

# The Monetary Times

Trade Review and Insurance Chronicle  
OF CANADA

ESTABLISHED  
1867

TORONTO, MARCH 14, 1919

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# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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Old as Confederation

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President and General Manager

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JOSEPH BLACK  
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## Grounds For Bank Amalgamations

Economies Gained by Union—No Signs of a Money Trust in Canada  
—Amalgamation Movement in Great Britain—May be Further Amalgamation in Canada—Progress in Banking in Recent Years

BY A. B. BARKER

THERE has been little real opposition to the recently announced amalgamation of the Bank of Ottawa with the Bank of Nova Scotia, except in the Ottawa district, and that mostly on sentimental grounds over the disappearance of the name of an institution which has been so intimately connected with the industrial life of that section for over two generations. The long and honorable record of the Bank of Ottawa justly entitles it to the position it holds in the district from which it takes its name, and it is easy to understand local resentment at the change, even though there be material advantages in the scheme to both shareholders and clients. What other criticism there has been appears to be based on hostility to amalgamations in general, rather than to any specific reason. It has been suggested that a larger organization might be inclined to discriminate against farmers and the business men in the smaller communities, in favor of the larger borrowers in the cities in the matter of accommodation, but so far this tendency has not developed as a result of any previous bank amalgamation in Canada, and as a matter of fact bank credit is generally more readily obtained in the country than in the cities, and on terms equally favorable. One reason is that the banker in a smaller community is on terms of greater intimacy with his customers than is possible in the cities, and this personal relation governs their business dealings very largely. Farmers' business east and west is sought after by all banks not from any altruistic motives, but because it is looked on as good business, this class of loan showing a very small percentage of losses, taking the country as a whole. Banking facilities have certainly not been diminished and Canada shows a greater proportion of banking offices to population than any other country except Scotland. It is certainly greater than the proportion for Great Britain.

During the war the opening of new branches was necessarily checked by the shortage of men, but with the close of hostilities, a considerable number of new offices both in Ontario and the west have been announced.

The proposed merger appears to have all the essentials of a most satisfactory combination. Neither bank is a competitor of the other to more than a very limited extent, and each will be benefited therefore by an expansion of business opportunities at the minimum of expense. The Nova Scotia obtains the valuable connection of the Ottawa Valley and the lumber sections of Ontario, and the Bank of Ottawa a wide field from Halifax, the West Indies and Newfoundland on the east to Victoria on the west, together with the American connections in New York, Boston and Chicago. Without the amalgamation these connections could not be secured by either bank except by the opening of branches, a process requiring time, patience and money, as branches cannot be depended on to show profits on their operations for the first few years except under extremely favorable circumstances. By the merger this economic loss will be eliminated entirely, the clientele of each bank will benefit from the

increased facilities which the wider connections will afford, and the shareholders will profit from the greater earning capacity of the combination.

### Report of British Committee

Last year, owing to several large amalgamations between British banks, considerable adverse criticism developed and a treasury committee was appointed to investigate. This report brought out the fact, that, in the history of British banking there had been some 300 amalgamations of which more than half had taken place within the last 50 years, and that since 1891 the number of British private banks had fallen from 38 to 7, and joint stock banks from 104 to 34. This number has been further reduced since. There had also been a change in the type of amalgamations which no longer consisted in the absorption of local banks by larger and more widely spread joint stock banks, but in the union of two joint stock banks both already possessing large funds, and branches spread over a wide area.

The movement in Canada has been along similar lines but not so pronounced and while in Britain one result, largely responsible for the opposition, has been to reduce the amount of banking capital; this has not been the case in Canada. In this country banking capital has increased.

The formation of a money trust was also investigated, but the committee could discover no signs of it, though the opinion was expressed that circumstances might produce something approaching it later.

In this connection it is interesting to know that the method of guarding against such an event, recommended by the committee, is identical with that provided by the Canadian Bank Act, which prohibits any amalgamation between banks, until permission is first obtained from the minister of finance.

The principle laid down by the committee, as that upon which the government should base their decision in the case of a proposed amalgamation, was that a scheme for amalgamating or absorbing a small local bank, or any scheme to secure important new facilities for the public, or a really considerable and material extension of area, or sphere of activity, for the larger of the two banks should normally be considered favorably, but that if an amalgamation scheme involved an appreciable lap of area without securing such advantages, or would result in undue prominence on the part of the larger bank, it should be refused. The opinion was also expressed that consideration should be given to the undesirability of permitting an unusual aggregation of deposits without fully adequate capital and reserves.

### Expansion of Business

Banking resources and deposits have grown steadily with the development of the country from year to year as the following table for the last 10 years shows:—

	Deposits.	Total assets.
1908	\$ 722,769,156	\$1,001,352,290
1909	869,235,850	1,157,783,629
1910	926,390,794	1,229,790,859
1911	1,039,781,027	1,390,069,518
1912	1,139,081,347	1,526,081,158
1913	1,141,280,610	1,551,263,432
1914	1,153,193,664	1,555,556,815
1915	1,326,447,700	1,737,992,244
1916	1,509,085,295	1,948,044,256
1917	1,822,979,062	2,323,163,783
1918	2,146,036,972	2,689,835,181

The phenomenal figures from 1914 are due to some extent to the general advance in prices on account of war conditions, but the underlying growth in the business of this country was chiefly responsible. Had it not been for the war these conditions would in all probability have caused an increase in bank capital issues but the war put a stop, for the time, to any movement of this kind. Since the close of hostilities, however, several new issues have been announced.

In Canada as elsewhere the problems of reconstruction will necessitate more thoroughly organized and larger units than ever before, and these in turn will require the assistance of financial institutions organized along similar lines. In this movement towards greater concentration, finance does not lead—it follows. Finance can live only by service to industry, and when industry is being handled by large organizations, finance must organize in the same way. The work must be done by bigger and fewer hands, but they must not be so few as to eliminate competition. In this important matter we are not yet in sight of danger, and competition between the big units is likely to be as fierce in Canada as it is in other places.

The following table of comparisons showing the standing of the banks in England, Scotland and Canada last year and ten years ago will be of interest in connection with the foregoing:—

	1908.	Per cent. to lia- bilities.	1918.	Per cent. to lia- bilities.
<b>England—</b>				
Banks	50	....	34	....
Branches	4,903	....	6,004	....
Capital and re-serve	£ 82,248,000	10.2	£ 84,475,000	5.5
Deposits	674,660,000	83.5	1,365,297,000	89.2
Total liabilities	806,727,000	....	1,528,631,000	....
Cash, including money on call and on time.	194,134,000	24.1	427,855,000	28
Loans	427,739,000	53	685,677,000	44
Investments	136,765,000	17	339,631,000	22
<b>Scotland—</b>				
Banks	10	....	8	....
Branches	1,178	....	1,242	....
Capital and re-serve	£ 17,280,000	....	£ 16,064,000	....
Notes	7,162,000	5.02	19,023,000	7.9
Deposits	105,787,000	76.5	196,538,000	81.7
Total liabilities	137,562,000	....	240,550,000	....
Cash, including money on call and on time.	25,695,000	18.7	47,788,000	19.8
Loans	69,478,000	50.3	112,159,000	46.5
Investments	33,456,000	24.2	71,584,000	29.6

The proportion of banking offices to population in United Kingdom is about one to each 5,000.

	1908.	Per cent. to lia- bilities.	1918.	Per cent. to lia- bilities.
<b>Canada—</b>				
Capital and rest	\$170,885,203	22.7	\$ 225,608,222	10.1
Circulation	73,058,234	9.7	224,501,117	10.1

	1908.	Per cent. to lia- bilities.	1918.	Per cent. to lia- bilities.
<b>Deposits—</b>				
Dominion gov-ernment	4,343,942	....	254,927,913	....
Provincial gov-ernment	11,622,015	....	14,756,299	....
In Canada	639,899,365	....	1,669,507,617	....
Outside Canada	66,903,834	....	206,845,143	....
Total deposits	\$722,769,156	96.3	\$2,146,036,972	96.5
<b>Total liabilities</b>				
exclusive of capital and reserve	\$750,031,465	....	\$2,222,643,410	....
Discounts and loans	\$546,079,993	....	\$1,238,441,292	....
Loans on bonds and stocks	140,964,171	....	239,368,745	....
	\$687,044,164	91.6	\$1,477,810,037	66.5
<b>Investments—</b>				
Government and municipal de-bentures	\$ 30,104,314	....	\$ 460,453,357	....
Bonds and stocks	44,213,479	....	53,137,962	....
Total invest-ments	\$ 74,317,793	9.9	\$ 513,591,319	23.10
<b>Depreciation</b>				
gold reserve	....	....	130,900,000	....
Total assets	1,001,352,290	133.5	2,689,835,181	125.
Banks	33	....	19	....
Branches	....	....	approx. 3,200	....

Proportion of banking offices to population in Canada is one to each 2,500.

### OCCIDENTAL FIRE INSURANCE COMPANY

The balance sheet of the Occidental Fire Insurance Co., of Winnipeg, as at December 31st, 1918, shows total assets of over \$600,000, compared with \$513,095 at the end of 1917. Compared with the company's balance sheet as at the end of 1913, a reduction in total assets is shown. At that time, however, the uncalled capital stock to the amount of \$330,927 was included on both sides of the balance sheet. When this is deducted an increase in total assets of approximately \$240,000 is shown. The statement is given in full elsewhere in this issue.

Last year premiums, less rebates and cancellations, amounted to \$349,146 as compared with \$298,850 in 1917. The company's loss ratio to net premiums was 38.1 per cent.; this, however, included \$5,000 written off office supplies, which, when deducted, would reduce the expense ratio to 35.7 per cent., which is one-fifth of one per cent. higher than in 1917.

Holdings of Victory Bonds were \$250,000, and the other investments are in good condition. No dividend has been declared, as it is considered preferable to build up a strong reserve. The profits for the year amounted to \$46,127, which has been transferred from the revenue account to surplus, making a total of \$189,477.

The board of directors of the company consists of Mr. Randall Davidson, president; C. A. Richardson, vice-presi-dent and secretary; S. E. Richards, R. Campbell and W. A. T. Sweatman.

The civic tax rate for Ottawa for 1919 as prepared for the city council by the Board of Control shows an increase of 2.8 mills on the dollar, independent of the water rates and school tax rates. The water rates are to be reduced 5 per cent.

# Manitoba Tax Commission Evidence

Many Advocates of Provincial Income Tax, as Being Preferable to Civil Income Tax—Need For Some Understanding as to Division of Revenues is Apparent.

**T**HE Manitoba Taxation Commission, which has been sitting for several days to consider problems of provincial and municipal taxation has received evidence regarding income taxes, property taxes and other sources of revenue. Any provincial legislation of this kind will probably be postponed until this commission has completed its work, which will last for some time yet.

J. W. Harris, former assessment commissioner for Winnipeg, in giving evidence before the commission, held that a provincial income tax would be the only proper method of solving the present taxation situation. The city was under a necessity of getting more revenue and present sources of revenue already bore more than enough. The income tax was the only method that he could see for gaining more revenue, but he would rather see this tax provincial. Mr. Harris stated that he was not in accord with the suggestion that the assessment plan, as operated by Ontario should be adopted.

## Evidence from United States

Mr. J. B. Leenhouts, tax expert from Wisconsin, gave an exhaustive description of the laws governing this very important subject in his state, as well as other portions of America, and dealt with the methods adopted in connection with the enforcement of the systems, and the beneficial results accruing therefrom. He is very enthusiastic as to the practicability and efficiency of the income-tax scheme, though he admitted, when questioned by the chairman, that he knew of no instance in the United States where such a law had been put into operation affecting any city or a single unit of a state, the scheme being always state-wide.

## Business Tax Has Failed

J. B. Hugg, K.C., addressed the commission on behalf of the Canadian Manufacturers' Association. He pointed out that he had represented the manufacturers of Winnipeg before the last commission which sat in 1908, and which was composed of Judge Phippen, A. L. Johnson and W. J. Christie. This commission recommended provisions now contained in the Winnipeg charter under which the business tax is at present levied in Winnipeg and stated that since that time he had watched the taxation situation in Winnipeg. The business tax is a failure, because, firstly, it did not raise sufficient revenue, only producing between \$300,000 and \$400,000 annually, which was less than 10 per cent. of the total taxes collected by the city. It also failed because some classes subject to the tax were unduly burdened by it, as for example retail merchants, while others, like departmental stores, mail order houses and wholesalers, professional and financial men and brokers of all kinds escaped very lightly, while other classes of citizens, who should be taxed, escaped altogether. The business tax as at present levied should be abolished.

## Provincial Income Tax Preferable

When additional revenues are needed to supplement the tax on land the only fair and equitable method to secure them is by an income tax which should apply throughout the whole province and which should not be confined to the city of Winnipeg. A city income tax would, he said, be unfair for many reasons:—

1. A city income tax would give the city taxes which properly should go to other municipalities in the province. Thus residents of St. James, St. Boniface and other urban districts who earn their incomes in Winnipeg would pay a tax to Winnipeg which either wholly or partly should go to the municipalities in which they reside.

2. Wholesale houses, mail order houses, elevator firms, manufacturers and many others whose business establish-

ments are located in Winnipeg, really derive their income from operations conducted throughout the province and a portion of their income tax should go to the support of other portions of the province and not be appropriated by the city of Winnipeg.

3. A city income tax would unfairly discriminate between industries located in Winnipeg and those located in St. Boniface, Selkirk, Portage la Prairie and other urban centres. Why should a flour mill located in Winnipeg pay a heavy income tax while a mill in St. Boniface paid none? A local tax in Winnipeg would tend to lead new industries to locate in municipalities where no tax was payable.

4. Local administration of an income tax is undesirable for many reasons. An income tax requires administration by a provincial board in order that uniform assessments on all income may be made under uniform rules throughout the province.

## Winnipeg Tax Situation

In 1918 the city of Winnipeg collected in taxes \$7,165,394, all of which, excepting the business tax of \$343,156, was levied directly on lands and buildings. These figures only needed to be stated in order to make it clear that the person and corporations who would pay taxes under an income tax do not contribute their just share to the cost of government in Winnipeg. If a provincial income tax were levied a large portion of the tax now levied on land would be lifted from the land, particularly the Patriotic Fund and the municipal commissioner's levy, possibly also a considerable portion of the School Board's levy, which amounted to \$1,444,000 in 1918. These amounts could be provided for by the appropriation of part of a provincial income tax. The additional revenues resulting from the income tax could also be used to meet the impending increased expenditure due to the necessity for increased salaries to civic employees which must be made in order to maintain a fair relation between their salaries and those of other persons in the community and the expenditures which must be made to furnish necessary public services which have not been given during the war.

## Still Use Land Tax

It must be borne in mind that the land should bear its fair proportion of taxes because most of the municipal services are in the nature of a benefit directly affecting the occupant or owner of the land who pays the land tax, and if a land tax is unduly light the owner tends to capitalize value of the land by reason of the services rendered by the municipality and is able to draw a permanent income from this capitalized value or to realize a speculative profit by selling the land. Any change in taxation looking towards the reduction of the land tax should have regard to its effect on land values in the community and no change should be tolerated which will enable speculators to retard the industrial development of the community by holding lands for speculative profits. Great care must also be taken lest by prematurely tapping additional sources of revenue, a new boom in real estate values will be caused which will further retard the industrial development of the city and equal care should be taken that the city, having found new and easy revenues, will not once more start on a career of expenditure such as marked the pre-war era and which is responsible for many of the present difficulties.

Experts in taxation should be summoned to study local conditions at first hand and when local requirements and local conditions are fully understood, to draft tax proposals designed to secure the necessary funds fairly and equitably from all classes involved. When proposals have been put in concrete form they could then be submitted to the various

classes of persons involved for discussion, but in the meantime most of the discussion has proceeded without definite knowledge of facts and conditions.

#### Division of Taxation Needed

R. F. McWilliams stated that the principle of the income tax is thoroughly sound and is rapidly being adopted by all advanced countries, and will probably, in time, become the only form of taxation. "It is consistent with the principle of the ability to pay," he said, "now being recognized as the sound basis of taxation, rather than the principle of service rendered, except in particular cases. The principle, however, must be applied with regard to present conditions and its full existence must be based on conditions which permit of no other form of acquiring wealth than through personal services or interest derived from personal saving. As long as it is possible to acquire wealth by speculation the income so derived should be taxed directly or indirectly and more heavily than a true income.

"The question of an income tax for the city of Winnipeg, or for the province can not be considered apart from the general burden of all taxation paid by the people, whether municipal, provincial or Dominion. At the present time new taxation must be imposed by the Dominion in order to pay the cost of the war, and the amount of taxes necessary for these purposes is so great as to over-balance all other questions of taxation. The war debt of Canada now stands at \$1,400,000,000, on which interest charges will be \$75,000,000, and to this must be added the pension payments amounting to at least \$25,000,000. Speaking in the House of Commons last week, Mr. Carvell placed the additional amount of revenue required at \$150,000,000 a year. Manitoba's share of any Dominion tax amounts to about 8 per cent., so that it will be necessary to impose new war taxes on the people of Manitoba, in some form, to the amount of \$8,000,000 a year.

#### Comparison of Sources

"It is obvious that so large a tax can only be raised upon some very broad basis, and there are only three forms of taxation wide enough to be considered in meeting such an additional tax—viz., increased tariff, a land tax, and an income tax. Paying the war tax by increased tariff taxation would be opposed by the people of this province, regardless of politics, and would bear most unfairly on the consuming population and upon those engaged in the production of natural resources and particularly upon all the west, in other words, upon the very elements that have least accumulated wealth. Further, it is very doubtful whether an increased tariff would produce any additional revenue and by reason of the increase in price of all goods whether imported or manufactured in Canada the result would be the most burdensome form of taxation. All sound economic theory favors direct taxation to the exclusion of indirect taxation as rapidly as public opinion can be educated to it. Similarly the land tax would bear with undue hardship on the newer portions of the country and those least able to bear the tax. The land tax could only be levied upon the basis of the market price of land, and it is recognized in all countries that lands in newer parts are, like everything else, subject to inflation. The price of a home in Winnipeg far exceeds the price of similar accommodation in almost any place in eastern Canada. Further, the land tax properly belongs to those services directly connected with the land and should be reserved for local purposes and bears no relation to the benefits received from the conduct of the war. On the other hand, an income tax will distribute the burden of the war over the entire country in proportion to the ability of the people to pay and would be the most just form of paying for the war, as charging every one in proportion to the product of his energies in a country preserved by the war. Further, it will impose the tax on western farmers, and others whose incomes fluctuate at the time when they are able to make payment, and be light in bad seasons. My contention, therefore, is that the war charges should be paid for by income tax covering the whole of the war charges and applied exclusively to that purpose.

#### Recommendations

"As a practical proposition for immediate action," said Mr. McWilliams, "I recommend the imposition of an increment tax to begin at not less than 10 per cent. I would have the assessment in the city accepted as a true criterion of present prices and have the tax paid on all property as the price advances beyond the present assessment rating. The rate of the increment tax should be raised to 15 per cent., and then 20 per cent., and then 25 per cent., and as much higher as is necessary to prevent any large inflation of the values. The object should be, primarily, prevention, and secondly, income, and the tax should be made stiff enough to effect the result desired. In view, however, of the fact that this kind of taxation was not in the contemplation of any investor, at the time lands were purchased, the tax should not be made so heavy as to decrease the price of land, except as to such properties as have been unduly inflated. A uniform tax would squeeze out such weak properties and put the land back in the hands of the city at a cost equal to the taxes, and this appears to be the only means of solving the present housing difficulty.

#### Higher Provincial Subsidies

"The only suggestion I wish to make in this connection is that careful consideration should be given to the amount of the provincial subsidies. These subsidies were established at Confederation, not as a bounty to the provinces, but as a means of readjusting the balance of revenues and expenditures which resulted from the distribution of the functions of the respective governments. The total of the subsidies was intended to be a proportion of the Dominion revenue, but with the vastly increased revenue of the Dominion, there has not been a corresponding increase in the provincial subsidies. With a careful management of the natural resources and with increases in the rates of succession duty as fast as the several provinces can be persuaded to accept a fairly uniform rate, a proper subsidy should meet all provincial requirements. The provincial addition to the municipal taxes is bad in principle and should be avoided if other means of raising the revenue can be found."

#### LIVERPOOL, LONDON AND GLOBE INSURANCE CO.

The seventy-first annual statement of the Liverpool, London and Globe Insurance Co., Ltd., which was issued last week, shows total assets of \$17,084,397, with unearned premiums and other liabilities of \$12,203,190, leaving a surplus of \$4,881,207.

#### PACIFIC GREAT EASTERN FINANCES

A bill has been introduced into the British Columbia legislature to guarantee a loan secured from the Bank of Commerce on the security of Pacific Great Eastern Railway debenture stock. There are two debenture stock issues of the railway outstanding, the one being first mortgage 4½ per cent. stock and the other second mortgage 4½ per cent. stock.

Part of each issue, to an amount totalling £1,217,522, was pledged by the railway company with the Union Bank of Canada as collateral security for the repayment of a loan of \$4,800,000 at 6 per cent. The Union Bank wished to have this loan repaid, and arrangements were made by the railway with the Bank of Commerce to have the money advanced by the latter. This latter loan becomes due on June 30th, 1919, with interest at the rate of 5½ per cent. At the time of making the arrangements with the Bank of Commerce the provincial government agreed, subject to the approval of the legislature, to guarantee the repayment of the loan. Authority is also given in the bill now introduced to permit of the loan being renewed from time to time with the same provincial guarantee.



# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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## THE OWNER AND THE HOUSING PROBLEM

GIVING evidence before the Manitoba Tax Commission, Mr. G. B. Hugg, K.C., dealt with the position of the owner, something which has not been considered in the extensive discussion which has been given to the housing problem. From the point of view of the tenant, he said, rents are too high and too big an item in the cost of living. On the other hand they did not pay a sufficient return to the owner of property, with the result that building operations have been suspended. There is not a sufficient margin between the rental income and the expenditure on taxes, etc., to yield the owner as large an income as can be obtained from other investments. Evidently investments in housing property will not be maintained if an adequate return to the investor is not assured. The income may, through extraordinary conditions, be reduced for a number of years, but new construction will then cease and sooner or later the shutting off of supply will raise rents to such a level as will again attract investments into new building.

That this has actually been the case with the owner is evidenced by the fact that the Building Owners Association of Winnipeg, the city which Mr. Hugg had more especially in mind, decided at a recent meeting to increase rents. The resolution is as follows:—

"Whereas, The cost of building and maintaining buildings both in material, labor and fuel has increased permanently and substantially in the past several years;

"And whereas, the tax system of Winnipeg imposes about 90 per cent. of all taxes levied in the city on land and buildings, which include patriotic tax, provincial government levies, and the Greater Winnipeg water district levies;

"And whereas, large increases in taxes are assured for this year amounting to an increase on the water district alone from 3.68 mills to 5.81 mills;

"And whereas, the patriotic levy amounting to one and one-half mills was assessed and paid only by real property during the war, and the new provincial government levy imposed during war times, which has been adjusted by the government for the present year on a basis of half a mill for patriotic purposes and two mills for provincial govern-

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ment levy—notwithstanding the impression that when the war was over these direct new charges against land would be discontinued;

"Now, therefore, in order to meet these new charges and to put improved property on a sound basis, it is the opinion of this board that rents should be increased at the expiration of the present leases to keep pace with the increased cost of maintenance and operation, and these new tax levies, and that a campaign of education by rental agents and owners of property would show to the renting population of Winnipeg how fair and just such an increase would be."

## WAGES, RATES AND PRICES

WHAT some workers in the industries of the nation appear to fail to understand is that excessive wages and a reduction in the output of any one group of industrial workers adversely affects all. A case in point is the probable failure of an American steel concern to secure a contract for the furnishing of \$10,000,000 worth of steel rails to China. The prices quoted by the company in question were lower than those of their English competitors, but the difference was more than offset by the more favorable rates from Liverpool to Hong Kong as against the rate between San Francisco and Chinese ports. The British shippers of manufactured goods enjoy a decided advantage, the rate per ton on steel rails being twelve dollars less than the corresponding American charges. The manufacturers of the United States have brought strong pressure to bear upon the Shipping Board, demanding that the British rates, which were reduced 70 per cent. on January 27th of this year, be met by corresponding reductions on this side of the water. The United States Shipping Board state in reply, that the American ships cost to construct three times the normal price and that the British rates cannot be met unless interest on the investment and seamen's wages are sacrificed. Already there is a reduction in some lines in the steel output of American mills amounting to 20 per cent., and if contracts are lost because of high ocean freight rates the steel workers and the companies alike must pay the penalty.

Much the same may be said of railroad rates both in Canada and the United States. Under the application of the MacAdoo award the freight rates on Canadian roads were raised to such high levels as to impose a serious handicap on industry and agriculture. It is estimated that the increases to railway workers for the year 1919 alone will cost the people more than \$800,000,000; and this sum can be secured only from increased taxation or excessively high rates. In the meantime the American government has guaranteed a fixed price on wheat of \$2.26 at Chicago; and, on present crop estimates, one billion dollars will have to be collected from the whole people to make good the difference between the fixed price and the estimated market price. The farmers comprise about one-third the population of the United States and the railway workers some six per cent. The agricultural community exhibits little concern, at present, over high freight rates, rejoicing in its own prosperity. But high prices for farm products will not last, while the prospects are that high wages for railway employes will continue to be paid for years to come—especially under any system of government control or management whereby political pressure can be brought to bear. Estimating the agricultural population of the Republic as stated above, it must carry one-third of the increased wages bill of \$800,000,000 per year. In four years three billion dollars of excess profits in wheat will be wiped out, and their costs of production and of marketing fundamentally altered to their disadvantage. It is thus readily seen that in the United States it cannot be long before manual laborers and artisans, on the one hand, and farmers on the other, come into irreconcilable conflict.

Much has been heard in Canada and the United States, in recent months, concerning the urgent need of maintaining foodstuffs, both breadstuffs and animal products, at high price levels. The result of minimum fixed prices, such as obtain for hogs and wheat just now in the Republic, is merely to keep the cost of living at artificially high figures. This brings pressure to bear upon factory workers, miners and the rest who, in turn, demand impossible wages—impossible, that is, if industries are to be kept operating at full speed. For it is evident that wages and food prices on war levels, together with high freight rates, lay a burden upon manufactures, trade and commerce that is beyond their power to support. Canada's future depends in no small degree in keeping exports of primary and secondary products at high figures. It is safe to say that the producers on this side of the water will not get a very large share of the business of reconstruction in Europe unless they can quote prices to meet those of all competitors—especially British competitors. In any event, France, Belgium, Poland and the other nations that have suffered from war will undertake only strictly necessary work at present price levels. The cost of production for Canadian manufacturers and other producers must come down if unemployment on a large scale is to be prevented.

#### FINANCING CANADIAN INDUSTRY AND AGRICULTURE

**T**HE war has developed many surprising situations but none more so than in the field of finance. There the Dominion has shown power and resource with which few would have credited it before the outbreak of hostilities. New methods and new financial instruments have been devised and applied. In large measure the Canadian people themselves raised the funds essential for the carrying on of industry and the purchase of the country's exportable surplus of foodstuffs. And now, just recently, the government has arranged to finance Roumania to the extent of \$25,000,000 for the buying of supplies in Canada. National finance has, in great measure, usurped the place and the functions of private international finance. Both the United Kingdom and the United States have come to the support of their European Allies with immense sums, designed not only to win the war but to aid these stricken countries in achieving stability in their economic life. It has become

common custom to assert that the great financiers and economists were wrong in their predictions as to what would follow, in the business world, upon a declaration of war; but events have demonstrated that these predictions in the main, were sound—that the credit and industrial interests of the world, at bottom, are one.

Canada undoubtedly assumes great risks in lending such vast sums to Roumania and in the following up of that programme elsewhere. Nevertheless, it becomes clear that the stronger financial nations will be obliged to come to the support of the weaker if industry and labor are not to suffer everywhere. It is of imperative importance that the Dominion's export trade in manufactures and agriculture be maintained at a high level. The country has made great economic gains during the course of the struggle; Mr. R. H. Coats estimating that national savings during 1918 alone amounted to \$800,000,000. Nevertheless, the Dominion's external indebtedness in August 1914, was not less than three thousand million dollars; and to meet the interest and principal thereof it is of the utmost importance that exports be continued at the highest possible figures. To secure orders from abroad for the country's basic industries, as well as to finance domestic requirements, the Dominion should rely as far as possible upon its own resources and economic power.

Negotiations are being pushed rapidly forward for the supplying of foodstuffs to the people of the Central Powers. It is expected that German holders of foreign approved securities will be required, by their own government, to hand them over to aid in purchasing the necessary supplies. The United States expects to get a large share of this business and find in Germany and Austria a considerable market for the wheat and other breadstuffs that its agricultural population was producing for the Allies. It is to be hoped that Canadian agriculture will benefit by such transactions also. If at all possible the exportable supplies of manufactured products and foodstuffs sent by Canada to Europe should be disposed of on this basis, where the countries concerned cannot pay cash. It must be admitted, however, that if Canadian producers are to get their fair share of the goods required by the European market the financing of the transaction must be conducted by our own government or through credits granted by the United Kingdom and the United States.

Upon the right solution of this, and similar problems, will depend in great degree the industrial stability of the country. It is safe to say that public international finance, having played so large a role during the war, will not be discarded for a considerable period after the signing of peace. It can assume risks that are beyond the power of private finance to sustain. Our readers will recall, for example, how Carranza appealed in vain to Wall Street for \$75,000,000 or \$100,000,000 dollars. Such a loan would have brought order out of the economic chaos into which Mexico had fallen, and from which it seemed almost impossible for the country to extricate itself notwithstanding that the rival revolutionary factions had been crushed. Carranza was compelled to issue large amounts of irredeemable legal tender notes, a measure that merely made a bad situation worse. There followed the confiscation of private property and extortionate, almost confiscatory, taxation upon the oil and mining properties of British and American investors. It is plainly in the interests of Great Britain and the United States to prevent similar conditions developing among the war-worn and poverty-stricken nations of Europe.

Admitting that the home market is the most important one for our manufacturers, it does not suffice for agriculture. During the war private enterprise could not be relied upon to grapple unaided with the tremendous problems in industry and agriculture that confronted the nation. The task was too great for any single group of interests. To find profitable markets and the money for Canadian products may rest mainly upon private enterprise, but certainly the government cannot ignore the problem. And if the Dominion must finance the sale of part of the nation's exportable surplus abroad every means should be taken to safeguard the soundness of the transaction.

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Established Over 100 Years

Capital Paid up - - - - \$16,000,000  
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 Undivided Profits, \$1,901,613  
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Head Office - Toronto

Capital, \$15,000,000 Reserve Fund, \$15,000,000  
 Total Assets over \$440,000,000

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INCORPORATED 1855

Capital - - \$5,000,000  
 Reserve Funds - \$6,625,623

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ESTABLISHED 1875

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CAPITAL PAID UP - \$7,000,000

RESERVE FUND - 7,000,000

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THE MANAGER, BOND DEPARTMENT,  
 TORONTO

## PERSONAL NOTES

MR. ROBERT ADAIR has been elected a director of the Royal Bank of Canada.

MR. T. A. GALE has been appointed manager at the Sudbury, Ont., branch of the Sterling Bank.

SIR EDMUND WALKER, president of the Canadian Bank of Commerce, is leaving for Japan. He will be absent for several months.

MR. F. S. KUMPF has been appointed managing director of the Dominion Life Assurance Company. He was for some time assistant manager of the company.

MR. D. H. MCDUGALL, president of the Nova Scotia Steel and Coal Company, has been elected president of the Canadian Mining Institute for the coming year.

MR. J. W. W. STEWART, managing-director, and Mr. J. A. Macfarlane, A. I. A., secretary and actuary of the Monarch Life Assurance Company, were visitors to Vancouver recently on an annual inspection trip.

CAPTAIN THOMAS FORWOOD, Q.O.R., a member of the Toronto Stock Exchange and of the firm of Tomenson, Forwood and Company, is home this week after three years and a half service in France, where he was with the 58th Battalion.

MR. W. W. SYMONS has been appointed assistant manager at the main Vancouver branch of the Bank of Montreal. He was previously employed as accountant under the management of Mr. Campbell Sweeny, late manager and superintendent of British Columbia branches.

MAJOR E. D. SUTHERLAND, for many years assistant auditor-general, has been appointed to succeed the late John Fraser as auditor-general of Canada. Mr. Fraser, who died in Florida last week, had been absent from the capital for some time, Major Sutherland acting as auditor-general.

LIEUT.-COLONEL GEORGE T. CHISHOLM, of the firm of Osler and Hammond, returned from the war this week and will soon take up his former work. Col. Chisholm has been in the army for more than four years, having gone overseas as commanding officer of the 92nd Highlanders, and later being transferred to the Imperial forces. Latterly he was Area Commander of the 6th corps, and spent the last six weeks in Cologne.

MR. K. KARASAWA, a representative of the Hypothec Bank of Japan, visited Montreal, Ottawa and Toronto recently. This bank has its principal office in Tokyo and a branch office in Osaka. Mr. Karasawa has been about three years in the United States as a representative of this bank and has left for Europe from where he will return to Japan by way of India. He is making a special investigation of banking systems in other countries and also of trust company and mortgage loaning business.

## OBITUARIES

MR. ANDREW NEWLANDS, one of Galt's prominent manufacturers, died this week from influenza and pneumonia.

MR. JAMES C. SHOOK, manager of the Dickson Lumber Company, Peterboro, died last week after an illness of about five months.

MR. W. C. CRAWFORD, for four years a prominent insurance man in Chatham, Ont., and prior to that for many years the leading merchant and for some time mayor of the town of Tilbury, died at Chatham this week after two days' illness, following a stroke.

MR. JOHN H. THOM died recently in Toronto. For forty years he was the chief taxing master at Osgoode Hall, and until within a few months of his death was active in the discharge of his duties.

## NEW DEPARTMENT OF UNION BANK

Mr. J. H. Hodgins has been appointed manager of a new statistical department in the Union Bank of Canada, at Toronto. Mr. Hodgins is being transferred from the New York agency, where he organized a statistical department two years ago, to take up the larger work of the new department. Prior to joining the New York staff of the Union Bank, he was well known as a Canadian newspaper man, having been on the editorial staffs of Kingston, Toronto and Montreal papers. He was for five years in financial journalism in Montreal, being at one time financial editor of the Montreal "Herald."



Statistical departments are important features of the New York banks, acting as aids for the foreign branches. The new department of the Union Bank in Toronto no doubt will function for the branches of the bank abroad, as well as for the branches throughout the Dominion.

## ADDITIONAL BOND ITEMS

Messrs. G. A. Stimson and Company of Toronto, were the successful bidders for the purchase of \$5,086.11, five per cent. town of Thessalon bonds. There were several tenders received. These bonds were issued for local improvement purposes.

The town of Amherstburg, Ont., has sold an issue of \$25,000 six per cent., bonds, payable in 20 instalments. The price paid was 102.207, and at this price they are on a basis of about 5.73.

Tenders will be received by A. J. Pritchard, town treasurer, Weston, Ont., up till March 28th, for the purchase of \$60,000, six per cent. 30 instalment, public school debentures.

## BANK MERGER AWAITS CONSENT

The arrangements for the purchase of the Bank of Ottawa by the Bank of Nova Scotia are now complete, awaiting the consent of the governor general in council. The shareholders of the Bank of Ottawa approved of the purchase at a meeting held on March 4th. It is not necessary for the shareholders of the Bank of Nova Scotia to approve of the purchase as the bank act provides that this is necessary only where an increase in the capital stock of the purchasing bank is required.

Aldred and Co., Ltd., have completed arrangements in connection with the opening of a Paris office. This is established at No. 1 Rue des Italiens, and is in charge of Mr. P. Bon de Sousa, a vice-president of the company. This step is taken, looking forward to there being much greater reciprocity in investment of capital than has hitherto existed between France and the United States and Canada.

ESTABLISHED 1865

# Union Bank of Canada

**Head Office - WINNIPEG**

Paid-up Capital - - - - \$ 5,000,000  
 Reserve - - - - - 3,600,000  
 Total Assets as at Nov. 30th, 1918, over 153,000,000

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290



# THE BANK OF NOVA SCOTIA

**Capital paid-up - \$ 6,500,000**  
**Reserve Fund - 12,000,000**  
**Total Assets over 150,000,000**

**HEAD OFFICE - HALIFAX, N.S.**

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Capital paid up - \$4,000,000  
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3

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62 in Ontario	14 in Western Provinces

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**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; The American National Bank, San Francisco; First and Security National Bank, Minneapolis; First National Bank, Seattle.

# Grand Trunk Pacific in Government Hands

**Management, Unable to Meet Further Payments, Turns Road Over to Dominion Government as Principal Creditor—Minister of Railways is Receiver—Operation Continuous—Grand Trunk Acquisition Problem Now Accentuated.**

ON March 9th, the Grand Trunk Pacific Railway was taken over by the Dominion Government as a consequence of a notification received from the management of the road a few days previous to the effect that it was no longer able to meet its financial obligations. Hon. J. D. Reid, minister of railways, was appointed receiver, and operation of the road did not cease. The following official statement was issued:—

"Hon. J. D. Reid, Minister of Railways, has been appointed receiver of the Grand Trunk Pacific Railway System. The appointment follows an official notification which Sir Thomas White received on Thursday from the vice-president of the Grand Trunk Pacific Railway Company—a notification that, in view of the fact that the increased rates applicable to the Grand Trunk Pacific Railway have not been sufficient to meet the increased operating expenses, it would not be possible for the company owing to lack of funds, to continue its operation beyond March 10th.

"In view of this notification, it became necessary that the government should, in the public interest, immediately take steps to insure the continued operation of the system. Under existing legislation this could not be accomplished by an application to the courts for the appointment of a receiver. The war measures act, however, was found to provide adequate authority for action by the government, and consequently an order-in-council was passed appointing the Minister of Railways receiver of the Grand Trunk Pacific Railway System, which includes the branch lines, telegraph, steamships, hotel and development and other companies. Mr. W. P. Hinton, general manager of the Grand Trunk Pacific Railway System, has agreed to conform to the requirements of the order, and to facilitate the carrying out of the powers and duties required of the minister as receiver. The immediate object of the order, viz., to prevent interruption in the operation and management of the system, has therefore been already attained.

"An important feature of the order-in-council is that which preserves to the government any other and ultimate remedies which it possesses under the provisions of trust mortgages securing issues which it has guaranteed or otherwise as creditors of the system. Similarly, the rights and remedies of other parties are not interfered with by the order.

"The acting prime minister will on Monday make a full statement to the House respecting the matter. He will lay upon the table a copy of the order-in-council, and read the correspondence leading up to and connected with the action taken by the government. Legislation will be at once introduced for the purpose of obtaining the sanction of parliament to what has been done.

"In February the government informed the officials of the Grand Trunk and the Grand Trunk Pacific Railway Companies that it was not the intention of the government to ask parliament to provide a further vote for the Grand Trunk Pacific Railway while the negotiations with the Grand Trunk Railway 'remain in their present unsatisfactory condition.'"

## The Order-in-Council

On Monday the acting premier laid upon the table of the House the order-in-council appointing Hon. J. D. Reid as receiver of the railway, and also stated that a bill would be shortly introduced validating the action of the government. The war-measure order-in-council recites the fact that last year \$7,500,000 was voted by parliament to secure the continued operation of the line, and that this purpose would be defeated should the company suspend. It next quotes the letter of Mr. F. Scott, vice-president and treasurer. Reference is made to the need of the service for the

conveyance of passengers, returned soldiers, freight and the country's commerce, and the authority of the war measures act is cited.

The minister of railways is appointed receiver, and on the authority of the exchequer court he is empowered to issue receiver's certificates, which are to have priority over other claims. They are a first charge on the revenues. There is a further technically worded provision whose purpose is to maintain intact the rights now possessed both by the government and the holders of bonds guaranteed by the company as well as maintaining the obligations of the company. If the Grand Trunk should default on future bond interest, the right of the bond holders to apply to the exchequer court for a receivership is fully maintained, but the present receiver is entitled to be heard, having regard to the public interest involved. Rights of seeking foreclosure and other privileges of the bond holders are continued. Heavy penalties are provided for any officers or employees who should fail to exercise their functions as directed by the receiver. Borrowings by the receiver from the consolidated fund are authorized. All the books for the transfer of Grand Trunk Pacific are to be closed. The order embraces not only the Grand Trunk Pacific, but all the branch, subsidiary, hotel, steamship and development companies. The operation by the receiver is to be wholly distinct from the national railway system.

## Position of the Grand Trunk Pacific

The Grand Trunk Pacific Railway Company was chartered in October, 1903, by the Dominion of Canada to construct a railway from Moncton, N.B., through the cities of Quebec and Winnipeg to Prince Rupert, B.C. The total length was to be 3,549 miles, exclusive of branches. The section from Winnipeg to Prince Rupert is complete and is owned by the Grand Trunk Pacific. According to an act passed in 1903, known as the "National Transcontinental Railway Act," the Canadian government was to construct the eastern division of the Grand Trunk Pacific. This line from Moncton to Winnipeg has also been completed.

The mileage actually taken over is, therefore, 1,746. The new arrangement will not alter the responsibility of either the Grand Trunk Railway Company or the government under existing mortgages or guarantees of bonds. The Grand Trunk Railway Company has long been anxious to rid itself of its obligations in respect of the Grand Trunk Pacific. As long ago as December, 1915, Chairman Smithers, writing to the prime minister, asserted that the Grand Trunk would find it quite impossible to meet the extra liabilities arising from the Grand Trunk Pacific Company. He proposed that the Grand Trunk Railway should retire altogether from the transcontinental enterprise and that it should transfer to the government the twenty-five million dollars' worth of Grand Trunk Pacific common stock it held. In return, he contended, it should be relieved of all liability for interest upon Grand Trunk Pacific bond issues and for all deficits in Grand Trunk Pacific operation, and should be repaid any money advanced to the Grand Trunk Pacific Railway Company or its subsidiary corporations. This proposition the government did not accept. Later it did open negotiations looking to the absorption into the government railway system of the Grand Trunk and the Grand Trunk Pacific on the basis of an annual payment computed upon the average for a period of years of dividends paid upon stock issues of the Grand Trunk Railway Company other than the common stock.

The Grand Trunk Railway and its branch lines, according to the Drayton-Ackworth report, in the year ending December 31st, 1916, showed a net income on operation of

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\$826,000 before meeting any fixed charges. Since then, until the year ended December 31st, 1918, cost of operation has about balanced revenue. Last year, however, there was a deficit of about one million dollars on operation alone, it is stated.

#### Its Financial Obligations

The obligations of the Grand Trunk Pacific amount approximately to \$200,000,000, represented by a lengthy list of issues of bonds, debentures and notes and five cash loans by the government. These are secured by five mortgages as follows:—

First mortgage, \$69,000,000, guaranteed by the government.

Second mortgage, \$23,000,000, guaranteed by the Grand Trunk Railway Company.

Third mortgage, \$25,000,000, guaranteed by the Grand Trunk Railway Company.

Fourth mortgage, \$50,000,000, guaranteed by the Grand Trunk Railway Company.

Fifth mortgage, \$33,000,000, securing loans made by the Dominion government.

The Dominion government has made in all five loans to the company, ten million dollars in 1909, fifteen millions in 1913, six millions in 1915, eight millions in 1916, and seven and a half millions in 1917, a total of \$46,500,000. The direct investment of the Dominion government up to June, 1916, in the Grand Trunk Pacific enterprise by way of subsidies, purchases of bonds and loans was estimated by the Drayton-Ackworth report at \$70,311,716. Since that time the loans of 1916 and 1917 have been made to the company.

### AUTOMOBILE UNDERWRITERS' ASSOCIATION

#### New Organization Will Adjust Rates and Endeavor to Reduce Losses—Covers Ontario and Quebec

A NEW association has been formed of the companies writing automobile insurance which will replace two old associations, the one composed of companies writing fire and transportation and theft, and the other of companies writing the liability covering. During the last few years, a number of companies have had their licenses extended, permitting them to write several classes of insurance, and it is now found that a number of companies are writing all kinds of automobile insurance. It is believed that the new association will permit of a better exchange of experience, and result in rates which will be more closely adjusted to the actual results than has been the case in the past. The tariff issued by the new association makes a substantial reduction in the rates which have been fixed in previous years upon pleasure cars, and a still further reduction upon commercial cars.

There have been some radical changes in the charges for theft, which is a hazard that has been growing very steadily. Notwithstanding this, however, the new association has fixed rates about the same as in previous years, but has provided reductions in the rates when the car is of an easily distinguished type, such as a sedan or a limousine, and also a reduction if it is a touring car and equipped with an approved locking device. There is also a reduction in the rate for fire insurance if a proper fire extinguisher is carried on the car.

In several cities of the United States, the thefts have become so numerous that the companies have been forced to greatly increase their rates and in nearly all the large cities across the border the theft rate is from two to three times that charged in Ontario, while, in addition, there are half a dozen cities where the thieves have become so bold and the authorities have apparently made no effort to stop their practices, so that the rates have been still further increased by about 50 per cent. above the ordinary city rate, which would make the rates in those places from three to five times the rate charged in Ontario.

The new association expects to secure the co-operation of the Ontario Motor League and the Department of Justice of Ontario, so that effective steps will be taken to stop the theft of cars. If this should fail and the thefts continue, the companies will be forced to greatly increase the theft

rates. It is understood that the energetic president of the Motor League, Mr. J. J. Gibbons, is a believer in co-operation along preventive lines, and it is hoped that with his help an increase in theft rates will be unnecessary.

It is expected that reductions will be made in the liability rates for cars which are owned and usually kept in the smaller towns and country districts at a reasonable distance from the larger cities, and where the owner only occasionally visits the larger cities for business or pleasure. At the same time, he would be protected wherever he might be, whether in any part of Canada or the United States against the liability to the public in the event of injuring any pedestrian.

#### Standard Policy Adopted

The association has also adopted a standard form of policy, which is the same as the form adopted in the United States after very careful consideration by all interests involved. The conditions of the automobile policy are clear and distinct, and are drawn with special reference to the insurance automobiles, being in that respect a decided improvement upon the practice of using the ordinary standard fire policy which was prepared for the insurance of ordinary property and which contains clauses which are not at all applicable, such provision as, for instance, if more than one gallon of gasoline is kept without permission the policy would be void. It is understood the new association intends to collect statistics so as to adjust the rates as closely as possible to the hazards, and wherever possible to give the public the benefit and so popularize the insurance on automobiles to a greater extent than has been in the past.

The president of the association is Mr. John B. Laidlaw, of the Norwich Union Fire Insurance Co., Toronto; the vice-president for Ontario is Mr. W. T. Perry of the Ocean Guarantee and Accident; the vice-president for Quebec is Mr. John Jenkyns, of the Employers' Liability, of Montreal. The work of the association for the time being does not extend beyond these two provinces. Mr. J. H. King is secretary, and offices have been secured at 8 Colborne Street, Toronto.

The new tariff issued by the association is applicable commencing March 1st. Annual policies only are permissible. All cars are divided into five groups according to their age. Each of these groups is again divided into pleasure, commercial and electric divisions. Rates are then given for each of these divisions in proportion to the value of the car. Separate rates are specified for fire and transportation on the one hand and for theft on the other.

### WINNIPEG FIRM OPENS INVESTMENT BRANCH

An investment department has been opened by Messrs. Allan, Killam and McKay, Ltd., of Winnipeg. They will now deal in government and municipal securities in addition to their ordinary business of handling insurance, real estate, stocks, loans and farm lands.

The department will be in the care of Mr. Lawrence W. Hicks, a member of the firm.

### BANK BRANCH NOTES

The Bank of Hamilton has opened a branch at Milo, Alta., in charge of Mr. A. McIvor.

The Dominion Bank has made an offer for property at Brantford and will probably establish a branch there within a short time.

The Bank of Hamilton has purchased the four-story building at Portage Avenue and Carlton Street, Winnipeg. Possession will be assumed next May.

The Bank of Montreal has opened a sub-agency at Whitney Pier, Sydney, N.S., to be known as "Whitney Pier branch," under the management of Mr. W. A. Tucker. The bank has also opened a sub-agency at 332 Portage Avenue, Winnipeg, under the management of Mr. C. B. L. Simpson.



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# BANK OF HAMILTON

HEAD OFFICE, HAMILTON

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CAPITAL PAID UP .....	3,000,000
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#### BRITISH COLUMBIA

# Ontario Estimates Greatly Increased

**Budget Speech of Provincial Treasurer Announces Discontinuation of Provincial War Tax—Surplus in 1918—Province Now Has Net Debt of Four Million.**

HON. T. W. McGarry, provincial treasurer of Ontario, gave his budget speech in the legislature on Thursday, March 6th. The principal features of his address were the surplus for 1918, the statement that the tax on municipalities would be given up; and the large expenditures planned for 1919. A few years ago Ontario had no net debt; now it has a net debt of \$4,000,000. The treasurer said:—

"In twelve months ending October 31, 1918, the province of Ontario received in actual cash from ordinary revenue \$19,270,123, as compared with \$18,269,000 in 1917, an increase of \$1,000,000. The ordinary expenses in 1918 were \$17,460,404, compared with \$16,500,000 in 1917. Last year, deducting the ordinary expenditure from the ordinary receipts, there was left \$1,809,719, the largest surplus in the history of the province. Last year it was \$1,750,000. Although the money markets were not of the best, and the demands upon the government during the year were many, the year closed with the greatest cash balance known, of \$5,195,244."

Sir William Hearst has been prime minister now for four years, and he proceeded to show how the finances of the province had improved during that period. In 1915 the ordinary revenue was \$12,900,000, the net expenditure \$12,700,000 and the surplus \$271,000; in 1916 the ordinary revenue was \$13,800,000, the ordinary expenditure \$12,700,000 and the surplus \$1,135,000; in 1917 the ordinary revenue was \$18,269,000, the ordinary expenditure \$16,500,000 and the surplus \$1,751,000. The last year the surplus was \$1,809,719. This made a total of \$4,937,000 in four years, probably more than in any twenty previous years. The increase, he said, was not because of severe legislation or of any attempt to endanger the happiness of the public, but by legislation and taxation whereby the wealthier people, the people who were reaping the benefits from the carrying on of the affairs of the country and the people who violated the laws of the country were made to pay.

## Revenue in Detail

The receipts from forests and mines had been increased from \$2,700,000 in 1904 to \$3,579,000 last year, and the succession duties had been increased from \$450,000 in 1904 to \$3,157,000 last year. He explained that the latter amount had been greatly increased during the last three years, whereby the province could appoint a commission to ascertain the correct value of estates. As a result the returns from two estates were increased last year by \$125,000. The amusement tax for the year had netted \$531,000. The receipts from the motor vehicles branch had grown from \$1,200 in 1904 to \$1,214,093 last year. From the department of game and fisheries they had increased from \$47,000 in 1904 to \$493,000 last year. The provincial war tax for the last year totalled \$2,054,212. Mr. McGarry explained that this surplus did not include any receipts from war tax, because not only had all the money been spent that had been received in that way, but more money had been paid out for war purposes. Increases shown for the year by motor licenses were \$280,000; by public institutions, \$330,000; by game and fisheries department, \$270,000; by casual revenue, \$530,000; by the hydro-electric, \$227,000; and by the Timiskaming and Northern Ontario, \$50,000. Altogether the total increase in those receipts was \$1,781,000, and the decreases were \$781,000, principally in the department of crown lands.

Expenditures had also increased, he admitted, in response to increased requirements.

The province closed the year, said Mr. McGarry, with a balance in the bank of \$5,195,244. The liquid assets were \$71,000,000, the total liabilities \$75,000,000, and the net debt \$4,000,000. The provincial treasurer turned aside for a moment to criticize the United Farmers and their supporters for statements they were alleged to have made, that Ontario's

debt was \$75,000,000. He cautioned them next time to refer to the other side of the ledger and see what offset the debt.

The province had assets of \$71,000,000 which it could convert into cash immediately. In addition to that amount there is \$22,000,000 invested in public buildings, most of it during the last fifteen years, which would make a total of \$93,000,000. In addition the province had assets of \$503,000,000 in natural resources. Altogether, therefore, the assets were \$600,000,000, as against a total debt of \$75,000,000. The province had never gone into anything that required a large expenditure that it was not felt would result in benefit to the people of Ontario; nor had the government ever gone into any scheme that did not promise a return to the province either immediate or remote.

## Borrowings

Mr. McGarry next turned to the matter of loans which he had secured during the last year. During the last fiscal year \$15,000,000 had been borrowed. Early in the year it was impossible to borrow money either in Canada or the United States, because huge loans were being floated by the Federal government. Then the Dominion finance minister fixed the interest rate at 6½ per cent., because some provinces were paying more than that. It had been necessary then for Ontario to borrow \$2,500,000 at that rate. Since the end of the fiscal year he had been able to do better in raising a loan. He had gone to New York to get \$1,000,000, and secured the money at less than 5½ per cent. Exchange was bought on Toronto by us and the net cost to the government for the money for six months was 1.82 per cent. Contrasted with this was the loan floated by the Manitoba government for \$1,000,000 at 5½.

In addition to that the government had made another loan, the money being chiefly required for capital expenditure and Hydro-Electric undertakings, at 5½ per cent. for three years, with the privilege to renew it at the end of that time. He said he was convinced that it would be folly for a government at the present time to enter into obligations for a long period at prevailing interest rates. At the end of three years he believed the financial market of Great Britain would be open to the province. Before the war, he said, Ontario had to pay more for money in England than the Dominion, as it was on the trustee list. Because of the British North America Act making it only possible for the Dominion government to disallow provincial acts, Ontario could not avail itself of an amendment made in the British regulations. The matter had been discussed at the conference of provincial ministers at Ottawa last fall, and Sir Thomas White had promised to take the question up with the proper authorities.

Dealing with the various government commissions, the speaker said that last year the Workmen's Compensation Board had dealt with 47,000 cases, and paid out to workmen and widows \$3,518,000. The revenue of the Timiskaming and Northern Ontario for the year was \$2,800,000, the total expenses \$2,390,000 and the net earnings \$429,000. The total loss upon the Timiskaming and Northern Ontario up to this time has been something like \$900,000; added to that will be a loss this year of between \$500,000 and \$600,000. "If during 13 years the road has cost us \$100,000 a year, and during the next few years it costs us half a million dollars, it was worth undertaking and it will prove that it is valuable to the province of Ontario," said Mr. McGarry. It was desirable that the government should own the road for the opening of that part of the country and the settling of the northern part of the province. He was convinced the road could be sold for every dollar invested in it.

Last year the Hydro-Electric had spent altogether \$8,350,000, the chief amounts of which were: Niagara system, \$1,781,000; Chippawa development scheme, \$5,187,000; Severn

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system, \$377,600; St. Lawrence system, \$142,000; Eugenia system, \$231,000; Central Ontario system, \$641,000; Rideau system, \$151,000; constructing lines and maintenance, \$188,000. It is estimated that next year the expenditures of the Hydro will be \$11,000,000, said the speaker, most of which would be divided between work near Port Arthur, in eastern Ontario and on the Chippawa scheme. Dealing with the demands on the treasury for the coming year, Mr. McGarry said that in addition to the \$11,000,000 for Hydro, \$4,000,000 would be needed to carry on capital expenditures under way now. Then there will be \$3,000,000 bonds maturing in New York in the fall, so that \$17,000,000 would have to be borrowed. Mr. McGarry also referred briefly to the success the government had achieved in selling fish to the people at cost. While previously the amount of fish consumed in Ontario amounted to only a few thousand pounds, last year the department had sold 3,000,000 pounds. The people of the province were saved \$500,000, and the department had a profit of \$14,000.

Mr. McGarry next told briefly of the results of the seed grain loans which the government had made. In 1917 \$160,000 had been loaned, and in 1918, \$154,000 was advanced. All told, \$93,000 was still unpaid, and there might be some loss in connection therewith. However, the organization of resources and the banks had paid out the money, and they still hoped to collect some of it. The motion picture bureau had been established, and during the year 70 educational films had been made, mostly for agricultural purposes. "I don't know of any class of people to whom has been brought home the actual expenditure of money in their interests as it has been brought home to the farmers," said Mr. McGarry. "If the farmer does not want to go to the agricultural college, we have a district representative in the towns on whom the farmers can call and get information."

#### Estimates for 1919

The minister next dealt with the estimates for the present year. The total estimated receipts were \$18,408,428, divided as follows: Subsidy, \$2,396,378; interest on common school funds and investments, \$200,000; lands, forests and mines department, \$2,750,000; public institutions, \$600,000; education department, \$63,000; provincial secretary's department, \$200,000; motor vehicles licenses, \$1,500,000; agriculture, \$150,000; casual revenue, \$500,000; insurance department, \$74,050; amusements tax, \$750,000; succession duties, \$2,750,000; Corporation Tax Act, \$1,800,000; Ontario Temperance Act, \$200,000; law stamps, \$125,000; game and fisheries, \$500,000; Timiskaming and Northern Ontario earnings, \$250,000; Hydro-Electric Power Commission interest, etc., \$1,600,000; provincial war tax, \$2,000,000.

The estimated expenditures for the fiscal year were \$14,980,406, of which \$1,766,500 is on capital account, including \$200,000 for an addition to the Parliament Buildings. The \$14,980,406, he said, did not include statutory expenditure, and there would be further supplementary estimates, including the \$11,000,000 for Hydro-Electric purposes.

#### Deficit Next Year?

"It may be that, although we have been able to have a surplus of nearly five millions, there will be a small deficit next year," warned Mr. McGarry. "If there is, it will be because we are prepared to carry on with reconstruction and repatriation work to the limit. In addition," continued Mr. McGarry, "there would be \$5,000,000 spent on highways, and \$5,000,000 under the housing scheme, although the latter would be advanced by the Dominion government, but the province had promised \$2,000,000 for that purpose; there would also be \$1,000,000 spent on roads, bridges and other construction work, and \$1,000,000 on Timiskaming and Northern Ontario extensions."

Referring again to the \$11,000,000 estimated for the Hydro expenditures, Mr. McGarry said that the government had behind it the municipalities, and the benefit of their undertakings.

Mr. McGarry reserved his comments on the war tax until the last. In 1915, he said, he had introduced a Provincial war tax bill. At that time he had announced that every dollar secured by the tax would be spent on war purposes. During the four years ending October 31, \$8,000,000 had been received, and \$8,400,000 had been spent. Up to the present time, however, \$9,900,000 had been spent, or \$1,100,000 in excess of what had been received. The minister gave the principal details of the expenditure, including: Orpington Hospital, \$1,359,000; Canadian Patriotic Fund, \$2,000,000; Soldiers' Comforts, \$362,000; British Navy and Relief of Belgians, \$477,000; production campaigns, \$740,000; farm tractors and increased production, \$503,000; fuel investigation and control, \$108,000.

Supplementary estimates tabled in the legislature on March 6th by Hon. T. W. McGarry totalled \$3,370,285. This is an increase of \$1,448,498 over last year. This brings the total for the fiscal year ending October 31, 1919, including the main estimates tabled last session, up to \$14,980,406. Later in the session further supplementary estimates will be brought down for statutory and Hydro expenditures. The greatest single increase in the estimates is for technical education, \$214,000 being provided, as against \$98,958, which naturally foreshadows an extension in this department of school training.

#### Opposition Criticism

Mr. C. M. Bowman, the Opposition financial critic, discussed the treasurer's budget speech on Tuesday, March 11th. He declared that if the budget had been made up as it used to be, a deficit of \$1,545,488 would be shown instead of a surplus of \$1,800,000. Mr. Bowman first pointed to the manner the war expenditure had been dealt with in the books. During the year the total war expenditure was \$3,600,000. The amount of war taxes that came into the provincial treasury was \$2,000,000. The difference of \$1,591,406 had been placed in capital expenditure. Mr. Bowman objected to this, contending that it was not a proper treatment of the amount to transfer it from ordinary expenditure to capital expenditure, as had been done by the treasurer. In former years, he said, all that expenditure was dealt with as current expenditure.

Mr. Bowman then went on to explain his reasons for saying that a deficit should have been shown this year instead of a surplus. The ordinary receipts as reported by Mr. McGarry were \$19,270,123. On the other side of the ledger was the ordinary expenditure, including the total amount for war expenditure (including the amount placed in the capital column by the treasurer) of \$19,051,811.

"In order to arrive at a true statement of the actual results of this year's business, according to the manner in which the financial statements were prepared under the Liberal administration and by Col. Matheson for some few years after he became provincial treasurer, I add to that amount the expenditure on additions to public buildings of \$475,146.26; also the amount expended on Northern Ontario development of \$645,446.15, and the amount which appears in the statement as having been spent on capital account on highway improvement—\$642,208.72, making a total of what I claim is current expenditure of \$20,814,612.17, as against \$19,270,123.71, or a deficit of \$1,544,488.46."

#### BRITISH COLUMBIA MAY INCREASE COAL TAX

The British Columbia provincial government intends to increase the tax on coal. The tax is now 10 cents per ton, and will probably be made 15 cents. The coal companies will be allowed to retain the privilege of paying either the income tax on profits or the tonnage tax, whichever is the greater.

The Canadian Trade Commission has issued invitations to manufacturers to attend a conference at Ottawa for the purpose of forming groups through which information secured by the commission may be communicated to the trades.

**DIVIDEND No. 91**

Notice is hereby given that a dividend of two and one-half per cent. (2½%) has been declared upon the paid up capital stock of this Corporation for the quarter ending March 31st, 1919, being at the rate of ten per cent. (10%) per annum, and that same will be payable on and after the first day of April, 1919.

The Transfer Books of this Corporation will be closed from Thursday, March 20th, to Monday, March 31st, 1919, both days inclusive.

By Order of the Board

A. D. LANGMUIR,

Toronto, March 4th, 1919.

General Manager.

**THE  
TORONTO GENERAL TRUSTS  
CORPORATION**

Hon. Featherston Osler, K.C., D.C.L., *President.* A. D. Langmuir,  
*General Manager.* W. G. Watson, *Asst. Gen. Manager.*

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General Manager

Lieut.-Col. G. H. DORRELL

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## ALBERTA TELEPHONES IN 1918

Net Earnings Estimated at \$619,918—Exchange and Rural Plants Not Self-Supporting

THE net earnings of the Alberta government telephones in the year 1918 were \$619,918, according to the annual report of Superintendent W. R. Pearce, handed in to Norman L. Harvey, deputy minister of railways and telephones, for submission to the legislature. The gross earnings of the system for the year totalled \$1,393,543.

From this total are to be taken \$529,964 for operation costs, \$236,273 for maintenance, and \$7,386 for extraordinary repairs, a total of \$773,625, leaving the net earnings at the figure set forth above, \$619,918.

The total capitalization of all the lines is placed at \$9,758,970, divided as follows: Toll lines, \$2,136,845; exchanges, \$4,057,024; rural lines, \$2,687,064; buildings and sites, \$504,462; vehicles, \$15,134; office equipment, \$26,379; material, tools, etc., \$332,040.

The plants are divided into the following sections:—

Toll lines, capitalization, \$2,348,110; earnings, \$590,150; per cent. earned, 25.13.

Exchange capitalization, \$4,458,131; earnings, \$530,610; per cent. earned, 11.90.

Rural organization, \$2,952,729; earnings, \$197,345; per cent. earned, 6.68.

## Not Self-Supporting

Mr. Harvey, in his report to the premier on the subject in reference to these figures, says: "It will be noticed from the general superintendent's report that the percentages of gross earnings on capital of both exchange plant and rural plant are very low—as a matter of fact, these two plants are not self-supporting. It is hoped, however, by adjustments to be made during the present year, that these discrepancies will be remedied." This statement probably refers to the proposal for increased rates, the decision on which already has been announced. The superintendent's report shows that interest, sinking fund and miscellaneous payments totalled \$470,364 for the year, leaving a total earned reserve for the lines of \$145,553.

The report also shows there was expended during the year \$753,085 in plant additions, of which \$215,458 was for exchanges, \$98,046 for buildings and sites, \$70,175 for toll lines, while \$334,043 is credited to stock on December 31st, 1918; the balance being made up of rural lines, custom work, and motor vehicles, and office equipment. Under the statement of capital account there is given \$344,188 for stock on January 1st, 1918, and \$450,300 for capital expenditure, 1918, a total of \$794,403.

## ST. THOMAS UTILITIES LOSS

The annual financial statement of the public utilities of the city of St. Thomas, made by the city auditor, shows that the Hydro-Electric for the year 1918 had a profit of \$12,223.91, the waterworks \$437.95, the municipal railway had a deficit of \$11,171.75, and the gas department a deficit of \$9,223.54. The amount of taxes not collected are \$86,628.27.

## TORONTO SCHOOL INSURANCE

The Toronto school trustees have placed insurance on school buildings amounting to a total of nearly three million, not including the insurance on the Technical School, among the hundred and more insurance companies. This must always be done about March 1st every three years. The insurance as placed was made of \$2,409,150 on public schools, \$317,250 on collegiate institutes, \$3,800 on old buildings on the technical school branch sites, \$78,000 on High School of Commerce, and \$130,500 on general administration.

## INCREASE IN NOVA SCOTIA REVENUE

Shown in Provincial Legislature—Increase in Motor Vehicle Tax Probable

AT the afternoon session of the Nova Scotia legislature on March 4th, Premier Murray laid upon the table of the House the report of the department of the provincial secretary during the year ended September 30th, 1918. "The scope of the department," said Premier Murray, "had been much enlarged during recent years, and included a variety of subjects. Last year there had been incorporated 122 companies, a small decrease as compared with 1917, but, with the resumption of normal business conditions, a marked increase in the number of companies applying for incorporation was apparent. In addition to the joint stock companies, the department had the supervision of the incorporation of rural telephone companies, farmers' fruit associations and fishermen's unions. Last year annual registration fees were paid in respect to 977 companies."

## Increase Motor Vehicle Tax

Premier Murray said that the province might not be getting sufficient revenue out of automobiles. Only slight legislative changes might remedy this, and he did not think that it would be a hardship upon the owners of motor vehicles. The Automobile Society of Nova Scotia would probably be willing to assume a larger responsibility with the hope that increased revenue would mean greater road improvement.

The report also stated that certificates to act as agents or brokers in soliciting life or accident insurance were issued to 771 persons. There is also found in this report a list of the companies that have paid fees under the Supplementary Revenue Act, and the amounts thereof. A list of the various officials, such as registrars of deeds and of probate, judges of probate, prothonotaries, clerks of the county court and sheriffs, together with the amounts of fees received by them, is included. In addition to the fees so specified, the province received last year as a new source of revenue and collected by these officials the sum of \$19,596.

## Revenue is Growing

The department revenue for the past year was \$268,678.02, which showed the very substantial increase of \$101,397.24 over the previous year, and which is the largest revenue that has been collected through the department. The major portion of this increase comes from fees in respect of motor vehicles.

The Crown lands report was laid on the table of the House by Hon. O. T. Daniels. The actual total receipts of the office of Crown lands and for searches amounted to \$24,109.53. The expenditure of the department was \$8,931.55, thus leaving a net surplus for the year amounting to \$15,077.98.

The total amount of taxes under the Land Tax Act for the year 1918 was \$31,173.49, and the total amount collected up to the end of the fiscal year was \$29,551.25.

## CANADIAN NATIONAL RAILWAYS GROW


A further addition has been made to the Canadian National Railway system by the purchase on March 4th of the Quebec and Saguenay Railway. This line, which runs from Murray Bay to Cape Tourmont, Quebec, a length of 68 miles, will presumably be added to the combined system. The sale was arranged with the Quebec Railway, Light, Heat and Power Company, which owns all of the \$2,500,000 capital stock, and the \$3,000,000 bonds of the railway, but the actual transaction took the form of an auction sale in Montreal on Tuesday. The only bid was that of the Dominion government, the price being \$3,489,314. At a meeting of the directors held immediately afterwards, it was decided to accept the government's offer. The bid of the Dominion government was authorized at the last session of parliament.

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**CANADA PERMANENT MORTGAGE CORPORATION**  
QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of TEN PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable **TUESDAY, THE FIRST DAY OF APRIL** next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board.  
GEO. H. SMITH, Assistant General Manager  
Toronto, February 26th, 1919.

**The Ontario Loan and Debenture Co.**  
DIVIDEND No. 127

Notice is hereby given that a QUARTERLY DIVIDEND of 2¼ PER CENT. for the three months ending 31st March, 1919, (BEING AT THE RATE OF 9 PER CENT. PER ANNUM) has been declared on the paid up capital stock of this Company, and will be payable at the Company's Office, London, Ontario, on and after the 1st April next, to Shareholders of record of the 15th March.

By order of the Board.  
A. M. SMART, Manager  
London, Canada, 25th February, 1919.

**The Hamilton Provident and Loan Society**

Capital Subscribed .. ..	\$2,000,000.00
Capital Paid-up .. ..	1,200,000.00
Reserve and Surplus Funds ..	1,228,840.35
Total Assets .. ..	4,579,472.98

**Debentures** issued for terms of from one to five years at highest current rate of interest.

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Trustees and Executors are authorized by Law to invest Trust Funds in the Debentures and Savings Department of this Society.

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Paid-up Capital, \$1,250,000                      Rest, \$900,000                      Total Assets, \$4,855,958

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W. WEDD, Jnr., Secretary.                      V. B. WADSWORTH, Manager

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**The Canada Trust Company**  
Branches—London, St. Thomas, Windsor, Winnipeg, Regina, Edmonton

**THE TORONTO MORTGAGE COMPANY**  
QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of Two per cent., being at the rate of Eight per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after **1st April, 1919**, to shareholders of record on the books of the Company at the close of business on 15th inst.

By Order of the Board.  
Toronto, 6th March, 1919.                      WALTER GILLESPIE, Manager..

**TORONTO PAPER MFG. COMPANY, LIMITED**  
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## SASKATCHEWAN MUNICIPAL HAIL INSURANCE

### Effort Will be Made to Build Up Reserve Fund and to Find Plan of Supplementary Insurance—Excess Levy at End of Season

THE annual convention of the Saskatchewan Municipal Hail Insurance Association was held in Regina last week. The association decided to take advantage of the new legislation, empowering the use of an excess seeded acreage levy to supplement the flat rate of four cents an acre, provided the flat rate is not sufficient to cover the losses. While the amendment to the act made this a compulsory provision for 1920, and thereafter, its adoption was made optional by the legislature for the current year. The association decided, however, to place a limit of twenty-five cents an acre as an excess seeded levy.

The convention also decided that during years of light losses the directors should commence the accumulation of a reserve fund in order to enable the association to spread heavy losses over a period of years. C. M. Hamilton, of McTaggart, suggested that the aim should be to accumulate a couple of million dollars in the course of time. The resolution read as follows:—

"That the board of directors be empowered to accumulate, when conditions warrant, a reserve fund for future protection."

A third important decision of the convention was to provide, "that the directors be requested to use their best endeavors to have the act amended to permit minorities to have the benefit of the municipal hail insurance;" in other words, the principle of permitting individual farmers in municipalities which vote out of the hail insurance scheme to secure the benefit offered by municipal insurance, was approved. It was also decided that the directors should look into the question of formulating some scheme which would enable the farmers to operate for themselves, as a joint stock company, or in some other form, insurance supplementary to the municipal hail insurance.

#### Directors' Report

The directors' report gave a brief review of the work of the board during the year just closed, showing that five meetings were held during the year, in addition to seven meetings of the executive. The report spoke of the harmonious work of the board and the satisfactory work of the inspectors, especially those employed on a more permanent basis.

The auditors' report sets forth the following statements for the financial year: Receipts and payments, revenue account, tax adjustment reserve fund and balance sheet. The balance sheet showed a surplus brought forward from revenue account amounting to \$39,462.80, but this was more than offset on the other side under assets by an item of \$115,324.32 for total arrears of assessment, penalties, etc., due the association from various rural municipalities.

#### Example on New Amendment

In illustration of the workings of the new amendment, E. G. Hingley, manager of the association, cited the case of a man with 160 acres of land with 120 acres under crop. For this, under the new scheme, he would have to pay 4 cents an acre flat rate on the 160 acres. With 40 acres of the cropped land exempt, he would be liable for the excess rate on 80 acres which would be paid after the losses had been determined. Supposing the excess rate worked out at 5 cents an acre, the total cost of protection on the 160 acres for the year would be \$10.40. The suggestion was made that this method of assessing would involve additional labor for the secretary-treasurers, but Mr. Hingley pointed out that the question of the assured's interest was the foremost consideration.

Mr. Hingley said that the farmer might withdraw his land from the operation of the hail insurance act altogether, or he must accept the entire scheme as it stood. In the case of withdrawal he would not be entitled to the protection afforded by the 4 cent flat rate, but, on the other hand, speculators' land, while not subject to the excess seeded rate, could not be exempt from the flat rate of four cents in any

municipality operating under the act. He further pointed out that the amount of 40 acres exempt applied to all the holdings of one individual and was not the amount exempt per quarter section. That is to say, a man owning a section of land would still have only forty acres exempt from the excess rate.

The question of the date of making the excess levy and also of payment of indemnities was raised. Mr. Hingley replied that they would probably not be able to make the excess levy until after September 15.

#### Joint Stock Company

Murdo Cameron, in speaking of the formation of a farmers' joint stock company, or of some other organization among the farmers, to furnish supplementary hail insurance, said that in the past six years nine million dollars had been paid out by the farmers of Saskatchewan to private hail insurance companies and most of this money had gone out of the country. Leaving out of account the amounts paid out in indemnities in 1916, he declared that about 33 per cent. of the total collected had been paid back to the farmers in indemnities; cost of administration was responsible for another 33 per cent., leaving a balance of 33 per cent. as profit for the line companies. Including the 1916 indemnities, out of a total of nine million dollars collected from the farmer the line companies had paid back something over four millions. He did not see why the farmers themselves should not reap the benefit of this money. Mr. Cameron announced himself in favor of the policy of building up a surplus and stated in reply to the argument that this was making provision for a future generation; he said that it should be their aim to leave the world a little better than when they entered it. The successful mutual life insurance companies were providing reserves and in this way were able to set their rates in advance, and there was no reason why the same policy should not be pursued in the operation of hail insurance. He was satisfied that what the people wanted was positive insurance.

#### Additional Insurance

R. J. Moffat, Bradwell, raised the question of additional insurance. He characterized the amount of money being sent out of the province as insurance premiums as nothing less than a calamity, when this money might be retained in the country and used for development purposes. He was of the opinion that some scheme should be devised to enable the farmers themselves to handle a supplementary insurance scheme. He moved a resolution that the directors be empowered to formulate some scheme to enable the farmers to secure additional hail insurance, and the resolution was carried.

The three retiring directors were re-elected for another three-year term by acclamation, as follows: Murdo Cameron, M.L.A., Saskatoon; J. W. Cairns, Carnduff; and C. M. Hamilton, McTaggart.

## ALBERTA SEED GRAIN LEGISLATION

Two seed grain bills passed through committee of the Alberta legislature on February 26th. The Hon. A. G. MacKay, minister of municipalities and health, stated that he knew the guarantee of loans was dangerous for both the province and the municipalities, but that they had to afford some relief. The first bill discussed was entitled: "An act to facilitate the borrowing of money for the purchase of Seed Grain." It permits the adding to any mortgage on land, of an undertaking to repay for a loan advanced for seed grain by the original mortgagee to the person farming the land. The undertaking is to be simple and inexpensive and gives the mortgagee a lien upon the crop for which the seed is advanced.

The other bill is to permit the renewal of notes and guarantees for advances for seed grain to farmers who had crop failures last year and were unable to pay off last year's notes. The renewal note embodies the principal amount equal to the principal and accrued interest remaining due and unpaid on the previous note.



Commenced Business 1901 Received Dominion Charter June 17th, 1908

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Under the control of

The North British and Mercantile Insurance Company

### Balance Sheet as at December 31st, 1918

#### ASSETS.

Cash in Bank .....	\$ 46,879.30
Agents' Balances .....	63,004.17
Losses Recoverable .....	14,295.08
	<u>\$124,178.55</u>
Debentures:—	
Book Value .....	\$367,473.40
Less Amount Reserved in Accord- ance with Dominion Govern- ment Valuations .....	6,987.40
	<u>360,486.00</u>
Loans on Mortgages .....	102,978.20
Interest Accrued .....	8,857.08
Real Estate .....	6,000.00
Mortgage Charges Recoverable .....	102.20
	<u>\$602,602.03</u>

#### LIABILITIES.

Losses under Adjustment and Adjustment Expenses outstanding .....	\$ 9,847.99
Amount Retained on Account of Re-Insur- ance .....	83,699.77
Sundry Creditors .....	4,436.07
Taxes, Commissions, etc., Accrued .....	10,096.64
	<u>\$108,080.47</u>
Reserve for Unearned Premiums .....	130,281.89
	<u>\$238,362.36</u>
Total Liabilities to the Public .....	
Capital and Surplus:—	
Capital Authorized and Subscribed, 5,000 Shares of \$100 each .....	\$500,000.00
Capital Paid Up .....	\$174,762.70
Surplus:—	
Amount at Credit 31st December, 1917 .....	\$143,349.90
Transferred from Re- venue Account .....	46,127.07
	<u>\$189,476.97</u>
	<u>\$364,239.67</u>
	<u>\$602,602.03</u>

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.

#### BOARD OF DIRECTORS:

RANDALL DAVIDSON, President.  
C. A. RICHARDSON, Vice-President and Secretary.  
S. E. RICHARDS.  
R. CAMPBELL.  
W. A. T. SWEATMAN.

We Own and Offer

## 7% Cumulative Preferred Shares

# Loew's Ottawa Theatres,

## Limited

PRICE: 100

With each 7% Preferred Share the Purchaser will receive a bonus of One Share of Common Stock.

#### CAPITALIZATION

7% Cumulative Preferred Shares Authorized. (Par Value, \$100) .....	\$1,000,000	To be Issued. \$500,000
Common Stock (Par Value, \$25)....	860,000	650,000

The Cumulative Preferred Stock is preferred both as to assets and dividends, and at the option of the Company is redeemable at \$115 per share, and accumulated dividends. No Bond issue can be made by the Company except with the consent of the holders of 66 2-3% of the Preferred Stock outstanding.

This Company has been formed to build a Theatre to supply Ottawa with HIGH-CLASS VAUDEVILLE entertainment, at popular prices, coupled with the latest and best Photo-plays. It will be operated and managed in conjunction with Loew's successful houses in Toronto, Montreal, Hamilton and the principal cities of the United States.

The Toronto, Montreal and Hamilton Theatres were financed and built in the same manner, viz.: By the sale of Preferred Stock carrying a bonus of Common Stock. In the five years of operation the Preferred Stock of the Toronto Company has paid 35 per cent. in dividends (7 per cent. per annum) and the Common Stock 49 per cent., or an average of nearly 10 per cent. per annum, and the net earnings will permit of a further increase in dividends.

#### ASSETS

LAND—The Company has purchased the property at the south-west corner of Bank and Queen Streets, with a frontage of 100 feet on Bank Street and 200 feet on Queen Street. The excellent location of this property, with entrances both on Bank and Queen Streets, and in the heart of Ottawa's principal retail district, is a valuable asset that should in-

crease in value. Provision for four stores will add not less than \$6,000 per annum to revenue from property.

The total cost of land and building will be in the neighborhood of \$650,000, which will be financed out of the proceeds of this issue, together with a long-term mortgage for \$150,000. The Preferred issue will be amply covered by actual assets.

MANAGEMENT—The success of any undertaking depends essentially on good management. Loew's Ottawa Theatre will be operated under a long-term agreement by the Marcus Loew Booking Agency of New York, who will have entire charge, as in Toronto, Montreal and Hamilton.

#### EARNINGS

It is estimated that the minimum net earnings will take care of the Preferred Share Dividends at least three times over, with a net surplus remaining of \$80,000, which would be equivalent to almost 18 per cent. on the Common Stock.

Advance orders indicate an over-subscription. Further allotments will be made in the order of application. Reservations may be made by telegraph at our expense.

**GRAHAM SANSON & Co.**

INVESTMENT BANKERS  
Members Toronto Stock Exchange  
85 BAY STREET, TORONTO

Phone Main 388-389

**T.A. Richardson & Co.**

Investment Securities  
Royal Bank Building, Toronto, Ont.

Phone Adel. 4732

## GUELPH TRUST COMPANY

The second annual report of the Guelph Trust Co. has just been made public and will be submitted at the annual meeting to be held in Guelph, Ontario, on May 7th. This company is under the same direction as the Guelph and Ontario Investment and Savings Society, the manager of both being Mr. J. E. McElderry. Assets totalling \$310,551 are now shown including mortgages to the amount of \$171,550; Dominion of Canada bonds, \$65,691; and municipal debentures, \$85,331. Apart from the paid-up capital stock of \$292,500, the only liabilities are an accrued dividend, a reserve fund of \$5,000 and a balance of \$5,738 in profit and loss.

The results for 1918 showed earnings of \$26,728, including a balance of \$3,129 brought forward from 1917; \$14,625 was paid out in dividends, \$4,798 transferred to reserve fund and a balance of \$5,738 carried forward. The company's funds are invested in first mortgages on improved real estate bonds of the Dominion of Canada, and municipal debentures. Its business is, of course, managed in connection with that of the Guelph and Ontario Investment and Savings Society. It is authorized and approved for appointment by the courts as executor, administrator, trustee, receiver, liquidator, assignee, guardian or committee in Ontario. The company's authorized capital is \$1,000,000, of which \$361,500 has been subscribed. The existence of local institutions, such as these two companies, in comparatively small cities indicate the growing financial resources of these old communities.

## BEST YEAR FOR BRANDRAM-HENDERSON

Notwithstanding the larger expenses that must necessarily have occurred during the past few years, the earnings of Brandram-Henderson, Ltd., have steadily increased. During the year 1918 they were the largest on record. This year's statement is for a period of thirteen months in order to enable the company to have its fiscal year correspond with the calendar year. The earnings for thirteen months of \$238,133 compare with \$221,429 for the year 1917. As compared with the 1914 total, there is an increase of \$107,658, or 82.5 per cent. Depreciation charges amounted to \$17,500, made up of the usual allowance of \$7,500 and \$10,000, set aside for a contingency in connection with the Halifax disaster, which may possibly not develop. The bond interest at \$24,431 was slightly higher, owing to the extra month in the calculations, while sinking fund requirements accounted for \$19,300 and war tax \$13,767, leaving \$163,135 for the preferred stock, or equal to 32.6 per cent. on that issue, compared with \$126,820, or 25.3 per cent., in 1917. In this connection the satisfactory development of the company is again illustrated by the fact that in 1914 the earnings on the preferred were equal to only 15.1 per cent. on outstanding preferred stock of only \$350,000 as compared with \$500,000 presently outstanding.

The distribution on the preferred stock called for \$35,000, leaving for the common stock \$128,135, or 13.2 per cent., compared with \$91,280, or 9.4 per cent., in 1917. Payment on the common stock called for \$38,800, leaving a balance for the year of \$89,335, which, added to the previous balance of \$412,184, made the total profit and loss surplus at the end of 1918 equal to \$501,519, an amount in excess of the total outstanding preferred stock, and equal to 51.7 per cent. of the common stock, compared with \$412,184, or 42.4 per cent., in 1917.

The balance sheet shows an increase in the value of plant, etc., from \$1,785,920 in 1917 to \$1,827,223 in 1918, while investments at \$129,772 compare with \$3,630 the previous year. In this connection it is pointed out by the president, George Henderson, that the increase is due to the purchase of the Alberta Linseed Oil Co., Ltd., which makes the company self-supporting in the matter of linseed oil, one of the most important raw materials it employs. This subsidiary is capitalized at \$300,000, all the stock being owned by the Brandram-Henderson Co., with the exception of five shares allotted to the incorporators.

## CITIES SERVICE ISSUE

The offering of \$300,000 Cities Service Company Bankers Shares by a syndicate, of which Henry L. Doherty and Company and Montgomery and Company were managers, has been completed by the distribution of the shares offered. The demand for the Cities Service Bankers Shares from the purchasing public was large and the offering was heavily oversubscribed. This issue of Cities Service Bankers Shares was made in response to a general request from brokers and dealers and purchasers of securities that some plan be arranged whereby Cities Service Company common stock might be obtainable in smaller denominations than the shares of \$100 par value, which are now selling around \$350 per share. Each ten Cities Service Bankers shares represent one share of Cities Service Company common stock of \$100 par value which has been deposited with the Bankers Trust Company, New York, under a trust agreement. Holders of Bankers Shares may at any time upon notice surrender their Bankers Shares to the depository and secure therefor one share Cities Service Company common stock of \$100 par value for each ten Bankers Shares surrendered.

## OTTAWA GAS COMPLETES NEW PLANT

Arrangements have been completed by the Ottawa Gas Company for the sale to Royal Securities Corporation, Montreal, of \$850,000 par value Ottawa Gas Company six per cent. 20-year refunding mortgage sinking fund gold bonds. The new issue is guaranteed absolutely as to principal and interest by the Ottawa Light, Heat and Power Company. Proceeds of the sale will provide the Ottawa Gas Company with funds for completing the construction of its new water gas plant, which has a capacity of 1,000,000 cubic feet per day. It is expected that the new plant will be completed in approximately 90 days, and with its operation the Ottawa Gas Company will possess one of the most modern and up-to-date gas plants in America, with a total capacity of about 900,000,000 cubic feet per annum. The new financing will place the Ottawa Gas Company in the same position as the Ottawa Electric Company, in regard to having in reserve a sufficiently large capacity to ensure its consumers against any interruptions in the supply of gas in Ottawa.

It is probable that the bonds will be offered privately by Royal Securities Corporation within the next few weeks, at which time further details of the financing will be forthcoming.

## GLENS FALLS INSURANCE COMPANY

Assets of \$7,908,544 are shown in the statement of the Glens Falls Insurance Company, of Glens Falls, New York, as at December 31st, 1918. Of this total about 55 per cent. is invested in bonds and stocks including war bonds of the United States to the amount of over \$1,300,000, and war bonds of the Dominion of Canada to the amount of \$150,000. Mortgage loans amount to \$1,588,434; cash in banks and home office \$921,949, and uncollected premiums \$772,827. The reserve for unearned premiums is \$3,569,543, and this, added to the other liabilities, including capital stock to the amount of \$500,000, reaches a total of only \$5,331,802. This leaves a surplus of \$2,576,742, indicating the excellence of the security from the policyholder's point of view and also from the investor's point of view.

This company was founded in 1849 and is now, therefore, in its 70th year of business. During this period its assets, reserves and net surplus have shown practically a continuous growth. The company writes a general business including fire, marine, automobile and tornado insurance. Its chief agent in Canada is Mr. W. H. George, of Toronto. At the end of 1917 it held assets in Canada solely for the protection of Canadian policyholders to the amount of \$285,412, including \$193,900 of bonds and debentures on deposit with the receiver-general valued at the market. The reserve for unearned premiums at the same time was \$130,843, or carried out at 80 per cent., \$104,675. Total liabilities in Canada were \$139,894.

300,000  
**Cities Service Company**  
**Bankers Shares**

Representing Its  
**Common Stock**

**Bankers Trust Company, New York, Depository.**

*We summarize from a letter of Henry L. Doherty, President of Cities Service Company, containing a description of Cities Service Company Bankers Shares as follows:*

There has been deposited, under an agreement with Bankers Trust Company, New York, Depository, 30,000 shares, par value \$100 each, of Cities Service Company Common Stock. The agreement provides, among other things, for the issuance of non-voting Certificates, in registered form, to be known as "Bankers Shares," against the Cities Service Company Common Stock so deposited, each such "Bankers Share" representing a one-tenth (1-10) interest in a share of Cities Service Company Common Stock of \$100 par value.

Holders of "Bankers Shares" will have the right upon notice to the Depository to surrender their "Bankers Shares" and receive therefor one (1) share of Cities Service Company Common Stock, \$100 par value, for each ten (10) "Bankers Shares" surrendered.

The agreement provides that Cities Service Company or Henry L. Doherty and Company, its Fiscal Agents, shall have the exclusive right to deposit additional shares of Common Stock from time to time against which additional "Bankers Shares" may be issued.

Cities Service Company is at present paying monthly cash dividends of 6% per annum and monthly stock dividends at the rate of 12% per annum on its \$100 par value Common Stock.

The agreement will provide for the sale of all stock dividends received on the deposited Cities Service Company Common Stock, and the disbursement of the proceeds from such sale, together with the cash dividends received on the deposited stock, in the form of a cash distribution on the "Bankers Shares" to be issued. At the present dividend rate and market price of Cities Service Company Common Stock, there should be available approximately forty cents on each "Bankers Share" per month.

Distributions to holders of "Bankers Shares" will be payable, under the present dividend policy of Cities Service Company, on the first of each month, commencing April 1st, to shares of record on the fifteenth day of the preceding month.

**Henry L. Doherty & Co.**      **Montgomery & Co.**  
New York                              Philadelphia                              New York

*All the above Stock having been sold, when, as, and if issued and delivered to us, this advertisement appears as a matter of record only.*

# Guelph and Ontario Investment and Savings Society

Incorporated A.D. 1876.

## DIRECTORS

A. B. PETRIE, Manufacturer, Guelph and Hamilton, President.  
 H. HOWITT, M.D., Guelph, First Vice-President.  
 GEORGE D. FORBES, Manufacturer, Guelph and Hespeler, Second Vice-President.  
 CHARLES E. HOWITT, Retired Banker, Guelph.  
 J. E. McELDERRY, Guelph.  
 W. E. PHIN, Contractor, Hamilton.

## FORTY-THIRD ANNUAL REPORT December 31st, 1918.

The Directors of the Guelph and Ontario Investment and Savings Society present to the Shareholders their report for the year ended December 31st, 1918.

After paying interest on deposits and debentures, war taxes, and all other charges and expenses, the net profits for the year amounted to \$123,506.43, to which is to be added the balance brought forward from the previous year, viz.: \$41,008.33, making a total of \$164,514.76, which has been apportioned as follows:—

Dividend No. 84, paid 2nd July, 1918 .....	\$40,796.80
Dividend No. 85, payable 2nd January, 1919.....	42,302.11
Added to Reserve Fund .....	50,000.00
Amount carried forward .....	31,415.85

The Reserve Fund now amounts to \$789,435.00, the paid-up Capital Stock is \$847,847.90, and the total assets of the Society are \$4,409,255.38.

The securities held by the Society have been carefully examined by the Board and found very satisfactory. Payments on mortgages were well met during the year.

Our investments in the Dominion of Canada War Loans amount to \$577,323.57.

The sum of \$1,500.00 was subscribed by the Society to the Canadian Patriotic and Red Cross Funds in 1918.

The accounts have been audited each month, and the Auditors' Report is presented herewith.

All of which is respectfully submitted.

A. B. PETRIE, President.

## Financial Statement for the Year Ending December 31st, 1918

### PROFIT AND LOSS

DR.	CR.
Dividend No. 84 .....	Balance brought forward .....
Dividend No. 85 .....	Earnings on Investments, Rents, Exchange, Interest on
Interest on Deposits and Debentures .....	Bank Accounts, etc. ....
General Interest .....	
Commissions .....	
Land Inspection and Travelling Expenses .....	
Municipal and Government Taxes and License Fees....	
War Taxes paid .....	
War Tax accrued under The Special War Revenue Act, 1915 .....	
Reserved to pay War Tax under The Business Profits War Tax Act, 1916 .....	
Grant to Canada Patriotic and Red Cross Funds.....	
Expenses, including Directors' Fees, Auditors' Salaries and Inspector's Salary .....	
Transferred to Reserve Fund .....	
Balance carried forward .....	
\$319,046.58	\$319,046.58

### ASSETS AND LIABILITIES

**The Assets are as follows:**

Mortgages, Government Bonds and Municipal Debentures .....	\$3,817,811.48
Paid-up Capital Stock of The Guelph Trust Company (par value) .....	258,000.00
Dividend payable January 2nd, 1919, on stock of The Guelph Trust Company .....	6,450.00
Loans on this Society's paid-up stock .....	15,042.33
Loans on this Society's debentures .....	8,920.71
Loans on Dominion Government Bonds .....	2,015.12
Office Premises .....	\$20,000.00
Expended on Improvements to Office Premises 19,321.56	39,321.56
Real Estate other than Office Premises owned by the Society .....	37,372.61
Cash in Bank of Montreal, Guelph .....	194,546.32
Cash in Bank of Montreal, London, England .....	11,103.24
Cash on hand .....	18,632.01
Rents accrued .....	40.00
\$4,409,255.38	

**The Liabilities are as follows:**

Savings Deposits .....	\$ 569,252.11
Currency Debentures .....	1,818,881.04
Sterling Debentures .....	162,535.92
Interest accrued on Deposits and Debentures .....	51,309.18
War Taxes accrued .....	6,276.27
Loan from Bank of Montreal on 1918 Victory Bonds .....	90,000.00
\$2,698,254.52	
\$1,711,000.86	

### The Surplus Assets (Liabilities to Shareholders) are composed of:

Amount paid on Capital Stock .....	\$ 847,847.90
Dividend payable January 2nd, 1919 .....	42,302.11
Reserve Fund .....	789,435.00
Balance of Profit and Loss Account.....	31,415.85
\$1,711,000.86	

J. E. McELDERRY, Managing Director.

We have audited the books and vouchers of the Guelph and Ontario Investment and Savings Society monthly during 1918 and found them correct. We have also examined the Mortgages and calculated the value and earnings of the Mortgages, Municipal Debentures and Government Bonds, checked the Savings Department and Debenture balances, proved the Bank balances, and certify that the foregoing Balance Sheet is a correct statement of the Society's affairs at December 31st, 1918. All our requirements as Auditors of the Company have been fully complied with.

J. W. KILGOUR  
 J. M. SCULLY, F.C.A. } Auditors.

# The Guelph Trust Company

(Managed in Connection with the Guelph and Ontario Investment & Savings Society)

## DIRECTORS

CHARLES E. HOWITT, Retired Banker, Guelph, President  
 GEORGE D. FORBES, Manufacturer, Guelph and Hes-  
 peler, Vice-President  
 A. B. PETRIE, Manufacturer, Guelph and Hamilton  
 H. HOWITT, M.D., Guelph  
 J. E. McELDERRY, Guelph  
 W. E. PHIN, Contractor, Hamilton

## SECOND ANNUAL REPORT DECEMBER 31st, 1918

The Directors of the Guelph Trust Company present to the Shareholders their report for the year ending December 31st, 1918.

After paying all expenses the net profits for the year amounted to \$22,234.05, to which is to be added the balance brought forward from the previous year viz., \$3,129.00, and premium on stock \$201.67, making a total of \$25,363.05, which has been apportioned as follows:—

Dividend No. 2 paid 2nd July, 1918 .....	\$7,312.47
Dividend No. 3, payable 2nd January, 1919 .....	7,312.50
Transferred to Reserve Fund (premium on stock) ..	201.67
Transferred to Reserve Fund from profits .....	4,798.33
Amount carried forward .....	5,738.08

The Company's funds are safely invested in first mortgages on improved real estate, bonds of the Dominion of Canada and Municipal Debentures. The securities have been carefully examined by the Board and found very satisfactory.

The accounts have been duly audited, and the Auditors' Report is presented herewith.  
 All of which is respectfully submitted.

CHARLES E. HOWITT,  
 President.

## Financial Statement for the Year Ending December 31st, 1918

DR.		PROFIT AND LOSS ACCOUNT		CR.	
Dividend No. 2 .....	\$ 7,312.47	Balance brought forward .....	\$ 3,129.00		
Dividend No. 3 .....	7,312.50	Premium on Capital Stock .....	201.67		
Expenses .....	1,364.91	Earnings on Investments .....	20,192.51		
Transferred to Reserve Fund—(Premium on stock) .....	201.67	Commissions, Fees, Rent of Safe Deposit Boxes, Interest on Bank Account, Ex- change, etc. ....	3,204.78		
Transferred to Reserve Fund from profits ..	4,798.33				
Balance carried forward .....	5,738.08				
	<u>\$26,727.96</u>				<u>\$26,727.96</u>

## ASSETS AND LIABILITIES

Liabilities to Shareholders.		Assets.	
Capital Stock subscribed \$361,500.00, on which has been paid .....	\$292,500.49	Mortgages of real estate .....	\$171,549.89
Dividend No. 3, payable January 2nd, 1919 ..	7,312.50	Bonds of the Dominion of Canada .....	65,691.36
Reserve Fund .....	5,000.00	Municipal Debentures .....	35,330.51
Balance Profit and Loss Account .....	5,738.08	Cash in Royal Bank of Canada .....	35,771.85
		Cash on hand .....	2,143.22
		Interest accrued on Bank Account .....	64.24
	<u>\$310,551.07</u>		<u>\$310,551.07</u>

J. E. McELDERRY, Managing Director.

We have audited the books and vouchers of the Guelph Trust Company to December 31st, 1918, and found them correct. We have also examined the mortgages and calculated the value and earnings of the Mortgages, Municipal Debentures and Government Bonds, proved the Bank balances, and certify that the foregoing Balance Sheet is a correct statement of the Company's affairs at December 31st, 1918. All our requirements as Auditors of the Company have been fully complied with.

Guelph, January 29th, 1919.

J. W. KILGOUR,  
 J. M. SCULLY, F.C.A., } Auditors.

# BRANDRAM-HENDERSON LIMITED

## Statement of Assets and Liabilities at 31st December, 1918

### ASSETS.

Fixed:		
Real Estate, Buildings, Plants, Equipment, Goodwill and Patent Rights	\$1,827,223.90	
Capital Stock of the Alberta Linseed Oil Co., Ltd., and other investments, less reserves	129,772.82	
Total Fixed Assets		\$1,956,996.72
Current:		
Merchandise	\$ 919,809.09	
Accounts Receivable	453,336.25	
Bills Receivable	1,970.80	
Cash on hand and in banks	6,906.41	
Total Current Assets		1,382,022.55
Deferred Charges		3,987.39
		<u>\$3,343,006.66</u>

### LIABILITIES.

Fixed:		
Capital Stock, Common	\$970,000.00	
Capital Stock, Preferred	500,000.00	
		\$1,470,000.00
Bonds	363,000.00	
Bond Redemption Reserve	137,000.00	
Bond Premium Account	3,864.85	
Reserve for Depreciation	65,000.00	
		<u>\$2,038,864.85</u>
Current:		
Loans from Bank	\$ 444,706.64	
Bills Payable	42,349.52	
Accounts Payable	287,529.55	
Reserve for Dividend on Preferred Stock payable January 2nd, 1919	8,750.00	
Reserve for Bond Interest	5,519.56	
Reserve for War Tax	13,767.24	
Total Current Liabilities		802,622.51
Surplus		501,519.80
		<u>\$3,343,006.66</u>

GEORGE HENDERSON }  
T. SHERMAN ROGERS } Directors.

Audited and verified in accordance with our report.  
P. S. ROSS & SONS, Chartered Accountants.  
Montreal, 15th February, 1919.

### To the Shareholders of BRANDRAM-HENDERSON, LIMITED:

Your Directors submit herewith their Twelfth Annual Report with Statement of Assets and Liabilities and Abstract of Profit and Loss Account for the period ended December 31st, 1918. It will be noted the fiscal year has been changed to coincide with the calendar year and that the period covered by this report is one of thirteen months.

The net profits amounted to \$238,133.35, which, with the balance of \$412,184.92 carried forward from the previous year, makes the sum of \$650,318.27 to the credit of the Profit and Loss Account. Out of this sum has been paid the interest on bonds to September 30th, and a reserve for interest accruing for October, November and December, amounting to \$24,431.37; also the dividends of \$35,000 and \$38,800 paid and accrued on the Preferred and Common Stock at the rates of seven and four per cent. respectively. The sum of \$7,500 has been provided for a reserve for depreciation, and a further \$10,000, as in the last report, as a special reserve for depreciation by way of provision for a contingency arising out of the Halifax disaster, which we still hope will not eventuate. The reserve for the third year's War Tax of \$13,767.24 has been provided, and the sum of \$19,300 has been applied for Sinking Fund purposes, leaving a balance of \$501,519.30.

The cost of Upkeep and Renewals at the plants at Montreal and Toronto, although amounting to a much larger sum than in previous years, because of the pressure of constant maximum production, has not altered the policy of the past, and all such outlay has been charged to operating expenses.

The increase in the Current Liabilities is due to the extension of the territory covered, both in the home and foreign field, which, with the greater volume of business, has necessitated larger and more numerous stocks, as is shown by the inventories.

Messrs. P. S. Ross & Sons, as in the past, have audited the books and accounts, and their report is herewith submitted.

Your Directors are pleased to report that the sales are much in excess of any previous year, and that all Divisions of the Company's operations have contributed to this increase.

The progress made in developing a demand for the products of the Company in the Province of British Columbia has justified the formation of the provincial organization of Brandram-Henderson of B.C., Limited, and the establishment of a depot at Vancouver.

In June last, your Directors announced the purchase of the property and plant in Medicine Hat, known as the Alberta Linseed Oil Mills, and the organization of your subsidiary, the Alberta Linseed Oil Company, Limited. This is one of the most important and progressive steps as yet taken, as it makes the Company self-supporting in the matter of linseed oil, which, taking into consideration all the manufacturing operations of the Company, is the most important raw material it employs. The Alberta Linseed Oil Company is capitalized for \$300,000, all the stock being owned by Brandram-Henderson, Limited, with the exception of five common shares allotted to the incorporators. Against this amount of \$299,500, carried under the head of Investments, has been set a depreciation reserve of \$173,862.18, so that in keeping with the conservative policy of your Directors the investment is carried in our statement at the exact figure involved in the purchase, in spite of the fact that the dividends accruing up to December 31st, for the seven months period ended then, were \$10,915.06, which demonstrates the high earning power of this investment carried in our assets at a net figure of \$125,637.82.

The volume of foreign sales, in a great range of the Company's products, has heavily increased during the past year, and a diligent attempt will be made to develop business connections under peace conditions, which, in some cases, owe their inception to a situation created by the great world struggle, now so gloriously concluded.

The Company has established business relations and is conducting export shipments to Australia, New Zealand, South Africa, China, Newfoundland, West Indian Islands, etc. As a means of sounding out further export possibilities, the Company has sent a sales representative to the Lyons Fair, France, where an exhibition has been established of such products as the Company is in a position to offer in European markets and other foreign fields.

For the purpose of consolidating the finances of the Company, meeting necessary Capital expenditures and providing for the continuous expansion of the business, your Directors have approved of an issue of \$1,250,000 twenty-year six per cent. Consolidated Mortgage Sinking Fund Gold Bonds, and are asking your authorization of same at a special general meeting to be held for this purpose. It is proposed that \$655,000 shall be issued immediately, \$345,000 be put in escrow to retire a like amount of First Mortgage Bonds outstanding, and the balance, \$250,000, be held in the Treasury, only to be issued at some subsequent date to the extent of 75 per cent. of the cost on any future Capital expenditure.

Your Directors recommend a continuance of the present dividend of seven per cent. on the Preferred, and four per cent. on the Common Stocks, payable quarterly to Shareholders of record one month prior to dates of quarterly payments.

On behalf of the Directors.

Montreal, February 4th, 1919.

## Profit and Loss Account for Thirteen Months Ended 31st December, 1918

### CR.

By Balance brought forward December 1st, 1917	\$412,184.92
Net Profit after deducting Head Office Charges	238,133.35
	<u>\$650,318.27</u>

### DR.

To Bond Interest paid and accrued	\$24,431.37
Dividends on Preferred Stock	35,000.00
Dividends on Common Stock	38,800.00
Reserve for Depreciation	\$7,500.00
Reserve for Depreciation (Special)	10,000.00
	<u>\$17,500.00</u>
Sinking Fund for Redemption of Bonds	19,300.00
Reserve for War Tax	13,767.24
	<u>\$148,798.97</u>

Balance at credit of Profit and Loss Account, 31st December, 1918 \$501,519.30

Audited and Verified,

P. S. ROSS & SONS,  
Chartered Accountants.

Montreal, 15th February, 1919.

GEORGE HENDERSON,  
President and General Manager.

## Guaranty Trust Company of New York

Condensed Statement, February 21, 1919

### RESOURCES

<b>Real Estate</b> (140 Broadway, 60 Liberty Street, Madison Avenue and 60th Street) .....	\$5,000,000.00
<b>Bonds and Mortgages</b> .....	1,755,000.00
<b>U. S. Government Bonds and Certificates</b> .....	81,069,505.39
<b>Public Securities, including British and French Treasury Bills</b> .....	58,705,920.42
<b>Other Securities</b> .....	51,596,545.48
<b>Loans and Bills Purchased</b> .....	357,908,740.71
<b>Cash—on Hand and in Banks</b> .....	106,130,369.70
<b>Exchanges for Clearing House</b> .....	15,571,787.54
<b>Foreign Exchange</b> .....	21,657,270.29
<b>Credit Granted on Domestic and Foreign Acceptances</b> .....	50,340,947.36
<b>Accrued Interest and Accounts Receivable</b> .....	4,686,530.44
	\$754,422,617.33

### LIABILITIES

<b>Capital</b> .....	\$25,000,000.00
<b>Surplus Fund—required by law</b> .....	5,000,000.00
<b>Additional Surplus—</b> not required by law .....	20,000,000.00
	\$50,000,000.00
<b>Undivided Profits</b> .....	3,525,660.15
<b>Due Federal Reserve Bank against U. S. Government Obligations</b> .....	26,000,000.00
<b>Notes Secured by Liberty Bonds Rediscounted with the Federal Reserve Bank</b> .....	16,288,215.44
<b>Accrued Dividend</b> .....	729,000.00
<b>Outstanding Treasurer's Checks</b> .....	10,708,007.82
<b>Foreign Accounts</b> .....	10,046,776.50
<b>Domestic and Foreign Acceptances</b> .....	50,340,947.36
<b>Accrued Interest Payable and Reserve for Taxes and Expenses</b> .....	4,564,842.23
<b>Deposits</b> .....	582,219,167.83
	\$754,422,617.33

This Company, through its various departments, offers the facilities and services of a commercial bank, a trustee, a foreign exchange bank, and an investment institution.

1849

“Old and Tried.”

1919

# GLENS FALLS

## Insurance Company

Glens Falls - New York, U.S.A.

ITEMS FROM ITS 69th ANNUAL STATEMENT, JANUARY 1, 1919

Total Cash Assets	-	-	-	\$7,908,544.00
<b>LIABILITIES</b>				
Capital Stock	-	-	-	\$ 500,000
Unpaid Losses	-	-	-	787,715
Reserve for Unearned Premiums	-	-	-	3,569,543
Reserve for Taxes, etc.	-	-	-	319,544
Reserve for Dividends	-	-	-	155,000
				<b>\$5,331,802.00</b>
Net Surplus Over All Liabilities	-	-	-	<b>\$2,576,742.00</b>

One of the **OLDEST AMERICAN Fire Insurance Companies**

### GUELPH AND ONTARIO INVESTMENT AND SAVINGS SOCIETY

The annual report for 1918 of this company shows earnings of \$278,038, compared with \$285,768 last year. The balance brought forward from 1917 was \$41,008, making a total of \$319,047. The sum of \$115,959 was paid out as interest on deposits and debentures. This is about \$4,500 less than last year. The other items of expenditure were practically the same as in 1917; \$50,000 was again transferred to reserve fund and \$83,000 paid out in dividends. The amount carried forward is \$31,415, compared with the balance of \$41,008 brought forward. The assets and liabilities statement shows the following changes as compared with last year:—

	1917.	1918.
Savings deposits	\$ 581,836	\$ 569,252
Currency debentures	1,943,481	1,818,881
Sterling debentures	171,184	162,536
Mortgages, government bonds and municipal debentures	3,747,032	3,817,811
Total assets	4,353,513	4,409,255
Surplus assets (liabilities to shareholders)	1,602,186	1,711,001
Reserve fund (included in above)	739,435	789,435

This statement will be submitted at the annual meeting to be held in Guelph on May 7th. The directorate of the company, which has been in existence since 1876, is composed of well-known local men, and under the management of Mr. J. E. McElderry, the company has enjoyed a reputation for careful handling of funds. The falling off in deposits and debentures in 1918 was, of course, due to the financial conditions and was experienced by practically all loan companies in Canada.

### GUARANTY TRUST GROWTH

Total resources of \$754,422,617 are shown in the financial statement of the Guaranty Trust Co., of New York, as of February 21st, which has just been issued. Compared with the statement of March 14th, 1918, the nearest corresponding date last year, the resources show an increase of \$51,639,789. Total deposits on February 21st, 1919, were \$582,219,167.83; on March 14th, 1918, the deposits were \$537,363,116.82.

### TWO LOEW'S THEATRE ISSUES

Two firms of Toronto brokers are offering \$500,000 preferred stock, par value \$100, in Loew's Ottawa Theatres, Ltd. This organization has secured a site in Ottawa at the corner of Bank and Second Streets, and will immediately erect a theatre thereon, which will be one of the best on this continent. The Toronto, Montreal and Hamilton theatres of the Loew circuit were financed and built in the same manner—namely, by the sale of preferred stock carrying a bonus of common stock. These have all been successful. The Ottawa issue is being offered at par with a bonus of one share of common stock, par value \$25, with each share of preferred. A considerable proportion of the issue has already been sold. The firms making this offering are Graham, Sanson and Co. and T. A. Richardson and Co.

The other issue at present on the market is that of Loew's London Theatre, Limited, 7 per cent. cumulative preferred stock. These shares have a par value of \$10 and are offered by the Oxford Securities Corporation, at par with a bonus of 25 per cent. common stock. The London company has an authorized capital of \$500,000 preferred and \$500,000 common, of which \$300,000 preferred and \$500,000 common is to be issued now.



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The United States Senate has passed an amendment to the annual Rivers and Harbors bill authorizing the International Joint Committee of the United States and Canada to investigate the advisability of an ocean-going ship water way to connect the St. Lawrence and the Great Lakes.

The Labor Conference in Halifax last week decided in favor of an Independent Labor party for Nova Scotia and for a federation of the labor unions of the province. The delegates also pronounced in favor of a labor newspaper, to be a weekly at first and ultimately a daily.

# Fire Underwriters' Association Vindicated

**Justice Masten, Reporting on Fire Insurance Business in Ontario, Commends Work of Canadian Fire Underwriters' Association—Finds Cause of High Rates in Losses, Not in Profits of Companies—Recommends Discretionary Control by Provinces**

**M**R. JUSTICE MASTEN, K.C., who has for over a year past been engaged for the Province of Ontario in making an investigation into fire insurance, at the instance of Hon. I. B. Lucas, attorney-general, has prepared a report of about eighty pages. This report has just been submitted to the Ontario Legislature for consideration. It will be printed shortly. Suggestions and recommendations embodied in the report are summarized as follows:—

"1. Supervision and control by the province of the Canadian Fire Underwriters' Association.

"2. Similar supervision and control of all other rate-making organizations in the Province of Ontario, including associations of insurers writing automobile, casualty and boiler insurance.

"3. Prohibition of any rate which discriminates unfairly between risks of essentially the same hazard with power to the superintendent to cancel a discriminatory rate.

"4. Power to the superintendent to enquire, mediate and report in respect of any difference respecting any insurance matter.

"5. That all companies be required to keep their records in such a way as to classify the business done by them, and to show in their annual returns to the department not only the amount of business done in the province, and their underwriting profit made, but also the profits made in each of the several classes of risks assumed by them, and for this purpose that a form of return be agreed upon and settled with the Dominion Insurance Department, so that the return made to Ottawa and to Toronto may be identical.

"6. A real scrutiny and examination by the insurance department of every applicant for a license as agent, broker or adjuster as to his fitness. Refusal to grant a license to be subject to an appeal to a judge.

"7. Power to the superintendent of insurance to cancel the license of any agent, broker or adjuster for cause.

"8. The annual fees payable by agents to be increased to a minimum of \$5 throughout the province and graded upwards from that figure, according to the size of the town or city to a maximum of \$100, applicable to and uniformly throughout the city of Toronto.

"9. Consideration by the legislature of the desirability of limiting commission by statute.

"10. Appointment of a board of business men and experts to co-operate with the fire marshal and make recommendations, which may be given the force of law by order-in-council with respect to building regulations and fire prevention generally.

"11. Additional inspection risks, either by the companies or under the direction of the board and fire marshal, or both.

"12. Compulsory annual stock-taking in certain cases, and deposit of the stock sheets with an independent custodian outside warehouse or factory.

"13. Compliance with certain of the suggestions of the Mutual Fire Underwriters' Association.

"14. Providing that where any action is brought to recover on a claim for loss, all insuring companies shall be joined as defendants in one action.

"15. A general revision of the Insurance Act.

## Reported But Not Recommended

"On the following subjects, the facts were investigated and are submitted in the report without recommendation:—

"The imposition of a tax on all unlicensed insurance.

"A bill authorizing reciprocal of inter-insurance without deposit.

"Automobile insurance.

"Casualty insurance.

"Boiler insurance.

"An act respecting individual liability for fires.

"A suggestion that policies of unlicensed companies writing insurance in Ontario should be deemed by statute to contain the clause set out in this report.

## Adverse Recommendation

"I advise that the following suggestions be not adopted:—

"Suggested form of a uniform policy.

"Prohibition of insurance of property in Ontario through agents resident outside the province."

## Economy in No Insurance

He points out that the amount of property insured in the province totals \$1,700,000,000, and in addition insurance to the amount of \$137,000,000 is placed with foreign unlicensed organizations. The premium income of all licensed companies in 1917 amounted in round figures to \$13,500,000, and the losses upon property insured by these companies to \$8,500,000. Regarding the suggestion for the abolishing of fire insurance and making every person bear his own loss, His Lordship considered that at least \$5,000,000 per annum, or the difference between the amount of premiums paid to the insurance companies and the amount returned to the public for losses, would be directly saved, and there is little doubt that carelessness, which is so largely responsible for the deplorable fire loss, would be considerably checked.

## Not In Favor of State Insurance

With regard to the other suggestion of state insurance, he believed it would do away with much overhead expense and adjustment and settlement of losses could be combined with investigations made by the fire marshal, and that compulsory insurance would mean every person bearing a fair share of the burden. "Great as are these advantages," says the report, "I am clearly of the opinion that government insurance of property is neither desirable nor practicable in Ontario at the present time." The reasons given are the involving of a reinspection by experts of all risks, lack of data available for determining a scientific system of rating and because such a course would not merely destroy the present business but dislocate business in general in many ways. For the same reasons, Justice Masten considers it undesirable to establish a rating bureau, since the fixing of insurance rates by the province involves the question of moral risk, coupled with the right of the insurance companies to refuse the risk.

In view of the fact that the conclusion is reached that insurance is to be carried on by companies, His Lordship then dealt with the difficulties and objections experienced, whether there is a combination among the insurance companies to fix and maintain rates, whether the rates are exorbitant, whether effective competition exists, and how the government can best exercise control and supervision.

## Commends Underwriters' Association

As to the methods of fire insurance, the investigator files the fire marshal's report, and as to any inclination of the companies to fix rates, he outlines the objects of the Underwriters' Association, and finds that this association "has been and is to the advantage and in the interests of the public, and that such a combination tends strongly to maintain the solvency of the companies, to stabilize rate, to eliminate discrimination and to assist in controlling the expenses of carrying on the business. I find that the Canadian Underwriters' Association, though a combination which largely controls the premium rates in Ontario, ought not to

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be abolished or hampered in its legitimate work, but being a combination, ought to be fully subject to supervision and control by the state."

Regarding the local situation in Ontario, His Lordship reached the conclusion that it is not in the interest of the public to require that schedule of rates be filed by the insurance companies with the superintendent, with the limited function of determining the question as to whether the rate was or was not discriminatory. He recommends instead "That neither the Canadian Fire Underwriters' Association nor any other rate-fixing bureau or association shall be required by law to file their schedule of rates on any specific rate as a preliminary to the placing of insurance, but that the superintendent of insurance be empowered on written complaint by the insurer or on his own motion to require the Canadian Fire Underwriters' Association or other bureau or any insurance company to file details showing how the particular rate in question is made up and any other information which he deems necessary or desirable."

He further advises: "Giving power to the superintendent of insurance on written complaint or upon his own motion to review any rate fixed by the Canadian Fire Underwriters' Association, or by any other rating bureau or association for insurance upon property within the province for the purpose of determining whether same is discriminatory, and with power to the commissioner to order the cancellation of the rate for that cause."

#### Conciliatory Function

"That the superintendent of insurance shall be empowered to inquire into any other question which either the insured, the insuring company or any other rating bureau or association may bring before him, both as to whether a rate is unjust, apart from discrimination, and also in regard to any other question arising out of the relationship or proposed relationship of the parties in reference to the insurance in question, but in the exercise of this power the superintendent should not make an order, but should act like a board of conciliation, affording an opportunity to both parties to explain and exploit their points of view."

"The facts and the findings of the superintendent should be reported and stated by him in his annual report. If these reports indicate an improper situation on the part of the companies or the association, legislation might then be enacted upon the evidence so accumulated to cure the evil. Such a course of procedure would, it seems to me, disorganize business as little as possible, and would be more in the public interest than any more drastic legislation."

#### No Profiteering Found

As regards the profits of insurance companies, he finds that "having regard to the world-wide nature of the fire insurance business, to the keenness of competition, and to the fact which I have ascertained that those who are most intimately associated with the business rarely invest their surplus capital to any great extent in the stock of fire insurance companies, I incline to think that the profits are not excessive. If a legislative remedy were undertaken it would necessarily assume the form of establishing maximum rates fixed by the superintendent of insurance. For reasons stated elsewhere I am of opinion that the situation as disclosed does not at present warrant any such legislative action. I recommend that all companies be required to keep their records and make their returns in such form that the profits or losses on Ontario business are ascertained and that these be stated in the annual returns."

#### Higher Agents Fees

While pointing out that the matter of the reduction of expenses of companies was deserving of the fullest consideration by the legislature, the chairman gives also as his opinion that only fit persons making a business of writing insurance should receive a license and that those agents who prove unworthy to be trusted should have licenses cancelled. "I am of the opinion also that the licenses granted by the department should permit an agent to act only in certain classes of insurance," says the report. "I am of the opinion

also that the fees payable by the licensees ought to be increased to a minimum of \$5 in all classes throughout the province with a graded increase in towns and cities up to \$100 as a minimum in the city of Toronto."

#### Adjusters

"I would also recommend similar provisions with respect to insurance adjusters. In the states of New York and Massachusetts the Insurance Act draws quite a clear distinction between agents and brokers, the agents representing the companies and their acts binding the companies, while brokers are in all cases representative of the insurer. It may well be a proper subject for consideration by the legislature whether a similar distinction should be made in our act; in that case the conditions under which a broker may procure a license should be similar to the provisions with respect to the granting of a license to an agent. The ruling of the superintendent of insurance refusing or cancelling a license should be subject to appeal to a judge of the High Court on originating summonses."

#### Fire Prevention the Remedy

On the question of fire prevention and the reduction of fire losses, the latter is, in His Lordship's opinion, the main avenue along which progress must be made if the burden of fire insurance premiums is to be reduced. After showing that Ontario's total loss for 1917 aggregated \$11,538,429, or \$4.61 per capita, which greatly exceeds any other country, he expresses the opinion "that a general diffusion of effort in attempting to prevent all fires is less likely to accomplish reduction of fire loss than a concentration of effort in preventing and controlling the spread of fires in situations where large losses are likely to occur."

His Lordship, after reviewing the various influences brought to bear from educational, financial and compulsory standpoints to reduce fire losses, makes recommendations under the heads of prevention of fires, prevention of fire losses and the placing of responsibility.

With respect to the first head, he deals with powers of investigating fires, building supervision and provincial inspection, additional inspection of risks, and suggests the creation of a central provincial board of practical experts and business men, with a staff of inspectors to enforce its regulations, such enforcement to cover the local municipal regulations as well as the provincial requirements. Dealing with the second head, the chairman submits the important recommendations along this line presented to him by a representative of the Associated Fire Chiefs of the Dominion. With regard to the third head, the placing of individual responsibility for fires, His Lordship suggests the draft act of the National Fire Protection Association, with a Canadian branch, receive the careful consideration of the legislature.

#### Miscellaneous Insurance

In concluding his report His Lordship merely recommends for careful consideration the question of taxing of premiums to unlicensed companies which are outside the province, makes no recommendation in regard to reciprocal or inter-insurance; states that it would be desirable with respect to automobile insurance to wait till the parties interested have more fully developed a form of contract as to the terms of a policy, when it will be in order for the legislature to enact statutory conditions; refers similarly to casualty insurance as to automobile insurance, and recommends no legislation regarding boiler insurance.

His Lordship finds with regard to auto casualty and boiler insurance a similar association to the Fire Underwriters' Association, to establish and maintain rates, and recommends "that the statutory provisions to be drawn up in this regard should be of a general character, applicable to all insurance in the way of supervision, and control should be the same in respect of these three classes of insurance as with respect to fire insurance."

His Lordship is unable to recommend in connection with the Canadian Bar Association request regarding uniformity



of insurance laws. He does make recommendations in regard to actions to recover claims against insurance companies, first, that among other amendments to the Insurance Act it be enacted where any property is destroyed by fire all insurance companies against whom a right of action is alleged to exist must be joined as defendants, and that where the value of the property of a factory or mercantile risk exceeds \$5,000 it shall be obligatory upon the person insured to take stock annually, and a stock sheet duplicate delivered to the banks.

#### Views of Insurance Men

Insurance men express general satisfaction with the report. "I think that for a layman he has dealt very well with a very technical and intricate subject," said Mr. John B. Laidlaw, of the Norwich Union, "and at any time that I attended the sessions he seemed desirous of getting at the facts in an eminently fair way. I quite agree with him that the chief cause of a high insurance rate is the very heavy losses, and I am thoroughly in accord with his suggestion that the time has come for the government to cease persuading people to be careful and to oblige the careless to be careful. The whole aim of the underwriters has been to avoid discrimination. They have nothing to conceal. They would have no objection to showing at any time that a rate was a reasonable one, and if they could not show it, I am sure they would be glad to change it."

"I am glad to see," said Mr. Laidlaw, "that Justice Masten recognizes the fact that in the past the fire insurance men have been pioneers in fire prevention, but that the time has come for the public to take a hand, too. I think he has prepared a very masterly report, which will probably be considered a classic on the subject of fire insurance."

"We have shown the indispensable character of the Underwriters' Association, if you are going to do insurance at all," said John A. Robertson, secretary of the association. "Provincial control is suggested, not because there was any impropriety, but on the general principle that in a large body there should be some supervision. This was shown by the tenor of the remarks all through the investigation."

#### Manufacturers' View

A different view was expressed by F. W. Wegenast, of the Manufacturers' Association, to *The Monetary Times*:—

"The position of the Canadian Manufacturers' Association," he said, "has been sustained on all points. The commissioner finds that the Canadian Fire Underwriters' Association exercises a substantial control over rates in Ontario, and that the non-tariff companies do not afford any substantial competition with the tariff companies. The proposal of the insurance companies of a tax of 10 per cent. on unlicensed insurance by way of 'protection' to licensed companies is distinctly negated. The commissioner holds that nothing should be done which would hamper competition of unlicensed insurance, which is the only effective means of controlling the rates of the tariff companies. The association was frankly sceptical as to the efficacy of government control in the matter of rates, and in this it is sustained by the commissioner, who, though he recommends a form of tribunal to hear complaints of discrimination, points out that the insurance company is not in the position of a common carrier, who is obliged to accept the business offered. Moreover, there is always the moral hazard to differentiate risks. The complaints that manufacturers have been subject to arbitrary ratings and rulings are also sustained by the finding of the commissioner that the Canadian Fire Underwriters' Association has not been sufficiently ready to justify its ratings and rulings."

The minister of finance gives notice of a resolution providing for the weight, fineness, etc., of the bronze cent. This is necessary in order to make provision for the coinage of a smaller cent piece, it being announced some time ago that this would be done. The larger coins now in circulation will continue to be current and a legal tender.

## ONTARIO METALLURGICAL PRODUCTS IN 1918

Output Reaches Highest Point—Increase of Eleven Per Cent. Over 1917

ACCORDING to the annual report of the Ontario Bureau of Mines, which was presented to the legislature on March 5th, last year the value of the mineral and metallurgical products for Ontario exceeded that of 1917 by \$8,071,888, or over 11 per cent., and marked much the highest point yet recorded in the history of the province. This increase was due to larger production and in part to higher prices. This was especially true of nickel and copper, which were essentially war materials. The signing of the armistice was instantly felt, for the demand for war metals decreased. The effects, the department points out, will be noticeable in the production statistics of 1919.

The gold output in 1918 totalled 411,879 ounces, worth \$8,502,543, or a decrease of 2 per cent. as compared with 1917 production. However, the outlook for 1919 is bright. There was an increase of \$1,181,710 in the value of silver mined in 1918, but a decrease of 2,070,428 ounces in output as compared with the previous year. This was due to the enhanced prices for silver, the average price for the years 1917 and 1918, respectively, being 81.417 and 96.772 cents per fine ounce.

During the past year 1,643,040 tons of nickel-copper ore were raised. Ores smelted totalled 1,559,892 tons, from which 87,184 tons of Bessemer matte were produced, containing 45,886 tons of nickel and 23,483 tons of copper. Of the total of 198,882 tons of iron ore shipped during the year, 91,609 tons went to Ontario blast furnaces and the balance to the United States. The production of ferro-alloys in the electric furnace is a growing industry. As compared with 1917, shipments of molybdenite ore and concentrates fell off considerably, owing to increased mining costs. Likewise, non-metallic products show a decrease of \$1,216,047 in value. Crude petroleum shows an increase in production of 85,769 barrels, due largely to the new Mosa field in Middlesex county, which contributed 108,908 barrels, or 37 per cent., of the total output. Natural gas shows marked decrease in output, due to the regulations placed upon the industry. The supply is now being conserved for domestic uses chiefly.

## INCOME TAX MINIMUMS TOO LOW

Speaking before the Open Forum in Hamilton, Ont., on March 2nd, Dr. Horace L. Brittain dealt with the critical subject of taxation. He said the proper method of taxation was to make each person pay for what he received from the community. In the police and education departments it was difficult to do this, but if it were not done where it could be, other citizens had to make up the deficit. Every dollar taken above the amount needed was confiscation, and was morally wrong. He advocated the issue at short intervals of financial statements that could be understood, instead of the involved, camouflaged statements that were issued by all governments. Dr. Brittain then gave some statistics, showing the costs of taxation in Toronto and Hamilton. Hamilton's uncontrollable expenditure had increased in greater proportion during the past four years than had Toronto's, and Hamilton's council charges were higher. The speaker attacked the word "uncontrollable" as used in connection with expenditures, and said that no expenditure was uncontrollable if properly managed. If a tax rate of 30 mills were required it should be levied. If this were not done it would be 40 mills later on, when it should be only 30, because of bad management.

Discussing income tax, Dr. Brittain stated that he thought no income under \$2,000 should be taxed, even for single men. He believed in making the rich people bear the greater burden of taxation, and thought appeals against assessment should go to an expert, rather than to courts of revision as at present constituted. He also thought assessors should be paid higher salaries, so that thoroughly competent men could be secured to do this work.



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J. R. DAVISON, City Industrial Commissioner, BOARD OF TRADE BLDG., VANCOUVER, B.C.

NEW INCORPORATIONS

The following is a list of companies incorporated during the past week, with the authorized capital and the names of the provisional directors:—

**Hamilton, Ont.**—John Sweet and Co., Ltd., \$40,000; N. Phillips, W. H. McGuire, G. F. Rooney.

**Ottawa, Ont.**—The Macartney Milking Machine Co., Ltd., \$100,000; T. Brownlee, D. Herron, J. R. Osborne.

**Niagara Falls, Ont.**—Robertson Construction and Engineering Corporation, Ltd., \$40,000; A. B. Robertson, H. M. Robertson, J. T. Nablo.

**Winnipeg, Man.**—Clarx Milling Co., Ltd., \$1,000,000; W. J. Moran, R. D. Guy, C. W. Chappell. Potters, Limited, \$200,000; E. R. Potter, A. B. Potter, J. B. Hugg. Rural Motor Transports, Ltd., \$60,000; P. W. McKenzie, A. Davenhill, W. Manahan.

**Montreal, Que.**—Kingdon Mining, Smelting and Manufacturing Co., Ltd., \$750,000; L. P. Crepeau, S. H. R. Bush, B. Robinson. The Shaw Tobacco Co., Ltd., \$50,000; A. H. Elder, R. Stuart, I. Stewart. Premier Potato Co., Ltd., \$50,000; F. P. Blais, H. R. Mulvena, L. M. Smith. Senneville Land Co., Ltd., \$50,000; R. E. Allan, J. P. Charbonneau, J. McNaughton. Dominion Exports, Ltd., \$200,000; H. MacKay, J. MacNaughton, R. Dodd. Paramount Phonograph and Record Co. of Canada, Ltd., \$300,000; M. Goldstein, J. A. Engel, J. B. Taylor. The Herald Press, Ltd., \$300,000; J. W. Cook, A. H. Duff, E. Oldroyd. The Herald Publishing Co., Ltd., \$300,000; J. W. Cook, A. H. Duff, M. T. Darragh. United Financial Corporation, Ltd., \$1,000,000; W. R. L. Shanks, F. G. Bush, G. R. Drennan. The Singer Shoe Co., Ltd., \$20,000; L. Millman, A. Millman, M. Getz. The Montreal General Tool Co., Ltd., \$100,000; J. Cave, A. Bonenfant, J. W. Canvin. Morin, Simard, Ltd., \$50,000; F. E. Simard, R. T. Beaudoin, H. J. Gagne.

**Toronto, Ont.**—Nisbet and Auld, Ltd., \$750,000; C. F. Ritchie, W. Field, G. M. Orr. Canadian Exhibitors' Exchange, Ltd., \$100,000; W. Field, G. M. Orr, H. B. Bell. New Porcupine Imperial Mines, Ltd., \$3,000,000; J. E. Day, J. P. Walsh, C. J. McLaughlin. Canadian Landscape Architects, Ltd., \$40,000; B. K. Brobst, C. M. Fouse, F. J. Goode. W. J. McCart and Co., Ltd., \$40,000; L. Macaulay, R. D. Moorhead, W. T. Sinclair. The Goodwear Manufacturing Co., Ltd., \$40,000; J. A. M. Armstrong, A. H. Armstrong, M. O. Coffey. Canadian Drill and Electric Box Co., Ltd., \$100,000; L. J. Phelan, I. Levinter, H. Melvin. The International Engineering Corporation, Ltd., \$750,000; M. G. Hunt, A. E. Shaw, D. McLaren. A. W. Brodie Agency, Ltd., \$40,000; A. W. Brodie, N. F. Henry, M. H. Brodie. Cafe Florence, Ltd., \$40,000; M. E. Cherrier, J. F. Boland, C. H. Bowyer. East Kent Oil Producing Co., Ltd., \$300,000; A. S. Lown, J. H. Ingram, A. Ferguson.

CANCELLATION OF HAIL INSURANCE POLICIES

Companies writing hail insurance in Manitoba have opposed a clause in the bill before the provincial legislature which provides for the cancellation of the policy by the farmer by giving notice to the company by registered letter and surrender of the policy. In this case the company was to retain the amount necessary to cover the period while the insurance was in force and repay to the insured the balance of the premium.

Chas. Heath, superintendent of insurance, said that this clause had been adopted in Alberta and Saskatchewan, and insisted upon the rights of termination of a policy for legitimate cause. A farmer's crop was frequently destroyed by other causes than hail, and if the victim had to continue the policy on a destroyed crop it would be an additional hardship. D. W. McQuaig, representing the Manitoba Farmers' Mutual Hail Insurance Co., protested against this clause, contending that the policy must remain in force during the year in which the crop was covered or his company would be forced out of business. Eventually, the committee decided to refer the clause to Superintendent Heath and the Farmers' Mutual for a satisfactory solution of the difficulty.

COBALT ORE SHIPMENTS

The following is a statement of the shipments of ore, in pounds, from Cobalt for the week ended March 7th, 1919:—

O'Brien Mine, 64,000; La Rose Mine, 65,909; Trethewey Mine, 81,101; Dominion Reduction Co., 66,000; McKinley-Darragh-Savage Mines, 86,486. Total, 363,496.

The total since January 1st is 3,799,490 pounds, or 1,899.7 tons.

WEEKLY BANK CLEARINGS

The following are the bank clearings for the week ended March 6th, 1919, compared with the corresponding week last year:—

	Week ended Mar. 6, '19.	Week ended Mar. 9, '18.	Changes.
Montreal . . . . .	\$ 96,232,468	\$ 74,798,454	+ \$21,434,014
Toronto . . . . .	74,339,654	61,917,233	+ 12,422,421
Winnipeg . . . . .	31,176,911	44,845,382	— 13,668,471
Vancouver . . . . .	11,053,533	9,039,130	+ 2,014,403
Ottawa . . . . .	7,314,397	6,503,530	+ 810,867
Calgary . . . . .	4,778,976	6,738,214	— 1,959,238
Hamilton . . . . .	5,208,556	4,874,536	+ 334,020
Quebec . . . . .	4,012,340	4,591,870	— 579,530
Edmonton . . . . .	3,301,691	3,483,857	— 182,166
Halifax . . . . .	4,108,292	3,790,261	+ 318,031
London . . . . .	3,230,077	2,722,451	+ 507,626
Regina . . . . .	2,832,177	2,923,597	— 91,420
St. John . . . . .	2,466,316	2,506,586	— 40,270
Victoria . . . . .	1,875,847	1,758,260	+ 117,587
Saskatoon . . . . .	1,438,360	1,607,642	— 169,282
Moose Jaw . . . . .	1,371,657	1,198,145	+ 173,512
Brandon . . . . .	467,866	615,598	— 147,732
Brantford . . . . .	945,206	1,110,367	— 165,161
Fort William . . . . .	614,119	791,959	— 177,840
Lethbridge . . . . .	543,313	710,571	— 167,258
Medicine Hat . . . . .	304,000	454,328	— 150,328
New Westminster . . . . .	555,388	400,087	+ 155,301
Peterboro' . . . . .	796,429	747,191	+ 49,238
Sherbrooke . . . . .	890,945	889,472	+ 1,473
Kitchener . . . . .	819,271	620,547	+ 198,724
Windsor . . . . .	1,168,090	.....	.....
Prince Albert . . . . .	192,955	.....	.....
Totals . . . . .	\$260,677,789	\$239,639,268	+ \$21,038,521

PULP AND PAPER EXPORTS

Canadian exports of paper, pulp and pulpwood for December, 1918, reached a total value of \$7,235,699, as against \$5,930,162 for December, 1917, an increase of \$1,325,537. For the first nine months of the fiscal year, their value amounted to \$72,624,428, as compared with \$54,509,136 for the corresponding period in 1917, a gain of \$18,115,292. The details follow:—

	Month of December. 1917.	1918.
Paper and manufactures of . . . . .	\$3,424,906	\$3,884,759
Chemical pulp . . . . .	1,562,549	2,314,212
Mechanical pulp . . . . .	337,851	288,364
Pulpwood . . . . .	\$5,325,306	\$6,487,335
	604,856	748,364
Total . . . . .	\$5,930,162	\$7,235,699
	Nine months' period. 1917.	1918.
Paper and manufactures of . . . . .	\$27,564,980	\$33,380,632
Chemical pulp . . . . .	14,634,884	24,074,950
Mechanical pulp . . . . .	5,374,653	3,673,618
Pulpwood . . . . .	\$47,574,517	\$61,029,200
	6,934,619	11,595,228
	\$54,509,136	\$72,624,428



# DEBENTURES FOR SALE

## TOWNSHIP OF FITZROY

Sealed Tenders will be received by the undersigned up to noon, Friday, March the 28th, 1919, for an issue of seven thousand dollars (\$7,000) debentures, bearing 6% interest and payable in 20 equal annual instalments, for the purpose of buying a site and building a one-room School House in S.S. No. 8, Fitzroy Township.

WM. BOYLE, Clerk.

Fitzroy Township, Kinburn P.O., Ont.

## QUEBEC ROMAN CATHOLIC SCHOOL COMMISSIONERS

Public notice is hereby given that the Board of Roman Catholic School Commissioners of the city of Quebec calls for tenders for the sale of \$400,000.00 of its debentures payable in ten or thirty-five years.

All suggestions as to sinking fund and interest will be considered.

The capital and interest shall be payable at Quebec, Montreal, Toronto, or New York.

The city of Quebec will guarantee the capital and interest of these debentures and every tender must be handed to the undersigned Secretary-Treasurer before eight p.m., on the 24th March instant.

Each tender must be accompanied by an accepted cheque for \$4,000.00 accepted by a Canadian Bank.

ANTOINE C. TASCHEREAU,

Sec.-Treasurer of the Board of Roman Catholic School Commissioners of the city of Quebec.

Parliament Buildings, Quebec, P.Q.

Quebec, 5th March, 1919.

## PROVINCE OF MANITOBA

### TREASURY DEPARTMENT

#### TENDERS

The undersigned will be pleased to receive tenders up to and including the 20th instant, at noon of that day, for an issue of Provincial bonds amounting to \$1,580,000.00.

Term.—15-years.

Interest Rate.—5½%, payable half-yearly at Winnipeg, Toronto, Montreal or New York.

Denominations.—\$1,000.

Issue to be dated April 1st, 1919.

Definitive Bonds can be delivered within one month from the date of receiving tenders, and, if it is any advantage to the purchaser, Interim Bonds can be delivered within ten days.

The issue will be a direct obligation of the Province and a charge upon the Consolidated Revenues thereof.

The Bonds will be delivered to the purchaser in Winnipeg, but the proceeds of the issue may be deposited to the credit of the Government in Toronto, Montreal or Winnipeg, at the option of the purchaser.

It is clearly understood that the Government will not be under any obligation to accept any of the tenders unless the most advantageous offer is satisfactory to the Administration.

EDWARD BROWN,  
Provincial Treasurer.

Winnipeg, March 7th, 1919.

## TOWN OF VERMILION

Tenders will be received by the Town of Vermilion, Alberta, for \$5,000.00 six per cent. twenty-year Local Improvement Debentures. These debentures are guaranteed by the town at large. Tenders will close at noon, March 31st, 1919.

H. P. LONG, Secretary-Treasurer.

Vermilion, Alberta.

## TOWN OF WESTON

Tenders will be received by the undersigned up to and including March 28th, 1919, for the purchase of \$60,000 Town of Weston 6% thirty-year, annual payments, Public School Debentures. The highest or any tender not necessarily accepted.

A. J. PRITCHARD,

Treasurer,  
Town of Weston.

March 11th, 1919.

## 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.

**POSITION WANTED.**—Advertiser, at present employed with a Trust Company in their Estates Department in Western Canada, is open to consider an appointment in this work. Have thorough experience in administration of estates. Reply Box 159, *Monetary Times*, Toronto.

**A LIVE INSURANCE AND INVESTMENT AGENCY,** with over two Hundred Agents throughout Saskatchewan, managed by a man well acquainted with Saskatchewan Land Values, wants to get in touch with a Loan Company which has Funds to Loan on Saskatchewan Farms. Reply to The North-West Investment Co., Ltd., Regina, Canada.

**WANTED.**—Inspector and Special Agent for Manitoba and Saskatchewan, with headquarters at Winnipeg, by branch office of three large American Fire Insurance Companies. Must be a competent, experienced man, with knowledge of business and personal acquaintance among local agents, warranting forming good local agency connections. The position will pay big salary to man capable of developing the territory. Answers will be kept in strict confidence. Address Box 157, *The Monetary Times*, Toronto.

## MANAGER WANTED FOR BOND DEPARTMENT

Energetic young man wanted to take charge of and develop Bond Department of a large and well established financial institution.

Must thoroughly understand purchase of and marketing new issues.

Salary will be supplemented by percentage of profits. All correspondence strictly confidential. Address to

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## MUNICIPAL BOND MARKET

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

Townships of Essa and Innisfil, Ont.—Messrs. W. L. McKinnon and Co., of Toronto, have purchased \$4,500 6 per cent. 20-instalment bonds.

Ancaster Township, Ont.—Messrs. Brent, Noxon and Co. and Turner, Spragge and Co., of Toronto, have been awarded \$17,000 6 per cent. bonds, payable in twenty instalments.

London Township, Ont.—Canada Bond Corporation has purchased an issue of \$7,500 bonds at 103.15. The bonds bear interest at the rate of 6 per cent., and are payable in twenty instalments. At the price paid the bonds will yield about 5.63.

Quebec, Que.—The Board of Roman Catholic School Commissioners of the city of Quebec is calling for tenders for the sale of \$400,000 of its debentures, payable in ten or thirty-five years, up till March 24th. The city of Quebec will guarantee the capital and interest of these debentures.

Hamilton, Ont.—Tenders will be received by S. H. Kent, city clerk, up till March 20th for the purchase of \$517,000 debentures, viz., \$400,000 at 5½ per cent. interest and \$117,000 at 6 per cent. interest, payable half-yearly. Separate tenders for each amount. The whole payable in twenty annual instalments.

Manitoba.—The province of Manitoba is calling for tenders up till March 20th for the purchase of \$1,580,000 5½ per cent. 15-year bonds. The issue will be a direct obligation of the province and a charge upon the consolidated revenues thereof. Further particulars can be obtained from the advertisement, which appears on another page of this issue.

## OFFERING WINDSOR BONDS

The National City Co., of Toronto and Montreal, is offering \$115,000 city of Windsor, Ont., 5½ and 6 per cent. bonds, the 5½'s being for local improvement purposes and the 6 per cents. being for patriotic and school purposes. The bonds, which are offered at prices to yield 5½ per cent., are due serially March 1st, 1920 to 1949, inclusive.

## BRANDON SEEKING LEGISLATION

Legislation will be asked by the city of Brandon as follows:—

1. To empower the city to capitalize its floating debt of \$400,000.
2. To alter the date for the final payment of the school levy from January 31st of the year following to December 31st of that year. To make unoperative for the year 1919 the clauses of the Municipal Act, confining the city's levy to 20 mills, this not including the school levy, the municipal commissioner's levy or local improvement assessments.

Legislation will also be asked to empower the city if necessary to submit a by-law to the people for a \$250,000 debenture issue for the purpose of erecting a memorial to the heroes of the great war. Legislation is also to be prepared to empower the imposing of a poll tax.

A meeting of the Guelph city council was held on March 5th for the purpose of giving the required readings to a by-law which goes to the people, giving free taxation for ten years and a loan of \$50,000 for fifteen years, repayable in ten instalments, with interest the same as paid by the city, to the Partridge Rubber Footwear Co., which is to erect a building there.

## MAY SELL BONDS LOCALLY

It is estimated that approximately \$200,000 will be required for the carrying out of a school enlargement programme for Fort William. There is the question of raising the money after the debentures are issued. The mayor is of the opinion that if they were made 6 per cent. debentures, and sold at par, and issued in denominations of \$50 and \$100, it would be an excellent opportunity to sell them to their people over the counter.

## WILL TRANSFER BONDS

For the convenience of holders of fully registered bonds of the Victory Loan of 1918 the department of finance is prepared from the 10th to the 31st of March, 1919, to make transfers of fully registered bonds into coupon bearer bonds. On account of the necessary work to complete the issue of the loan the department will not be in a position until the 1st of May, 1919, to make transfers of fully registered bonds from one holder to another, or to transfer coupon bearer bonds to fully registered bonds.

## PROVINCE OF MANITOBA FINANCES

The balance sheet of the province of Manitoba as at November 30th, 1918, shows capital liabilities of \$36,500,000, in addition to which there are indirect liabilities, consisting principally of Canadian Northern Railway guarantees, to the amount of \$29,122,689. The amount of provincial stocks and bonds outstanding, which, of course, forms the principal item in the capital liability, is \$33,890,870. Provincial capital assets are valued at \$51,045,497, so that there is a capital surplus of \$14,415,993. The assets include the capitalized subsidy received from the Dominion government. Current assets are \$3,601,927, exceeding current liabilities by \$239,000.

The statement of revenue and expenditure for the year shows a revenue of \$7,631,548, or slightly more than the estimated revenue. The expenditures were \$7,308,681, leaving a balance of \$322,867.

## TORONTO WILL BORROW NEARLY FIVE MILLION

Capital expenditures to the amount of \$4,937,356 are planned for 1919 by the city of Toronto. This will mean an additional interest charge of \$271,555 and principal instalments of \$246,552. These figures are from an estimate of the finance commissioner, submitted to the Board of Control on March 4th.

The expenditures will be on civic car lines, local improvements, schools, water systems, etc. The city's debt will be increased by about \$1,500,000, the difference between the new borrowings and the amount paid off annually, which is about \$3,500,000. The city's tax rate will probably be in excess of 30 mills, although an effort is being made to keep it down to that figure. Last year the rate was 31.5 mills.

Pending the passage of the estimates by the city council, Toronto will make application to the Ontario legislature for power to issue debentures amounting to \$1,500,000 without having first secured the consent of the ratepayers. In spite of the fact that this by-law was not advertised six weeks prior to the session of the House, it is believed that the bill can be put through, as there is the precedent of the private bills committee giving the city power two years ago, to issue debentures amounting to \$800,000. The issuing of these debentures is to cover works department capital charges. Even though the bill is passed by the legislature, the work may not be proceeded with this year; the idea in asking for the legislation is to be in readiness with work if the unemployment situation becomes acute.

# Wood, Gundy & Company

## Government and Municipal Bonds

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*We Recommend*

**Montreal Tramways & Power Co.**  
6½ Per Cent. Secured Gold Bonds  
at 100 and Interest.

Denominations: \$100—\$500—\$1,000

A Corporation Bond which by virtue of the "cost-plus" contract between the Montreal Tramways Company and the City of Montreal has much the same degree of security as a Municipal Bond. Telephone Main 3370 for particulars.

**R. A. DALY & CO.**  
BANK OF NOVA SCOTIA BUILDING  
38 Melinda Street - - - TORONTO

**7% PREFERRED SHARES**  
—OF—

**Maritime Telegraph and  
Telephone Company, Ltd.**

The Telephone System of the Province of Nova Scotia

A GILT-EDGED INVESTMENT

**Standard Bond Corporation, Ltd.**  
HALIFAX, N.S.

**CANADIAN BONDS  
AND DEBENTURES**  
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222 St. James Street .... MONTREAL



## Industrial Progress and Peace

As we see it. Canada's industrial response to war's demands was but a preparation for greater progress in times of peace.

During the war we financed such companies as Nova Scotia Steel & Coal Company, Canadian Car and Foundry Company, Riordon Pulp and Paper Company, Mattagami Pulp and Paper Company, Canadian Salt Company, and others.

Now, with peace, our facilities are more than ever at the disposal of Canadian corporations who desire financing.

We stand ready also to serve discriminating Investors who wish to purchase Mortgage Bonds of representative Canadian industries.

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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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520 McIntyre Block, Winnipeg

**RIORDON PULP AND PAPER RESULTS**

As was intimated in these columns recently, the annual statement of the Riordon Pulp and Paper Co., Ltd., for the year 1918 shows net earnings of over \$1,200,000. The exact figures are as follows:—

Net earnings, after deduction of expenses of manufacturing, etc. ....	\$1,225,597
Provision for exhaustion of timber areas.....	208,215
Balance .....	\$1,017,382
Income from investments and interest.....	425,663
	<hr/>
Depreciation and interest .....	\$1,443,046
	556,483
Balance of profit .....	\$ 886,563
Brought forward from 1917 .....	1,851,813
Dividends .....	520,000
Surplus .....	2,218,376

The balance sheet now shows total assets of \$12,779,354, including timber limits, land, buildings, etc., valued at \$7,363,788; investments in the capital stock of the Ticonderoga Pulp and Paper Co. and other companies and advances to the Kipawa Fibre Co., \$2,207,017; and current assets of \$2,819,380. At the end of the year there had been \$2,435,000 of the 6 per cent. 30-year first mortgage debentures issued, of which \$401,500 were held in the treasury or redeemed by sinking fund, leaving a total outstanding of \$2,033,500. The interest on this amounts to slightly over \$120,000, so that the profit for the year, after paying manufacturing costs, depreciation, interest on bank loans, etc., was about eight times the amount required for bond interest.

**TORONTO PURCHASES METROPOLITAN RAILWAY**

The city of Toronto has finally acquired that section of the Metropolitan Railway immediately north of the city, at a purchase price of \$590,000. The company, however retains a franchise giving them the right to have packages transported over the line until the city acquires the Toronto street railway.

The programme of the city, as outlined, includes the establishment of a terminal at the Union Station for the transshipment of freight, and the paving and double-tracking of the section acquired immediately the agreement is ratified. It is hoped that the absorption of the remaining part of the Metropolitan, either by the Canadian National Railway or the Hydro, may follow within the course of a few years.

Under the provisions of the agreement the city is to bear the cost of power for shipping freight cars over its lines between the hours of midnight and 6 a.m. The purpose of this clause is to encourage the handling of freight during the morning hours and so avoid congestion of traffic. Terminals established within the city are in no case to be located in

public streets and the transfer of freight will not take place in the streets.

**RAILROAD EARNINGS**

The following are the earnings of Canada's transcontinental railways for the first week in March, 1919:—

<b>Canadian Pacific Railway.</b>			
March 7 .....	\$2,617,000	\$2,469,000	— \$148,000
<b>Grand Trunk Railway.</b>			
March 7 .....	\$ 834,742	\$1,224,388	+ \$389,646
<b>Canadian National Railway.</b>			
March 7 .....	\$1,110,260	\$1,286,614	+ \$176,354

**MONTHLY BANK CLEARINGS**

The following are the bank clearings for the month of February, compared with the same month last year:—

	Feb., 1919.	Feb., 1918.	Changes.
Montreal .....	\$360,083,689	\$278,687,555	+\$ 81,396,134
Toronto .....	276,222,922	207,252,188	+ 68,970,734
Winnipeg .....	130,362,229	154,002,262	— 23,640,033
Vancouver .....	51,550,193	34,229,519	+ 17,320,674
Ottawa .....	25,773,506	19,570,622	+ 6,202,884
Calgary .....	19,602,823	24,217,883	— 4,615,060
Hamilton .....	19,024,626	17,107,522	+ 1,917,104
Quebec .....	17,807,808	15,593,652	+ 2,214,156
Edmonton .....	13,028,812	11,547,831	+ 1,480,981
Halifax .....	17,283,981	13,076,117	+ 4,207,864
London .....	10,628,108	7,477,674	+ 3,150,434
Regina .....	11,383,839	10,509,864	+ 873,975
St. John .....	10,080,552	7,794,416	+ 2,286,136
Victoria .....	7,884,282	6,718,129	+ 1,166,153
Saskatoon .....	5,786,445	5,707,743	+ 78,702
Moose Jaw .....	5,360,682	4,252,310	+ 1,108,372
Brandon .....	1,856,467	1,975,257	— 118,790
Brantford .....	3,554,985	3,128,424	+ 426,561
Fort William .....	2,353,941	2,390,604	— 36,663
Lethbridge .....	2,403,362	2,053,887	+ 349,475
Medicine Hat .....	1,290,848	1,974,715	— 683,867
New Westminster .....	1,984,545	1,461,481	+ 523,064
Peterboro .....	2,486,985	2,296,246	+ 190,739
Sherbrooke .....	3,282,532	2,570,387	+ 712,145
Kitchener .....	2,842,088	2,030,950	+ 811,138
Windsor .....	4,663,924	.....	.....
Prince Albert .....	1,276,928	.....	.....
Totals .....	\$1,003,920,250	\$837,627,238	+\$166,293,012

The Toronto bank clearings for the current week amounted to \$75,210,871, compared with \$57,020,370 for the same week last year and \$50,840,452 two years ago.



**AGENTS WANTED IN TORONTO**

We have vacancies in Toronto for good producers, who want to make more money this year than last. Liberal contracts. Write, stating experience, with reference as to record and character, to

F. C. ALWARD, City Agency Manager

319 CONTINENTAL LIFE BLDG., Bay & Richmond Sts.

THE CONTINENTAL LIFE INSURANCE CO.

TORONTO, ONTARIO.

**ALLAN, KILLAM & McKAY**  
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We would appreciate your orders to buy or sell

**High-Grade Investment Securities**

W. L. MCKINNON                      DEAN H. PETTES

We will buy

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at market prices.

*Quotations gladly given on request.*

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**W. L. MCKINNON & CO.**

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Private Wires to New York, Chicago, Montreal,  
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**Realty Investments**

Inside City and Revenue Producing Property.  
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Write us for illustrated booklet descriptive of  
the twin Cities.

**GENERAL REALTY CORPORATION, LIMITED**

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DEALERS IN

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(Members Toronto Stock Exchange)

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61 Broadway,                      Harris Trust Bldg.,  
New York, N. Y.                      Chicago, Ill.

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Dealers in Government, Municipal, Railway, Call, Trust and  
Miscellaneous Debentures. Stocks on London, Eng., New  
York, Montreal and Toronto Exchanges Bought and Sold  
on Commission.

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Corner of Portage Avenue and Main Street, WINNIPEG

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Toronto, Montreal, New York and London Eng., Exchanges

**CANADA'S VICTORY LOAN**

**5½% BONDS**

*Free of all Income or other Dominion  
Taxes*

*Correspondence Invited*

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DEALERS IN

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**VICTORY WAR BONDS** and  
**WESTERN SECURITIES**

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Real Estate, Insurance and Financial Agent

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## DIVIDENDS AND NOTICES

### THE MONTREAL CITY & DISTRICT SAVINGS BANK

Notice is hereby given that a Dividend of Two Dollars and fifty cents per Share has been declared on the Capital Stock, called and paid-up of this Bank, and will be payable at its Head Office, in this City, on and after Tuesday, the first day of April next, to Shareholders of record, Saturday, fifteenth March next, at twelve o'clock noon.

By order of the Board.

A. P. LESPERANCE,

Manager.

Montreal, February 24th, 1919.

### DOMINION TEXTILE COMPANY, LIMITED

#### NOTICE OF DIVIDEND

A dividend of two per cent. (2%) on the Common Stock of the Dominion Textile Company, Limited, has been declared for the quarter ending 31st March, 1919, payable April 1st to shareholders of record March 15th, 1919.

By order of the Board.

JAS. H. WEBB,

Secretary-Treasurer.

Montreal, February 19th, 1919.

### OTTAWA LIGHT, HEAT AND POWER COMPANY, LTD.

#### DIVIDEND No. 51

Notice is hereby given that a quarterly dividend of 1½% (one and one-half per cent.), being at the rate of 6% per annum on the Capital Stock of this Company, has been declared for the period ending March 31st, 1919 payable on April 1st, 1919, to Shareholders of record at the close of business on the 20th day of March, 1919.

The transfer books of the Company will not be closed.

By Order of the Board.

D. R. STREET,

Secretary-Treasurer.

Ottawa, March 12th, 1919.

### CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

#### ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the Canadian General Electric Company, Limited, will be held at the Head Office of the Company, corner King and Simcoe Streets, Toronto, on Monday, March 24th, 1919 at 12.00 o'clock noon, for the purpose of receiving the Annual Report of the Directors, the election of Directors for the ensuing year, and for the transaction of any other business which may properly be brought before the meeting.

By order.

J. J. ASHWORTH,

Secretary.

### GREENSHIELDS CONNECT PRIVATE WIRES

Greenshields and Co., of Montreal, have announced that their direct wire from their Montreal and Ottawa offices to New York will be connected with the offices of Messrs. Logan and Bryan, members of the New York Stock Exchange, the

### THE CANADIAN CROCKER-WHEELER CO., LIMITED

#### DIVIDEND NOTICE

The Directors of the Canadian Crocker-Wheeler Company, Limited, have declared a One and Three-Quarters per cent. (1¾%) dividend on the preferred stock of the Company for the three months ending March 31st, 1919, to shareholders of record March 21st, 1919. Also a dividend of One and Three-Quarters per cent. (1¾%) on the common stock of the Company for the three months ending March 31st, 1919, to shareholders of record March 21st, 1919.

The stock books will be closed from the 21st to the 31st of March, both days inclusive.

Cheques will be mailed to shareholders on March 31st, 1919.

By order of the Board.

L. R. GRIMSHAW,

Secretary-Treasurer.

St. Catharines, March 4th, 1919.

### PROVINCIAL PAPER MILLS COMPANY, LIMITED

Notice is hereby given that dividends of One and three-quarters per cent. (1¾%) on the Preferred Stock, and One per cent. (1%) on the Common Stock of this Company, have been declared for the current quarter, both payable April 1st, 1919, to shareholders of record at the close of business, March 15th, 1919.

S. F. DUNCAN,

Secretary-Treasurer.

Dated Toronto, March 5th, 1919.

### THE OGILVIE FLOUR MILLS COMPANY, LIMITED

#### DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of three per cent. has been declared on the Common Stock of The Ogilvie Flour Mills Co., Limited, payable Tuesday, the first day of April, 1919, to Shareholders of record at the close of business, Thursday, the twentieth day of March, 1919.

By Order of the Board.

G. A. MORRIS,

Secretary.

Montreal, March 11th, 1919.

### PATON MANUFACTURING CO. OF SHERBROOKE

Notice is hereby given that a Dividend of (4%) Four per cent. and a bonus of (2%) Two per cent. for the half-year ending January 31st, have been declared payable on the 15th day of March next, to Shareholders of record of the 28th instant.

By order of the Board.

A. D. BRODIE,

Secretary.

Sherbrooke, February 19th, 1919.

New York Cotton Exchange, the Chicago Board of Trade, and other markets of the United States. The Logan and Bryan private wire system is one of the most extensive on the continent, reaching all the large Canadian and United States centres, including Vancouver and San Francisco on the Pacific Coast.





**WIDOW — THREE CHILDREN** — wants position as housekeeper; thoroughly domesticated, would go West; good home for children more essential than remuneration. Box 188, Mail and Empire.

**WOMAN, GOOD COOK AND MANAGER**, desires home for self and child of 7. small remuneration. Box 1216 Star. G

**GENERAL HOUSEWORK — YOUNG MOTHER**, quick, capable worker will be glad to hear of a comfortable home; where she can keep her baby with her. Box 694 Free Press.

**HOUSEKEEPER**, widow, desires post where little girl allowed. Box 4675 Telegram

## The Tragedy of the "Want Columns"

These advertisements from recent issues of daily newspapers tell heart-breaking stories. Called by death in the worktime of life—uninsured—the husbands of these women left widows to work or starve.

Don't let *your* wife come to this. Provide for her while you have the chance by means of an Imperial Life assurance policy.

**THE IMPERIAL LIFE**  
Assurance Company of Canada  
HEAD OFFICE - TORONTO

## Montreal and Toronto Stock Transactions—Continued

Loan and Trust	Montreal			Toronto			Bonds	Montreal			Toronto		
	Asked	Bid	Sales	Asked	Bid	Sales		Asked	Bid	Sales	Asked	Bid	Sales
Huron and Erie Mortgage Corp							Dominion Textile Company, A		98				
" " " " 20% paid							" " " " B		91				
Landed Banking and Loan						139	" " " " C		98½				
London & Canadian Loan & Agency						126	" " " " D		82	13000			
National Trust							Electrical Development						12
Ontario Loan & Debenture						155	Intercolonial Coal						
" " " " 20% paid						145	Kaministiquia Power						
Toronto General Trusts							Lake of the Woods Milling Company						
" " " " New							Laurentide Paper Co.						
Toronto Mortgage						134	Lyall Construction Co						
							Mexican Light & Power						
<b>Bonds</b>							Montreal Light, Heat and Power, 4½%			2000			
Ames-Holden-McCreedy	77		4000				Montreal Street Railway						
Asbestos Corporation							Montreal Tram						
Bell Telephone		95½					" " Debenture Stock	76		37900			
Canadian Car & Foundry						94	National Breweries, Ltd.						
Canada Bread				94	93½	2000	Nova Scotia Steel & Coal Co.						
Canada Cement		100	800				Ogilvie Flour		A	102			
Canada Steamships							" " " " B			102			
Canadian Pacific Railway							" " " " C						
Canadian Consolidated Felt							Ontario Steel Products, Ltd						
Canadian Converters		90					Penmans		89½		91	90	
Canadian Consolidated Rubber							Porto Rico					81	
Canadian Cottons		80½					Price Bros						
Canadian Locomotive						94	Quebec Railway, Light & Power Co.		61½	7000	63	60	
Canada Forgings							Rio de Janeiro					85	
Cedar Rapids			6500				Riordon Paper						
City of Montreal (May, 1923)	101½	101½	30000				Sao Paulo Tramway						
" " (Sept., 1923)	101½		9300				Sherwin-Williams Co.						
" " (Dec.)	101½		6200				Spanish River						84
Dominion Cannery						90	Steel Co. of Canada						96
Dominion Coal							Wabasso Cotton			3000			
Dominion Cotton		98					Wayagamack		87	32600			
Dominion Iron and Steel			5000			88	West Kootenay						
Dominion of Canada War Loan	1925	98	15400	98½	98½	23000	Winnipeg Electric						
" " " " 1931		98½	15800		98½	23300	Winnipeg Street Railway						
" " " " 1937	110	99½	190700	99½	99½	454000	Windsor Hotel						
" " " " 1922	100½	100	197650	100	100	236500							
" " " " 1923		100	257350	103	102½	572380							
" " " " 1927		103	50200	105½	105½	500000							
" " " " 1933	104½	104	582325	100	100	138890							
" " " " 1937	106	105½	80500	104½	104½	125450							

## INVESTMENTS AND THE MARKET

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

**Dome Mines, Ltd.**—The proposed optioning of the Dome extension property to the Dome Mines was agreed to at a special meeting of the Dome Extension shareholders held this week. Some 1,750,000 shares were cast for it and none against. Under the terms of the option, Dome agrees to spend an average of \$3,000 a month in development and exploration, and has until March 15, 1920, to take over the property, paying therefor 76,667 shares of Dome stock.

**Canada Cement Co.**—According to the statement of Mr. Frank P. Jones, vice-president and general manager of the company, there will be no dividend or bonus paid this year. He said: "I can assure you that, so far as I am concerned, there will be neither an increase in the dividend of Canada Cement, nor a bonus this year. The board of directors may do as they please in the matter, but my vote will be against both." Mr. Jones stated that while in England he obtained no contracts for cement or for anything else in the company's business, and that he didn't think there would be a big demand for cement products from Europe.

**Black Lake Asbestos and Chrome Co.**—The directors of the company, in their annual report, show an increased profit from the past year's operations. The profit for 1918 was \$152,512, compared with \$131,680 in 1917. During the year the company made two payments at the rate of 6 per cent. per annum on the income bonds, amounting to \$71,490, as compared with payment of \$59,575 the previous year. In 1916 no payment was made. The company's current assets now amount to \$278,977, compared with \$244,526 in 1917. Total assets are now practically unchanged at \$5,239,337. The sum of \$60,084 was written off for depreciation on plant. Operations in 1918 were hampered by scarcity of labor, but the development of the asbestos and chrome pits has been carried forward according to plan. It is expected that the output in 1919 will show a substantial increase. The market for asbestos and chrome is somewhat unsettled, but the directors speak hopefully of the outlook.

**International Coal Co.**—President Charles Fergie, in his address to shareholders, stated that the production at 176,814 tons shows a slight falling off from the production for the previous year, owing to labor shortage, which, particularly during the second half of the year, was very acute, besides which there was a stoppage of work in September owing to wage disputes. But as the demand was greater than the supply during the early part of the year, a good business was done, although after the signing of the armistice the demand showed a marked falling off. Nevertheless, the company was able to show profits of \$150,457, which were only \$30,000 below the previous year's, out of which the balance of the company's first mortgage bonds, amounting to \$15,000, fell due and was redeemed, besides which the company redeemed \$43,500 of the 6 per cent. issue, and \$23,000 of the 5 per cents., leaving outstanding at the end of the year only \$136,500 of the former and \$24,500 of the latter. Besides paying dividends at the rate of 7 per cent. on the preferred stock, the dividends on the common were resumed during the year, and 2½ per cent. was paid for the first half of the year and 3½ per cent. for the second, being at the rate of 6 per cent.

The balance of earnings left after depreciation, fixed charges and all expenses, including war tax, etc., amounted to \$92,533, equal to 18.5 per cent. on the common stock outstanding, as compared with \$107,618 the previous year, equal to 21.5 per cent. Dividends of \$12,500 were paid on the common stock, as against nothing the previous year, and the surplus after those and preferred amounted to \$64,781, equal to 13 per cent. on the common. This added to the previous surplus of \$179,087 brings the present surplus up to \$243,868, or \$48.77 on each share of the common stock outstanding.

**Dominion Cannery, Ltd.**—The annual meeting of the shareholders of the company was held at the head office at Hamilton on March 5th. The financial statement for the year ended December 31, showed that profits for the year, before deducting bond interest, but after providing for business profits war tax, were \$745,324. After paying bond interest of \$103,099 and dividends of 7 per cent. on the preferred stock, amounting to \$160,342, the company was able to add to profit and loss account \$481,882, making the undivided balance now \$1,472,221. In addition, there is a reserve for insurance of \$150,000. The active assets are listed in the statement at \$4,178,942, real estate, factories, patent rights processes, etc., at \$6,334,791, and the total assets at \$11,248,856.

The president announced the prospects for the future very bright. The directors have declared a dividend of 1½ per cent. on the preferred stock, payable April 1 next. All the arrears of preferred dividends have now been paid and the regular quarterly dividends were paid throughout the year, with the balance now in profit and loss, the directors feel that the uninterrupted payment of preferred dividends is now reasonably assured. It was decided to reduce the number of directors by two and the rest of last year's board was re-elected as follows: J. J. Nairn, R. L. Innes, F. H. Lawlor, M.P., D. Marshall, Samuel Nesbitt, M.P.P., and W. R. Drynan.

**British Columbia Fishing and Packing Co.**—The annual report of the company shows that the operating company, the British Columbia Packers' Association, made total profits, after making provision for depreciation of \$435,360, as compared with \$453,080 in 1917. This shows but a small falling off in earnings in a year, which, from the salmon packers' viewpoint, was considerably below the average, while 1917 was a very good year in respect of pack. After deduction of \$110,000 to cover estimated taxes and \$214,590 covering preferred dividends, which were up from \$171,672 in 1917, net profits amounted to \$110,770, as compared with \$281,408 in the previous year.

An adjustment of \$12,319 is made in last year's accounts to cover taxes, and this sum must be taken into consideration when making comparisons. Adding balance carried forward from previous year to surplus profits, total credit at balance of profit and loss account amounts to \$1,439,695, as compared with \$1,347,945, to be carried forward to 1919. Total assets of the operating company are given in the balance sheet as amounting to \$4,659,059, against \$4,309,894, an improvement of about \$300,000 during the year. Plant equipment, etc., amount to \$2,610,539, as against \$2,764,936. Investments are up slightly from \$502,970 in 1917 to \$580,252. A large increase is shown in inventories, which are itemized at \$1,035,553. In 1917 these were \$697,168, the increase here largely accounting for the increase in total assets. A considerable shrinkage is shown in cash on hand, which is given at only \$6,117, compared with \$102,659, although accounts receivable are up to \$421,264, as compared with but \$28,540. Two items fail to appear in the 1918 account, these being sundry debtors \$111,029, and drafts in collection \$97,395.

The principal item on the liability side is that of accounts payable, which have been reduced sharply to \$92,207, as compared with \$109,605 in 1917. Bank loans make their appearance at \$145,000. Reserves now amount to \$726,257, as compared with \$706,445 in the previous year.

The city of Montreal is planning to have a civic pension scheme for municipal employees. It is to be supported partly by contributions from the employees and partly by a municipal grant.

# Confederation Life

ASSOCIATION

INSURANCE IN FORCE, \$91,986,000.00

ASSETS - - - - 23,418,000.00

LIBERAL INSURANCE AND ANNUITY  
CONTRACTS ISSUED UPON ALL AP-  
PROVED PLANS

HEAD OFFICE : : TORONTO

# SECURITY ABOVE ALL

Whether with the intention of taking out insurance or associating yourself as representative with some company, you first look for security.

The figures for 1918 emphasize the unexcelled financial position of the North American Life. After a year of War and Pestilence, the Company emerges stronger than ever, meriting its motto, "Solid as the Continent."

Business in Force	-	over \$70,900,000
Assets	-	" 18,100,000
Net Surplus	-	" 2,750,000

Correspond with E. J. HARVEY, Supervisor of Agencies.

## North American Life Assurance Company

"SOLID AS THE CONTINENT"

HEAD OFFICE - - - - TORONTO

IMPORTANT FEATURES OF THE

# Seventh Annual Report

OF THE

# WESTERN LIFE ASSURANCE COMPANY

HEAD OFFICE - WINNIPEG, MAN.

	1918	Increase
Applications Received.....	\$1,317,225.00	18%
Premiums on same.....	43,314.75	16%
Assurances in Force.....	2,767,702.00	32%
Policy Reserves .....	153,055.00	38%
Collected in cash per \$1,000 insurance in force.....	\$33.01	

For particulars of a good agency apply to  
ADAM REID, President and Managing Director, Winnipeg.

# THE KEystone OF THE ARCH

Nothing known in building is stronger than the arch--The symbol of the Mutual Principle in Life Insurance. The centre of the arch is the keystone--and "The Keystone of a Life Insurance Organization," says W. O. Chapman, "is management." The three leading constituents in good management are INTEGRITY, ECONOMY and EFFICIENCY. It is well known that the secret of the extraordinary success of the Mutual Life of Canada has been the rigid adherence of managers and directors through fifty years of history to these essential things. It is due to these that in spite of more than four years of devastating war, followed by a blighting pestilence, with the immense losses entailed, yet the strength of the Mutual Life of Canada is unshaken. The keystone ensures the solidity of the organization, and there is no other better qualified to defy the tooth of time than--

## The Mutual Life Assurance Co. of Canada

Waterloo

Ontario

# The Standard Life Assurance Company of Edinburgh

Established 1825. Head Office for Canada: MONTREAL, Que.

Invested Funds.....\$ 66,500,000	Investments under Canadian Branch, over...\$ 16,000,000
Deposited with Canadian Government and Government Trustees, over..... 7,000,000	Revenue, over..... 7,900,000
	Bonus declared..... 40,850,000
	Claims paid..... 151,000,000

D. M. McGOUN, Mgr.

F. W. DORAN, Chief Agent, Ont.

# ENDOWMENTS AT LIFE RATES

ISSUED ONLY BY

# THE LONDON LIFE INSURANCE CO.

Head Office ... LONDON, CANADA

Profit Results in this Company 55% better than Estimates.  
POLICIES "GOOD AS GOLD."

# USE FORESIGHT

The time to prepare for a rainy day is when the weather is fine.

That is a truism. Yet many a person that would never for a moment dispute so obvious a piece of common-sense forgets that the time to prepare for a financial "rainy day" is NOW, and that the way to do so is by means of Life Insurance. To the great majority Insurance offers the only way within their reach of taking care of the future--not only the future of dependent ones but their own as well.

The Great-West Policies provide such Insurance on exceedingly attractive terms. Premium rates are low and profit returns are remarkable. Personal rates and full explanations will be gladly given on request. State age.

## THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE DEPT. "F" WINNIPEG

"Buy War Savings Stamps"

# The Western Empire

Life Assurance Company

Head Office: 701 Somerset Building, Winnipeg, Man.

BRANCH OFFICES

REGINA MOOSE JAW CALGARY EDMONTON

# THE NORTHWESTERN LIFE

ASSETS FIVE TIMES GREATER THAN LIABILITIES  
RESERVES 25% LARGER THAN LAW REQUIRES  
EXPENSES LOWEST IN CANADA

HEAD OFFICE WINNIPEG

# CAPABLE MEN

Can Always Be

# WELL PLACED

Much desirable territory is ready for Agents who can deliver policies in satisfactory volume. Inquiries about localities will have careful attention.

## Union Mutual Life Insurance Co.

Portland, Maine

Address: ALBERT E. AWDE, Supt. of Agencies.

## RECENT FIRES

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

**Calgary, Alta.**—March 3—The Western block, at the corner of Tenth Ave. and First Street, was damaged. Estimated damage to building, \$10,000; to contents of occupants, \$15,000.

**Chatham, Ont.**—February 24—Automobile painting and finishing shop of Fred. Lennox was damaged. No insurance carried.

**Delisle, Sask.**—March 11—Large part of town reported damaged. Estimated loss, \$70,000.

**Fredericton, N.B.**—March 6—Five potato houses, containing several thousand barrels of potatoes, two large hay sheds, partially filled with hay, a car loaded with potatoes and another loaded with fertilizer were destroyed at Lakeville, Carleton county. Estimated loss, \$25,000.

**Hamilton, Ont.**—March 8—Premises of J. C. Cooper, grocer, and W. Bridgewood, butcher, James Street, were damaged. Caused by defective wiring. Estimated loss, \$8,000.

**Midland, Ont.**—March 5—The Midland Opera House Building was destroyed. Estimated loss, \$45,000. The building was owned by Duncan Brothers, who will be the heaviest losers, as contractors state it could not be replaced to-day for less than \$40,000, though its original cost was \$23,000. A. Bugg, D. H. Wray, V. G. Edward and E. L. Swan all sustained losses.

**Montreal, Que.**—March 5—Bottle factory of Dominion Glass Co. was damaged. Caused by bursting of a retort used for melting glass. Estimated loss, \$100,000.

**Newmarket, Ont.**—March 6—House of S. West was damaged.

**New Sarum, Ont.**—March 8—The New Sarum Hotel was destroyed. Loss not known. Caused by defective pipe.

**Nipigon, Ont.**—March 4—Houses of J. A. Goodridge and H. L. Abrams were destroyed. Estimated loss, \$5,000, covered by insurance.

**Ottawa, Ont.**—March 5—General store of D. Deguire, 195 Montreal Road, together with adjoining stores occupied by R. Bissen and J. O. Lanoue, were damaged. Estimated loss, \$18,000.

**Sherbrooke, Que.**—March 4—Building of A. E. Zakaid, confectioner, 90 Wellington St., was damaged. Caused by rat gnawing matches.

**Toronto, Ont.**—March 6—The Standard Stock Exchange Building, and the Owl shoe store at 56 King Street W., were damaged. Caused by overheated furnace. Estimated loss, \$9,000.

March 10—Building at 1224 Dundas Street W., was damaged. Caused by defective wiring. Estimated loss, \$100. House of J. McFarlane, 122 Sherwood Street, was damaged. Caused by spontaneous combustion. Estimated loss, \$300, covered by insurance.

**Vancouver, B.C.**—March 1—Home of Mr. C. Peck was destroyed. One life lost.

**Victoria, B.C.**—March 4—The Cloverdale Hall was damaged. Caused by defective stove pipe. Estimated loss to building, \$1,500, and furniture and fixtures, \$1,600. Only \$800 insurance carried.

**Woodbridge, Man.**—March 5—Home of Mrs. H. Mixer was destroyed. Two deaths.

## ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

**Alberton, P.E.I.**—March 1—As reported in *The Monetary Times* last week the business section of the town was destroyed. The following is a list of insurance companies interested: Northern, \$5,100; Canada Accident, \$5,000; Phoenix of London, \$5,000; Union of London, \$4,500; Scottish Union and National, \$4,250; Empire Liability, \$3,200; Phoenix of Hartford,

\$3,200; Guardian, \$3,000; Springfield, \$3,000; North British and Mercantile, \$3,000; Atlas, \$3,000; Canadian, \$2,236; St. Lawrence Underwriters, \$1,769; British American, \$1,638; Prince Edward Island Mutual, \$1,600; Phoenix of Paris, \$1,500; Yorkshire, \$1,500; Norwich Union, \$1,500; Nova Scotia, \$1,310; Royal, \$1,250; Union of Canton, \$1,069; Queen, \$1,000; British Traders, \$1,000; Fidelity-Phoenix, \$1,000; General of Paris, \$700; Phoenix of Hartford, \$250; General of Perth, \$138; total, \$61,710. Loss about \$85,000.

**Edmonton, Alta.**—Edmonton's fire loss for 1918 was \$215,000, according to the annual report of the fire department, which has been sent to the city commissioners. In the previous year the loss was \$69,000. The amount of insurance involved was \$3,449,900 as against \$4,807,000 in the year before.

There were 628 fires responded to and 65 false alarms. The largest number of fires in one month was in April, when the brigade had 174 calls. In other months the average was 50 fires.

**Sherbrooke, Que.**—February 21—The premises of I. M. Nault, Ltd., dry goods, were damaged. Insurance as follows: On stock: Royal Exchange, \$8,000; Union of Paris, \$3,000; Mount Royal, \$8,000; Nova Scotia, \$10,000; Globe and Rutgers, \$5,000; National of Paris, \$2,000; Occidental, \$3,000; North British American, \$7,000; London Mutual, \$4,000; Northern, \$4,000; Strathcona, \$3,000; London and Lancashire, \$2,000; Springfield, \$3,000; North-West National, \$5,000; British America, \$2,000; Fidelity, \$2,000; London Assurance, \$2,000; North America, \$2,000; Phoenix of Paris, \$5,000; Liverpool-Manitoba, \$2,000. Total, \$83,000. Loss about 90 per cent. On other contents: National of Paris, \$1,300. Loss about 50 per cent. On building: Guardian, \$2,000; Royal, \$5,000; Lancashire Union, \$2,000; North British and Mercantile, \$8,000; North America, 5,000; London Assurance, \$5,000; Caledonian, \$2,000. Total, \$32,000. Loss about 20 per cent.

**Vancouver, B.C.**—Fire Chief Carlisle submits the following report for the month of February to *The Monetary Times*:—

The total loss sustained by fire for the month (exclusive of the Parson and Haddock loss, the adjustment of which has not as yet been completed), amounted to \$6,665, of which amount \$6,593 was covered by insurance, leaving the property loss above insurance at \$72. The total value of the property involved was \$323,550. The following will show the causes of fires for the month: Cigarette butt left on lounge, 1; candle left too near mattress, 1; clothes left too near stove, 1; clothes left to dry on stove-pipe, 1; defective fire-places, 1; defective range, 1; hot ashes placed in wooden receptacles, 2; hot ashes placed against wooden shed, 1; incendiary origin (presumed), 1; leaky acid drum, 1; lighted torch too near oil burner, 1; lighted match too near gasoline (leaking from carburetter), 1; rubbish papers, etc., left too near furnace (basement), 1; sparks (flying), 1; spontaneous combustion, 1; unprotected stove-pipes, 2.

**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 fire for this period, excluding all figures in connection with the T. A. Walsh Construction Co. (7 Alexander Street) loss of January 23rd, and which has not as yet been adjusted, was \$17,602, of which amount \$16,920 was covered by insurance, leaving the property loss above insurance at \$682. The total value of the property involved (excluding Walsh Co. figures) by fire for the month was \$464,967.

The following shows the cause of fires for this period: Carelessness with cigarettes 2, children playing with matches 1, defective chimneys 2, defective fireplaces 1, electrical origin 3, firewood drying on top of furnace catching fire 1, gaspipe leaking 1, gasoline stove upsetting 1, hot ashes falling on floor from stove 2, hot ashes placed in wooden receptacles 3, lightning 1, lighted match near gasoline tank 1, overheated furnace pipes 1, overheated stove 1, overheated stovepipes 3, sparks (flying) 1, spontaneous combustion 2, stove (gasoline) too near wall 1.

LICENSED BY THE DOMINION GOVERNMENT



W. E. BALDWIN  
MANAGER

CANADIAN HEAD OFFICE  
17 ST. JOHN ST., MONTREAL

# THE FIDELITY-PHENIX

FIRE INSURANCE COMPANY OF NEW YORK

HENRY EVANS, President

NOW WRITING HAIL INSURANCE

ASSETS EXCEED TWENTY-TWO MILLION DOLLARS

FIRE. HAIL. MARINE. TORNADO.

AGENTS WANTED IN UNREPRESENTED DISTRICTS.



## L'UNION

Fire Insurance Company, Limited, of PARIS, FRANCE

Capital fully subscribed, 25% paid up .....	\$ 2,000,000.00
Fire Reserve Funds .....	5,949,000.00
Available Balance from Profit and Loss Account .....	113,266.84
Total Losses paid to 31st December, 1917 .....	104,117,000.00
Net premium income in 1917 .....	6,136,055.28

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

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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, of London, England

Established 1821

Capital Subscribed .....	\$10,000,000
Capital Paid-up .....	\$ 5,000,000
Total Investments Exceed .....	\$40,000,000

Head Office for Canada, Guardian Building, Montreal

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

ARMSTRONG & DeWITT, Limited, General Agents

36 TORONTO STREET TORONTO

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

## Phoenix Assurance Co., 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 affected 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 .....

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 THE AUTOMOBILE BRITISH CROWN ASSURANCE

Corporation, Limited OF GLASGOW, SCOTLAND

Guaranteed by EAGLE, STAR & BRITISH DOMINIONS INSURANCE COMPANY, LIMITED

Head Office Canadian Branch TORONTO  
Liberal Contracts to Agents in Unrepresented Districts

## British America Assurance Company

FIRE, MARINE, HAIL AND AUTOMOBILE INSURANCE

INCORPORATED 1833

HEAD OFFICES: TORONTO

W. B. MEIKLE, President and General Manager

JOHN SIME, Asst. Gen. Mgr. E. F. GARROW, Secretary.

Assets. Over \$3,500,000.00

Losses paid since organization over \$43,000,000.00

**WESTERN ASSURANCE COMPANY**  
 INCORPORATED 1851  
 Fire, Marine, Explosion & Automobile Insurance

Assets..... over \$6,000,000.00  
 Losses paid since organization 70 000,000.00

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 LT.-COL. HENRY BROCK GEO. A. MORROW, O.B.E.  
 ALFRED COOPER (London, Eng.) LIEUT.-COL. THE HON. FREDERIC NICHOLLS  
 H. C. COX BRIG.-GEN. SIR HENRY PELLATT, C.V.O.  
 JOHN H. FULTON (New York) E. R. WOOD  
 D. B. HANNA  
 E. HAY

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

**ATLAS Assurance Company Limited**  
 Founded in the Reign of George III

Subscribed Capital.....\$11,000,000.  
 Capital Paid Up.....1,320,000.  
 Additional Funds.....22,141,355.

The company enjoys the highest reputation for prompt and liberal settlement of claims and will be glad to receive applications for Agencies from gentlemen in a position to introduce business.

**Head Office for Canada—260 St. James St., Montreal**  
 Matthew C. Hinshaw, Branch Manager.

**BRITISH TRADERS' INSURANCE COMPANY**  
 Established 1865

AGENCIES THROUGHOUT THE WORLD

**Fire—Marine—Automobile**

Toronto Agents, WINDEYER BROS. & DONALDSON

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

**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

**British Northwestern Fire Insurance Company**

**Head Office** .... **WINNIPEG, Can.**

Subscribed Capital .... \$594,400.00  
 Capital Paid-up .... 243,000.00  
 Surplus .... 53,600.00  
 Policy-holders' Surplus .... 296,600.00

HON. EDWARD BROWN, President E. E. HALL, Vice-President  
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**THE LAW UNION & ROCK INSURANCE CO., Limited**  
 of LONDON Founded in 1806

Assets exceed \$50,000,000.00 Over \$10,000,000.00 invested in Canada  
 FIRE and ACCIDENT RISKS Accepted  
 Canadian Head Office: 277 Beaver Hall Hill, Montreal  
 Agents wanted in unrepresented towns in Canada.

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

**The LONDON ASSURANCE**  
 Head Office, Canada Branch, MONTREAL  
**Total Funds exceed \$36,000,000**

Established A.D. 1720. FIRE RISKS accepted at current rates  
 Toronto Agents, Armstrong and DeWitt, Limited, 36 Toronto Street.

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

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

**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

**THE MERCANTILE FIRE INSURANCE COMPANY**  
 Incorporated 1875

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

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

Total Assets 31st December, 1918, over .....\$1,000,000.00  
 Policies in force in Western Ontario, over ..... 30,000.00

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



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 Head Office, Montreal

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

J. Gardner Thompson, Manager.  
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 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  
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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

Head Office for Canada : TORONTO



Assets Exceed \$65,000,000

**Eagle AND Star**  
**British Dominions**  
 INSURANCE COMPANY LIMITED  
 OF LONDON, ENGLAND

J. H. RIDDEL, Manager E. C. G. JOHNSON, Asst. Manager

DALE & COMPANY, LIMITED  
 GENERAL AGENTS  
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Head Office—Corner of Dorchester St. West and Union Ave., MONTREAL

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 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.

TOTAL ASSETS - \$2,387,634.14

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.



ALFRED WRIGHT, Manager  
 A. E. BLOGG, Branch Secretary

14 Richmond St. E. TORONTO

Security, \$36,000,000



**NORWICH UNION**  
 FIRE INSURANCE  
 SOCIETY LIMITED

Norwich, England

Founded 1797  
 FIRE INSURANCE  
 ACCIDENT AND SICKNESS  
 PLATE GLASS

EMPLOYERS' LIABILITY  
 AUTOMOBILE INSURANCE

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 12-14 Wellington St. East

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For the average investor, one of the most important considerations in selling or buying bonds is to be assured of the character of the firm with which he is doing business, its experience and the facilities which its various departments afford for selling, buying and investigating the worth of any security.

As an investment house with eighteen years' experience in buying and selling high-grade Canadian bonds we invite you to consult us in regard to your investment problems.

*Correspondence Invited.*

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Canada Life Building  
R. W. Steele - Manager

Established 1901  
26 KING STREET EAST  
TORONTO

LONDON, ENG., BRANCH  
No. 2 Austin Friars  
A. L. Fullerton, Manager

### The West Shall Prosper

With France, Belgium, Rumania placing large orders for food stuffs, raw products, building material and manufactured articles in Canada, the West is on the eve of a great productive period. The field is fallow; it will produce in abundance to the hand of the husbandman. This is the time to sow.

We are in close touch with this field. May we guide you?

Bonds	Farm Lands
Mortgages	City Properties
Insurance	Leases and Rentals

## Pemberton & Son

FINANCIAL AGENTS

VANCOUVER, B. C.

418 Horne Street - Vancouver, B.C.

## Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

**\$96,971,238.06**

STATEMENT, JANUARY 1st, 1918

CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

**\$2,000,000.00**

RESERVE FOR ALL OTHER LIABILITIES

**12,927,269.91**

NET SURPLUS

**8,527,719.31**

ASSETS

**23,454,989.22**

THE SECURITIES OF THE COMPANY ARE BASED UPON ACTUAL VALUES ON DECEMBER 31st, 1917

HAD THE SECURITIES BEEN TAKEN AT THE VALUES AUTHORIZED BY THE NATIONAL CONVENTION OF STATE INSURANCE COMMISSIONERS THE ASSETS AND SURPLUS WOULD EACH BE INCREASED BY \$2,321,032.00

Home Office, One Liberty Street  
New York City

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 ESINHART & EVANS, Agents MURPHY, LOVE, HAMILTON  
 39 Sacramento Street & BASCOM, Agents  
 Montreal, Quebec Dominion Bank Building  
 Toronto, Ontario  
 WILLIAM ROBINS, SUPERINTENDENT OF AGENCIES  
 Dominion Bank Building, Toronto, Ontario