

# BRITISH COLUMBIA FINANCIAL TIMES

*A Journal of Finance, Commerce, Insurance, Real Estate, Timber and Mining*

Vol. 1. No. 10.

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## Banking Accommodation and the War

**Complaint of Banking Credit Restrictions Not Borne Out by the Statistics—Problems of the Banks in Keeping Business Going, While Protecting Depositors—A Proposal and an Expedient.**

The man on the street being an impersonal observer has had his ears filled with no end of complaint as to the way the banks are treating their customers. Hardly a day goes by but that the press gives expression to this complaint of restricted credit. First it is an organization that presents its protest in toto, and later comes a prominent citizen to voice his protest, and so on with a general clamor against our banking institutions. The complaint is usually caused by specific circumstances or a group of circumstances, and the complainant or complainants generally fail to take into consideration the reasons therefor, or are unwilling to permit those reasons to affect his or their judgment. It is to take a look at the other side of the picture, and at the same time to contribute a certain definite plan in the way of a temporary expedient to mitigate the financial stress, that this article is presented to our readers.

The cause of the discontent on the part of the business public so far as the banks are concerned, is that of restricted banking accommodation. The policy of credit retrenchment had been in force since the outbreak of the Balkan War in October 1912, and had continued down to the outbreak of this world strife, when the situation became intensified. One does not like to contemplate what would have happened in the Dominion if this gigantic war had fallen on our expanded position in the summer of 1912. However, we have been shortening sail for these past two years, and were sailing in comparatively safe waters, when with startling rapidity Europe became in a state of war.

While at this early date it is impossible to narrate the financial history of the Dominion during the past two months or to take a survey of conditions as they exist at this time, nevertheless it is possible to point out some of the prominent features of the situation.

Before looking into it from the point of view of the banks it may not be amiss to point out that the banks in addition to being credit institutions are also depository in-

stitutions. This is a feature well known by the business interests, the tremendous importance of which is not properly apprehended.

The first duty therefore of a bank is to protect itself against withdrawals of depositors, and the only way to do that is to be able to meet the demand of the depositors at all times and in any amount. It is because of this confidence in the ability of the banks to do this that the public deposit its funds with them. It is therefore essential and

the paramount duty of the banks to be prepared to meet any and all demands on them, in a word to insure their own solvency. How much confidence is placed in the banks is fully attested by the small amount of withdrawals that occurred during the first few days of the war. Not for a moment were withdrawals in such volume that they could remotely be considered as a run.

On the credit side of the situation, the matter of bank loans and accommodation, there are various reasons why extreme caution has to be employed, and it is quite natural that in the exercise of this caution some of the business interests would have to go without the full lines of credit to which they had been accustomed.

It was found that shortly after the war broke out certain of the resources of the banks could not be immediately availed of. These assets were in large volume, and were firmly counted on to be of use on occasions such as the present. In the second place, and for which the people are directly responsible, there has been considerable hoarding. What the amount is it is impossible to

say, but that it runs into many millions is certain. The chartered bank statement for August as compared with that of July shows that deposits both for demand and notice deposits decreased during the month about twenty million of dollars. It might not be correct to say that this decrease represents the amount of hoarded money, but at the same time a safe venture of the amount would not be far from this same twenty million. It looks like something more than a coincidence that the loss in deposits is approximately counterbalanced by an increase in circulation.

On the other hand the August statement shows that current loans in Canada decreased by \$3,500,000 round numbers, loans standing at \$836,500,000 in August, as

### BANKING ACCOMMODATION AND THE WAR

### FOREST CONSERVATION AND IRRIGATION

By H. R. MacMillan

### SIR EDMUND WALKER ON ECONOMIC SITUATION

### LIFE INSURANCE SECURITIES AND POLICY LOANS

By J. A. Johnson

### RECENT COMPANY REPORTS

### FINANCIAL STATEMENT OF PRINCE RUPERT

### TRUST COMPANY NOTES, COMPANY NOTES, INSURANCE, MUNICIPAL, LUMBER, MINING AND OTHER INFORMATION

## The Canadian Bank of Commerce

Head Office—Toronto, Canada

Paid-up Capital - - - \$15,000,000  
Reserve Fund - - - 13,500,000

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

This Bank has 370 branches throughout Canada, in San Francisco, Seattle and Portland, Ore., and an agency in New York, also branches in London, Eng., Mexico City and St. John's, Nfld., and has excellent facilities for transacting a banking business of every description.

### Savings Bank Accounts

Interest at the current rate is allowed on all deposits of \$1 and upwards. Careful attention is given to every account. Small accounts are welcomed. Accounts may be opened and operated by mail.

Accounts may be opened in the names of two or more persons, withdrawals to be made by any one of them or by the survivor.

## The Bank of British North America

Established in 1836

Incorporated by Royal Charter in 1840

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

Head Office in Canada, Montreal  
H. B. MACKENZIE, General Manager

### Branches in British Columbia

Agassiz	Kaslo	Quesnel
Ashcroft	Kerrisdale	Rossland
Bella Coola	Lillooet	Trall
Duncan	Lytton	Vancouver
Esquimalt	North Vancouver	Victoria
Fort George	150-Mile House	Victoria, James Bay
Hedley	Prince Rupert	

YUKON TERRITORY

DAWSON

Savings Department at all Branches.

Special facilities available to customers importing goods under Bank Credits.

### Collections made at lowest rates

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued; negotiable anywhere.

Vancouver Branch

WILLIAM GODFREY, Manager  
E. STONHAM, Assistant Manager

against \$840,000,000 in July. If this shows any particular discrimination on the part of the banks against their business clients we are not aware of it.

The question of loans is one that head offices of the chartered banks have been struggling with since the outbreak of the war and one that will cause concern for many more months. In this war there are no precedents to go on. The executive officers of the banks have to study anew the whole commercial and industrial situation. There are some businesses which will be permanently injured as long as the war lasts and likely longer. There are some businesses which are severely hit but which will on the readjustment of finance be able to do about the same amount of turnover as before. There are some cases where the war will have an actual stimulus in business. It is in questions such as these and many more with all their shades of effect and ramification, that the general managers will have to make as good guesses as possible from the data at hand. And the answers to them will in a large measure determine the amount of banking credit and accommodation that may safely be given a firm or industry taken in conjunction with those elements that go to make up the personal equation. It is for this reason that the banks are very loath at this time to offer any banking accommodation to new concerns.

It is plainly evident that bank loans are limited by the resources of the banks consonant with a sound policy with regard to their liabilities to the public in the form of deposits. Considering that a certain proportion of the banks general liquid assets are not available to the banks at the present time, and at same time that there is hoarding by faint-hearted individuals which further impeded the efforts of the banks to relieve the strain on credits, and also that loans for the first month of war have decreased but inappreciably, it seems likely that if the banks are not at the end of their abilities, keeping in view sound banking only, they have not much farther to go.

Right here it may not be amiss to say that the disabilities under which business is now laboring is not caused by the banks, but by the war. From what is sometimes heard on the street it seems that not only the banks but all credit institutions have seized the war as a pretext to squeeze debtors.

When it is taken into consideration the financial disturbances of Great Britain, and the way the banks have shut down not only on customers but also on depositors, and the severe disturbances occurring in the United States, a neutral country, it becomes manifest that the business interests of the Dominion have not and will not suffer unduly because of limitations of credit of which the chartered banks are the instruments.

But there are certain alleviative measures which might be put into operation to mitigate the evils for which the banks are blamed and for which the war is directly responsible. As stated above, the banks are near the end of their resources, considering sound banking principles for administering remedial measures. Any further steps will have to be undertaken by the Dominion Government in conjunction with the banks, or by the Government alone. It seems that we might safely swell our note circulation, while this heavy demand exists, and at the same time swell our loans whenever they shall be justified by conditions or by the particular circumstance.

What we therefore propose is a resort to Government credit in the form of an adaptation of the scheme adopted by the British Government in regard to relieving the London market of bills of exchange and other credit instruments of international trade, which well-nigh paralyzed the huge ocean-going trade of the Empire. What that act was is now fairly well known. In a word the British Government guaranteed the Bank of England against loss in rediscounting bills of exchange without recourse to the

# Forest Conservation and Irrigation

H. R. MacMillan, Chief Forester.

## Necessity for Prevention of Deforestation of Watersheds to Insure Steady Flow and Conservation of Water for Purpose of Irrigation—Address Delivered Before Western Canada Irrigation Convention at Penticton.

It is unnecessary to argue the benefits of forest fire protection before a body of men dependent upon the water from mountain streams for the irrigation of their crops. The irrigation farmer of Canada and the Western States early learned by bitter experience the effect of forest on stream flow. Old settlers in this Valley have told me that the forested streams give off the water gradually, delay the melting of the snow, and act as reservoirs, holding back the run-off, so that a large proportion of it is available in times of drought. Deforested water-sheds, swept clear by fire, do not protect the snow against the early sun, nor do they absorb the falling rain; the deforested water-sheds, in comparison with a forested water-shed, is as a tin-proof contrasted with a sod-proof. The deforested water-shed shoots the rain into the valley below, produces floods in the wet season, with their attendant erosion destroying property. Then, when the water is most needed, the stream runs dry.

In every important irrigation district of Western Canada there is, I believe, insufficient water to supply fully the land requiring irrigation.

The streams all rise in forested water-sheds, and should the amount of water available for summer use be reduced by destructive forest fires, the area irrigable is automatically reduced, and at the same time it becomes necessary to undertake serious expenditures for the construction of artificial reservoirs, and the control or prevention of floods. It is now realized that the regulation of any stream must be undertaken at its source by the maintenance of its forest cover.

The amount of land to be brought under cultivation in this Okanagan water-shed depends largely upon whether we succeed or not in keeping the hills green.

Every possible precaution is now being undertaken to prevent forest fires. The support of the public is sought by signs and posters distributed throughout the country. No one is allowed to light a fire through the summer without a permit. A constant patrol is maintained along the railroads now constructing through extremely inflammable sections of the Okanagan water-shed. Every probable source of fire has been studied and provided for.

Then, knowing that fires will occur, provision has been made for discovering and fighting them. Forest guards patrol every district. A high-level trail has been constructed around Okanagan Lake. Two mountains, controlling a view of the whole Okanagan water-shed, have been connected with the district office by telephone. During the danger season a man on duty on each mountain spots the first sign of fire, and telephones its location to the nearest patrolman. The principle of fire protection is that a man can put out 100 small fires more easily than 100 men can put one large fire out. Every effort is, therefore, made to

get to the fire while it is small and controllable; as the value of the water-sheds for irrigation increases, the measures for fire protection will be intensified. Personally, I believe that the two or three million acres of forest in the stream headwaters are worth protection for their water protection value alone. There may be some persons who do not agree—to them I wish to point out the value of the timber crop. The development of the timber industries of this district has been held up by lack of transportation; yet during 1913, not an especially good year, 30,000,000 feet of timber were manufactured, resulting in a labor expenditure in this Valley of \$450,000.00. The timber revenue to the Government from this district was, in 1913, about \$35,000.00. Timber manufacture in this district has not yet started. There is now standing here about ten billion feet of merchantable forest, twice as much as is cut for lumber in a year in the whole of Canada! Such an extensive and profitable asset certainly merits protection from fire.

You, who are interested in irrigation, have been our best friends. I wish to thank you, both for your general support of forest protection and for the active measures individual companies and persons have here taken personally to prevent and control fire.

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## ITEMS OF ENCOURAGEMENT

The three mills that are in the paper and pulp manufacturing lines in this Province are busy working twenty-four hours each day, and their managements undoubtedly regret that the capacities are not larger. The Powell River Company has three machines in operation turning out fifty tons of news print each per day. While the plant is laid out for eight machines it will be some months before even one new unit could be placed in operation. Nevertheless from the present units in operation a very handsome profit is being made, and the company is able to employ a large number of men in the mill itself and on logging operations.

The British Columbia Sulphite Company at Mill Creek, Howe Sound, is also working at full capacity. The product, wood pulp, has recently found a very desirable market in the Eastern States, where a large part of the output is going. The Ocean Falls plant at Ocean Falls is also enjoying these favored times in the pulp and paper trade.

The British demand for lead will shortly have a very stimulating effect on the mining and smelting of lead in this Province. It is too early to state what the movements are likely to be, but that the developments will soon be up to normal seems certain.

The outlook in silver mining is not so dark as it at first seemed. The London market has strengthened due to local and continental demand, particularly in France. While prices do not look to go as high as they were immediately before the start of the war, they are expected to be high enough to warrant silver properties going into operation again, and to admit of better profits for those that did not close down.

The  
**British Columbia Permanent  
Loan Company**

Head Office: 330 Pender Street, Vancouver, B. C.

Operating under Special Act of the Province of  
British Columbia

Paid-up Capital (over)	-	\$1,000,000.00
Reserve	- - - -	650,000.00
Assets	- - - -	4,000,000.00

**A suitable medium for the investment of  
funds where SAFETY and DEPENDABLE  
INCOME are required.**

We invite requests for 1913 Financial Statement and  
full report of our business and history.

T. D. MACDONALD,  
General Manager.

**Yorkshire Guarantee & Securities  
Corporation, Ltd.**

**GENERAL FINANCIAL AGENCY**

**MORTGAGE LOANS.**

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Improved Properties, at current rates of interest.

**ESTATES MANAGED—RENTAL AGENTS.**

Our Rental Department is equipped to handle all  
classes of properties from modern office buildings and  
apartments to small residences. We not only collect  
rents, but also keep the properties in good repair, and see  
that Insurance, Taxes, etc., are paid.

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Our experience of over a quarter of a century in this  
class of business is sufficient to guarantee to parties ap-  
pointing this Corporation their Executor that the estate  
will be handled judiciously and the best results secured  
for the beneficiaries.

General Agents in British Columbia for  
**THE YORKSHIRE INSURANCE COMPANY, LIMITED,  
OF YORK, ENGLAND.**

Also Agents for  
**THE HOME INSURANCE COMPANY OF NEW YORK.**

Every description of Insurance written in these re-  
liable Board Companies. Rates furnished on application.

R. KERR HOULGATE,  
Manager.

Yorkshire Building

Vancouver, B. C.

**TEMPORARY CAUSES AGAINST AN EXPORT  
LUMBER TRADE**

Mr. J. O. Cameron, of the Cameron Lumber Company, Victoria, gave out an interview recently in The Colonist regarding the difficulties in the way of engaging in an export lumber business, particularly with Great Britain, under conditions operating at present, notwithstanding an increased demand.

Mr. Cameron stated that his company's mills would be operating at their capacity, instead of with a skeleton crew over a short day, were it not for the impossible conditions with which the management was confronted. Three extraordinary demands had made it impossible to meet what orders were offered and make a profit, or even "break even." They were: the large increase in freight rates by the steamship companies; the war insurance; and the advance in the exchange. "We would be glad enough to take business if assured of nothing else than evenly balanced books after the transaction. That, at least, would enable us to keep our men together, but, as it is, the outlook, candidly, is not promising."

Mr. Cameron began discussing the situation as the result of an inquiry as to whether the British Columbia lumber merchants were able to take advantage of the British market, which, as a result of the closing of the North Sea and the shutting off of the supply from the Scandinavian peninsula, is ready to absorb extensive shipments. He acknowledged that, if the transportation facilities were satisfactory, the lumber of the Province would find a ready sale in the Old Country.

"But," he continued, "transportation is impossible. If it were not for the excessive jumping of freight rates, together with the insurance and the exchange, our mills at this moment would be working full blast in the filling of an order for 3,500,000 feet of lumber for Delagoa Bay, South Africa. The best quotation we could obtain from any British Columbia firm was 74s 6d. per 1,000 feet, which is \$4 per 1,000 higher than prevailed before the outbreak of hostilities. To those who know anything about the lumber trade, or are engaged in commerce of any kind, it is unnecessary to say that such an additional tax must have a very harmful effect on business."

Mr. Cameron declared that he could not understand the position of the steamship companies. To say that they were advancing the rate in order to assure protection against the added dangers of the high seas appeared to him absurd. The British Government, he understood, offered insurance on ocean-going vessels. It amounted to about 2 per cent. Placing the value of a ship at \$200,000, which was a good estimate for a freighter of the kind in question, this would mean an outlay of \$4,000. That extra insurance on a cargo of 3,500,000 feet of lumber would mean \$1 per 1,000 additional. Instead of being content with that, or with anything approximating that figure, the companies were endeavoring to impose an additional freight charge of from \$6 to \$9 per 1,000. The proposal was absurd, and the result was that trade was being stifled.

This, however, was not all. There was the exchange and the war insurance to take into consideration. Ordinarily the rate of the former was about one-quarter of one per cent. Now it worked out at approximately three per cent. In other words, the shipper was charged \$5 and had returned to him \$4.85. He did not think it necessary to go into further details. The freight schedule and the exchange were enough to account for the present conditions.

Mr. Cameron asserted that there was a splendid opening in Great Britain for British Columbia lumber. For years, he stated, the mines of the Mother Country obtained their supply of "props" from Scandinavia. These might be furnished from Western Canada if the difficulties enumerated did not intervene, and, in the aggregate, they were a considerable item. It was likely, however, that the buyers would go to different South American ports.

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It is pleasing to note that the position that this Journal has taken with regard to the subject of a moratorium, even limited to mortgage loans and agreements for sale, has been but the echo of the opinion held by all the credit institutions, the business interests generally, and of the Government of the Province. Through quite a wide and thorough canvas we have ascertained that practically all of the mortgage loan companies and the great mass of individuals that loan money on this class of security are not pushing the borrowers for repayment of principal when maturing during this trying period.

The Manitoba Free Press, Winnipeg, has been pleased to quote us on this subject. That Journal has used its great power to prevent the enactment of a law on this subject,—but unavailingly. In the exceedingly thoughtful and comprehensive review of economic conditions given by Sir Edmund Walker to the press, which we publish in another column, he states that the enactment of a moratoria is serving notice on our creditors and the world that we have come to the end of our resources. We firmly believe that we have a considerable distance yet to go before that point is reached.

While the financial markets of the world for the present are closed to us for purposes of borrowing, it is not likely that the Dominion will be entirely denied funds for moderate development. It is true perhaps that the present conditions will obtain for some months until the machinery of exchange is rebuilt, and the mechanism of credit will be re-established. But by spring a decided change for the better will have been effected, and business will be going on as nearly normal as it could possibly under war conditions.

In the United States financial conditions are much more disturbed than they are in Canada. Exchange has gone to unheard of rates, and persist in remaining high because of the moral embargo placed by their bankers on the exportation of gold. The United States wishes to ship merchandise rather than gold, and they have held back gold on the belief that they could export sufficient goods to make that unnecessary. Such up to the present has been impossible. Nevertheless in the course of a few months the readjustment will be completed and both goods and gold will be flowing freely. The United States will soon have to take back a huge amount of short term obligations and have

to absorb a large amount of securities held in England, which will begin as soon as the securities markets can be safely opened in both London and New York. This pressure will be persistent so long as Great Britain needs the money for war purposes.

In view of the liquidation by Europe of American securities and taking into consideration the huge requirements for their own capital improvements and expenditures, it would appear that the United States would be a poor place to go to borrow money.

The United States government has served notice that it considers money as contraband of war, and that therefore making loans to belligerents is a breach of neutrality. This statement in the words of the Wall Street Journal, need not be taken too seriously. New York bankers took this means of politely saying that the country could not finance any belligerent loans. Through the Monetary Times the American Secretary of State was interviewed as to the application of this policy to Canada, and he replied that so far as the Dominion Government was concerned it would apply.

But a change is bound to come, if not through the Government, at least through the financial and commercial interests whenever they will be prepared and able to finance their own commerce. Under the full operation of the new banking act which is to be put in force some time during the present month, the ability of the United States to finance their own commerce will be greatly augmented, and for purposes of stimulating their own trade they will likely be able to finance some of their customers.

Canada is one of the best customers the United States have. We buy in the neighborhood of four hundred million of dollars of goods annually. We have financed this business hitherto by borrowing from England. This method is now very much circumscribed. We are now in the attitude of informing the American salesmen that we will be pleased to buy their goods if they will lend us the money to pay for them. We will be very much astonished if a very respectable flow of securities of industrial companies, municipalities, and perhaps provinces, does not ensue during the coming year.

On the other hand by no means is the movement of immigration to the Dominion to be stopped by the operation of the war. It is certain to be impeded, but it cannot be stopped. The great economic development of the Dominion will continue so long as the opportunities remain. The great rise in food products as a consequence of the war will prove the greatest stimulus to agricultural development that could possibly be administered. And as in the United States much more acreage will be put under the plow during 1915, so in Canada the same will be true. But in addition there is the great tracts of plains yet awaiting the plow made available by the railway transportation, and these will continue to attract settlement as in times past. The completion of the Grand Trunk Pacific in this Province is already proving this by the small but persistent and continuous stream of settlers now going into the territory tributary to that railway.

It might be wise at this particular juncture for the Provincial Government to establish an immigration department and use greater efforts, particularly in the United States, for an agricultural immigration into our great hinterland and along the line of the new Pacific Great Eastern.

# Recent Annual Reports

## SOUTH NICOLA COAL COMPANY, LIMITED (U. P. L.).

Registered Office, Merritt, B. C.

Balance Sheet as of July 8, 1914.

### LIABILITIES—

Capital Authorized .....	\$750,000.00
Capital Outstanding .....	\$206,311.00
Bills Payable .....	1,350.00
Loan .....	2,000.00
Account Payable .....	600.00
Taxes .....	2,240.00
<b>Total .....</b>	<b>\$212,501.00</b>

### ASSETS—

Coal Properties .....	\$152,490.00
Development Account .....	6,197.00
Discount Account .....	53,706.50
Cash in Bank .....	107.50
<b>Total .....</b>	<b>\$212,501.00</b>

HENRY MUTRIE,  
Secretary.

## BRITISH COLUMBIA BREWERIES, LIMITED.

Provincial Head Office, Yew and Eleventh Ave., Vancouver.

Financial Statement as of December 31, 1913.

### LIABILITIES—

Issued .....	\$3,000,000.00
Authorized .....	\$5,000,000.00
First Mortgage 20-year 6% Bonds:	
Authorized .....	\$5,000,000.00
Issued .....	3,250,000.00
Less in Treasury .....	500,000.00
Notes Payable .....	221,773.40
Accounts Payable .....	52,928.59
Surplus & Reserves .....	109,898.86
<b>Total .....</b>	<b>\$6,124,600.85</b>

Contingent Liability, \$74,371.70.

### ASSETS—

Cost of Brewery Properties .....	\$2,101,158.54
Cost of acquiring option for purchase of properties..	3,000,000.00
Stocks of Beer and Supplies .....	147,791.87
Notes and Accounts Receivable .....	198,439.12
Cash in Bank and on Hand .....	15,511.39
Trade Loans .....	299,307.48
Deferred Charges .....	372,392.45
<b>Total .....</b>	<b>\$6,124,600.85</b>

J. C. ROSS,  
Secretary.

## NORTH COAST LAND COMPANY, LIMITED.

Registered Office, Metropolitan Bldg., Vancouver.

Balance Sheet as of June 30, 1914.

### LIABILITIES—

Capital Stock .....	\$1,567,500.00
Debentures:	
1,000 of £100 each .....	729,000.00
1,000 of £ 50 each .....	18,225.00
Accounts and Bills Payable .....	139,445.74
Deferred Payments on Purchases .....	134,410.58
Phoenix Assurance Co. Mortgage Loan .....	200,000.00
Agents Deferred Commissions .....	4,987.36
Profit & Loss .....	53,071.44
<b>Total .....</b>	<b>\$2,846,640.12</b>

## CANADA WEST DEVELOPMENT COMPANY, LIMITED.

707 Rogers Building, Vancouver.

Balance Sheet as at May 15, 1914.

### LIABILITIES—

Capital Authorized .....	\$500,000.00
Capital Paid Up .....	\$ 89,460.74
Mortgages Payable .....	26,950.00
Agreements Payable .....	45,370.00
Bills Payable .....	4,369.41
Creditors .....	2,199.79
<b>Total .....</b>	<b>\$168,349.94</b>

### ASSETS—

Real Estate at Cost .....	\$159,736.48
Bills Receivable .....	2,250.00
Cash in Bank .....	.55
Other Assets .....	440.81
Profit and Loss Account .....	5,922.10
<b>Total .....</b>	<b>\$168,349.94</b>

A. S. STEINER,  
Secretary-Treasurer.

## SUMMERLAND TELEPHONE COMPANY, LIMITED.

Head Office, Summerland.

Balance Sheet as of July 5, 1914.

### LIABILITIES—

Bank of Montreal .....	\$ 1,200.00
Bills Payable for Material .....	3,113.50
Bills Payable for Loans .....	2,300.00
Sundry Creditors .....	1,106.20
Kellogg Switchboard & Supply Co. ....	667.82
Capital Account .....	17,100.00
Revenue Account .....	1,189.85
<b>Total .....</b>	<b>\$26,677.37</b>

### ASSETS—

Real Estate and Building .....	\$ 2,000.00
Telephone System .....	17,413.88
Sundry Debtors .....	346.50
Insurance Unexpired .....	40.10
Cash in Bank .....	46.89
Shareholder Account, balance on shares .....	6,830.00
<b>Total .....</b>	<b>\$26,677.37</b>

K. S. HOGG,  
Secretary-Treasurer.

### ASSETS—

Farm Properties .....	\$1,174,441.22
Vancouver Properties .....	154,963.68
Miscellaneous Properties .....	575,795.85
Cash:	
Banks .....	\$16,699.34
In hands of Fiscal Agents .....	3,948.50
<b>Total Cash .....</b>	<b>20,647.84</b>
Office Furniture .....	4,097.87
Bills and Accounts Receivable .....	143,965.86
Land Agreements for Sale .....	215,513.75
Lot Agreements for Sale .....	488,797.66
Underwriting Bond Expense	
Less written off .....	68,416.12
<b>Total .....</b>	<b>\$2,846,640.12</b>

J. E. FREELAND,  
Secretary-Treasurer.

## Corporation of the City of Prince Rupert

## MUNICIPAL NOTES.

Financial Statement as of December 31, 1913

## List of Debentures Issued

Purpose of Issue.	Interest.	Maturity.	Amount.
TELEPHONE .....	* 5%	1930	\$ 40,000
LIGHTING .....	* 5%	1925	66,000
HYDRO-ELECTRIC .....	* 5%	1961	550,000
GOVERNMENT LIABILITY .....	* 4½%	1962	115,000
SCHOOL .....	5%	1923	20,000
BRIDGE .....	* 5%	1963	35,000
SEWERS .....	* 5%	1963	350,000
GRADING .....	* 5%	1953	12,000
GRADING .....	* 5%	1953	46,000
TOTAL DEBENTURE DEBT .....			\$1,234,000
*Unsold.			
Less Sinking Funds .....	\$	42,511.85	
“ Unsold but issued .....		1,214,000.00	
			\$1,256,511.85

Net Debt ..... Nil  
 Temporary Obligations ..... \$1,148,621.65

## ASSESSMENT ROLL, JANUARY 1, 1914.

Land .....	\$26,959,020.00
Improvements .....	2,834,160.00
Total .....	\$29,793,180.00
Assessment Roll that can be levied on .....	\$17,493,685.00
Net Debt to Assessment, Nil.	

Local Improvements—	
Authorized .....	\$1,077,780.28
Outstanding .....	185,342.45
Municipal Assets .....	2,162,141.94

Tax Rate—13.975 mills gross, of which 8 is general and 1 hospital.

Population—Actual census, 6,005.

Method of Taxation—On land values only. Single Tax.

Ratio of assessed valuation to real valuation—Land is assessed at full valuation in accordance with Municipal Act.

ERNEST A. WOODS,  
 City Clerk.

## OF PERSONAL MENTION

A. Mackenzie, Esq., superintendent of agencies of the Federal Life Assurance Co., head office, Hamilton, Ont., was in Vancouver last week looking after the interests of the Company in this Province. He reports that his company wrote more business in Ontario for August than for the same month last year. Business in the western provinces he found quiet.

The Municipality of South Vancouver let the paving of Victoria Road to the Columbia Bithulithic Company for a sum of \$71,813. The paving company are to finance the work, receiving from the city 6% interest on the expenditure.

The Municipality of Vernon will shortly submit to ratepayers a by-law under the local improvement plan to borrow \$95,000 for sewers and under-drainage. It is not contemplated to proceed with the work this year, and debentures will be sold only sufficient to cover expense already incurred for cement, pipe and supplies.

The Greater Vancouver Sewerage Commission, of which Mr. Frank Bowser is chairman, will have spent by the end of the year nearly \$850,000. Work has been progressing unabated. The China Creek sewer will be finished before November. Work is going on in the Central Park sewer, the deepening of the Brunette River, and the Balaclava sewer is to be started this fall.

The ratepayers of the Municipality of Saanich passed the by-laws, particulars of which were given in issue of September 19th, with the exception of the \$50,000 school by-law. The by-law failed by two votes on account of defective ballots to gain the necessary three-fifths majority. The by-laws passed call for an expenditure of \$925,000, to be raised by sale of debentures.

Efforts will be made by the Council to sell as large a number as possible over the counter, special facilities being offered in the form of debentures of small denominations.

The City Treasurer of New Westminster reports as follows on tax collections up to August 15:

	1914	1913
Current Taxes .....	\$237,116	\$246,817
Local Improvements .....	35,204	42,081

The decline in tax collections over 1913 are thus in the neighborhood of 5%, which is considered favorable in view of the circumstances.

City Treasurer Johnstone of Vancouver reports receipts for the year to September 15 as \$2,409,211.92, as against \$2,824,884.23 last year, a decline of \$415,672.31.

## THE FEDERAL DEPARTMENT OF AGRICULTURE

The report of the Minister of Agriculture for the Dominion of Canada for the year ending March 31st, 1914, has been issued.

In the opening section, of which there are five in addition to nineteen appendices, references are made to the legislation affecting the Department passed during the year, The Agricultural Gazette, the general assembly of the International Agricultural Institute, the International Meteorological Commission and other matters of general interest. This is followed with brief reviews of the many services carried on in the separate branches, including the Dairy and Cold Storage, Seed, Live Stock, Experimental Farms, Health of Animals, Patents of Invention, Copyrights, and Public Health.

This report, which is issued as Sessional Paper No. 15, is a volume of 119 pages. Copies are available at the Publications Branch, Department of Agriculture, Ottawa.

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### EXTRA PROVINCIAL COMPANIES REGISTERED.

The Sherwin-Williams Company of Canada, Limited, 897 Centre St., Montreal, Quebec. Provincial Head Office, 827-831 Powell Street, Vancouver. Hon. Sir Charles Hibbert Tupper, K.C.M.G., K.C., of Vancouver, is attorney for the company .....\$8,000,000

Wellington-Comox Agency, Limited, 9 Toronto Street, Toronto, Ontario. Provincial Head Office, Pemberton Block, Victoria. C. F. Crompton, manager, of Victoria, is attorney for the company ..... 500,000

Lamont, Corliss & Company, 131 Hudson Street, New York City. Provincial Head Office, 626 Pender Street West, Vancouver. D. G. Marshall, barrister, Vancouver, is attorney for the company ..... 1,750,000

### PROVINCIAL COMPANIES INCORPORATED.

United Mortgage Company, Limited, Vancouver.....	\$100,000
The Pacific Merchandisers, Limited, Vancouver.....	25,000
B. C. Sheet Metal Works, Limited, Vancouver.....	10,000
Edinburgh-Glasgow Investment Company, Limited, Vancouver .....	10,000
Sidney Island Brick & Tile Company, Limited, Victoria .....	50,000
Steveston Supply Company, Limited, Vancouver.....	10,000
Elco Tow Boat Company, Limited, Victoria.....	10,000
Esterbrook Milling Company, Limited, Township of Richmond .....	30,000
Kirk & Dunkley, Limited, Victoria .....	15,000
Cambie, Limited, Vancouver .....	50,000
B. C. Products, Limited, Vancouver .....	10,000
Canadian Export and Import Company, Limited, Vancouver .....	50,000

### COMPANY CHANGES.

Edmund P. Kay, Limited, has applied for change of name to Davis, Hartney & Company, Ltd.

Pursuant to special resolutions, The C. E. McKeen Shoe Stores Co., Limited, will be wound up voluntarily, with W. A. Short, accountant, 355 Tenth Avenue West, Vancouver, liquidator.

The General Fire Extinguisher Company has ceased to carry on business in British Columbia.

The Sherwin-Williams Company has ceased to carry on business in British Columbia.

Pursuant to special resolutions, Hayward, McBain Company, Limited, will be wound up voluntarily, with Robert Bell, accountant, of the firm of Buttar & Chiene, 626 Pender Street West, Vancouver, as liquidator.

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**TRUST COMPANY REGISTERED.**

The British Empire Trust Company, Limited, Head Office, 34 Nicholas Lane, London, England, has been granted registration under the Trust Companies Act. The Provincial Head Office is located at Vancouver. E. P. Davis, K.C., Vancouver, is the attorney for the company. The objects of the company are confined to the acting as trustee under any mortgage or charge created by an incorporated company, to secure its bonds or debentures, and to the investment of the funds of the company.

**TRUST COMPANY CHANGES.**

Title Guarantee and Trust Company, Limited, Victoria, has abandoned trust privileges and has changed name to Title Guarantee and Investment Company, Limited.

**NATIONAL FINANCE IN LIQUIDATION**

At an extraordinary general meeting of the shareholders of the National Finance Company, Limited, held September 30, it was unanimously decided, acting on the recommendation of the directors, to put the company into voluntary liquidation.

The Yorkshire Guarantee and Securities Corporation, Limited, was appointed liquidator.

The reason given is that the company is unable to meet obligations under present conditions.

The company hope, through the liquidator, to pay interest on their bonds if it can be done so legally. The company has branch offices in Toronto and Ottawa, and has been in business for the past seven years.

**LUMBER COMPANY REORGANIZATION.**

The Upper Fraser River Lumber Company, which has head offices in Montreal, has been reorganized. The capital is \$2,500,000 6 per cent. non-cumulative participating shares, \$750,000 common shares and \$750,000 first mortgage 6 per cent. 25-year bonds. The bondholders have agreed to exchange their bonds at par for an equal amount of preferred shares, plus an amount representing all arrears of interest. Holders of existing common stock are entitled to an allotment of fully paid ordinary shares equal to 10 per cent. of their holdings, the balance being held in trust. The company has completed the erection of the frame of its permanent mill at Dome Creek, B. C., and has built stables, bunkhouses, etc. Everything is ready for the installation of the machinery, and 100,000 feet of logs are on the skids ready for the saw. A spur will give connection with the Grand Trunk Pacific Railway.

**ELEVATOR FOR NEW WESTMINSTER**

The Brackman-Ker Milling Co. intend to start work immediately upon a new elevator and warehouse on Front Street, New Westminster, in front of the building now occupied by the Columbia Cold Storage Co., which building is to be demolished.

The elevator will have a capacity of 51,000 bushels and will be built so that at any time the capacity may be doubled by extension to the building. The cost will be \$60,000.

**B. C. E. RAILWAY EARNINGS.**

Approximate income and expenditure of the British Columbia Electric Railway Company and allied companies for August, 1914:

	1914	1913	Decrease
Total Gross Earnings.....	\$674,812	\$770,628	\$95,816
Operating Expenses, Maintenance, etc. ....	512,174	566,540	54,366
Net Earnings .....	\$162,638	\$204,088	\$41,450

For two months of the fiscal year from July 1 to August 31:

	1914	1913	Decrease
Total Gross Earnings.....	\$1,364,835	\$1,526,571	\$161,736
Operating Expenses, Maintenance, etc.....	1,039,178	1,116,487	77,309
Net Earnings .....	\$ 325,657	\$ 410,084	\$ 84,427

**CONSTRUCTION FOR AUGUST ON PACIFIC GREAT EASTERN.**

Official report to the British Columbia Financial Times states that for the month of August the following work was done on the Pacific Great Eastern Railway:

One million three hundred and twenty-five thousand yards of material were moved.

Eight and one-half miles of track were laid.

Sixty-four hundred men were on the work for the month.

On September 1st, thirty miles of track were laid north of Squamish; grading has been practically completed from Squamish to Clinton, and continuously from Squamish to a point fifteen miles south of Lillooet.

**CHAMBER OF MINES TO CONTINUE**

At a recent meeting of the Vancouver Chamber of Mines held in the Board of Trade Rooms it was voted to continue the work of the Chamber and to embark on an extensive programme of lectures the ensuing winter. The exhibits of the Chamber and its reference library are now housed in the Board of Trade rooms, where they will be open to inspection by the public as usual.

It is beyond the resources of the association to employ a secretary for the present, and accordingly much of the work will have to be done by voluntary workers. Mr. F. S. Pilling, the popular and capable secretary of the Chamber, who has done so much to make it valuable to mining interests and the public, is compelled to sever his connection to the regret of all the members.

**NEW STATIONS ON GRAND TRUNK PACIFIC**

New station buildings are being completed on the Grand Trunk Pacific Railway at the rate of one each week. Twenty stations have been erected recently on the main line of the transcontinental in British Columbia. Development has been rapid in this territory, settlers coming in as soon as the steel was laid. These new station buildings, which are modern in every respect, include Longworth, Dewey, Lindup, Aleza Lake, Hansord, Urling, Hutton, Newlands, Guildford, Foreman, Crescent Island, Legrand, Giscome, Bend, Rooney, Rainbow, Willow River, Knole and Shelley.

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# Life Insurance Securities and Policy Loans

By J. A. JOHNSON

**In View of Disorganized Condition of Securities Market Continuing Until the End of the Year, Finance Minister Will Permit Insurance Companies to Make Statements as to Value of Securities as of December 31, 1913, and on Cost Prices for New Securities.**

In the past it has been customary for life insurance companies in making a statement of their assets to value their securities as at December 31st of each year.

As there was a feeling of uncertainty respecting the value of securities at the end of this year, at the Emergency Session of Canadian Parliament recently held, the matter was brought up and an Act was passed covering this point.

The remarks made at that time by the Finance Minister, the Hon. Mr. White, were as follows:

"I understand that the hon. member for South Renfrew (Mr. Graham) asked a question in connection with this Bill as to the basis of valuation of securities of insurance and other companies. Under the Insurance Act, for the purposes of the annual statement, the market values of stocks, bonds and debentures shall be taken for the purpose of determining the company's total assets. I may say to the House that last year we had an independent valuation made by experts of all such securities, and these valuations were embodied in the report of the department. At the present time there cannot be said to be any market values, because the exchanges are closed, and the ordinary means for determining market values are disorganized. In the event of this condition of affairs continuing until the end of the year, the department has under consideration the advisability of adopting the following method of dealing with securities. For securities owned on December 31, 1913, allow the department's value as of that date to remain as the market value for December 31, 1914, or securities acquired since December 31, 1913, allow the cost price as the market value on December 31, 1914. I think the Insurance Department will be disposed to meet the situation, should it continue as at present, in a way which I am sure will commend itself to the House."

Everyone will admit that this was a sensible view of the situation and it relieved any anxiety that the companies may have had respecting this matter.

The Insurance Commissioners of the various States in the United States held their 45th annual convention recently. These commissioners seek to have uniformity of requirements throughout the various States and one of their chief objects is to see that the companies comply with all requirements that go to make insurance safe and profitable. They have taken a very strong stand on loans and surrender values in policies.

The Canadian Law provides that a Life Insurance company need not make a loan for ninety days after a request. Of course the companies do not need to wait ninety days, and up to date the loans are made at once, but the Canadian legislators thought it was a safe thing to have in the Insurance Law, so that in a great financial panic they would not be compelled to sacrifice any of their securities in order to pay and make loans.

The following is the report which was adopted by the above mentioned convention:

Whereas the National Convention of Insurance Commissioners has repeatedly gone on record in favor of a law prohibiting all legal reserve life insurance companies from issuing policies of insurance in which the company does not reserve to itself the right to defer the granting of a policy loan for a period of sixty days, and whereas the wisdom of such action is daily being demonstrated by reason of the European war which is now affecting the market price of

securities and the demand for policy loans, therefore the National Convention of Insurance Commissioners again deem it advisable to refer to this important subject and to reiterate its former stand on policy loans and cash surrender values which are in this problem inseparable, and it pledges its support to legislation which will prohibit any insurance company in any State from doing business within the State wherein such legislation is enacted which issues a policy therein which fails to contain a provision that the company reserves the right to defer for a period of six months the payment of a cash surrender value and also the granting of a policy loan except for payment of a premium.

The convention also recommends that in States where the statutes now contain the standard provision laws for life insurance the following be substituted for that provision of Section 7 to which it corresponds, but it does not bind itself to the repeal of any other part of the said provision of No. 7.

(6) Provision that after the policy has been in force three full years the company at any time while the policy is in force will advance on proper assignment or pledge of the policy and on the sole security thereof at a specified rate of interest a sum equal to or at the option of the insured less than the reserve at the end of the current policy year on the policy and on any dividend additions thereto less a sum not more than two and one-half percentum of the amount insured by the policy and of any dividend additions thereto (the policy to specify the mortality table and rate of interest adopted for computing such reserve), and that the company will deduct from such loan value any existing indebtedness on the policy year and may collect interest in advance on the loan to the end of the current policy year, which provision shall further provide as follows: "Such loan may be deferred at the option of the company for not exceeding six months after the application therefor is made."

This only goes to show what insurance men believe that the Canadian Insurance Act is unsurpassed by that of any other country.

## RECENT INSURANCE REGISTRATION.

Crown Life Insurance Company has been licensed to transact life insurance in British Columbia. Provincial Head Office, Vancouver. F. R. McD. Russell, Vancouver, is attorney for the company.

## Recent Fire Losses.

Recent fire losses reported to Superintendent of Insurance, Victoria, B. C.:

Vancouver, August 25.—148 Hastings East; owner, W. Lindsay; occupant, Brundratt & Smith; three-storey brick store; value of building \$35,000, insurance on same \$18,000; value of contents \$9,000, insurance on same \$5,000. Total loss, \$4,629.50. Cause unknown. Guardian, National Benefit.

New Westminster, August 14.—Queen's Park; owner, Corporation of New Westminster; occupant, vacant; value of building \$8,000, insurance on same \$6,000. Total loss, \$8,000. Cause unknown. London Mutual, Anglo-American, Canadian, Phoenix, Aetna.

Langley, September 7.—West of Lot E, Township 12, N. W. D.; owner, unknown; occupant, F. Fisher, P. O., Haney; wood barn; value of building \$1,000, insurance on same unknown; value of contents \$800, insurance on same \$600. Total loss, \$1,800. Cause unknown. Mutual Fire Insurance of B. C.

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Fernie, August 16.—East side of Victoria Ave.; owner, Johnston & Falkner; occupant, A. W. Blaisdell; concrete and brick dwelling and store; value of building \$18,000, insurance on same \$13,500; value of contents not stated, insurance on same \$12,500. Total, \$7,639.75. Cause unknown. Commercial Union, German American, Guardian Hartford, Imperial Underwriters & Yorkshire.

Maillardville, August 10.—Laval Square; owner and occupant, Henry Hammond; wood dwelling; value of building \$1,200, insurance on same \$1,500; value of contents \$500, insurance on same nil. Total loss, \$1,400. British Crown.

Chilliwack, August 30.—Princess Ave.; owner, Peter Stewart; occupant, Tom Grant; sheet iron with wood frame blacksmith shop; value of building \$1,750, insurance on same \$1,000; value of contents \$900, insurance on same nil. Total loss, \$2,550. Cause, adjoining. London Mutual Fire.

Chilliwack, August 30.—Princess Ave.; owner and occupant, W. H. Chettle; sheet iron on wood frame factory; value of building \$1,750, insurance on same \$1,000; value of contents \$2,800, insurance on same nil. Total loss, \$4,550. Cause, adjoining. Phoenix Ins. of Hartford.

Chilliwack, August 30.—Princess Ave.; owner, A. L. Marsden; occupant, Jones & Scott; wood livery and feed barn; value of building \$3,500, insurance on same \$2,000; value of contents \$5,500, insurance on same \$3,500. Total loss, \$9,000. Cause unknown. New Zealand, Scottish Union.

Chilliwack, August 30.—N.E. Quarter Sect., Twp. 22; owner and occupant, Fred. Rexford; wood dwelling; value of building \$1,500, insurance on same \$750; value of contents \$500, insurance on same \$250. Total loss, \$2,000. Farmers Mutual of B. C.

Duncan, September 14.—Owner and occupant, Gen. H. C. P. Rice; frame dwelling; value of building \$7,500, insurance on same \$5,000; value of contents \$30,000, insurance on same \$7,500. Total loss, \$37,500. Cause unknown. Liverpool, London & Globe.

Vancouver, September 8.—Union and Renfrew Streets; owner, R. Robinson, 1369 Hornby Street; 7-passenger Winton automobile; value of car \$2,000, insurance on same \$1,500. Total loss, \$1,900. Cause unknown. Car has been stolen from Exhibition grounds. Lloyds of London.

Chilliwack, August 24.—South Sumas Road; owner and occupant, Langs and Roddis; wood factory; value of building \$800, insurance on same \$500; value of contents \$5,500, insurance on same \$3,800. Total loss, \$6,300. Cause, supposed to be from bush fires. Vulcan, Guardian, New Zealand.

Vancouver, September 6.—837 Broadway East; owner, Hong Wo; occupant, R. H. Buck; 1½-storey frame dwelling; value of building \$1,500, insurance on same \$1,200; value of contents \$500, insurance on same nil. Total loss, \$700. Cause: Lamp coming in contact with window curtain. Insurance company not stated.

District of North Vancouver, August 29.—Windsor Road West; owner and occupant, W. H. Paquette; wood dwelling; value of building \$1,000, insurance on same \$400; value of contents \$500, insurance on same \$100. Total loss, \$1,500. Cause, coal oil lamp explosion. North American Ins. Co.

District of North Vancouver, August 29.—Windsor Road West; owner, W. H. Paquette; occupant, unoccupied; wood dwelling; value of building \$1,000, insurance on same \$500; value of contents \$50, insurance on same nil. Total loss, \$1,050. North American Insurance Co.

Burnaby, September 12.—3984 Hastings East; owner, H. D. Morrison; occupant, D. W. Anderson, grocer; wood store; value of building not stated, insurance on same not stated; value of contents \$1,100, insurance on same \$800. Total loss, \$1,100. Cause, adjoining. North West Trust Co.

Burnaby, September 12.—3988 Hastings East; owner, H. D. Morrison; occupant, Kidd & Co., hardware merchants; wood store; value of building \$2,600, insurance on same \$2,000; value of contents \$3,100, insurance on same \$3,000. Total loss, \$4,100. Cause unknown. British Dom. Ins. Co., Liverpool & Manitoba National.

# Allow No Legitimate Business to Suffer

**Sir Edmund Walker of the Bank of Commerce Says that the Situation Is Serious But There Is no Cause for Despair—Some of the Changes Likely to Take Place—The Need of Developing Agriculture to Increase Our Exportable Surplus.**

Sir Edmund Walker, President of the Canadian Bank of Commerce, gave out an interview to the *Journal of Commerce* recently which summed up our present economic position. He said in part:

"I am frank to confess that there are very dangerous elements in the present economic situation of Canada, but there are absolutely no grounds to despair. The business of this country had for a year or more been in a process of liquidation, and the banks were in a relatively strong position when the war storm burst upon the world. The Canadian banks have met the situation admirably and with fine courage. Speaking for the Canadian Bank of Commerce, I can say that it has taken care of its customers to the fullest extent. Of course, as credits expire we are very careful in advancing accommodation, for above all, both for our own safety and for the good of the country, our assets must be kept liquid. But I can assure you that no legitimate business has suffered, or will suffer, so long as we can protect it.

"Let us glance at the field of manufacturing first. Undoubtedly the market will be greatly circumscribed for some lines—automobiles, pianos, and, in a word, those goods which may be fairly termed luxuries. Even those people who can afford to buy these goods will not fail to economize in these dark days. We may expect, therefore, that those manufacturers who are producing luxuries will find that their business will be greatly restricted at this time. This is so obvious, that I do not need to emphasize the fact.

"But in other directions our manufacturers should find a fine market for their products. Flour milling, the boot and shoe industry, sugar refining, the cotton industry and similar lines of economic activity should be stimulated by the war. Indeed, at different sections of the country you will find factories that are producing such goods working to the fullest capacity. This is true because foreign importations have been cut off in certain directions and because the domestic and foreign demand for food products and the primary necessities has increased.

"And do not overlook the farming community in any calculations that may be made. It must be borne in mind that the farmers of Canada, in the main, have never been so prosperous as they are at the present time. And if the war lasts for any length of time prices for farm products will continue to advance. Now, the farming class constitute the greatest element in Canada's population; and if they are prosperous the whole nation will feel the buoyant effects of that prosperity.

"Already the West, particularly Winnipeg, is feeling the effects of the high prices that have been paid the farmers for their wheat and other produce. While the harvest is much smaller than it was last year, the higher prices have more than made good the deficiency. The farmers already are beginning to pay off their notes to the banks and implement companies; and a decided improvement in the financial situation has, as a result, been effected.

"One of the great difficulties that the West must face is the necessity of making payments to the American implement companies. The recent financial legislation has made our money unacceptable to the Americans, and the rate of exchange has moved against us. This is a serious problem that must be met and faced.

"There are many people who are very wise after the event, in Canada, and who never cease to talk of 'over-ex-

pansion' and 'speculation.' I should like to ask you if Canada is the only nation that has suffered from these conditions. Not only the newer, but the older, countries as well, have, from time to time, felt the bad effects of speculation and too rapid growth. But I must emphatically say that Canada's growth has, on the whole, been sound; and that we are today in a far stronger financial condition than our rivals in South America—Brazil and the Argentine Republic.

"I admit that over-speculation in land has hurt Canada; but the evil that has been done is superficial in nature. It is natural and inevitable that a pioneer people will speculate in the economic goods with which they are working; hence the boom in western lands. But the speculative process there has not been wholly an evil. It has aided in attracting settlers and in drawing a fund of capital there to develop the country. Bear in mind that I am not justifying the methods that were adopted, nor claiming any general benefits from the results attained. I am merely stating the fact that there were certain elements of good in the situation.

"Many, and among them those who were chiefly responsible for bringing the situation about, have complained bitterly of the over-expansion of Western towns and cities. The criticism is for the most part unfair and uncalled for. The high values and high rents that have obtained in Western cities clearly prove that building was not overdone; although in isolated cases that may have occurred.

"I am convinced that Canada's development has, in the main, been sound and legitimate. A new country must develop and improve its municipal undertakings; must from sheer necessity build and equip railroad lines; must open up roads and undertake great public works. The money has been well spent; and I am sure that we shall reap the benefits in the increased comfort of the people and in the growth of the output of economic goods.

"But we must produce to make good our borrowing abroad. We have, on the whole, developed our cities at the expense of the country. The immediate duty of Canadians is to greatly increase the acreage of the tillable land under cultivation. I shall be exceedingly disappointed if the figures of 1915 do not show a large increase in the amount of land under cultivation and in the products secured from it.

"If for no other reason this must be done to protect our financial position. Remember this: Canada has only \$135,000,000 in gold, and a very great discrepancy between exports and imports. We made the balance good in recent years by borrowing from abroad. But we must now face the fact that we must pay the interest on our huge borrowings by increasing our exportable surplus. That must be done in the main by increasing our output of food supplies. Unless our exports and imports more closely balance one another next year, and unless we greatly increase our exports, the country will be in immediate danger of losing its stock of gold the only thing that would prevent it would be the declaration of a moratorium; and we may be forced to come to that. In the meantime I am convinced that we should avoid this policy by every means in our power.

"The declaration of a moratorium by Canada would be a declaration to the world that we had reached the limit of our resources. We are in a quite different position to that of England. England is in the immediate war zone; and moreover the clearings of the world are made through London. The latter is the essential point; and I do not need to elaborate it. Moreover, England is a credit nation, while Canada owes hundreds of millions to England. In private life it is a wise policy to keep one's credit good; and so in the affairs of nations.

"Now, I do not for one moment minimize the seriousness of the situation that has suddenly developed in Canada because of the war. We were in a bad enough way before the war added to our difficulties. Especially is this true in the West, where the farmers have mortgaged their lands in order to effect improvements, or where they have simply been buying their lands on a mortgage basis. And the same holds equally true for real estate in the cities.

"Many of these debtors simply cannot meet principal payments; and if they should be forced to sell it will be at a price that may involve their ruin. I believe the proper expedient is to give honest debtors the time they require. Let the case be decided by a judge, or other impartial arbitrator. To a great extent the loan and mortgage companies have the matter in their own hands. It would be foolish of them to load up with real estate and thus increase their non-liquid assets. I believe they will in the vast majority of cases be satisfied with interest payments; and these at least should be met in order to keep faith with lenders in Europe. I emphasize again the fact that it is most desirable to keep our credit good, and preserve the national honor. The war should not be used as a cloak to cover unfair practices. Nevertheless, if this war lasts for six months or a year longer, it is difficult to see how we are to escape adopting some sort of expedient of releasing debtors from immediate obligations—that is, we shall be obliged to extend 'days of grace.'

"As far as the financial legislation of the Government is concerned, I approve of it. The suspension of specie payments may be justified as a war measure. It is true there was no indication of a run on the banks; but there might have been, especially among the foreign and uninformed elements.

'So, too, I approve of Mr. White's policy of increasing the uncovered amount of legal tenders. He was obliged to get money, and to get it at once. As the money markets of the world were for the moment demoralized the method he adopted was justified. Only we must be careful not to push it too far. Otherwise gold will go to a premium, and the increased paper prices will weigh heavily on the poor and upon the working classes.

"I think that it was a wise policy also to permit the banks to receive additional legal tenders on the basis of approved collateral security. As far as I know, this privilege has been availed of to only a small extent; but it might prove very valuable to all concerned.

"In conclusion, I may say that the economic condition of the company might be a great deal worse. This is no time for sounding a note of pessimism and despair. Especially should the industrial and financial leaders of the nation prove their right to leadership by strong and courageous action. As far as the Canadian Bank of Commerce is concerned, I can assure you that it is protecting its customers and all who have a legitimate claim for financial existence. While we are not developing new undertakings we are protecting and conserving the interests of the old. We believe that our strong financial condition and the policies of the Government permit us to do so. And I believe that the chartered banks of Canada as a whole will rise to the occasion in a patriotic and courageous way. But the people, and especially the farming element must co-operate in this work.

The times are difficult, but if we are true to ourselves and bend every effort toward increasing our output of foodstuffs and raw materials which the markets of the world demand and must have, I believe we shall successfully surmount every obstacle. The people must, however, realize the seriousness of the situation and exert every effort to preserve the economic stability of the nation."

## Banking Accommodation and the War

(Continued from Page 2)

holders. The plan, therefore, is somewhat as follows: The Dominion Government to take over from the banks certain prime loans in amounts limited by the needs of the situation without recourse to the banks, the banks acting as agents for the Government; to pay for these loans with its own currency, and thus permit the banks to take on new loans where justified by sound banking, and thus increase the amount of currency in circulation and at the same time afford relief to the business interests which are in so much need of increased banking accommodation.

This measure would have the effect of reducing the banks' liabilities by the amount of the loans taken over by the Government and permit of greater latitude in handling the business of the Dominion. To a certain degree this is already practiced, for the banks can and have taken to the Government its own securities as security for new note issues, but that retards the operation of this currency by making the banks responsible for the currency they have taken out. It does not reduce the banks' liabilities, only in one case there is the liability to the public and in the other there is the liability to the Government. The expedient we propose resorting to relieves the banks of the liabilities for the loans, and acting as agents for the Government makes the banks morally responsible for the businesslike handling of the loans thus taken over.

Some two years ago Mr. D. R. Wilkie, president of the Imperial Bank, and then president of the Canadian Bankers' Association, in an address said that the day was not far distant when a bank of discount would have to be instituted to handle the ever-increasing difficulty of providing the business of the country with adequate discounting facilities and at the same time providing the country with a sufficient currency which might be automatically expanded and contracted as the needs of business demanded.

At this crisis when the large private credit institutions are doing everything in this power to keep the wheels of commerce and industry turning, a judicious use of the great power of the Government might further help to expedite a recovery in business throughout the entire Dominion.

## DEVELOPMENTS SOON TO BE UNDER WAY

It is expected that work on the drydock of the Amalgamated Engineering Company in North Vancouver will be started shortly after the turn of the year.

The work of dredging the ship's basin of the Dominion Shipbuilding Company, North Vancouver, will commence within a few weeks. Delays were experienced due to difficulties in getting materials on account of war conditions.

The report of Ralph Modjeski, the consulting engineer in regard to the Second Narrows bridge, is expected to be handed in some time this month. On the basis of this report it is hoped that the Burrard Inlet Tunnel and Bridge Company directors will arrive at a conclusion and award a contract for its erection.

# Mining Throughout British Columbia

## Kootenay and Boundary Ore Treatment—Consolidated Smelter Again Treating Custom Ore—Operations at Anyox—Many Mines Resuming Shipments.

During the two weeks ending September 18th, 18,056 tons of ore from mines in Kootenay and the Boundary were treated at the smelter of the Consolidated Mining & Smelting Company of Canada, Limited, at Trail, B. C., bringing the total tonnage for the year to date to 273,576.

During the week ending September 18th, 10,105 tons of ore were treated at the smelter, which is one of the largest weekly runs of the year. Mines shipping during the past two weeks, with the amount of ore shipped during the fortnight and for the year to date, were:

Rossland.		
	Week.	Year.
Le Roi No. 2, milled .....	650	12,130
Centre Star .....	9,068	123,340
Le Roi .....	4,474	55,193
Le Roi No. 2 .....	578	13,951
Other mines .....		38
<b>Total .....</b>	<b>14,770</b>	<b>204,652</b>
Nelson.		
Queen, milled .....	700	12,950
Motherlode, milled .....	1,000	12,000
Molly Gibson .....	147	509
Queen .....	34	488
Other mines .....		17,482
<b>Total .....</b>	<b>1,881</b>	<b>43,429</b>
Lardeau.		
Other mines .....		43,429
Slocan and Ainsworth.		
Highland, milled .....	700	12,760
Bluebell, milled .....	2,800	51,800
Standard, milled .....	2,000	37,000
Van Roi, milled .....	1,500	27,800
Rambler-Cariboo .....	44	1,047
Maestro .....	227	703
Utica .....	38	214
Other mines .....		26,699
<b>Total .....</b>	<b>7,309</b>	<b>158,023</b>
East Kootenay.		
Sullivan .....	2,451	21,392
St. Eugene .....	54	949
<b>Total .....</b>	<b>2,505</b>	<b>22,341</b>
Consolidated Co.'s Receipts Trail, B. C.		
Ben Hur .....	718	10,191
Union .....	20	303
Republic Leading Co. ....	28	28
Rathbone Reduction Co. ....	173	173
Taft .....	2	2
Centre Star .....	9,068	123,340
Le Roi .....	4,474	55,193
Le Roi No. 2 .....	578	13,951
Molly Gibson .....	147	509
Queen .....	34	488
Rambler-Cariboo .....	44	1,047
Maestro .....	227	703
Utica .....	38	214
Sullivan .....	2,451	21,392
St. Eugene .....	54	949
Other mines .....		45,093
<b>Total .....</b>	<b>18,056</b>	<b>273,576</b>

—Nelson News.

The Consolidated Mining & Smelting Company has notified its customers that it will again receive ore for treatment, payment for silver being made on a sale basis of 40 cents per ounce as a preliminary settlement, while lead will be settled for on New York quotations instead of at the London price, which, previous to the outbreak of the war, was the standard. There will be a later and final settlement for silver as the company disposes of this product. For this purpose, each month's receipts will be pooled, that from the company's mines being included and treated on exactly the same basis as that of individual owners, and distributions of returns made when the company's sales of this metal amount to a month's output.

Lead will be paid for on receipt at 90 per cent. of the New York quotation, final settlement being made on the New York price for the third month after receipt of the order. The company will charge existing smelter rates for treatment, plus 4 per cent. of the net value of the ore.

In no other respect is there any change in regard to price and conditions.

Three mines of this district shipped 661 tons of zinc during August, as against 40 tons during the same month last year and 1,623 tons during July. The mines were: Slocan Star, 228 tons; Standard, 219 tons, and Hewitt, 214 tons, the latter mine shipping more during August than July.

The H. B., Zincton and Emerald mines are about to resume operations after having been closed down for the last six weeks on account of the war having demoralized the metal markets. Crews have been sent to these properties, and hauling commenced September 16.

It is reported that W. B. Burnham and partners, interested in the Golden Fawn group of claims on Sheep Creek, will shortly commence a run of ore through the Nugget mill. The ore will be hauled around the mountain from the Golden Fawn to the Nugget mill as soon as the road can be completed.

Shipments to the Trail smelter will commence from the Golden Ridge group, on the second north fork of Lemon Creek, about 13 miles by trail from Willow Point, about October 1, states E. Gilson of Spokane, who, with George Hird of Winlaw, B. C., is working the property.

A recent despatch from Boston states that operations of the Anyox property of Granby continue satisfactorily, according to official reports. Many of the difficulties encountered just after starting the smelter have been overcome.

Part of the time the full battery of three furnaces has been operating, and as the need for alterations arose one of the stacks has been temporarily shut down.

The management had counted on the Midas mine in Alaska being in position to start production during mid-summer, but delays in deliveries of material and the unsatisfactory metal market conditions have made this impossible. It is probable, however, that operations on a limited scale will be commenced late in October or early in November.

Mr. Newton Emmens, M.E., Vancouver, is back from a six months' trip through the Boundary district on behalf of the Provincial Department of Mines. Besides doing field work for the department, Mr. Emmens collected a number of specimens for the Panama-Pacific Exposition and also for the Provincial Museum at Victoria. Among the specimens is a remarkably fine sample of tin, but he states that where it was found there was not a sufficient showing to make it worth developing. It is only valuable as a showing that tin exists in the district. On his way back Mr. Emmens met a number of mining men in Spokane who are anxious to get hold of gold and silver properties in British Columbia, and who are prepared to finance them with American money.

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