, that the earnings of this and other subsidiary lines where minority stock is held were included in the statement of Canadian Northern Railway earnings.

## PREFERENCE IN EXCHANGE DISCUSSED

Much hard thinking is going on respecting Anglo-Canadian and Empire finance, as shown by such suggestions as made by Frederick Goodenough, general manager of Barclay's Bank, who proposes an inter-imperial trading preference by the creation of a fixed rate of exchange between London and all Empire centres.

Moreton Frewer, an acknowledged authority on monetary questions, gives the Montreal Star's London correspondent the following forecast of Canada's position: "Mr. Goodenough's rank compels respect for his suggestion, but what regulates exchange is the bill market, some relation between exports and imports, which, again, depends upon the weather, harvests and other things. Canadian exchange must always be more closely associated with exchange with New York, Chicago and St. Louis than London. Nothing we do could dissociate the exchange of Winnipeg with Chicago. Canadian exchange on London after the war should strongly favor Canada. We here are likely to see strange results. London exchange on New York, and thus on Montreal may go for a long period to some point well below \$4.50, and perhaps to \$4. That makes the United States market the one for Canada to sell in rather than the English market. On the other hand, it would greatly stimulate British exports to Canada and the United States, and in this way ultimately restore exchange. There is no exchange trouble ahead for Canada."

## BANK CLEARINGS

The following are the bank clearings for the weeks of February 8th, 1917, and February 9th, 1918, respectively, with changes:—

	Week ended Feb. 9, '18.	Week ended Feb. 8, '17.	Changes.
Montreal	\$ 72,815,914	\$ 81,715,255	— \$8,899,341
Toronto	53,566,128	57,034,118	— 3,467,990
Winnipeg	39,677,076	38,723,968	+ 953,108
Vancouver	8,826,365	5,824,281	+ 3,002,084
Ottawa	5,615,195	4,939,424	+ 675,771
Calgary	6,517,822	3,861,545	+ 2,656,277
Hamilton	4,660,822	4,189,058	+ 471,764
Quebec	4,195,951	3,968,641	+ 227,310
Edmonton	2,918,667	1,967,143	+ 951,524
Halifax	3,928,212	2,595,660	+ 1,332,552
London	2,373,643	2,314,133	+ 59,510
Regina	2,831,298	2,185,448	+ 645,850
St. John	2,232,737	2,030,291	+ 202,446
Victoria	1,871,148	1,324,146	+ 547,002
Saskatoon	1,490,488	1,202,873	+ 287,615
Moose Jaw	1,137,615	821,108	+ 316,507
Brandon	547,665	367,438	+ 180,227
Brantford	845,785	732,579	+ 113,206
Fort William	699,884	536,320	+ 163,564
Lethbridge	667,788	592,787	+ 75,001
Medicine Hat	558,681	355,346	+ 203,335
New Westminster	400,193	235,044	+ 165,149
Peterboro'	686,588	522,037	+ 164,551
Sherbrooke	696,714	574,674	+ 122,040
Kitchener	653,141	499,746	+ 153,395
Totals	\$220,415,520	\$219,113,063	+ \$1,302,457

## UNITED STATES CREDITS TO ALLIES

Since January 30th, the United States government has extended to the Allies additional credits totalling \$437,000,000. In other words, the amount already extended this month is within about \$70,000,000 of the estimated monthly total of \$500,000,000. Of the credits extended so far this month, Great Britain has received \$275,000,000, France \$155,000,000, and Belgium \$7,000,000. The total now stands at \$4,684,400,000.

The following shows the credits in detail at present, compared with what they were as of January 30th:—

	February 8.	January 30.
Great Britain	\$2,320,000,000	\$2,045,000,000
France	1,440,000,000	1,285,000,000
Italy	500,000,000	500,000,000
(x) Russia	325,000,000	325,000,000
Belgium	93,400,000	86,400,000
Serbia	6,000,000	6,000,000
Total	\$4,684,400,000	\$4,247,400,000

(x) Includes \$5,000,000 to Rumania for which Russian "Government" has assumed responsibility.

## RAILWAY EARNINGS

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

	1917.	1918.	Inc. or dec.
<b>Canadian Pacific Railway.</b>			
February 7	\$1,890,000	\$2,096,000	+ \$206,000
<b>Grand Trunk Railway.</b>			
February 7	\$ 928,462	\$ 675,115	— \$253,347
<b>Canadian Northern Railway.</b>			
February 7	\$ 493,600	\$ 634,600	+ \$141,000

The Canadian Northern Railway's earnings for the month of December, 1917, were:—

	1917.	1916.	Inc. or dec.
Gross	\$3,273,200	\$3,485,400	+ \$212,200
Expenses	3,207,900	2,661,600	— 546,300
Net	\$ 65,300	\$ 832,800	— \$758,500

Gross earnings of Canadian railroads for January, owing to the bad weather prevailing and the consequent hindrance to traffic, showed a decrease from those for the corresponding month a year ago. Earnings of the three principal Canadian roads aggregated \$17,368,662 for this January, a decrease of \$82,326, or .5 per cent., but an increase over the aggregate for any previous year.

The aggregate earnings for the month by roads are as follows:—

Road.	1918.	Increase.	Per cent.
Canadian Pacific Railway	\$10,570,000	\$629,000	6.3
Grand Trunk Railway	4,083,362	*594,026	12.6
Canadian Northern Railway	2,715,300	*117,300	4.1
	\$17,368,662	*\$ 82,326	.5

\*Decrease.

The following is a comparison of the earnings of the last ten days of January:—

Road.	1918.	Increase.	Per cent.
Canadian Pacific Railway	\$ 3,535,000	\$464,000	15.1
Grand Trunk Railway	1,302,645	*262,015	10.7
Canadian Northern Railway	948,200	18,600	2.0
	\$ 5,785,845	\$220,585	4.0

\*Decrease.

Gross earnings for January, 1918, compare with those for the seven previous years as follows:—

January.	Total gross earnings.
1918	\$17,368,662
1917	17,450,988
1916	14,724,216
1915	10,758,213
1914	13,056,233
1913	15,080,648
1912	11,851,386
1911	9,853,830



# Government of the Province of Manitoba

## SUMMARY OF BALANCE SHEET

NOVEMBER 30th, 1917

### CAPITAL ASSETS

Dominion of Canada.....	\$11,874,963.27
Public Utilities, Property Assets and Investments—Book Values.....	26,891,792.37
Capital Expenditures by Drainage and Judicial Districts, etc.....	6,124,110.53
Investments of Special Funds (see Contra) ..	860,559.86
Cash Available for Specific Capital Outlay...	1,473,806.03
Current Account—(Liabilities unpaid by late Administration).....	462,022.82
	<u>\$47,687,254.88</u>

### CURRENT ASSETS

Cash on Hand.....	\$ 638,815.10
Other Accounts.....	671,865.32
Telephone Stock—Redemption Fund.....	455,530.80
Advances re Investigations of Public Buildings (see below).....	296,286.95
	<u>\$ 2,062,498.17</u>

### DEFERRED ASSETS

Lands Sold—School Lands... \$ 2,933,264.14	
Provincial Lands 2,321,436.17	\$ 5,254,700.31
Unsold—School Lands... \$12,891,233.00	
Provincial Lands 312,391.69	13,203,624.69
Succession Duties and Interest thereon.....	278,178.12
Thomas Kelly & Sons—Judgment and Interest.....	1,413,607.55
Cost of Investigations of Public Buildings...	296,286.95
	<u>\$20,446,397.62</u>

### CAPITAL LIABILITIES

Stocks and Bonds.....	\$32,196,870.34
Deduct—Held in Treasury.....	1,000,000.00
	<u>\$31,196,870.34</u>
Profit on Bond Conversion.....	449,403.30
Manitoba Farm Loans Association.....	1,000,000.00
Special Funds (see Contra).....	860,559.86
Capital Surplus (see below).....	14,180,421.38
Indirect Liabilities.....	<u>\$28,625,134.70</u>
	<u>\$47,687,254.88</u>

### CURRENT LIABILITIES

Accounts Payable.....	\$ 17,470.09
Interest and School Grants Accrued.....	538,020.00
Treasury Bills.....	800,000.00
Revenue Received in Advance.....	270,447.47
Drainage Districts—Interest in Advance....	58,475.69
Current Account—(Liabilities Unpaid by late Administration).....	462,022.82
	<u>\$ 2,146,436.07</u>
DEDUCT—Revenue Deficit.....	83,937.90
	<u>\$2,062,498.17</u>

### DEFERRED LIABILITIES

Deferred Surplus.....	\$20,150,110.67
Advance from Revenue re Investigations of Public Buildings.....	296,286.95
	<u>\$20,446,397.62</u>

### COMBINED SUMMARY, NOVEMBER 30th, 1917

	Assets.	Liabilities.	Surplus.
CAPITAL.....	\$47,687,254.88	\$33,506,833.50	\$14,180,421.38
REVENUE.....	2,062,498.17	2,146,436.07	83,937.90*
DEFERRED.....	20,446,397.62	296,286.95	20,150,110.67
	<u>\$70,196,150.67</u>	<u>\$35,949,556.52</u>	<u>\$34,246,594.15</u>

Note.—Item marked (\*) denotes a deficit.

J. G. STEELE,  
Comptroller-General.



## NATIONAL IMPORTANCE OF LIFE INSURANCE

### Heavy War Claims Paid by the Companies—Substantial Investments in War Loans

The national importance of life insurance was the subject of interesting comment by Mr. J. F. Weston, managing director, at the annual meeting of the Imperial Life Insurance Company recently. He stated that it was an astonishing fact in these days of frequent considerations of the relative importance of institutions to the state the question is so often seriously asked by tribunals, "Is life insurance of real national importance?" "It would seem," said Mr. Weston, "that we, who are constantly engaged in the business had become so familiar with the affirmative evidence on this question that we had come to consider the fact of its national importance so completely obvious that it did not require to be urged. It is apparent, though, that we must state and restate the case many times and in high places before life insurance receives in Canada the national recognition and support it has had in England and other European countries. We do not expect, or ask, such consideration at the present time, but simply that we be left free of any additional imposts in the way of increased taxes, which would add anything to the burden which our policyholders are now carrying in the heavier mortality which we are experiencing as a result of the war.

#### Increase of War Claims.

"In the companies licensed to do business in Canada, the war claims on Canadian business increased from \$1,957,000 in 1915 to \$4,961,000 in 1916. The total death claims of the same companies in 1915 amounted to \$13,481,000 and in 1916 to \$17,396,000, so the war claims in 1915 were 14 per cent. of the total and in 1916 they amounted to 26 per cent. It certainly is in the national interest that so considerable an amount should have been paid to the beneficiaries of those who have fallen in the national cause.

"The companies have borne this increased mortality without any effect upon their solvency. They continue the strongest of our financial institutions, with unimpaired ability to discharge their full liabilities to their policyholders and to extend the beneficent protection which they afford, to meet the growing demand for it amongst the Canadian people. These war claims, however, do affect the amount of profits, which otherwise would be paid to policyholders. This sacrifice on their part must continue to be very considerable while the war lasts and should be considered so far as it relates to their insurance as their full and reasonable contribution to its cost.

"In this connection we should acknowledge the wisdom and justice of the minister of finance in exempting life insurance from the federal tax, which, if it had been imposed, would have borne unduly on a class which is already paying more than other classes.

#### Life Companies' War Risks.

"These war claims we have paid cheerfully and without a single complaint from policyholders. If it were possible we would like to extend protection to embrace all who are exposing their lives in the interest of the country, but this is not possible to the companies at premium rates which would prove practicable. We are carrying the extra risks under policies issued before the outbreak of the war without extra charge, and a small amount at an extra premium under policies issued since. The amount of war risks now carried by the companies is such as they can safely assume without any risk to their solvency. Life insurance companies in all the belligerent countries have furnished a splendid example of the solvency and safety of the institution of old line legal reserve insurance. Under the present unexpected and trying conditions none have failed to meet their obligations. Considering the heavy strain to which European companies have been subjected by comparison with any demands which can be made on Canadian companies, we have no ground for the slightest apprehension as to our ability to meet any exigencies which may arise as a result of the war.

#### Life Insurance as a Stabilizer.

"Life insurance has become so general that it now constitutes the chief asset in a vast majority of estates left by the Canadian people. In addition to its being the great stabilizer of business and social life, which it has become in normal times, it has demonstrated its great importance to

the nation under the emergency caused by the disintegrating influence of the war.

"In regard to war loans the life insurance companies demonstrated again their peculiar advantage to the state. For generations the agents had carried on their persistent propaganda of thrift, educating the people as to the advantage of protection and saving till at the end of 1916, as shown by the report of the superintendent of insurance, there were in force in Canada 2,183,381 policies for \$1,422,179,000 of insurance and the assets in Canada of the companies operating here amounted to \$418,526,000. This large sum of assets, made up of the small individual savings of millions of people, at once became of great importance to the state. The companies have invested heavily, not only of their current income, but have disposed of other securities where it was practicable to subscribe heavily for Dominion bonds. Assuming that on the average the companies have subscribed 15 per cent. of their assets, and the total assets as I have stated are \$418,526,000, then the amount of these bonds taken up by the life companies aggregate \$62,779,000. This percentage will be greatly increased as new issues offer. The nature of the business of life insurance makes the holdings of these bonds by the companies of peculiar importance for they will largely be held as permanent investment till they mature and so remove them from becoming a disturbing factor by being thrown on the market at some inopportune time.

"The fact that our business has demonstrated such usefulness in an unexpected emergency by furnishing available funds for government needs and by meeting the claims resulting from war, without impairment of our financial strength, has served to stimulate all of us who are engaged in its service to increased endeavor to extend its advantages to cover a large portion of modern need."

## ALBERTA'S FARM PRODUCTS

Two hundred million dollars from Alberta farms, without including the live stock, is a conservative estimate of the yield in 1917. The provincial department of agriculture issued the following final estimate of the yield:—

Crops.	Acres.	Yield per acre, Total yield,	
		bushels.	bushels.
Spring wheat	2,845,600	18.25	51,932,200
Fall wheat	51,700	20.50	1,059,900
Oats	2,537,900	34.00	86,288,600
Barley	472,100	22.00	10,386,200
Rye	30,880	20.50	633,000
Peas	1,851	17.50	32,400
Mixed grains	24,027	25.75	618,700
Flax	139,800	7.00	978,600
Potatoes	48,917	151.46	7,409,000
Turnips, etc.	10,947	207.56	2,272,000
		Tons.	Tons.
Hay and clover	493,522	1.48	730,400
Fodder corn	3,976	1.00	4,000
Alfalfa	31,396	2.05	64,400

## CANADIAN WAR TRADE BOARD DECIDED UPON

The proposed Canadian War Trade Board has been decided upon by the Dominion government. It is to consist, in the main, of men already in the service of the government, who have been doing much of the work that will come under the supervision of this body. By selecting officials, such as Mr. F. C. T. O'Hara, deputy minister of trade and commerce; Mr. E. Fitzgerald, of the Munitions Board; the food controller; Dr. A. B. Macallum, chairman of the Honorary Advisory Council of Scientific and Industrial Research, and the chairman of the Canadian Wool Commission, it is declared that much valuable time will be saved, as they are all familiar with the aims and objects of a war trade board.

For several months past the manufacturing interests more particularly have been urging the appointment of this body, but it was only recently that the idea took root at the capital. The United States embargoes and the many other interferences with the United States-Canadian trade have made it very difficult for many Canadian industries to carry on, and it is expected that the board will soon be able to give much of its time towards facilitating the transfer of necessary raw materials and other commodities to and fro across the border.







## CRISIS IN PULP AND PAPER INDUSTRY?

### C. Howard Smith Predicts Strenuous Times Ahead— Manufacturing Conditions

"The year 1917 will live long in the annals of the pulp and paper trade, as being one of the most critical and important periods of the industry," said Mr. C. Howard Smith in his address at the fifth annual meeting of the Canadian Pulp and Paper Association held at Montreal last week. "In the early part of the year," he continued, "the extraordinary demand for pulp and paper that had commenced in 1916 continued, and to a certain extent increased, the peak being reached in March and April, the demand then slackening gradually to a normal and in some lines a subnormal demand. Notwithstanding this enormous demand of pulp and paper for export, the mills continued to supply the regular requirements of Canadian trade, and no Canadian industry suffered for want of paper.

"The constant attacks on the industry by the publishers, and notwithstanding the fact that they were being supplied with paper at more than 15 per cent. less than the paper would have brought in foreign markets, led the government to fix a price of 2½ cents per pound on newsprint. As the consumption of newsprint in Canada is only approximately 14 per cent. of the total manufactured, the manufacturers were compelled to accept this price, and to endeavor to meet the situation by a distribution of tonnage and an arbitrary cash contribution from the different mills, who were not manufacturing for Canadian requirements."

"The investigation made by Controller R. A. Pringle, K.C., has borne out the contention of the manufacturers, as to costs, etc.

#### Importance of Industry.

"The pulp and paper industry is one of the basic industries of this country, and it is of the utmost importance that it should expand and increase its exports, so as to help maintain Canada's favorable trade balance." Mr. Smith then quoted the following figures:—

In the year ended March 31, 1890, the exports of pulp and paper were \$168,302. For the year ended March 31, 1912, the exports were \$8,961,424. For the year ended March 31, 1917, the exports were \$46,476,609, an increase in five years of \$37,515,275. These exports can still be increased and a greater amount of prosperity brought to Canada provided the manufacturers of pulp and paper are not hampered by unjust legislation, but are treated in the same manner as any other manufacturers.

The imports for the year ended March 31, 1912, were \$6,352,463. The imports for the year ended March 31, 1917, were \$6,848,422. These imports are made up of a great variety of paper and paper products, but there is room here for several mills to specialize and take care of this demand. The development of pulp and paper manufacturing requires large capital investment and great risks, as it is always a pioneer industry and means the opening up of new country. An adequate return on capital must therefore be allowed for, and an opportunity to obtain a return commensurate with the risk involved. A return of 7 per cent. on an industry of this nature is not sufficient, when governments are offering 5.86 per cent. on bonds, and many municipal and foreign bonds will yield a return of 8 per cent.

#### Manufacturing Conditions Severe.

In referring to the general conditions, Mr. Smith said: "The manufacturing conditions for 1918 will be severe, supplies of raw material are low, and almost impossible to secure. The coal situation could not be worse and there does not seem to be any immediate prospects of improvement. It is a serious menace to Canada, as the country only supplies about half the regular consumption, the total consumption being some 300,000,000 tons of both bituminous and anthracite. The coal production of Canada should be increased to the greatest possible extent, and so far as possible Canada should supply its own requirements. The production of other sources of fuel such as lignite and peat should receive the greatest possible attention from the government and every facility given to develop these different sources of fuel.

"In this connection the development of Canada's water powers assumes even greater importance.

"The labor market is short of men, and with the continued call on men for the front and for the vital industries, there is no sign of improvement. This shortage in labor has materially increased the cost of wood, and has seriously re-

duced the amount of wood gotten out. In the last ten years the cost of getting out wood has more than doubled. The car shortage has already been the cause of several periods of shut downs in some mills.

"Regarding the pulp industry," said Mr. Smith in conclusion, "it is of vital importance that technical education be greatly extended in this country, so that properly equipped men may be available to meet the growing demand for trained men. This section is doing pioneer work in this respect, and deserves the greatest encouragement from the executives of the different companies."

## CANADIAN NORTHERN RAILWAY'S STOCK

### Vice-President Hanna Outlines History of Road— Anticipated Country's Development

Mr. D. B. Hanna, third vice-president of the Canadian Northern Railway, a witness heard by the Board of Arbitration sitting at Osgoode Hall, Toronto, to determine the value of the shares of Canadian Northern Railway stock, outlined the company's history. He gave details as to company's progress from a 100-mile-line in 1896 to a completed transcontinental with 10,000 miles of track, showing that the management had earned a surplus over expenses and fixed charges since the first year of operation and pointed out that in annual periods since the transcontinental line had been completed the surplus had approximated 9 per cent. on the common stock. No dividends had been paid, he said, and the surplus had been put back into improvements.

#### Anticipated Country's Development.

His recital of the history of the enterprise also indicated that the expansion of the railway had anticipated the development of the country and had been an important factor in the settlement of the west. The company had been the first to introduce a competitive element in the transportation situation in the west, he remarked, and since 1901 the farmers of the prairie provinces had been relieved of freight charges approximating \$39,000,000 on grain alone, owing to the reduction of rates instituted by the Canadian Northern Railway. The policy of the company regarding the construction of branch lines had, he said, been dictated by the provincial governments concerned, but, he added that there was not a branch line in the prairie sections of the system which would not justify its existence.

#### Goose Lake Line.

Questioned by Sir William Meredith as to the value of the Goose Lake Line between Saskatoon and Calgary, Mr. Hanna ridiculed the suggestion that the particular branch was behind in values. "It is one of the most valuable parts of the system," he said. It had opened up one of the richest sections of the Saskatchewan valley, and in addition to the many millions of bushels of wheat which the railway now hauled out of the newly opened territory they were hauling an average of 150 cars of coal each day from the mines at Drumheller, and extensions to the coal mining operations indicate that next year a minimum of 250 cars a day will be brought over the line from the mines.

Speaking more directly of the valuation of the system Mr. Hanna called attention to a factor of values that had been overlooked in the Drayton-Acworth report in the form of the physical advantages of the road, which had been secured by low gradients and easy curvatures.

#### Fifty Cents on Dollar.

In further evidence before the Commission on Monday, Mr. D. B. Hanna, third vice-president of the Canadian Northern Railway, in reply to Mr. Pierce Butler, an American attorney representing Messrs. Mackenzie and Mann, declared that the Canadian Northern Railway stock is worth fifty cents on the dollar. In dollars and cents Messrs. Mackenzie & Mann want \$30,000,000 for 600,000 shares of stock upon which the Drayton-Acworth report placed no potential value, while the government suggests \$10,000,000 as the outside figure upon which the arbitrators are to base their finding. Mr. Hanna said that the company had no alternative but to give the government \$40,000,000 worth of stock for guaranteeing a bond issue of \$45,000,000.

Mr. Hanna criticized the Drayton-Acworth report, which declared that the stock of the Canadian Northern Railway was valueless, and noted the omission of many of the assets of the company in the report, calling them "inexcusable omissions of assets." If the arbitrators accepted the reserve



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figure of \$40,000,000 for depreciation, there was still a surplus of over \$52,000,000.

"Had the Canadian Northern Railway supplied erroneous information," continued Mr. Hanna, in charging the Drayton-Acworth report in being probably wrong in its conclusions respecting assets and liabilities, "or had the company concealed its assets or liabilities improperly, there might have been some reason for the inexcusable omissions of the assets of the company. The figures furnished the Commission were not gathered together in a haphazard manner; they were prepared by careful investigation and approved by the government auditors." At this point, Sir William informed Mr. Hanna that he did not think it proper for him to criticize the report of the Royal Commission.

#### Faith in Possibilities.

Mr. Hanna stated he had sufficient faith in the future possibilities of the Canadian Northern Railway to predict that the company will give more than a substantial return to the government for the money invested, providing politics are kept out.

"Nothing has been charged in the capital account knowingly," added Mr. Hanna. "In other words, the statements of the Canadian Northern Railway from year to year have not been cooked so as to make a better showing of the financial position of the company than really was the case."

Sir William—Were the lines drawn as to maintenance and betterments?

Mr. Hanna—Certain items of improvements were divided partly to maintenance and partly to betterments. Things may not have been done with the accuracy that they ought to have been done. I might add that the interest on discount and bonds issued was charged to the capital account. It is still there, and I make no bones about it.

#### Subsidiary Roads in West.

Tracing the history of the various subsidiary roads in the west, and their connection with the Canadian Northern Railway, Mr. Tilley pointed out that of the Duluth, Winnipeg and Pacific line, in which the Canadian Northern Railway own 51

per cent. interest, and the Mackenzie & Mann Company 49 per cent. interest, with no working lease of the road, the earnings in the report were shown as Canadian Northern Railway earnings. Mr. Hanna said this was attributable to the fact that the Canadian Northern Railway had guaranteed the bonds of the company.

#### INDUSTRIAL ACTIVITY IN BRITISH COLUMBIA

(Staff Correspondence.)

February 9th, 1918.

Industrial activity in British Columbia continues. The receipt of further shipbuilding orders by the Wallace Shipyards means that for many months the North Vancouver waterfront will be busy. The construction of another large pulp plant has been announced. With the settlement of the strike at the Trail smelter, mining has now no untoward feature, and the outlook is for large production during 1918. The output of coal last year was big, and this year it will be greater.

The contract for the Wallace Shipyards is for four steel steamers to be built for the Canadian government. They will be each 5,100 tons, 337 feet long, 46 feet 6 inches beam and 23 feet depth. The aggregate cost will be over \$5,000,000. The placing of this order means that sixteen steel ships are being built or about to be built in Vancouver in addition to the large number of wooden steamers and auxiliary ships now under construction.

A pulp plant is to be erected by White Brothers, of Boyne City, Mich. About ten years ago they secured large timber areas at the northern end of Vancouver Island from McLean Brothers, Vancouver. Although members of the firm have been on the coast from time to time since then investigating conditions, development of the limits has not been proceeded with, and recently it was stated that something was proposed. The mill will be located at Beaver Cove, five miles from Alert Bay, where deep water facilities are excellent.—R. B. Bennett.



## VICTORIA'S TAX SITUATION

### Committee Recommends That Arrears Be Payable Over Long Period

A special committee has made its report regarding the tax situation in Victoria, B.C. The committee states that it felt obliged to consider the position not only of the delinquent taxpayers, but the effect of continued delinquency upon the value of all other property and upon the financial obligations of the city. It was deemed advisable to deal with the problem as a whole and not to limit the recommendations of the committee to any one phase.

The following are reported as the dominating factors:—

(1) Less than two-thirds of the taxes, both general and local improvement, for 1916 and 1917, were paid at the end of these years respectively, as the following table shows:—

#### Proportion of Taxes Paid General.

1912.....	97 per cent.	1915.....	69 per cent.
1913.....	96 per cent.	1916.....	61 per cent.
1914.....	82 per cent.	1917.....	62 per cent.

#### Local Improvement.

1915 .....	56.20 per cent.
1916 .....	47.8 per cent.
1917 .....	38.74 per cent.

(2) Present arrears of taxes amount to \$3,351,883.

(3) There is a tendency among those who can pay taxes not to do so, because others in arrears are not forced to pay.

(4) A very considerable portion of the total assessed values of the city is now not paying taxes.

(5) The value of all property in the city is being affected by the mass of property which in the future may be offered at tax sales.

(6) It is in the interest of all property owners that some solution should be found of the present difficulties. No such solution is possible unless the causes which have led to the non-payment of taxes are included in a comprehensive scheme.

#### Special Attention to Causes.

Among these causes the committee has given special attention to the following:—

(a) Over-assessment of some properties so that the general taxes more than absorb the equity.

(b) Local improvements charges which more than absorb the equity in some arrears.

(c) Accumulation of arrears which the owners are not in a position to pay in any one year.

(d) Position of those who have paid taxes if those in arrears are relieved.

(e) Disputes in respect to some local improvement by-laws.

(7) The Municipal Act provides that no assessment can be increased without giving the taxpayer the right of appeal to a court, and under present conditions such appeals might lead to undesirable reductions in assessments.

(8) Reduced aggregate assessments do not lessen the taxes which will have to be obtained from the land, as the same proportion of the city's revenue has to be obtained from these taxes under any circumstances.

#### Should Restore Equity.

(9) It is in the general interest that an equity should be restored if possible to properties which are now overwhelmed by general and local improvement taxes.

The committee makes the following recommendations, which will remove the principal causes of the non-payment of taxes:—

1. Arrears of taxation to the end of 1917:—

(1) Arrears of taxation, both general and local improvement, subject to any relief which may be granted as hereinafter provided, should be made payable in fifteen yearly instalments covering the net amount of the taxes when originally due, with interest at the rate of 7 per cent. computed annually.

(2) All taxpayers paying the first instalment before the 30th June, 1918, should be entitled to the benefit of this extension, which should not imply any further personal covenant than at present exists in respect to taxes.

(3) All taxpayers in arrears to the end of 1917 should be allowed the privilege of paying the net amount of the taxes, with interest at the rate of 5 per cent. per annum, on or before the 30th June, 1918.

(4) There should be a tax sale this year of all properties in respect to which the taxes for 1914 or earlier have not been paid, unless the arrears of taxes have been extended or paid as provided above.

#### Would Readjust Valuation.

2. Assessment:—

(1) Powers should be obtained to fix the aggregate assessment of all land within the city at a figure which shall be approximately that of the aggregate assessment for 1918.

(2) An independent commission be appointed to readjust the relative assessment of all lands within the city so that the aggregate assessment so made shall be within 5 per cent. of the pivot assessment above-mentioned.

(3) The readjustment so made shall remain in force for three years.

(4) There should be no appeal from the decisions of the commission, providing, however, that any taxpayer who considers that an error has been made may appeal to the commission itself within a stated period.

3. Excessive Local Improvement Charges:—

Roads, sidewalks, etc.—A charge per front foot should be made against all properties, with assessments for roads, sidewalks, etc., representing the fair charge which such properties should pay for the benefit received from the improvement. That where the present levy exceeds the standard charge any excess should be absorbed by the general revenue.

#### Commission on Expropriations.

4. Expropriations, etc.:—

A commission should be appointed to decide what relief, if any, should be granted in respect to cost of expropriations, taking into consideration the desirability of restoring an equity to properties now overwhelmed by local improvement outlays, and that the decision of such commission should be final. That if relief be granted to taxpayers no distinction should be made between those who received compensation and those who did not.

5. Cases where by-laws cannot be passed owing to disputes:—

Where by-laws are held up owing to disputes, the commission dealing with the expropriation questions should be authorized to draw up a settlement fair to all parties.

6. If assessments for local improvements are reduced, those taxpayers who have paid instalments of the original assessments should receive credit for any excess over what they would have paid on the reduced basis, in the form of a voucher, which may be applied to succeeding payments of the assessment reduced, or if there are no further payments to be made on account of the assessments in question, then in payment of other city taxes due by the holder of the voucher, or if the holder of the voucher has no property subject to taxation, then the vouchers may be transferred to another taxpayer.

#### Should Have Statements.

7. If the foregoing or any other remedial scheme is approved, statements should be prepared giving as far as possible the effect on the properties affected and on the city finances, taking into consideration the probable early payment of a considerable portion of the taxes now in default.

The committee recommends that legislative powers be obtained to bring a comprehensive scheme into force, as they feel that good results will not follow an attempt to deal with the difficulties in a piecemeal manner.

Discussing the proposal to have arrears paid in fifteen yearly instalments, it was held by some members of the council that twenty years would be a more suitable arrangement, the contention being that Mayor Todd's proposal for a ten-year period would fail to meet the situation. However, the clause was left as it stood.

#### Sell 1914 Delinquent Lands.

It was held that the tax sale should be made to extend to 1914 delinquent property, it being claimed that to include only 1913 and previous years would be useless to the city. The possible revenue that the 1913 sale would bring in totalled \$87,000, but probably sixty per cent. of this would be written off the books by the taxpayers who met the 1913 dues and thus became exempt for the following years.

Respecting the appointment of a commission, it was advocated that its personnel be strictly independent and that the city assessor wield no power whatever, being confined to only a consulting and advisory capacity.



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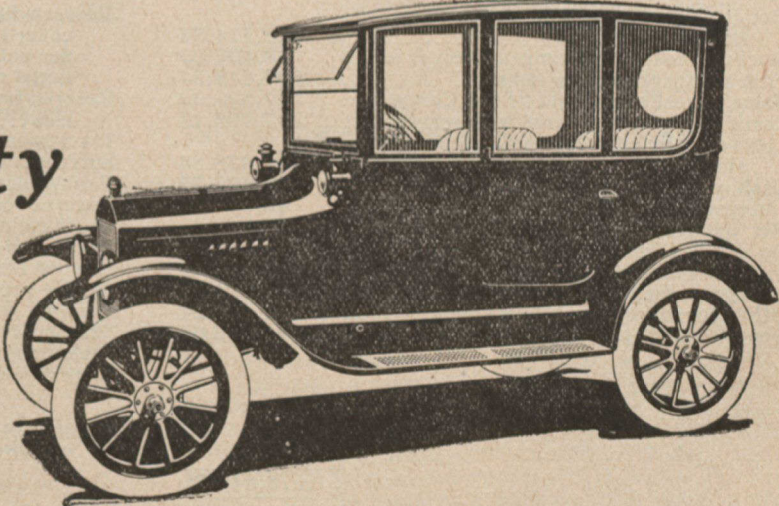
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# THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA

Head Office: WINNIPEG

AT THE ANNUAL GENERAL MEETING of the Company, held on the 6th inst., the Financial Report and Statement of affairs showed that the steady, solid growth which has characterized the Company in recent years was amply maintained in 1917. The year was, in fact, one of the best in the Company's history. A few of the more prominent features are as follows:—

TOTAL ASSETS.....	\$1,538,840.77	Increase.....	\$180,253.44
TOTAL ASSURANCES IN FORCE.....	7,626,684.00	Increase.....	1,232,600.00
NEW ASSURANCES ISSUED.....	2,237,500.00	Increase.....	544,000.00
TOTAL CASH INCOME.....	335,998.70	Increase.....	45,701.76
RESERVES FOR POLICYHOLDERS.....	1,040,215.33	Increase.....	120,324.38
GROSS SURPLUS EARNED.....	167,399.59	Increase.....	35,856.51

## THE SOVEREIGN LIFE IN 1917—

MAINTAINED AN INTEREST RATE ON INVESTED ASSETS OF 6.63%.

EFFECTED A REDUCTION IN ITS EXPENSE RATE OF ABOUT 17%.

VOLUNTARILY INCREASED CERTAIN SPECIAL RESERVE FUNDS (AGAINST POSSIBLE INVESTMENT LOSSES, Etc.) to \$78,500.00.

HAD AT DECEMBER 31st A TOTAL INVESTMENT IN WAR BONDS OF THE DOMINION OF CANADA OR GREAT BRITAIN OF \$343,895.85.

## BALANCE SHEET, December 31st, 1917

ASSETS		LIABILITIES	
Bonds, debentures and debenture stocks (ledger value).....	\$ 682,214.84	Reserve fund on Government standard to cover the Company's entire liability under policy contracts, together with additional reserve voluntarily maintained....	\$1,040,215.38
Stocks owned by the Company (ledger value).....	13,400.00	Reserve for extra mortality and contingencies.....	18,500.00
First mortgages on real estate.....	507,848.34	Investment Reserve.....	60,000.00
Value of real estate held by the Company.....	27,599.33	Surrenders claimable on cancelled policies.....	315.00
Loans on policies secured by reserves.....	217,096.15	Policyholders' dividends due and unpaid.....	383.23
Liens on policies under non-forfeiture provisions.....	12,938.86	Reserve for matured instalment policies....	6,265.00
Cash in Banks, Head Office and Agencies.....	29,302.77	Death claims reported, proofs not completed.....	19,100.65
Interest accrued and outstanding.....	46,831.82	Premiums and interest paid in advance....	6,367.74
Net outstanding and deferred premiums (with allowance for deduction of 35% of first year premiums and 10% of renewal premiums).....	38,929.45	License fees and taxes due and accrued....	2,684.73
Office furniture (less 10% written off).....	2,429.21	Sundry accounts due and accrued.....	2,588.38
Deposits held in trust (see contra).....	250.00	Deposits held in trust.....	250.00
		Shareholders' account.....	26,776.07
		Instalments due on bonds purchased.....	40,000.00
		Capital paid up.....	209,995.00
			\$1,433,441.18
		Surplus to Policyholders and Shareholders above all liabilities .....	145,399.59
	<u>\$1,578,840.77</u>		<u>\$1,578,840.77</u>

## DIRECTORS FOR 1918—

PRESIDENT—R. R. Scott, President the Scott Fruit Company, Winnipeg

FIRST VICE-PRESIDENT—William Grayson, K.C., Moose Jaw, Sask.

SECOND VICE-PRESIDENT—D. E. Williams, Director Traders Trust Company, Winnipeg

DIRECTORS—W. Sanford Evans, Ottawa; E. E. Sharpe, Winnipeg; W. F. Hull, Winnipeg; George N. Jackson, Winnipeg; John Graham Winnipeg; John McClelland, Toronto; R. G. MacDonald, Brandon; Alexander Melville, Winnipeg; H. J. Meiklejohn, M.D., Managing-Director, Winnipeg.

*Full Annual Report and Statement Gladly Furnished Upon Request.*



# DIVIDENDS AND NOTICES

## BANK OF MONTREAL

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

By Order of the Board.

FREDERICK WILLIAMS-TAYLOR,  
General Manager.

Montreal, 22nd January, 1918.

## THE CANADIAN BANK OF COMMERCE

### DIVIDEND No. 124.

Notice is hereby given that a quarterly dividend of  $2\frac{1}{2}$  per cent. upon the capital stock of this Bank has been declared for the three months ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Friday, 1st March, 1918, to shareholders of record at the close of business on the 14th day of February, 1918.

By Order of the Board.

JOHN AIRD,  
General Manager.

Toronto, 19th January, 1918.

## UNION BANK OF CANADA

### Dividend No. 124

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

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

By order of the Board,

H. B. SHAW,  
General Manager.

Winnipeg, January 17th, 1918.

## TOKIO MARINE INSURANCE COMPANY

Messrs. Dale and Company, Limited, the well-known marine and fire underwriters, Montreal, are the provincial agents in British Columbia of the Tokio Marine Insurance Company. Messrs. Dale and Company are not the company's agents for the Dominion as previously stated.

## LONDON LIFE INSURANCE COMPANY

One of the many substantial corporations of London, Ontario, which have helped materially to give that city its reputation as a solid financial and business centre, is the London Life Insurance Company. Having done business for 43 years, in that period, the company has built up a strong position. At the end of last year, it had in force business of \$50,787,365. Its business during the past five years has been doubled, in the past ten years quadrupled. Mr. John G. Richter, F.A.S., is the manager and secretary. He has conducted the affairs of the company with marked ability and in close co-operation with a helpful directorate headed by the president, Mr. John McClary, and the vice-president, Dr. A. O. Jeffery, K.C. The head office staff are men of experience, Mr. Edward E. Reid, B.A., A.I.A., acting as actuary.

## THE ROYAL BANK OF CANADA

### DIVIDEND No. 122

Notice is hereby given that a Dividend of Three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this Bank has been declared for the current quarter, and will be payable at the Bank and its branches on and after Friday, the first day of March next, to shareholders of record of 15th February.

By order of the Board,

C. E. NEILL,  
General Manager.

Montreal, Que., January 15th, 1918.

## THE OGILVIE FLOUR MILLS COMPANY, LIMITED

### DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. has been declared on the Preferred Stock of **The Ogilvie Flour Mills, Company, Limited**, payable Friday, the first day of March, 1918, to Shareholders of record at the close of business Thursday, the twenty-first day of February, 1918.

By Order of the Board.

G. A. MORRIS,  
Secretary.

Montreal, February 12th, 1918.

## CITY AUDITOR WANTED

Applications for the position of City Auditor will be received by the undersigned up till twelve o'clock noon of Wednesday, the twenty-seventh day of February, 1918. A full statement of qualifications and experience must accompany applications. Applicants will particularly state whether they hold certificates as certified accountants and any municipal experience. An adequate salary will be arranged.

NORMAN H. H. LETT,  
City Clerk.

Ottawa, February 5th, 1918.

As a result of a progressive policy and proper co-operation between head office and an energetic field force, the company was able to write last year business of \$15,703,593, an increase of \$2,667,647 over that of the previous year. The gain in business in force was \$9,072,048. The net premium and interest receipts of the year were respectively \$1,908,100 and \$474,524, a total of \$2,382,624. The increase over the previous year is \$408,844. The payments to policyholders or heirs, for cash profits, surrender values, annuities, matured endowments and death and disability claims, aggregated \$646,726, an increase over 1916 of \$139,142. The insurance in force on the company's books at the close of the year, after deducting all reinsurances, aggregated \$50,787,365, under 25,789 ordinary and 169,296 industrial policies, an increase of 4,838 ordinary and 17,752 industrial policies, for insurance of \$9,072,048 for the year. The company's assets, consisting of stocks, bonds and debentures, first mortgages on real estate and other approved securities, amount to \$8,050,269, making an increase of \$1,074,505 over the previous year. The interest and other payments falling due during the year were generally well met. The liabilities of the company under outstanding policies, and in all other respects, have been provided for in ample manner, the whole amounting to \$7,745,043. The surplus on policyholders' account, exclusive of subscribed but uncalled capital, is \$305,225. After deducting paid-up capital, the net surplus over all liabilities and capital is \$255,225. The company has good reason to be satisfied with the results of the past year.



## BASIS AND PRACTICE OF SCHEDULE RATING

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

"There is nothing that is so much to the forefront in the fire insurance business as the rate," said Mr. John B. Laidlaw, Canadian manager of the Norwich Union Fire Insurance Society in an address before the Vancouver Insurance Institute recently.

"If you are canvassing an insured," he continued, "the first question asked, is as to the rate and if you are offering a risk to the company, the first question they ask is as to the rate, and the difficulty always is to fix a rate which is equally satisfactory to the insured and to the company; for if it is not satisfactory to the insured he will not insure, and if it is not satisfactory to the company they will refuse it, and the problem is to make the rates so just and equitable that they will be acceptable to the public, and at the same time do justice to the companies.

"You will often hear men who are considering the question of rates lament the fact that the companies are not able to show a reason for a rate by statistics relating to the particular class of risk that extend over a period of years, and you will find men who perhaps have not looked into the matter very deeply who think it should be a very simple thing, because all they would have to do would be to ascertain what the losses had been and fix the rate upon that basis. Now that is a very false idea, and one that as insurance men it is wise to combat. The mutual companies do levy an assessment, and their rate is an assessment or in the nature of an assessment based upon past experience, but our rate is a premium which the insured pays in advance, and for which we carry the risk during the term agreed upon.

**Accurate Estimate for Success.**

"What we have to do with our problem is, in fixing the rate, not so much to look upon what has happened, but to look particularly upon what may happen, and so in practice a mill may be insured at 10 per cent., and it will burn down and be rebuilt and then be insured at 3 per cent. Now that rate is not based on past experience; it is based on the future probability. If a company fixes its rates or guides its affairs solely on past experience, without regard to the present conditions, they will be behind the times continually, and they will never succeed. The secret of success in the insurance business is to so appreciate the hazard and the constant changes that occur as to estimate accurately the probability of loss, and base your rate and your practice thereon. For that reason, often a company that is a non-tariff will succeed, the reason being that the companies through their associations were behind the times. They were fixing their rates too much on past experience, and too little on present conditions; so if the waterworks in Vancouver were to break down or if a number of manufactories, very dangerous manufactories, were to be established in the city it would be no proper guide for you to say, 'well, the loss experienced in Vancouver for the past number of years has been very slight, and you should not increase the rates.' You should deal with the changed conditions. And conversely, if you have had a very bad experience in Vancouver, and have lost a great deal of money in the city, but if the city makes fire breaks and removes hazardous conditions and provides good waterworks and fire appliances you will be justified and warranted in reducing rates. For that reason, the companies or any organization of companies which base their rates solely upon the past experiences will never be able to accomplish what is intended, that is, to fix a rate which will enable the companies to carry the risk during the period of the policy. We promise to carry the risk for one or three years, and our rates should be fixed accurately, so that we will be able to carry the hazard during the term of the policy.

"In formulating the rates and estimating what should be a fair charge, the companies as a whole have gradually developed the present system of schedule rating. There was a time, when fire insurance first started, when uniform rates were charged for all classes of risks, dwellings, stores and factories, without regard to their construction, whether brick or frame, or the difference between furniture or buildings, or whether there were fire appliances or whether there were none; but it was not long before there was a distinction made and going back 100 years you will find very crude schedules being used wherein a distinction was made between brick and frame, dwellings and stores, and stores and factories.

"It was found that although these were varied from time to time, it was necessary to make still greater variation and so about 40 or 50 years ago there grew up the practice in the United States and Canada of having expert rating officers. These were men who had had considerable experience as managers or special agents of companies, who were employed to go from town to town and prepare a book of rates, which was their estimate of the rate which should be charged on each risk. They had nothing to guide them except a sort of intuitive knowledge and their past insurance experience. They would know that a frame building was more likely to burn than a brick, that a carpenter's shop was more hazardous than a machine shop, and upon this they developed a system of rating. In some parts of Canada that system is followed to a greater or less extent to-day. It was found, however, that these men would sometimes get up in the morning with a slight bilious attack, and it would be found that where under exactly similar conditions they had named 1 per cent., they would be naming 1½ on an identical risk on a different day. Then possibly they fell sick and a substitute was obtained to do the work, and he would make a different guess; so the system brought about gross, unfair discrimination between similar risks and it was seen that some sort of a guide had to be formed. Thus was formed the system of schedule rating, based on the opinion of several experienced men that a frame building used as a store should be rated so and so, if it had a shingle roof it should be a little more, if it was used for a carpenter's shop it should be a little more, and from that beginning schedules have been formed which are varying in their structure and more or less intricate, more or less analytical, but all following the general principle of taking into consideration the varying features of each risk, and fixing for each particular feature of the risk a certain definite charge and making up in that way the rate which should be charged. In other words, an analysis of the varying factors that entered into the mind of the original expert rater so he would not be unduly affected by a bilious attack, and a consistent system be established.

**Discrimination is Rating Basis.**

"In regard to discrimination, our whole modern system of rating is based principally on discrimination, but it is fair discrimination as against unfair. If we rate two risks exactly alike, one at 1 per cent. and the other at 1½, that is unfair discrimination, but if we rate a brick building at 1 per cent. and a frame building badly exposed at 3 per cent., we have made a rate relatively in accordance with the hazard, and that is fair discrimination, and it is necessary that we deal fairly with the public.

"The public are interested in the solvency of fire insurance companies and they are also interested in being fairly treated. The difference between a fire insurance policy and a pound of sugar that may be sold by a merchant is this: that when you go into a store and buy a pound of sugar the party who sells it to you is in no way interested in you, and you are not afterwards interested in him, but when you buy an insurance policy you are interested in the company issuing it and they in you as long as the policy lasts. You have bought the company's credit; that is what you have bought, its promise, which is a contingent promise, and so as a policyholder you are vitally interested in the solvency of the company which sold the contract, and it is therefore in the interest of the public that laws should be passed regulating insurance companies so that they be solvent and able to carry through their promises. The public is interested that the company charge an adequate premium, because if they do not the public may be losers as well as the companies. The public are interested first in seeing that the companies charge an adequate rate, and secondly that they charge a fair rate, that is discriminate fairly between the different risks insured.

(To be Concluded.)

**COBALT ORE SHIPMENTS**

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

McKinley-Darragh-Savage Mines, 86,145; Coniagas Mines, 88,000; Aladdin Cobalt Mines, 66,000; La Rose Mine, 103,059; Buffalo Mines, 371,875; Dominion Reduction Company, 176,000. Total, 891,079 pounds, or 445 tons.

The total shipments since January 1st, 1918, now amount to 392,477.8 pounds, or 1,962 tons.



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Canada's National Newspaper  
Toronto, Ont.



Montreal and Toronto Stock Transactions

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

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

Montreal Stocks		Asked	Bid	Sales
Abitibi.....	com.	.....	.....	.....
Ames-Holden.....	com.	.....	.....	.....
.....	pref.	47	.....	.....
Asbestos Corporation.....	.....	.....	.....	.....
.....	pref.	.....	.....	5
Bell Telephone.....	.....	.....	.....	76
British Columbia Fishing & Packing.....	.....	.....	.....	.....
Brompton.....	.....	47	.....	10
Brazilian.....	.....	36	35½	10
Canada Car.....	com.	.....	.....	50
.....	pref.	58	55	25
Canadian Converters.....	.....	.....	.....	.....
Canada Cement.....	com.	57½	.....	200
.....	pref.	.....	.....	145
Canada Cottons.....	.....	48½	.....	330
.....	pref.	.....	.....	40
Canadian Con. Rubber.....	com.	.....	.....	.....
Canada Foundry and Forgings.....	.....	.....	.....	25
Canadian General Electric.....	.....	.....	102	60
Canadian Locomotive.....	com.	59	58	.....
.....	pref.	.....	.....	10
Canada Steamship Lines.....	com.	42½	42½	700
.....	pref.	.....	.....	235
.....	Voting Trust	.....	.....	435
Civic Investment.....	.....	73½	73½	478
Cons. Mining and Smelting.....	.....	25½	25	556
Consumers Gas.....	com.	.....	.....	.....
Dominion Bridge.....	.....	.....	.....	.....
Dominion Coal.....	pref.	.....	.....	.....
Dominion Iron.....	pref.	.....	.....	117
Dominion Steel Corporation.....	com.	61½	61½	2725
Dominion Textile.....	.....	84	83	303
.....	pref.	100	.....	2
Goodwins Limited.....	pref.	11	.....	.....
Gould Manufacturing.....	.....	.....	.....	.....
Illinois Traction.....	pref.	.....	.....	40
Intercolonial Coal.....	com.	.....	.....	.....
Lake of the Woods Milling.....	com.	129	.....	27
Laurentide Co.....	com.	156	154	5
Lyll Const.....	com.	.....	.....	50
Macdonald.....	com.	15	14	20
Mackay Cos.....	com.	.....	.....	.....
.....	pref.	.....	.....	.....
Maple Leaf Milling.....	com.	.....	.....	.....
Montreal Tramway.....	deb.	.....	73	7900
Montreal Cotton.....	com.	.....	50	5
.....	pref.	.....	.....	.....
Nova Scotia Steel.....	.....	68	66½	.....
.....	pref.	.....	.....	35
Ogilvie Flour Mills.....	com.	.....	.....	78
Ontario Steel.....	com.	25	23½	25
Ottawa Light, Heat & Power.....	.....	.....	.....	.....
Penmans.....	pref.	72	70	305
.....	.....	.....	.....	35
Price Bros.....	.....	120	.....	.....
Riordan Paper.....	pref.	.....	.....	210
.....	.....	19½	17	655
Quebec Railway, Light, Heat & Power.....	rights	111	110	101
Shawinigan Water & Power.....	.....	20	17	6948
.....	com.	.....	.....	5
Sherwin-Williams.....	com.	.....	.....	40
Spanish River.....	com.	.....	.....	.....
.....	pref.	.....	.....	.....
Steel Co. of Canada.....	.....	54	53½	260
Tooke.....	com.	.....	.....	.....
Toronto Railway.....	com.	61	60½	216
Wabasso Cotton.....	com.	.....	.....	.....
Winnipeg Railway.....	.....	.....	.....	.....
Wayagamack.....	.....	.....	.....	.....
Bank of British North America.....	.....	.....	.....	.....
Bank of Commerce.....	.....	.....	.....	17
Bank of Montreal.....	.....	210	.....	10
Bank of Ottawa.....	.....	201	.....	.....
Bank of Toronto.....	.....	.....	.....	.....
Bank d'Hochelega.....	.....	140	.....	29
Banque Nationale.....	.....	.....	.....	.....
Bank of Nova Scotia.....	.....	248	.....	147
Dominion Bank.....	.....	.....	.....	.....
Merchants Bank.....	.....	.....	.....	1
Molsons Bank.....	.....	.....	.....	.....
Quebec Bank.....	.....	.....	.....	.....
Royal Bank.....	com.	3½	208	98
Standard Bank.....	.....	.....	.....	.....
Union Bank.....	.....	.....	141	.....
<b>Montreal Bonds</b>				
Asbestos.....	Last Sale	72½	.....	1000
Bell Telephone.....	.....	98½	.....	.....
Canada Car.....	.....	96½	97	2200
Canada Cement.....	.....	.....	.....	.....
Canada Consolidated Rubber.....	.....	.....	.....	1000
Canada Converters.....	.....	.....	.....	12000
Cedars Rapids.....	com.	90	.....	500
Dominion Coal.....	.....	94½	.....	.....
Dominion Cotton.....	.....	90	.....	.....
Dominion Iron and Steel.....	.....	97	86½	1000
Dominion Textile.....	A	97½	.....	.....
.....	B	97	97½	1000
.....	C	97	.....	.....
.....	D	96½	.....	.....
Lake of Woods Milling.....	.....	103	.....	.....
Laurentide.....	.....	101	.....	.....
Lyll Construction Co.....	.....	83½	.....	.....
Montreal Light, Heat & Power.....	.....	101	.....	.....
Montreal Tramways.....	.....	91½	.....	.....
National Breweries.....	.....	90	.....	.....
Nova Scotia Steel.....	.....	90	.....	.....
Ogilvie.....	A	10	.....	.....
.....	B	103	.....	.....
.....	C	103	.....	.....
Penmans.....	.....	.....	.....	.....
Price Bros.....	.....	60	.....	700

Montreal Bonds (Continued)		Asked	Bid	Sales
Quebec Railway, Light and Power.....	.....	67	.....	.....
Riordan Paper.....	.....	.....	.....	.....
Sherwin-Williams.....	.....	95	.....	4900
First Dominion War Loan.....	.....	98½	93½	6500
Second Dominion War Loan.....	.....	98½	93	13700
Third Dominion War Loan.....	.....	.....	84	1000
Wabasso Cotton.....	.....	.....	79½	2800
Wayagamack.....	.....	81	.....	.....

Toronto Stocks		Asked	Bid	Sales
Ames-Holden.....	pref.	14½	.....	.....
American Cynamid.....	.....	25	20	.....
.....	pref.	.....	52	.....
B. & L. (Landed).....	.....	.....	.....	.....
Barcelona.....	.....	9½	9½	85
Bell Telephone.....	.....	.....	.....	.....
Brazilian.....	.....	35½	35	123
Canada Bread.....	.....	17	16	.....
.....	pref.	.....	.....	.....
Canadian Car & Foundry.....	.....	24	21	.....
.....	pref.	57½	.....	.....
Canadian Canners.....	.....	.....	.....	.....
Canadian General Electric.....	.....	103	102	.....
.....	cum div. pref.	.....	.....	.....
Canada Landed & National Investment.....	.....	.....	.....	.....
Canadian Locomotive.....	.....	.....	.....	.....
.....	pref.	.....	82½	10
Canadian Pacific Railway.....	.....	147	145	20
Canada Permanent.....	.....	162½	.....	101
Canada Steamship.....	.....	42½	42½	185
.....	pref.	77½	76½	35
.....	(voting trust)	.....	.....	.....
Cement.....	com.	58½	57½	.....
.....	pref.	.....	90	.....
City Dairy.....	.....	.....	.....	.....
.....	pref.	60	.....	.....
Colonial Loan.....	com.	.....	.....	.....
Coniagas.....	com.	.....	.....	.....
Confederation Life.....	.....	375	.....	.....
Consumers Gas.....	.....	147	.....	16
Crow's Nest Pass.....	com.	50	.....	.....
Detroit.....	.....	.....	.....	.....
Dome.....	.....	900	875	50
Dominion Canners.....	.....	5	.....	.....
Dominion Iron.....	com.	.....	.....	.....
.....	pref.	.....	.....	.....
Dominion Steel Company.....	.....	60½	60½	220
Duluth Sup.....	.....	41	.....	.....
F. N. Burt.....	.....	.....	.....	.....
.....	pref.	.....	.....	10
Hamilton Provident.....	.....	.....	.....	.....
Huron & Erie.....	com.	.....	.....	.....
Lake of the Woods.....	com.	.....	.....	.....
La Rose.....	com.	.....	.....	500
Mackay Companies.....	.....	76½	76	180
.....	pref.	60½	59½	27
MacKinley Darragh.....	com.	.....	.....	.....
Maple Leaf Milling.....	.....	98	95	60
.....	pref.	95	93½	10
Monarch.....	.....	.....	30	3
Nat. S. Car.....	pref.	9	7	.....
Nipissing.....	.....	30	25	10
Nova Scotia Steel.....	.....	825	800	.....
.....	rights	68	66½	17
Pacific Burt.....	com.	.....	.....	.....
.....	pref.	.....	.....	.....
Penmans.....	com.	.....	.....	.....
Petroleum.....	.....	1325	1300	.....
Riordan.....	.....	.....	.....	10
.....	pref.	.....	.....	.....
Rogers.....	com.	.....	.....	.....
.....	pref.	.....	.....	.....
Russell Motor.....	.....	60	53	35
Sawyer-Massey.....	.....	.....	.....	.....
.....	pref.	41	10	.....
Shredded Wheat.....	.....	.....	.....	20
Spanish River.....	.....	15	14	.....
.....	pref.	50	.....	.....
Cons. Smelters.....	.....	26	25½	205
Standard Chemical.....	.....	.....	.....	.....
.....	pref.	57	.....	.....
Steel Company of Canada.....	.....	54	53	24
.....	pref.	84½	83	.....
Toronto General Trust.....	.....	.....	.....	.....
Toronto Paper.....	.....	72	65	.....
Toronto Railway.....	.....	61½	60½	.....
Trethewey S. Mines.....	com.	15½	14	17000
Tucketts.....	.....	19	.....	.....
.....	pref.	1½	.....	.....
Winnipeg Electric.....	.....	.....	.....	.....
Twin City.....	.....	66	65	.....
Bank of Commerce.....	.....	185	.....	25
Bank of Ottawa.....	.....	201	.....	.....
Bank of Hamilton.....	.....	.....	184	34
Bank of Montreal.....	.....	210	.....	.....
Bank of Nova Scotia.....	.....	.....	248	.....
Bank of Toronto.....	.....	187	.....	10
Dominion Bank.....	.....	202	.....	.....
Imperial Bank.....	.....	.....	.....	.....
Merchants Bank.....	.....	2½	.....	167
Molsons Bank.....	.....	179½	.....	.....
Royal Bank.....	.....	208	.....	.....
Standard Bank.....	.....	200	.....	.....
Union Bank.....	.....	.....	141	.....

Toronto Bonds		Last Sale	Asked	Bid	Sales
Canada Bread.....	.....	92½	.....	.....	.....
Canada Locomotive.....	.....	95	.....	.....	.....
Penmans.....	.....	89	.....	80	.....
Riordan.....	.....	.....	.....	.....	.....
Sao Paulo, 1929.....	.....	84	.....	.....	.....
Steel Company of Canada.....	.....	96½	89	88	.....
First War Loan.....	.....	98	94½	94½	2600
Second War Loan.....	.....	98½	93½	93½	8200
Third War Loan.....	.....	.....	93½	93½	10400



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**VICTORY BONDHOLDERS SHOULD NOT SELL**

It has been reported to the Department of Finance that in some cases investors have been induced to dispose of Victory bonds at extremely low prices. Taking advantage of the fact that many of the 800,000 people who bought these bonds are not accustomed to buying securities, unscrupulous agents have persuaded some who are ignorant of the true situation or are misinformed to sell their bonds at heavy loss. These agents immediately resell the securities at fair prices through the proper channels and pocket the profit.

Victory bonds have as their security the Dominion of Canada, and holders, the officials say, should see that they obtain a fair price. Those who find it necessary to sell should make enquiries from their bankers or a recognized broker, and should not deal with unknown agents.

It is inevitable that from time to time there will be people who desire to turn some or all of their holdings into cash, just as others find themselves in a position where they can add to their purchases of Victory bonds. These buyers and sellers are brought together through the medium of the recognized dealers in securities and there is no reason why at the present time those finding it necessary to sell should not receive a price approximating the cost of their bonds.

It is to be pointed out, however, that while it was a patriotic duty to subscribe to the Victory Loan, it is a part of that duty to hold the bonds, unless it is imperatively necessary to sell. It is not merely the subscribing, it is the actual lending of the money for the period of the loan that helps our war finance.

**ONE THOUSAND FORD TRACTORS PURCHASED**

The Dominion government has purchased 1,000 Ford tractors at cost. They will be sold to Canadian farmers also at cost, plus freight. Details of freight costs have not yet been worked out, but it is estimated that the average cost to the farmer, including freight, will be about eight hundred dollars. In addition, the government has secured options on another thousand of the Ford tractors.

The Ford tractor has not so far been supplied to any private individual. The Ford factories are now engaged on an order for some thousands of the new tractors for the British government. When that order is completed—probably by the end of March—delivery in Canada will begin.

Purchases were completed for Canada after tests made of the tractor by Hon. C. A. Dunning, of Regina, and J. D. MacGregor, of Winnipeg, representing the minister of agriculture. Both Mr. Dunning and Mr. MacGregor express themselves as fully satisfied with the work of the tractor, and are convinced of its practicability.

The tractor burns either kerosene or gasoline. It is designed as a two-plough machine. A fuel consumption of 2½ gallons of kerosene per acre is regarded as a fair average. It is claimed for the tractor that it can plough an average of eight acres in ten hours. The ploughing speed is given as 2¾ miles per hour.

Conditions of sale will be for cash only. The scheme of distribution still remains to be worked out in detail. In all probability, however, orders will be placed through provincial departments of agriculture.



UNITED STATES TRADE WITH CANADA

Rapid Growth of Business Since 1914—Financial Relations Strengthened

Shortly after William Clarke Teagle who was recently elected president of the Standard Oil Company of New Jersey, was chosen president in 1914 of the Imperial Oil Company of Canada, which then was and still is a subsidiary of the Standard Oil Company of New Jersey, he made up his mind that in order to be well prepared for his new duties he should become familiar with Canada. So says "Holland" in his interesting daily article in the Wall Street Journal, who continues:—

He knew that great empire to the north of the United States somewhat vaguely and was familiar with its boundaries because he had occasion to look at the maps now and then. Yet he felt sure he had no broad, comprehensive knowledge of the Dominion. He therefore made an excursion throughout practically the length and breadth of Canada, at least from Manitoba eastward as far as Quebec. All that he saw and heard caused him to speak upon his return with enthusiasm of Canada and enabled him to look forward to a day when its resources would be magnificently developed and the international trade established between this country and Canada would be very large.

That excursion throughout Canada was made five years ago. Three of those five years Mr. Teagle lived in Toronto from which city he was transferred to the presidency of the Standard Oil Company of New Jersey. He saw something of the wonderful growth of Canada in the three years since 1914 when he was directing the affairs of the Imperial Oil Company. He perceived that the forecast of Canada's growth and of her trade with the United States which he made some years earlier—and which he presumed would not be realized until ten or fifteen, perhaps twenty, years had passed—is now fully justified by the event.

Trade With United States.

Thomas W. Lamont, partner of the house of J. P. Morgan & Company, who has made a careful study of conditions in Canada, set forth in an address to the members of the Canadian Society of New York, in a few impressive figures, the growth of Canada since war began, and especially the magnitude of her increased relations with the United States. As recently as 1910, Canada borrowed in the United States only \$3,600,000. That loan was for a special purpose. Presumably it was related to the establishment of Canadian internal improvements. Six years later, Canada approached the United States markets successfully for a loan in the aggregate of \$270,000,000, and the average of her loans for each year since the war began has been \$183,000,000. That is almost as much as the average yearly borrowing Canada used to secure in London before the war began.

Financial Relations With Canada.

There was a curious change (itself one of the remarkable phenomena associated with the early days of the war) from the days in late August and early September, 1914, when the United States sent through the agency of J. P. Morgan & Company \$200,000,000 in gold to Ottawa, Canada; and the

time a few months later, when substantially all of that gold was returned. In addition, Canada began to borrow heavily. Ottawa, so far as this American gold was concerned, was to all intents and purposes the Bank of England. Great Britain treated that deposit of gold in Ottawa substantially as though it had been deposited in the Bank of England.

Astonishing as these figures that tell of Canada's financial relations with the United States are, Mr. Lamont regarded them as of less importance than the official figures which tells of the United States trade with Canada. There is the great outlook for future development of international trade upon the American hemisphere in which the United States will secure so great a share.

American Trade With Canada.

The United States trade with Canada and with South America should, after the war is ended, increase so greatly as to surpass the aggregate of American trade with all the other nations of the world. Five years before the European war began the United States had established an excellent trade with Canada according to Mr. Lamont. In 1909 the money value of the commodities Canada bought in the United States was \$180,000,000 whereas, on the other hand, they bought in the same year Canadian commodities of the money value of \$92,000,000. Therefore the trade balance of the United States in that year was about \$90,000,000. That balance was presumably liquidated through London. But it is an astonishing jump from the figures of 1909 to those which Mr. Lamont reports for the year 1917. In that year Canada bought United States commodities of the money value of \$664,000,000 and the United States bought Canadian commodities of the money value of a little under \$300,000,000. Therefore the total of the international trade in which Canada and the United States took part in 1917 was almost exactly \$1,000,000,000.

A favorable trade balance for the United States of nearly three hundred and seventy-five million dollars was created by Canadian trade for 1917. This balance, in addition to the loans which Canada secured in America, makes the United States a creditor of Canada for a little under a billion dollars.

Development of Resources.

The entire Dominion of Canada contains a population approximately the same as that of the Metropolitan district of New York. This makes it easier to realize the magnitude of Canadian fiscal and trade operations since the beginning of the war. Great as these are Mr. Lamont, President Teagle of the Standard Oil Company, and others who are qualified to speak, believe that the impulses to vast development of Canadian resources which have been occasioned by her war activities will remain and, in fact, be accelerated after the war is ended.

American capital is already heavily invested in manufacture and industries in Canada and presumably much more will be invested when the war is ended because Canada offers certain advantages for capital investment which cannot be fully matched in the United States. Mr. Lamont regards the increase in mutual confidence, in common respect each for the other nation, and in admiration for the achievements of each since the war began, as possibly one of the most beneficial of the influences which the war has occasioned, concludes the writer.

UNLISTED SECURITIES

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

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power.....pref.	80	87.50	Chapman Ball Bearing ..	20	29	Imperial Oil.....	280	310	North. Crown Bank.....	72	....
.....com.	41	46	Collingwood Ship.....com.	25	....	Imperial Steel.....pref.	....	4	Nor. Ont. L. & P.....6's	75	82.50
Alberta Pac. Grain.....com.	98	....	Cockshutt Plow.....pref.	65.50	75	Imperial Trust Co.....	340	380	Peoples Loan.....	81	90
American Sales.....Ex 6's	92.50	....	Crown Life.....	70	....	Lambton Golf Club.....	100	115	Rosedale Golf Club.....	300	360
Atlantic Sugar.....pref.	24	29	Dom. Fire.....	19	21	London Loan & Savings.....	17	22	Sovereign Life.....	14	20
.....6's	80	85	Dom. F'dry & Steel 8% pf.	80	88.50	Maritime Coal & Ry.com.	67	72	Trust & Guarantee.....com.	10	12
Brand-Henderson.....6's	93.50	....	Dom. Iron & Steel 5's, 1939	74	78.50	Maritime Coal.....5's	....	....	.....bonds	69.50	73.50
.....com.	35	45	Dom. Linseed Oil.....	70	....	Massey Harris.....	115	130	Sterling Bank.....	80	87.50
Belding Paul.....pref.	73.50	77	Dom. Po'er & Trans.....5's	80	86	Matthew-Blackwell.com.	41	51	St. Lawrence Sugar...6's	91	95.50
.....com.	10	14	Dom. Power.....com.	50	55	Matthew-Laing...6's	92.50	97	Temple Theatre.....com.	55	....
Can. Cons. Felt.....pref.	24	30	.....pref.	89.50	95	M'Donald.....pref.	80	85	Toronto Paper.....6's	85	90
Can. Marconi.....com.	1.75	2.65	Dominion Sugar.....	112	130	Murray-Kay.....pref.	....	25	Trust & Guarantee.....	83.50	90
Canada Machinery.....com.	9.50	12.50	Dunlop Tire.....6's	95	100	Morrow Screw.....6's	85.50	92.50	West. Assurance.....	5	6.50
.....pref.	45	50	Eastern Car.....6's	90	95	Mutual Steamships...6's	....	95	West Can. Flour.....com.	93	115
Can Salt.....6's	93	....	.....pref.	45	55	National Life.....	30	....	.....6's (1931)	92	96
Can. Steel Foundry...6's	85	90	Home Bank.....	60	65	National Telephone...5's	49	54	West Can. Power...5's	49	55
Can. Westinghouse.....	100	115	.....	....	.....	....	....	.....	....	....	

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



**THE EMPLOYERS'**  
**LIABILITY ASSURANCE CORPORATION**  
**OF LONDON, ENG. LIMITED**

ISSUES  
 Personal Accident                      Sickness  
 Employers' Liability                      Automobile  
 Workmen's Compensation              Fidelity Guarantee  
 and Fire Insurance Policies

**C. W. I. WOODLAND**  
 General Manager for Canada and Newfoundland

Lewis Building,              JOHN JENKINS,              Temple Bldg.,  
 MONTREAL                      Fire Manager                      TORONTO



**LONDON**  
**GUARANTEE AND**  
**ACCIDENT COY.**  
 Limited

ESTABLISHED 1869              Head Office for Canada:  
**TORONTO**

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

**AND FIRE INSURANCE**

**The Imperial**  
**Guarantee and Accident**  
**Insurance Company**  
**of Canada**

Head Office, 46 KING ST. W., TORONTO, Ont.

IMPERIAL PROTECTION  
 Guarantee Insurance, Accident Insurance, Sickness  
 Insurance, Automobile Insurance, Plate Glass Insurance.

A STRONG CANADIAN COMPANY

Paid up Capital	-	-	\$200,000.00.
Authorized Capital	-	-	\$1,000,000.00.
Subscribed Capital	-	-	\$1,000,000.00.
Government Deposits	-	-	\$111,000.

**THE DOMINION OF CANADA**  
**GUARANTEE & ACCIDENT INS. CO.**

Accident Insurance	Sickness Insurance	Plate Glass Insurance
Burglary Insurance	Automobile Insurance	Guarantee Bonds

The Oldest and Strongest Canadian Accident Insurance Company

Toronto      Montreal      Winnipeg      Calgary      Vancouver

**CONDENSED ADVERTISEMENTS**

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

**PUBLICATIONS RECEIVED**

**Finance.**—Statement of the public accounts of the province of Quebec.

**Income Tax.**—"The Income War Tax Act of 1917 of the Dominion of Canada and Some Comment Thereon." Issued by the Bank of Hamilton, Hamilton, Ont.

**Finance.**—"Canada's War Loans," pamphlet issued by A. E. Ames and Company, Union Bank Building, Toronto, contains interesting information regarding Canadian war loans.

**Japan.**—What his reviewers call a "fervent loyalty" to the United States (the land of his adoption) leads Mr. Kawakami into this investigation of her friendship for Japan. He shows how this began and how it has been impaired. As an informed internationalist, believing in fair play, he patiently takes up the alleged causes for disagreement. He then examines the reasons leading toward a restored and developed agreement between the two nations. He speaks with authority, and, whatever views the reader has on Anglo-Japanese and American-Japanese topics, the book will prove of great interest

"Japan in World Politics." By K. K. Kawakami. Published by the Macmillan Company of Canada, St. Martin's House, Bond Street, Toronto. Price, \$1.50.

**Trade.**—"Conservation of Canadian Trade". By Hon. Frederic Nicholls, care of Canadian General Electric Company, Toronto. In his foreword Senator Nicholls says:—

"The uncertainty regarding trade conditions after the war is presently giving cause for grave anxiety to business men throughout Canada.

"The balance of trade is now greatly in our favor and Canada is prosperous; in fact, so prosperous that little heed is being given to preparation for the inevitable "slump" that will be experienced when the demand for our output diminishes and present high prices are no longer current.

"Undoubtedly much could be accomplished by the mobilization of our resources, intelligent co-operation, in producing

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

**WANTED.**—Casualty and Bond man with technical experience required by Western Canada general insurance agency to take charge of their Casualty, Bond and Miscellaneous Insurance Department, which is well established and has a large premium income. Canvassing experience and ability not essential, but knowledge of how to handle business offered and give service to present clients is essential. Present manager leaving for family reasons. Answers, Box 145, *The Monetary Times*, Toronto.

**WANTED.**—Inspector to represent large Tariff Company in Eastern Canada. Answer in own handwriting, stating experience and salary expected. Only thoroughly competent men need apply to Alpha, care of *The Monetary Times*, Toronto.

and selling, and courageous effort on the part of the government, which is well advised as to the problems to be met.

"In time of war we should prepare for peace, and it will be unfitting to our dignity as a patriotic and resourceful Dominion if prompt and decisive preparations are not made to meet the new conditions which we will soon be called upon to face"



## \*TOTAL TRADE OF CANADA BY MONTHS.

## IMPORTS FOR CONSUMPTION OF MERCHANDISE.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	36,937,713	28,391,640	50,147,830	86,807,809
May.....	45,076,939	34,390,808	69,697,812	107,596,379
June.....	45,750,793	35,324,739	66,399,538	97,515,067
July.....	42,964,467	36,557,691	63,622,687	90,181,595
August.....	44,390,603	40,806,865	72,331,114	91,981,009
September.....	36,567,572	38,028,156	68,766,262	75,893,365
October.....	35,113,730	39,515,144	71,196,252	.....
November.....	31,552,190	45,217,559	72,579,445	.....
December.....	30,392,913	45,690,721	67,900,534	.....
January.....	30,300,157	50,170,465	72,323,074	.....
February.....	35,912,910	51,654,968	68,030,469	.....
March.....	40,411,384	62,034,605	102,335,886	.....
Totals, Fiscal Years..	455,371,371	507,783,361	845,330,903	.....

## EXPORTS OF CANADIAN MERCHANDISE.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	17,753,071	28,691,889	55,092,035	65,145,449
May.....	30,005,635	42,080,486	94,653,138	149,057,236
June.....	28,000,200	42,805,846	95,635,862	116,285,841
July.....	41,807,648	45,590,038	104,964,270	177,366,148
August.....	31,510,732	41,094,154	96,091,028	146,387,586
September.....	31,796,613	46,129,735	90,285,181	112,621,462
October.....	45,883,422	80,038,582	85,312,175	.....
November.....	42,872,109	92,931,916	109,588,950	.....
December.....	37,193,609	92,171,402	130,037,174	.....
January.....	28,595,598	83,731,184	99,106,259	.....
February.....	28,881,277	57,931,168	68,224,383	.....
March.....	45,118,922	88,414,238	122,415,313	.....
Totals, Fiscal Years..	409,418,836	741,610,638	1,151,375,768	.....

## EXPORTS OF FOREIGN MERCHANDISE.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	662,190	2,584,685	809,061	1,795,814
May.....	2,885,528	1,440,434	1,175,211	3,233,110
June.....	2,611,309	4,552,656	2,490,104	3,725,324
July.....	8,507,322	2,916,682	1,590,422	2,850,372
August.....	12,549,622	7,904,330	2,230,133	6,175,759
September.....	8,747,481	7,586,147	1,986,218	2,855,585
October.....	5,652,809	4,063,483	2,003,559	.....
November.....	3,370,152	1,504,177	2,243,423	.....
December.....	1,654,488	1,423,201	2,496,831	.....
January.....	1,371,732	1,715,862	3,445,807	.....
February.....	1,240,624	831,865	3,254,865	.....
March.....	2,770,416	1,165,910	4,109,698	.....
Totals, Fiscal Years..	52,023,673	37,689,432	27,835,332	.....

## TRADE OF CANADA WITH UNITED KINGDOM BY MONTHS.

## IMPORTS FOR CONSUMPTION OF MERCHANDISE FROM UNITED KINGDOM.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	6,718,774	4,829,105	6,953,307	6,754,791
May.....	8,864,524	5,297,150	10,015,047	8,028,763
June.....	9,243,234	5,693,544	9,170,364	8,489,191
July.....	9,064,290	6,307,797	9,463,316	6,902,611
August.....	9,517,335	6,315,225	9,699,705	8,008,713
September.....	7,132,304	5,902,915	8,818,520	6,368,729
October.....	7,350,472	5,688,293	8,506,096	.....
November.....	5,873,854	7,338,718	8,462,892	.....
December.....	5,644,400	6,243,327	8,112,981	.....
January.....	6,692,555	7,327,255	9,455,133	.....
February.....	7,013,754	6,978,123	8,139,966	.....
March.....	6,967,682	9,449,230	10,273,854	.....
Totals, Fiscal Years..	90,083,178	77,370,682	107,071,181	.....

## TRADE OF CANADA WITH UNITED KINGDOM BY MONTHS—Continued.

## EXPORTS OF CANADIAN MERCHANDISE TO UNITED KINGDOM

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	7,000,680	18,192,655	35,847,117	.....
May.....	12,154,115	24,643,519	62,310,274	.....
June.....	8,636,470	21,783,968	61,850,279	.....
July.....	18,026,788	22,739,381	71,317,030	.....
August.....	12,543,233	17,925,332	59,153,587	.....
September.....	12,752,854	22,189,301	55,804,371	.....
October.....	24,745,143	45,765,452	47,171,629	.....
November.....	22,150,800	59,584,272	70,141,525	.....
December.....	17,971,518	66,405,670	93,348,306	.....
January.....	12,686,992	59,236,993	65,987,895	.....
February.....	14,301,759	34,445,583	42,590,593	.....
March.....	23,698,202	58,940,273	76,624,931	.....
Totals, Fiscal Years..	186,668,554	451,852,399	742,147,537	.....

## EXPORTS OF FOREIGN MERCHANDISE TO UNITED KINGDOM.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	43,676	42,153	280,260	.....
May.....	962,478	186,497	313,643	.....
June.....	671,925	2,060,035	1,135,051	.....
July.....	3,159,958	1,121,625	611,253	.....
August.....	8,358,515	2,125,681	1,425,947	.....
September.....	5,323,124	3,908,253	810,545	.....
October.....	3,128,638	592,942	961,527	.....
November.....	1,708,608	145,768	1,330,290	.....
December.....	698,363	353,252	1,595,448	.....
January.....	158,424	416,103	1,498,945	.....
February.....	159,908	69,803	2,005,942	.....
March.....	715,547	206,730	1,954,671	.....
Totals, Fiscal Years..	25,089,164	11,228,842	13,923,522	.....

## TRADE OF CANADA WITH UNITED STATES BY MONTHS.

## IMPORTS FOR CONSUMPTION OF MERCHANDISE FROM UNITED STATES.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	25,088,785	20,059,097	38,283,790	74,611,244
May.....	28,421,096	24,683,167	52,543,423	91,332,166
June.....	29,571,954	25,412,590	50,754,009	82,035,864
July.....	26,894,617	25,989,742	48,370,692	76,163,533
August.....	26,663,285	28,255,575	56,433,525	75,034,983
September.....	25,297,147	26,986,214	53,345,945	61,040,349
October.....	23,346,870	28,381,750	56,081,018	.....
November.....	21,387,196	32,419,421	58,496,577	.....
December.....	20,037,155	34,449,039	53,917,608	.....
January.....	18,506,108	37,337,914	57,847,927	.....
February.....	23,505,889	38,945,968	53,517,508	.....
March.....	27,912,404	47,577,390	84,627,451	.....
Totals, Fiscal Years..	296,632,506	370,497,867	664,219,653	.....

## EXPORTS OF CANADIAN MERCHANDISE TO UNITED STATES

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	8,056,633	7,951,610	12,791,903	.....
May.....	14,156,947	12,256,886	22,871,262	.....
June.....	14,934,723	13,914,300	21,729,722	.....
July.....	18,746,186	16,589,893	23,458,183	.....
August.....	15,922,271	16,290,685	23,987,082	.....
September.....	16,242,895	18,410,017	22,814,216	.....
October.....	17,138,777	24,140,559	26,336,639	.....
November.....	16,468,038	22,540,375	29,008,668	.....
December.....	15,341,608	18,448,862	27,363,888	.....
January.....	11,225,623	15,200,296	22,026,268	.....
February.....	10,601,127	15,315,328	16,826,311	.....
March.....	14,485,388	20,047,677	31,402,188	.....
Totals, Fiscal Years..	173,320,216	201,106,488	280,616,330	.....

(Continued on Page 52)



**CONFEDERATION LIFE**  
ASSOCIATION  
**Issues LIBERAL POLICY CONTRACTS**  
ON ALL APPROVED PLANS.  
**OFFICERS AND DIRECTORS:**  
President: J. K. MACDONALD, ESQ.  
VICE-PRESIDENT AND CHAIRMAN OF THE BOARD:  
W. D. MATTHEWS, ESQ.  
Vice-President  
SIR EDMUND OSLER, M.P.  
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Joseph Henderson, Esq. Peleg Howland, Esq.  
Lt.-Col. A. E. Gooderham Lt.-Col. The Hon. Frederic Nicholls  
Thos. J. Clark, Esq. John Firstbrook, Esq.  
Gen. Supt. of Agencies, Actuary, V. R. SMITH, A.A.S., A.I.A.  
J. TOWER BOYD Secretary, J. A. MACDONALD.  
Medical Director:  
ARTHUR JUKES JOHNSON, M.D., M.R.C.S. (Eng.)  
**HEAD OFFICE .. .. TORONTO**

**Here is Your Opportunity**  
The success which has attended the operations of the North American Life throughout its history has made association with the Company particularly inviting.  
The year 1918 promises to be bigger and better than any heretofore. Some agency openings offer you an opportunity at this time.  
Correspond with  
E. J. HARVEY, Supervisor of Agencies.  
**North American Life Assurance Co.**  
"SOLID AS THE CONTINENT"  
**HEAD OFFICE .. .. TORONTO, CANADA**

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

**"MUTUAL" PROTECTION AGAINST DISABILITY AND DEATH**  
Many Policyholders fear that a time will come when, owing to permanent disability from illness or accident, they will be disqualified from earning an income and paying their premiums. The Mutual Life of Canada issues a Policy which not only waives further payment of premiums but provides a monthly income of \$10.00 per thousand of insurance, should such a condition develop and be clearly proven. This is a Policy which affords protection to the full amount of the policy at death for the beneficiary and protection for the assured while helpless—Write for full particulars.  
One of the most perfect Insurance Policies issued.  
**The Mutual Life Assurance Co. of Canada**  
Waterloo .. .. Ontario

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

**THE UNAVOIDABLE "IF"**  
If a man were certain of living a specified time—IF he could foresee the future—perhaps he could do without Life Insurance. But the elements of uncertainty enters, and makes the best schemes of no account. It is this uncertainty that makes Life Insurance so invaluable. A Life Policy is the one certain way of providing for an uncertain future.  
The Great-West Life Policies embody all the essentials of profitable Life Insurance. Low premium rates are charged—these premiums may be paid annually or otherwise, as suits the insured—the Policy conditions are liberal and clearly expressed, and the profit returns to Policyholders are so satisfactory that seldom does a participant fail to express both gratification and surprise at returns under his Policy. Full particulars of suitable Policies will be mailed to any applicant.  
**The Great-West Life Assurance Co.**  
DEPT. "F"  
**HEAD OFFICE .. .. WINNIPEG**

**ENDOWMENTS AT LIFE RATES**  
ISSUED ONLY BY  
**The London Life Insurance Co.**  
LONDON .. .. CANADA  
POLICIES "GOOD AS GOLD." 1

FOR INFORMATION RE  
**AGENCY OPENINGS**  
Address H. A. KENTY,  
Superintendent of Agencies.  
**Continental Life Insurance Co., Toronto**

**ALWAYS A PLACE FOR DEPENDABLE AGENTS**  
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.  
**Union Mutual Life Insurance Co.**  
Portland, Maine  
ARTHUR L. BATES, PRESIDENT HENRI E. MORIN, SUPERVISOR  
For Agencies in the Western Division, Province of Quebec and Eastern Ontario, apply to WALTER I. JOSEPH, Manager, 502 McGill Building, Montreal.  
For Agencies in Western Ontario, apply to E. J. ATKINSON, Manager, 107 Manning Chambers, 72 Queen St. West, Toronto

**The Western Empire Life Assurance Company**  
Head Office: 701 Somerset Bldg., Winnipeg, Man.  
BRANCH OFFICES  
REGINA MOOSE JAW CALGARY EDMONTON



# The Western Life Assurance Company

## SIXTH ANNUAL REPORT

Your Directors have pleasure in submitting to the Shareholders and Policyholders their report of the Company's business for 1917.

**ASSURANCES**—New Policies were issued and revived amounting to \$1,054,750.00, so that the total insurance in force now stands at \$2,091,899.00, an increase of \$495,430.00 over 1916, or 31%.

**INCOME**—The gross cash revenue from Premiums and Interest amounted to \$78,058.46, an increase of \$26,195.89 over 1916, or 50%.

**ASSETS**—The Assets of the Company have now reached the total of \$257,395.31. The increase in admitted assets over 1916 was \$86,792.66, or over 81%.

**SURPLUS**—The Assets exceed the total Liabilities to Policyholders by \$134,445.34.

**POLICY RESERVES**—The Reserves held for the security of Policies in force computed on the Om. (5) Table of Mortality, with interest at three and one-half per cent., being in accordance with the Dominion Insurance Act, now amount to the sum of \$110,917.00, an increase of \$20,815.00 over 1916, or 23%.

**DEATH LOSSES**—During the year Death Claims paid amounted to \$8,309.20, of which \$5,250.00 was the result of the War; \$3,059.20 only being due to natural causes.

**SECURITY FOR POLICYHOLDERS**—The Security for our Policyholders, including Policy Reserves, Net Surplus and Capital Stock, has now reached the total of \$1,108,552.34, an increase of \$69,247.15 over 1916, or 6.6%.

A. E. MAY,  
President,

ADAM REID,  
Managing Director.

## FINANCIAL STATEMENT FOR THE YEAR ENDING 31st DECEMBER, 1917.

### CASH ACCOUNT

INCOME	
Gross First Year Premiums.....	\$ 32,174.56
Gross Renewal Premiums.....	36,144.90
Total Gross Premiums.....	\$ 68,319.46
Less Re-Insurance.....	1,959.40
Total Net Premiums.....	\$ 66,360.06
Interest.....	9,739.00
Received from Stockholders.....	115,739.27
From all other sources.....	8.95
Total Income.....	\$191,847.28

EXPENDITURES	
Death Claims.....	\$ 8,250.00
All other payments to Policyholders.....	6,382.70
Total payments to Policyholders.....	\$ 14,632.70
Taxes, License Fees and Fines.....	1,183.52
H.O. Salaries, Directors' and Auditors' Fees and Travelling Expenses.....	14,475.28
Agents' Salaries, Commissions and Expenses.....	31,613.57
All other Expenditures.....	12,348.82
Total Expenses of Management.....	59,621.19
Organization Expenses.....	25,914.13
Total Expenditures.....	\$ 100,168.02
Excess Income over Expenditures.....	91,679.26
Total.....	\$ 191,847.28

### BALANCE SHEET

ASSETS	
Mortgages on Real Estate.....	\$ 20,778.45
Loans on Policies.....	12,021.75
Bonds and Debentures (Market Value).....	78,849.06
Cash on Hand and in Bank.....	66,824.38
Deposit with B.C. Government.....	187.00
Interest Due and Accrued.....	3,399.20
Net Outstanding and Deferred Premiums.....	11,093.30
Total Assets.....	\$ 193,153.14
Surplus as above.....	70,203.17
Further Assets as shown by the Company not included in the above:—	
Office Furniture and Equipment (less depreciation).....	4,000.00
Bills Receivable and Judgments.....	1,496.04
Balance Owing on Stock Premium Notes.....	16,024.07
Capital Called.....	\$ 132,410.00
Capital Paid.....	95,464.52
Balance Owing on Capital Stock Notes.....	36,945.48
Interest Accrued on Stock Notes.....	2,500.00
Agents' Balances (Net).....	3,276.58
Total Surplus to Policyholders as shown by the Company....	\$ 134,445.34

LIABILITIES	
Reserve on Policies in Force, Om (5) 3½ per cent. (Dominion Government Standard).....	\$ 110,917.00
Death Claims Unpaid.....	5,058.00
Death Claims Payable in Instalments.....	2,879.35
Unpaid Medical Fees and Current Account.....	290.00
Premiums Paid in Advance.....	705.62
Net Re-Assurance Premiums Unpaid.....	60.45
Items in Suspense.....	39.55
Taxes Payable in 1918 on 1917 Income.....	500.00
Investment Reserve.....	2,500.00
Surplus to Policyholders under Dominion Government Standard, including Paid Capital \$95,464.52.....	70,203.17
Total.....	\$193,153.14

### AUDITORS' CERTIFICATE

The audit of the Company's Books, which has been carried on continuously throughout the year, has been completed to December 31st, 1917.

The various securities representing the Company's Loans and Investments have been examined and the Cash and Bank Balances verified.

I certify that satisfactory vouchers have been produced for the various entries in the books, which I believe to be correct.

The accompanying statement of Receipts and Disbursements and of Assets and Liabilities I believe to fairly set forth the position of the Company's affairs at the close of the year.

The Reserves are vouched for by the Dominion Insurance Department.

(Signed) CHARLES D. CORBOULD, C.A.,  
Auditor.

Winnipeg, January 28th, 1918.

### BOARD OF DIRECTORS

President, A. E. MAY, Edmonton, Merchant.

First Vice-President, DR. R. F. RORKE, Winnipeg.

Second Vice-President, DR. T. J. REID, Minneapolis, Minn.

JOHN D. HUNT, Edmonton, Clerk to Executive Council, Province of Alberta.

JASPER DOOLITTLE, Broker, Dangerfield & Doolittle, Winnipeg.

ADAM REID, Winnipeg.

Managing Director, ADAM REID.

Medical Director, R. F. RORKE, M.D., C.M., M.R.C.S. Eng., L.R.C.P. London.

Treasurer, F. B. BLACKLEY.

Bankers, THE STANDARD BANK OF CANADA.



War Conditions — Liberal  
 Premiums — Recently Reduced  
 Agency Contracts — Profitable

**AGENTS WANTED**

**Gresham Life Assurance Society**  
 LIMITED  
 Head Office for Canada . . . MONTREAL  
 Established 1848. Funds Exceed \$50,000,000

# CROWN LIFE

**BIGGER BUSINESS AT LOWER COST**

	1916	1917
Cash Premium Income	\$461,342.90	\$551,869.25
Cash Interest Income	87,002.65	105,856.13
Total Income Less Exp.	144,658.70	281,532.07
Expense ratio (10&1 basis) reduced	23.3%	

Copy of Annual Report will be sent on request.

**Crown Life Insurance Co., Toronto**

Agents wanted in unrepresented districts 55

New Edition Now Ready (Send in orders now)

## Manual of Canadian Banking

By H. M. P. ECKARDT

Price - \$2.50 Postpaid

Published by

**THE MONETARY TIMES**  
 62 Church Street - - TORONTO

## SIMPLICITY FIRST

is about as important in your life assurance as "Safety First," because a contract that is not simple to understand may not be safe for your particular purpose.

The life assurance policy of the future must be an attractive and exactly worded contract, but above all CLEAR and SIMPLE — the new policy standard as set by

**The Sovereign Life Assurance Co. of Winnipeg**

**QUEBEC CROPS' VALUE, \$150,000,000**

The Quebec Bureau of Statistics has published an estimate for the year of the yield, quality and value of the principal cereal crops for the season of 1917. These figures are the definite complement of the agricultural statistics collected last spring by the heads of the rural schools who have served as medium between the farmers and the Provincial Bureau of Statistics.

The total yield of wheat was 3,883,600 bushels, against 960,000 the previous year; oats, 32,466,200 bushels, against 24,411,000 in 1916; barley, 3,063,600 bushels, against 1,456,000 the previous year. The average yield per acre of these cereals was as follows in 1917: Wheat, 14 bushels; oats, 21.75 bushels; barley, 18.50 bushels; rye, 16.75 bushels. The total yield of the other cereals in 1917 was the following: Rye, 376,000 bushels; peas, 797,500 bushels; beans, 827,400 bushels; buckwheat, 2,699,000 bushels; mixed grain, 2,609,900 bushels; flax, 47,000 bushels; Indian corn, 1,802,700 bushels.

The quality of the cereals in 1917, according to the average weight per bushel, is shown in the following figures: Spring wheat, 57.96 pounds per bushel; oats, 34.34; barley, 48.14; rye, 53.36; peas, 59.75; beans, 59.90; buckwheat, 46.55; mixed grain, 44.50; flax, 53.21; Indian corn, 56.89.

The following prices are much higher than those of the previous years. They have been established from the reports of the correspondents of the different municipalities of the province. Thus, the average price per bushel of wheat is \$2.46; oats, 92 cents; barley, \$1.58; rye, \$1.78; peas, \$4.51; beans, \$7.77; buckwheat, \$1.78; mixed grain, \$1.33; flax, \$3.37; Indian corn, \$2.25.

With the preceding statistics and the knowledge of the area seeded last spring it is easy to establish the total value of the different crops. The crop of wheat is worth \$9,553,700; oats, \$29,868,900; barley, \$4,840,500; rye, \$669,300; peas, \$3,596,700; beans, \$6,428,900; buckwheat, \$4,669,300; mixed grain, \$3,471,200; flax, \$158,400; Indian corn, \$4,057,000, which makes a total of \$153,197,900, against a value of \$102,937,000 for the year 1916. The great difference in these figures is not the result only of the increase in prices, but

also of the more complete information that it was possible to gather with the provincial organization of a bureau of statistics, on the colossal effort of the farmer to extend his crops, following the pressing appeal made to him in this respect last spring.

**WORLD'S GOLD OUTPUT**

The world's gold production in 1917 was valued at \$428,380,988, as compared with \$456,593,695 in 1916, and \$470,329,527 in 1915, the largest ever recorded. This year's production is the smallest since 1907. Notwithstanding the recent decline in the African output, this newest field of any great importance is the only one that has made any noteworthy progress in the mining of gold during the last decade. While between 1906 and 1917 the total production of the world advanced 1,352,307 fine ounces, the gain in Africa alone was 3,713,315 fine ounces, indicating that elsewhere collectively there was a decline of 2,361,008 fine ounces, the retrogression in Australasia being almost wholly responsible for it.

The production by ounces for the past two years follows:—

	1917.	1916.
Australia . . . . .	1,750,000	1,954,774
Africa . . . . .	10,315,000	10,713,101
United States . . . . .	4,085,589	4,479,057
Canada . . . . .	822,376	930,492
Russia . . . . .	1,000,000	1,253,362
Mexico . . . . .	360,000	372,038
All others . . . . .	2,390,000	2,384,933
Total . . . . .	20,722,965	22,087,757

The Western Life Assurance Company, Winnipeg, has purchased \$30,000 bonds of the Greater Winnipeg Water District.



TRADE OF CANADA WITH UNITED STATES  
BY MONTHS—Continued from Page 48.

EXPORTS OF FOREIGN MERCHANDISE TO UNITED STATES.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	554,106	2,523,936	498,847	.....
May.....	704,925	804,121	694,465	.....
June.....	896,101	565,292	685,866	.....
July.....	799,669	1,388,725	706,075	.....
August.....	1,560,373	4,562,614	739,633	.....
September.....	1,832,072	1,181,862	1,118,379	.....
October.....	1,052,813	1,022,692	977,307	.....
November.....	695,917	723,051	848,179	.....
December.....	688,024	842,645	825,913	.....
January.....	1,191,921	510,587	848,628	.....
February.....	1,071,741	702,873	895,969	.....
March.....	1,974,978	734,376	1,123,182	.....
Totals, Fiscal Years..	13,022,640	15,562,774	9,962,443	.....

TRADE OF CANADA WITH OTHER COUNTRIES  
BY MONTHS.

IMPORTS FOR CONSUMPTION OF MERCHANDISE FROM OTHER COUNTRIES.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	5,130,154	3,503,438	4,910,733	5,441,774
May.....	7,791,319	4,410,491	7,139,342	8,235,450
June.....	6,935,605	4,218,605	6,475,165	6,990,012
July.....	7,005,560	4,260,152	5,788,679	7,115,451
August.....	8,209,983	6,236,065	6,197,884	8,887,313
September.....	4,138,121	5,139,027	6,601,797	8,484,287
October.....	4,416,388	5,445,101	6,609,138	.....
November.....	4,291,140	5,459,420	5,619,796	.....
December.....	4,711,358	4,998,355	5,869,945	.....
January.....	5,101,494	5,505,296	5,020,014	.....
February.....	5,393,267	5,730,877	6,372,995	.....
March.....	5,531,298	5,007,985	7,434,581	.....
Totals, Fiscal Years..	68,655,687	59,914,812	74,040,069	.....

EXPORTS OF CANADIAN MERCHANDISE TO OTHER COUNTRIES.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	2,695,758	2,547,624	6,453,015	.....
May.....	3,694,573	5,180,081	9,471,602	.....
June.....	4,429,007	7,107,578	12,055,861	.....
July.....	5,034,674	6,260,764	10,189,057	.....
August.....	3,045,228	6,878,137	12,950,359	.....
September.....	2,800,864	5,530,417	11,666,594	.....
October.....	3,999,502	10,132,571	11,803,907	.....
November.....	4,253,271	10,807,269	10,408,757	.....
December.....	3,880,483	7,516,870	9,324,980	.....
January.....	4,682,983	9,293,885	11,092,096	.....
February.....	3,978,391	8,170,257	8,807,479	.....
March.....	6,935,332	9,426,288	14,388,194	.....
Totals, Fiscal Years..	49,430,066	88,651,751	128,611,901	.....

EXPORTS OF FOREIGN MERCHANDISE TO OTHER COUNTRIES.

Months	1914-15	1915-16	1916-17	1917-18
	\$	\$	\$	\$
April.....	64,408	18,596	29,954	.....
May.....	1,218,125	449,816	167,103	.....
June.....	1,043,283	1,927,329	669,187	.....
July.....	4,547,695	406,332	273,094	.....
August.....	2,630,734	1,216,035	64,553	.....
September.....	1,592,285	2,496,032	57,294	.....
October.....	1,471,358	2,447,849	64,725	.....
November.....	965,627	635,358	64,954	.....
December.....	268,101	227,304	75,470	.....
January.....	21,387	789,172	1,098,234	.....
February.....	8,975	59,189	352,954	.....
March.....	79,891	224,804	1,031,845	.....
Totals, Fiscal Years..	13,911,869	10,897,816	3,949,367	.....

NEW INCORPORATIONS

Large Brick and Coal Companies Incorporated, With Headquarters at Montreal

The largest companies incorporated during the past week were: The H. J. Daly Company, Limited, Toronto, Ontario, \$1,000,000; the Shale Brick Company of Canada, Limited, Montreal, Que., \$1,600,000; Century Coal and Coke Company, Limited, Montreal, Que., \$1,500,000.

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

**Alderson, Alta.**—N. E. Stuart and Company, Limited, \$40,000.

**Lindsay, Ont.**—Lindsay Coal Company, Limited, \$30,000; T. H. Stinson, J. E. Anderson, A. M. Fulton.

**St. Catharines, Ont.**—Chaplin Realty Company, Limited, \$10,000; J. S. Lovell, W. Bain, R. Gowans.

**Kitchener, Ont.**—Port Elgin Fish Company, Limited, \$40,000; H. J. Martin, T. N. Poole, E. H. Austin.

**Collingwood, Ont.**—Ferguson and Wheatley, Limited, \$40,000; G. H. Ferguson, W. Wheatley, M. E. Ferguson.

**Kemptville, Ont.**—The McMaster Lumber Company, Limited, \$45,000; R. D. McMaster, J. McMaster, M. F. Earle.

**Luton, Ont.**—The Luton Farmers Co-operative Club, Limited, \$3,000; A. Miller, O. L. Westover, M. McKnight.

**Maisonneuve, Que.**—La Compagnie Franco-Canadienne d'Immeubles, Limitée, \$20,000; A. Geoffrion, R. T. Bergeron, J. C. Mars.

**Calgary, Alta.**—Central Creameries, Limited, \$400,000. Crystal Dairy, Limited, \$300,000. Union Milk Company, Limited, \$300,000.

**Lethbridge, Alta.**—The O. T. Lathrop Land Company, Limited, \$20,000. Big Bend-Alberta Land and Cattle Company, Limited, \$200,000.

**Vancouver, B.C.**—Quatsino Timber Company, Limited, \$10,000. Modern Clothes Company, Limited, \$10,000. Adels-Ripley Sales Company, Limited, \$9,000. Alaska and British Columbia Fisheries, Limited, \$100,000.

**Edmonton, Alta.**—Sample Shoe Store, Limited, \$20,000. Fertile Belt Land Company, Limited, \$20,000. Northern Alberta Farmers' Milling Company, Limited, \$100,000. National Coal Mines, Limited, \$200,000. Provincial News Company, Limited, \$20,000.

**Winnipeg, Man.**—The Kiwanis Club of Winnipeg, Limited, \$5,000; J. T. LePage, A. McDougall, E. G. Bricker. Mitchell and Company, Limited, \$40,000; E. B. Mitchell, N. Wolfe, D. M. Copp. International Grain and Live Stock Company, Limited, \$500,000.

**Toronto, Ont.**—Canadian Remedy Company, Limited, \$30,000; A. B. McClure, A. G. McKnight, R. J. Alexander. Cobalt Smelting and Mining Company, Limited (no personal liability), \$40,000; W. A. Henderson, W. J. Thompson, N. W. Robertson. Color Craft, Limited, \$40,000; A. W. Briggs, E. M. Dillon, R. T. Birks. The H. J. Daly Company, Limited, \$1,000,000; R. H. Parmenter, Arthur J. Thomson, W. S. Morlock. George R. Fuller, Limited, \$40,000; G. R. Fuller, C. A. Fuller, M. E. Lawrence. Ontario Oakal Company, Limited, \$125,000; J. A. Armstrong, K. E. Potts, W. R. Jackson. M. B. Overlay Company, Limited, \$40,000; W. C. Baker, W. J. Whittard, J. Miln. Union Garage Motors, Limited, \$40,000; D. I. Grant, M. MacDonald, E. Smily.

**Montreal, Que.**—American Waist and Dress Company, Limited, \$20,000; S. Eliasoph, N. Solomon, J. Macnaughton. J. H. Lavallee, Limitée, \$10,000; J. H. Lavallee, Y. Lefebvre, P. Jobin. Bonsecours Butchers, Limited, \$20,000; L. Millman, A. Millman, M. Getz. Chambre Commerciale des Cultivateurs, Limitée, \$90,000; P. Morel, C. J. Charbonneau, J. S. Pilon. Elite Cloak and Skirt Company, Limited, \$20,000; M. L. Millman, J. Kibrick, A. Millman. Parc Lafayette, Limitée, \$90,000; J. Pharand, O. Dansereau, A. Chatelain. Club Social des Marchands, Limitée, \$20,000; N. Ranger, G. Pigeon, R. Pigeon. Century Coal and Coke Company, Limited, \$1,500,000; W. K. McKeown, L. C. Herdman, G. E. Chart. The McNeil Lumber Company, Limited, \$40,000; F. Callaghan, F. X. Biron, A. Tracev. William Brodie, Limited, \$100,000; A. G. Claxton, A. E. Harvey, C. S. Mitchell. The Shale Brick Company of Canada, Limited, \$1,600,000; E. Languedoc, C. Sinclair, J. P. Charbonneau.



# CONTINENTAL INSURANCE COMPANY

OF NEW YORK  
HENRY EVANS, President

**FIRE**

**TORNADO**

**MARINE**

ASSETS EXCEED - \$34,000,000

LOSSES PAID SINCE ORGANIZATION \$96,000,000

SECURITY

SAFETY

SATISFACTION

HEAD OFFICE FOR CANADA AND NEWFOUNDLAND  
17 ST. JOHN STREET,  
MONTREAL

W. E. BALDWIN,  
Manager

SPECIAL AGENT FOR ONTARIO  
A. M. BALLARD,  
31 SCOTT ST., TORONTO



**L'UNION**

Fire Insurance Company, Limited of PARIS, FRANCE

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

Canadian Branch, 17 St. John Street, Montreal; Manager for Canada,  
MAURICE FERRAND, Toronto Office, 18 Wellington St. East  
J. H. EWART, Chief Agent.

## ROYAL EXCHANGE ASSURANCE

FOUNDED A.D. 1720  
Losses paid exceed \$235,000,000

HEAD OFFICE FOR CANADA  
ROYAL EXCHANGE BUILDING,  
MONTREAL  
Canadian Directors

DR. E. P. LACHAPPELLE ... Montreal  
H. B. MACKENZIE, ESQ. ... Montreal  
J. S. HOUGH, ESQ., K. C. ... Winnipeg  
B. A. WESTON, ESQ. ... Halifax, N.S.  
SIR VINCENT MEREDITH, Bart.,  
Chairman ... Montreal

J. A. JESSUP, Manager Casualty Dept.  
ARTHUR BARRY, General Manager

Correspondence invited from responsible gentlemen in unrepresented districts re fire and casualty agencies.



Head Office:  
Royal Exchange, London

## Guardian Assurance Company Limited

Established 1821.

Assets exceed Thirty-Five Million Dollars

Head Office for Canada, Guardian Bldg.,  
Montreal

H. M. LAMBERT, Manager. B. E. HARDS, Assistant Manager.

**ARMSTRONG & DeWITT, General Agents,**  
6 Wellington Street East - Toronto

First British Insurance Company established in Canada, A.D. 1804

## Phoenix Assurance Company, Limited

**FIRE** of London, England **LIFE**  
Founded 1792

Total resources over ..... \$ 90,000,000  
Fire losses paid ..... 425,000,000  
Deposit with Federal Government and Investment in Canada  
for security of Canadian policy holders only exceed ..... 2,500,000

Agents wanted in both branches. Apply to

R. MACD. PATERSON, }  
J. B. PATERSON, } Managers

100 St. Francois Xavier Street, Montreal, Que.

All with profit policies effected prior to the 31st December will rank for a full year's reversionary bonus at that date.

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

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

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

## CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Fire Office

Head Office for Canada MONTREAL

J. G. BORTHWICK, Manager

**MUNTZ & BEATTY, Resident Agents**

Temple Bldg., Bay St., TORONTO

Telephone Main 66 & 67

(FIRE)

## BRITISH CROWN ASSURANCE Corporation, Limited OF GLASGOW, SCOTLAND

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

## BRITISH AMERICA ASSURANCE COMPANY

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

HEAD OFFICES: TORONTO

W. B. MEIKLE, President and General Manager  
JOHN SIME, Asst. Gen. Mgr. E. F. GARROW, Secretary.

Assets, Over \$2,500,000.00

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



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

Assets ..... over \$5,000,000.00  
 Losses paid since organization " 66,000,000.00

**BOARD OF DIRECTORS:**  
 SIR JOHN AIRD Z. A. LASH, K.C., LL.D.  
 ROBT. BICKERDIKE, M.P. W. B. MEIKLE, President  
 ALFRED COOPER (London, Eng.) GEO. A. MORROW  
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 D. B. HANNA NICHOLLS  
 E. HAY BRIG.-GEN. SIR HENRY PELLATT,  
 JOHN HOSKIN, K.C., LL.D. C.V.O.  
 E. R. WOOD.


**Head Office: TORONTO, Ont.**  
 W. B. MEIKLE, President and General Manager  
 C. C. POSTER, Secretary

**ATLAS Assurance Company Limited OF LONDON, ENGLAND**  
 The Company commenced business in the REIGN OF GEORGE III. and the following figures show its record:—

At the Accession of	Income	Funds
KING GEORGE IV. ...	\$ 387,065 ...	\$ 800,605
KING WILLIAM IV. ...	657,115 ...	3,038,380
QUEEN VICTORIA ...	789,865 ...	4,575,410
KING EDWARD VII ...	3,500,670 ...	11,185,405
KING GEORGE V. ...	6,846,895 ...	15,186,090
and at 31st DECEMBER, 1916 ...	7,980,685 ...	20,730,010

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

**Great North Insurance Co.**  
 HEAD OFFICE, I.O.O.F. BLOCK, CALGARY, ALBERTA  
 THE COMPANY WITH A RECORD



**OFFICERS**  
 President and Manager ... W. J. WALKER, Esq.  
 1st Vice-President ... HON. P. E. LESSARD, M.L.A.  
 2nd Vice-President, HON. ALEX. C. RUTHERFORD, K.C.  
 3rd Vice-President ... EDWARD J. FREAM, Esq.  
 Secretary ... A. H. MELLOR, Esq.

**AUDITORS**  
 Edwards, Morgan & Co. ... Calgary

**DIRECTORS**  
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 Hon. P. E. Lessard, M.L.A.  
 F. A. Walker, M.L.A.  
 Edward J. Fream, Esq.  
 J. K. McInnis,  
 W. J. Walker, Esq.  
 Geo. H. Ross, K.C., LL.B.

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

**Canada Branch** .... **Montreal**  
 T. L. MORRISEY, Resident Manager

**North-West Branch** .... **Winnipeg**  
 THOS. BRUCE, Branch Manager

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

**SUN FIRE** FOUNDED A.D. 17  
 THE OLDEST INSURANCE CO. IN THE WORLD

**Canadian Branch** ... **Toronto**  
 LYMAN ROOT, Manager

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

Assets exceed \$48,000,000.00 Over \$12,500,000.00 invested in Canada  
 FIRE and ACCIDENT RISKS Accepted  
 Canadian Head Office: 57 Beaver Hall, Montreal  
 Agents wanted in unrepresented towns in Canada.  
 W. D. Aiken, Superintendent | J. E. E. DICKSON, Canadian-Manager  
 Accident Department

**THE MERCANTILE FIRE INSURANCE COMPANY** Incorporated 1875

All Policies Guaranteed by the LONDON AND LANCASHIRE FIRE INSURANCE COMPANY OF LIVERPOOL.

**The LONDON ASSURANCE**  
 Head Office, Canada Branch, MONTREAL  
**Total Funds exceed \$32,000,000**

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

**Commercial Union Assurance Co. LIMITED, OF LONDON, ENGLAND**

Total Annual Income Exceeds ..... \$ 51,000,000  
 Total Funds Exceed ..... 151,500,000  
 Total Fire Losses Paid ..... 193,774,045  
 Deposit with Dominion Government .. 1,245,467

**Head Office Canadian Branch:**  
**COMMERCIAL UNION BLDG. - MONTREAL**  
 JAS. MCGREGOR, MANAGER

**Toronto Office - 49 Wellington St. East**  
 GEO. R. HARGRAFT  
 General Agent for Toronto and County of York.

**Economical Mutual Fire Ins. Co.**  
 HEAD OFFICE ..... KITCHENER, ONTARIO  
 CASH AND MUTUAL SYSTEMS

TOTAL ASSETS, \$800,000 AMOUNT OF RISK, \$28,000,000  
 GOVERNMENT DEPOSIT, \$50,000

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

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

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

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





**Canada Branch**  
 Head Office, Montreal

**DIRECTORS**  
 M. Chevalier, Esq.  
 Sir Alexandre Lacoste.  
 Wm. Molson Macpherson,  
 Esq.  
 Sir Frederick Williams-  
 Taylor, LL.D.

**J. Gardner Thompson,**  
 Manager.  
 Lewis Laing,  
 Assistant Manager,  
 J. D. Simpson, Deputy  
 Assistant Manager.

**GENERAL ACCIDENT FIRE AND LIFE**  
 Assurance Corporation, Limited, of Perth, Scotland

PELEG HOWLAND, Canadian Advisory Director  
 THOS. H. HALL, Manager for Canada  
 Toronto Agents, E. L. McLEAN, LIMITED

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THE  
**GENERAL ACCIDENT**  
 Assurance Co. of Canada

Personal Accident and Sickness  
 Automobile and Liability Insurance  
 Inspection and Insurance of Steam Boilers  
**TORONTO, ONTARIO**

**Eagle, Star and British Dominions Insurance Company, Limited**

Assets Over - \$61,000,000  
 Premium Income Over - \$14,000,000

Fire and Marine Insurance

Canadian Managers:  
**DALE & COMPANY, LIMITED**  
 Coristine Building, Montreal, Que.

BRANCHES: Halifax, Toronto, Winnipeg, Vancouver



Head Office—Corner of Dorchester St. West and Union Ave., MONTREAL

**DIRECTORS:**  
 J. Gardner Thompson, President and Managing Director.  
 Lewis Laing, Vice-President and Secretary.  
 M. Chevalier, Esq., A. G. Dent, Esq., John Emo, Esq.,  
 Sir Alexandre Lacoste, Wm. Molson Macpherson, Esq.,  
 J. C. Rimmer, Esq., Sir Fredrick Williams-Taylor, LL.D.  
 J. D. Simpson, Assistant Secretary.

A BRITISH COMPANY

**UNION INSURANCE SOCIETY OF CANTON, LIMITED**  
 ESTABLISHED 1835

Head Office - HONGKONG  
 General Manager C. MONTAGUE EDE

Head Office for Canada, 36 Toronto Street, Toronto  
 Manager for Canada, C. R. DRAYTON

ASSETS OVER \$17,000,000

General Agents, Toronto - **MUNTZ & BEATTY**  
 Fire, Marine and Automobile

THE **CANADA NATIONAL FIRE INSURANCE COMPANY**  
 HEAD OFFICE: WINNIPEG, MAN.

**SURPLUS TO POLICYHOLDERS, \$1,976,156.08**

A Canadian Company Investing its Funds in Canada  
 General Fire Insurance Business Transacted  
 APPLICATIONS FOR AGENCIES INVITED

Toronto, Ont., Branch: 20 King St. West, C. E. CORBOLD, Mgr.



**LONDON & LANCASHIRE FIRE INSURANCE COMPANY LIMITED**

**ALFRED WRIGHT,**  
 Manager

**A. E. BLOGG,**  
 Branch Secretary

14 Richmond Street E.  
**TORONTO**

Security, \$33,261,200



**NORWICH UNION FIRE INSURANCE SOCIETY LIMITED**  
 Norwich, England

Founded 1797  
 FIRE INSURANCE

ACCIDENT AND SICKNESS  
 PLATE GLASS  
 EMPLOYERS' LIABILITY  
 AUTOMOBILE INSURANCE

HEAD OFFICE FOR CANADA  
**Norwich Union Building**  
 12-14 Wellington St. East  
**TORONTO**



We offer for Sale:

## DOMINION OF CANADA

### 5½% VICTORY BONDS

5-Year Bonds due December 1st, 1922

10-Year Bonds due December 1st, 1927

20-Year Bonds due December 1st, 1937

Denominations : \$50, \$100, \$500, and \$1,000.

Bonds may be registered as to Principal, or as to Principal and Interest.

Free from taxes—including any Income Tax—imposed in pursuance of legislation enacted by the Parliament of Canada.

Bonds of the various maturities of this issue will, in the event of future issues of like maturity, or longer, made by the Government, other than issues made abroad, be accepted at par and accrued interest, as the equivalent of cash for the purpose of subscription to such issues.

Price 98⅞ and Interest

## DOMINION SECURITIES CORPORATION LIMITED.

Established 1901

26 KING STREET EAST  
TORONTO

MONTREAL BRANCH  
Canada Life Building  
R. W. Steele - Manager

LONDON, ENG., BRANCH  
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