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Can Public Utilities Be Operated at Cost?

Municipalities Have Had Difficulty in Adjusting Revenue to Expenditure—
Increase in Operating Expenses Last Year Was Not Anticipated—Citizens'
Lack of Interest in Their Enterprise—The Experience of Lethbridge

By ANGUS LYELL

THE efficient municipal management of public utilities, such as electric light and power, waterworks and street railway, is a matter to which the average citizen pays far too little attention. He will complain, of course, should the service become grossly inefficient or should there be temporary discontinuance, through accident or other cause. This is about all the interest the average ratepayer takes in municipal management, except, perhaps, to protest when there is an announcement that, say, the electric light department has yielded a surplus for the year. A surplus! Why, ridiculous. The power plant should have been operated at cost and the charge to the consumer reduced. Such is no uncommon line of talk.

No Interest in Civic Industry

This lack of interest in the municipal administration of utilities is well shown by the general inaccessibility of data pertaining to such management, that is, inaccessibility to the average citizen. All cities now-a-days have an annual audit, and locked up in the archives of the city hall is a mass of useful information pertaining to the city's affairs. But in addition to the city's bank and some stock brokers and a few more individuals more or less interested, how many people become conversant with the year's operations? Go into almost any city in Canada and ask the average man, even the average business man, for details of the capitalization and operation of his city's power plant, or waterworks, or even street railway, and in a very large number of cases you will be referred to the city's officials. What the average man usually knows to-day is that the street railway is being operated at a loss and that there is an agitation for increasing the fares. Question him on the cause of the loss and you will find that he cannot discuss details. About the only information you can get is that the operation expenses are said to be increasing faster than the revenue.

Ratepayers and Shareholders

Such apathy to civic affairs is not a healthy sign. There is no valid reason why every city should not publish annually for general circulation a complete financial statement, showing clearly the result of the year's operation and the city's standing financially. A city is a corporation just the same as a joint stock company incorporated for the purpose of marketing, say, a food product. The only difference is that the one is a public concern and the other a private. Both are governed by the powers contained in their charter. Both have beneficiaries—one the ratepayers; the other, the shareholders. These beneficiaries elect directors, for such are the aldermen of a city just as truly as are the directors of a joint stock company. Both corporations are on a capitalization basis and have current revenues to handle and

management problems to solve and services to render. But while the shareholders of the private company usually follow its operations more or less closely, the citizens of the municipality are generally apathetic. They do not, as a rule, even demand the issue to all taxpayers of an annual financial statement.

Service at Cost is Aim

The object of placing the operation of a public utility under municipal control is to give the best possible service at the least cost. The theory is that the utility should be operated at cost. Under private ownership the aim would be to create a surplus, so as to provide for the payment of dividends to the shareholders. The dividends the citizens expect are better service and less cost. They do not look for a surplus. They want operation at cost.

Now, this is easier said than done. The city of Lethbridge, for example, which, for a number of years has been issuing annual financial statements, has been unable to operate its utilities at cost. It operates four important utilities—a power plant, waterworks, street railway and a coal mine. I have before me the reports for the years 1911 to 1918 inclusive and in none of these years has the city been able to operate exactly at cost.

Example of Lethbridge Light and Power

Take the electric light and power department. Here are some interesting figures pertaining to it:—

Year	Revenue	Operating Expense	Sinking Fund	Debenture Interest	Surplus
1911	\$ 88,043	\$43,476	\$ 8,831	\$15,146	\$20,588
1912	108,256	57,293	9,437	14,177	27,349
1913	109,855	71,568	13,430	24,478	377
1914	110,898	64,490	16,069	30,071	266
1915	110,383	63,635	16,069	30,468	210
1916	116,148	63,199	17,329	31,990	3,629
1917	130,217	67,166	17,963	35,108	9,978
1918	142,895	87,413	17,963	35,723	1,794

Apparently, after the substantial surplus of the years 1911 and 1912, when the city was developing rapidly, it was intended to reduce the surplus. For the next three years we find that a very fine balance was struck, the charges to sinking fund and debenture interests being heavier. But in 1916 there was an increase of nearly \$6,000 in the revenue and a slight increase in the operating expenses, which caused a fair surplus although the charge to the sinking fund was increased as also the debenture interest. A still larger increase in the revenue for the following year—over \$14,000—caused a surplus nearly three times as large, although there were substantial increases in the operating expenses and debenture interest. So far so good. But next we come to the year 1918 and here we find that, although there was an

increase in the revenue of nearly \$12,700, this was more than offset by an increase of over \$20,000 in the operating expenses. The result was that despite the substantial increase in the revenue there was a decrease of nearly \$8,200 in the surplus compared with that of the previous year. Happily, there was still a balance of \$1,794.71. But had the estimates been on an operation at cost basis, it is reasonably certain that the year's operations would have resulted in a substantial deficit—to be met, of course, out of general taxation:—

Lethbridge Waterworks Department

In the operation of its waterworks department the city of Lethbridge had a deficit of \$816.58 for the year 1918. For the preceding three years, the operation had been very near cost as may be seen from the following figures:—

Year	Revenue	Operating Expenses	Sinking Fund	Debenture Principal	Debenture Interest	Surplus
1911 ..	\$54,602	\$20,917	\$4,626	\$ 560	\$17,610	\$10,886
1912 ..	65,072	22,166	6,558	4,541	21,294	10,512
1913 ..	77,065	30,467	7,441	5,221	21,586	12,348
1914 ..	76,917	34,472	7,520	5,275	22,802	6,847
1915 ..	74,362	36,870	8,238	5,330	23,282	640
1916 ..	78,149	40,444	8,755	5,389	23,501	58
1917 ..	87,112	49,202	8,755	5,451	23,546	155
1918 ..	99,142	62,045	8,755	5,516	23,641	*816

*Deficit.

During the years 1911, 1912 and 1913 there was a substantial surplus. The revenue was steadily increasing. In 1914, however, it diminished slightly, and an increase in expenditure, mainly in operating costs, caused a material reduction in the surplus. A further reduction in the revenue for the following year, accompanied by increased charges, reduced the surplus to \$640.47. This fell to \$58.68 in 1916, although there was an increase of nearly \$4,000 in the revenue for that year. In 1917, the revenue increased by about \$9,000, but this was practically absorbed by increased operating costs. The operations for 1918 were somewhat similar only the increase in operating expenses exceeded the increase in the revenue, with the result that there was a deficit of \$816.58.

Losses on Street Railway

The operation of a street railway at a loss is more general to-day than exceptional. It was in 1912 that the city of Lethbridge built its street railway, which was operated for one hundred and twelve days that year. Since then as may be seen from the following statement there has been a steady and substantial deficit:—

Year	Revenue	Operating Expenses	Sinking Fund	Debenture Interest	Deficit
1912	\$20,736	\$17,698	\$ 372	\$ 7,841	\$ 5,176
1913	60,609	69,739	6,888	14,812	30,831
1914	46,053	55,136	8,934	19,184	37,202
1915	41,740	44,024	8,756	18,801	29,841
1916	49,639	47,597	9,903	20,063	27,924
1917	52,203	49,637	9,903	21,530	28,867
1918	51,930	55,356	9,903	21,530	34,859

The population of Lethbridge during these years has ranged from ten to fourteen thousand and it may be taken for granted that the citizens are prepared to operate the street railway for some time at a loss because of the general convenience it affords.

From the experience of Lethbridge in the operation of its utilities it will be seen that it is extremely difficult to operate such at cost. There will be either a surplus or a deficit, and it will be generally admitted that the former is preferable. What would be most valuable, however, in promoting the study of municipal finance would be, as already indicated, the publication for general use by all cities of their annual financial statements. These statements should be drawn up on a uniform basis, so as to facilitate comparison. I need hardly point out that if the citizens of Lethbridge had available statements for, say, six cities of about the same area and population such would enable them to take a much more intelligent interest in the affairs of their own municipality. Reforms usually follow and do not precede agitation, and when there is a demand for the general circulation of the annual financial statements of municipalities, such will be forthcoming.

Reorganized Cabinet Includes New Ministers

Hon. F. B. McCurdy is Minister of Public Works and Hon. Hugh Guthrie Minister of Militia—New Premier Has Risen Rapidly In Politics—Purchasing Now Permanently Centralized—Developments in Merchant Marine

(Special to *The Monetary Times*.)

Ottawa, July 15th, 1920.

CANADA has a new prime minister, Hon. Arthur Meighen having been selected to succeed Sir Robert Borden. He has the distinction of being the youngest Canadian prime minister as well as the first executive head to come from west of the great lakes. It is under trying and difficult circumstances that Mr. Meighen undertakes the leadership. He has to organize a new party; he has to defend a government which has accumulated in the past three years of war and peace more than its share of enemies; he has to hold in line the old Conservatives, who are none too pleased at the passing of their party with all its traditions and he has to conciliate Liberal-Unionists, who are dubious as to whether they will not lose their identity completely in the shuffle. In addition, he faces a rehabilitated Liberal party led by Hon. MacKenzie King, young and aggressive like himself, although lacking in his parliamentary experience and skill and a Farmer-Labor party, flush from recent political victories and appealing with a sort of evangelistic fervor to all the elements of unrest in the country.

Hon. Mr. Meighen has had rapid political advancement, but has reached his present position by sheer force of character and ability. There is no chance in his selection. An Ontario man and easterner by birth, shortly after his graduation from Toronto University he went west teaching school and studying law in Winnipeg. He hung out his shingle in the little Manitoba plainstown of Portage la Prairie. There seven years after going west he was the Conservative candidate for parliament in 1908. His party was beaten at the polls by the then dominant Liberal party under the leadership of Sir Wilfrid Laurier, but he was elected. Only 32 at the time, a mere boy in appearance his capacity soon impressed the house and it was not long until he was one of the leading critics of the government. In the reciprocity campaign of 1911 he was one of its chief opponents in a province that naturally favored the pact. When Sir Robert Borden formed his cabinet he was not included. Youth, geographic and other conditions were against him.

But although a private member and a back-bencher, it was soon to him Sir Robert Borden turned when the government was hard pressed in debate. Ruthlessly logical,

with a mind almost razor-like in its powers of analysis, a keen student of history he rapidly developed into one of the ablest debaters in the house.

Reputation Gained in Naval Debate

His parliamentary reputation was first established during the memorable naval debate of the session of 1912-13. Sir Robert Borden proposed as an emergency policy a gift of dreadnoughts to the British navy. The proposals were attacked with all the ability, sagacity and strength, which the long experienced and well-trained members of the opposition could summon. Determined to force the government to the country a policy of deliberate obstruction was adopted by the opposition. Then suddenly a secret leaked out. A casual visitor to Mr. Meighen's room one day discovered him almost buried in a pile of law books and the same night the rumor got abroad that the government was preparing a closure bill. A week later the opposition showed no evidence of relaxing in their obstructive tactics and the measure was introduced by Sir Robert Borden. The bill was immediately ferociously attacked by the opposition, Sir Wilfrid Laurier leading the attack with a fierce energy. Upon Meighen's head the opposition poured the vials of their wrath, as it was known he was the author. Constitutionally and legally, the bill was subjected to every possible method of attack, but the structure which the young member had builded stood the storm. When the violence of the debate had subsided Meighen's reputation as a legal luminary was beyond dispute. Throughout this acrimonious debate he was cool, resolute, confident of his position, master of himself and his materials, secure in his opinions and inflexible in his purpose. Even his opponents expressed admiration of the skill, logic and vigor of his defence.

In the same year he was brought into the cabinet as solicitor-general. He rapidly developed into the mainstay of the government in defence and every knotty problem was turned over to him for solution. In 1917 when Union government was formed he was made minister of interior.

Able Rather Than Popular

Mr. Meighen has not the impressive appearance of a Laurier or a Borden. He is slight, anaemic-looking; he might be mistaken for a young cleric. He is not a hail fellow well met and knows it. To the public he seems cold, austere and reserved, although as a matter of fact he has a fine sense of humor and enjoys a holiday with boyish abandon. He is a natural student, with a remarkably retentive memory. The English classics are his favorites. He is partial to Macaulay. To the study of Macaulay may be laid his rolling sentences and fine rounded periods. His power in debate, however, is not derived from a flowery flow of language, from exuberent eloquence or from graceful imagery. His strength lies in his marvellous capacity to marshal facts, his ability to analyze and the pitiless inquest of logic to which he subjects the argument of an opponent.

Imperialist in Sentiment

As long as Mr. Meighen is prime minister it is certain that there will be no move towards a break of Canadian connection with Great Britain tolerated. Continuance of Canada's position as a part of the Empire is one of the principles of his political beliefs. This is based upon an intense admiration of the British constitutional system and institutions and upon his conviction as an intensely patriotic Canadian that the Dominion can best play its part in international politics as an integral part of the Empire. Any move towards a break with the Empire would be sternly resisted by him.

His views and his policies can be best summed up in an address he made in London during the last year of the hostilities when he was overseas on a war mission. It was before the Royal Geographic Society. In his concluding words he said:

"In feeling and in thought, in sentiment, in aspiration, in the sense of her mission in this world Canada is British—

never more British than now. She believes and always wants to believe that Britain stands for real democracy. Canada is unitedly, determinedly democratic. She hopes and expects that out of the welter of this war of democracy, a war in which she strains as in honor she must, every fibre and muscle of her half-grown frame—she hopes that out of it all there will come not so much avenues to greater masses of wealth, but a wider area of opportunity, an improvement of living conditions, a higher general conception of public duty, a releasing of human energy for the purpose of science and art—an advancement for democracy all around over the whole universal line, and an advance commensurate with the cost."

New Cabinet Announced

The premier announced the reorganized cabinet on July 13 as follows: Premier and Secretary of State for External Affairs, Hon. Arthur Meighen; President of the Privy Council and Minister of Immigration and Colonization and Minister of Health, Hon. J. A. Calder; Minister of Trade and Commerce, Sir George E. Foster; Minister of Finance, Sir Henry Drayton; Minister of Justice, Hon. C. J. Doherty; Minister of Militia, Hon. Hugh Guthrie; Minister of Railways and Canals, Hon. J. D. Reid; Secretary of State, Hon. A. L. Sifton; Minister of Marine and Fisheries and Naval Affairs, Hon. C. C. Ballantyne; Minister of Agriculture, Hon. S. F. Tolmie; Postmaster-General, Hon. P. E. Blondin; Minister of Public Works, Hon. F. B. McCurdy; Minister of Customs and Inland Revenue, Hon. R. W. Wiggmore; Minister of the Interior and Superintendent-General of Indian Affairs, Sir James Lougheed; Ministers without portfolio, Sir Edward Kemp and Hon. E. K. Spinney; Solicitor-General, not yet appointed,—Hon. Mr. Guthrie acts.

War Purchasing Department Continued

The war purchasing commission has just been transformed into central purchasing commission for all departments, by order in council. In 1919 and 1920 efforts were made by Hon. N. W. Rowell and some of his colleagues to get legislation to make permanent such a commission; but there was such opposition that the government had to withdraw it. It is explained now that the government has power to continue the existence of the War Purchasing Commission for an indefinite period. Under the new order-in-council the board can do all the buying for the government if it wishes, or it can direct and control buying where it feels that the buying could best be done by the department concerned. The order-in-council is compiled along the same line as the war measures order-in-council. There will be a chairman and two members appointed. Until that time Sir Hermis Brown, secretary of the War Purchasing Commission, will carry on.

Government Merchant Marine

The Canadian government fleet of 63 vessels may be entirely built by March 31, 1921, says a despatch from Ottawa. Up to the present time 32 vessels have been finished, and splendid headway is being made with the other half of the fleet. Particularly good progress is being made at the Montreal, St. John, Collingwood and Port Arthur yards. Several vessels of large tonnage being built in inland yards will be utilized in ocean-going services, and it will be necessary to bring them through the canals to the St. Lawrence in sections.

West Indies Steamship Service

First fruits of the West Indies conference held recently in Ottawa will come in the form of the establishment early in 1921 of a new steamship service between Canada and the West Indies. The government, it is learned, has undertaken to commence, probably in January next, a service considered by the conference under the name of the Western Steamship Service. This scheme provides for sailings from Halifax and St. John to Bermuda, thence to the Bahamas and British Honduras and return. The arrangements being made provide for the installation on two of the five thousand ton vessels now being constructed for freight service on this route accommodation for about twenty-five first-class passengers.

COLLECTIONS VERY SLOW IN THE WEST

New Orders Are in Good Volume, However—Crop Prospects Maintain Healthy Sentiment—Bankers Discuss Deep Waterways Project

(Special to *The Monetary Times*.)

Winnipeg, July 15th, 1920.

ON the whole, the crop outlook in Manitoba and throughout the whole west is very encouraging. Reports from a majority of points are entirely satisfactory, while from other places there is complaint of lack of recent rains. During the past week there have been local rains, but some places have been missed, and evaporation at this time of year is rapid. From no place in Manitoba is there any suggestion of crop failure or even of crops having suffered considerably, and the present promise is that the crop will vary from fair to very good, according to locality.

Collections Not Good

Winnipeg wholesale houses are fairly busy. Wholesale hardware reports trade good and orders coming in freely. Midsummer conditions exist in retail lines, with many sales in clothing and boots, but no real price cutting. Further west, wholesale and retail trade are both quiet. Collections at western and Pacific coast points are reported very slow, and poor.

Bankers Attend Duluth Convention

Representatives of the Bank of Montreal and the Imperial Bank have returned to Winnipeg from Duluth, where they attended the annual meeting of the State Bankers' Association. The total attendance at the assembly was about nine hundred. The subject of greatest local interest was the proposed deepening of the channel of the St. Lawrence River. The estimated cost of this work was \$130,000,000 and it was stated that a saving of this amount would be effected each year. United States people of the northwest are deeply concerned in the question owing to the freight congestion which exists at the present time all through that country. They state that it would nearly cut their freight bills in half.

Local Financing

The Winnipeg firm of Strange and Snowden this week bought the bonds of the rural municipality of Swan River. These are good roads debentures and are guaranteed by the province. The amount is \$58,000. The bonds run for 30 years and bear 6 per cent., interest and principal are payable only in Canada. The funds cost the municipality slightly less than 7 per cent.

The province of Manitoba have this week opened an up-to-date ground floor office in the Lindsay Building to receive savings deposits on which 4 per cent. interest will be paid. Many thousands of dollars have been sent in already from all over Manitoba.

CASUALTY INSURANCE MANAGERS' ASSOCIATION

The annual meeting of the Casualty Insurance Managers' Association was held on June 17, and the following officers elected for the ensuing year: President, J. C. Gagne; vice-presidents, A. E. Kirkpatrick, Toronto, and H. F. Roden, Montreal; treasurer, E. Willans; senior secretary, T. D. Hutchins, Montreal; Toronto secretary, H. S. Humphries.

Announcement is made by the United Financial Corporation, Ltd., of the removal of their Ontario branch office, which is under the management of G. E. Cork, to the premises occupied by the Guaranty Trust Co. of New York, at 14 King St. East, Toronto. The foreign service department of the Guaranty Trust Co. will continue at the above address under the supervision of E. N. Wilkes, correspondent, as formerly.

HIGHER RAILROAD RATES APPLIED FOR

Canadian Railway Association Presents Arguments Based on Cost of Operation—Net Earnings Have Fallen Rapidly

APPLICATION for a 30 per cent. increase in rates was filed on July 10, with the Board of Railway Commissioners for Canada, by the Canadian Railway Association. On July 14 the Board announced that the application will be considered in Ottawa on August 10, and arguments from both sides heard. The association presents its case in the application as follows:—

Text of the Application

"The Railway Association of Canada, on behalf of the railway companies members thereof, and of all other railway companies within the jurisdiction of the board, hereby applies to the board under section 325 of the Railway Act, and such other sections thereof as may be applicable, for authority to make a general advance of 30 per cent. in the tolls at present charged for the carriage of freight by the said companies. In support of such application the applicant respectfully states.

"(1) During the period since the outbreak of the war the scale of expenditure of the said railway companies on capital, maintenance and operating account has increased to an extent unprecedented, which has greatly exceeded the aggregated increase in freight and passenger revenues granted during such period.

"(2) As a concrete example of the great burdens under which the railway companies are laboring, reference may be made to the result of the wage increase granted in 1918. The so-called 25 per cent. advance in freight rates granted under order-in-council No. PC1863, effective August 12, 1918, was intended to reimburse the railway companies for the increased wage expense to which it was then estimated they would be put through the application of the rates of wages and working conditions which had then recently been fixed for the railways of the United States under the so-called McAdoo award and supplements thereto, and which had been made applicable to Canada by order-in-council No. PC1768, effective August 1, 1918. Contrary to all expectations, such increase in revenue proved far from satisfactory to accomplish what it was intended. During the year 1919 the increase in wages granted as above mentioned amounted on Canadian railways to more than \$80,000,000, while the increase in revenue derived from the advance intended in the aforesaid to provide therefor amounted to only approximately \$43,000,000, a shortage of at least \$37,000,000. Apart from the increase in wages, the prices of the principal supplies and materials in use by the railways have increased more than 100 per cent. since the beginning of the war period.

"(3) In order that the railway companies may maintain their systems in such a state of efficiency as to enable them to serve the interests of the public in a proper manner, it is essential that they be accorded an advance in tolls of at least the extent applied for herein.

"(4) The increase in rates sought by this application is based entirely on present costs, and does not take into consideration any increase in wages or costs which may occur hereafter."

Discussed Informally With Government

This application has already been forecasted on several occasions. President Beatty pointed out the necessity for higher rates in his address to the shareholders of the C.P.R. The request of the Edmonton, Dunvegan and B.C. Railway, just heard by the board in Edmonton, is supposed to have been a preliminary move in this direction. On July 5 a delegation headed by President Beatty, of the Canadian Pacific, Chairman Howard G. Kelly, of the Grand Trunk management board, and President Hanna, of the Canadian National Lines, along with a number of other high officials of the various lines, met the government.

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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ORGANIZED PROTECTION FOR THE CONSUMER

THE Board of Commerce which was presented to this country last year is now, in so far as active work is concerned, a thing of the past. Its record has been a great disappointment to the people of Canada. If it had even showed how industry should not be controlled some service at least would have been rendered. But so much time was absorbed with questions of the board's jurisdiction, with personal disputes and with petty investigations that nothing of positive value was accomplished.

The events leading up to the organization of the board, the powers conferred upon it and some conclusions regarding its operation were reviewed at length in *The Monetary Times* of June 4th. The chairman, Judge H. A. Robson, of Winnipeg, resigned last February, and the facts made public during the past few weeks make it apparent that he had not intended to occupy the position permanently. The initial handicap of being presided over by a gentleman not permanently identified with it was a thing which militated against the success of the board from the start. The resignation of W. F. O'Connor, vice-chairman, who had always been the spectacular member, took effect on June 30th. Late in the month of June James Murdock, the third member of the board and a prominent labor leader, also resigned, making at the same time rather sensational charges against the former chairman and against the government as a whole for its lack of sympathy and support. Coupled with these personal developments is the decision of the Supreme Court announced on June 1st, in which the justices were so divided as to the powers of the board as to postpone any effective work for an indefinite period.

Three members now constitute the board temporarily: these are W. W. White, formerly secretary, F. A. Acland, deputy minister of labor, and G. A. Dillon. Its existence is only nominal, at a time when the public is far from satisfied that undue profits are not being made in certain industries. The public is usually right, and at the present

PRINCIPAL CONTENTS

EDITORIAL:	PAGE
Organized Protection for the Consumer	9
Co-operation or the Middleman	9
Another Cobalt in the Making	10
Canada's Position in Iron and Steel	10

SPECIAL ARTICLES:

Can Public Utilities Be Operated at Cost?	5
Reorganized Cabinet Under New Minister	6
Cashing Cheques for Strangers	14
Provincial and Municipal Finances	18
Some Life Insurance Observations	20
Insurance Licenses Issued in June	22
British Report on Canadian Trade	24
Foundations of Progress and Prosperity	26
What Canada Sells the United States	35
Regina Will Do its Own Financing	57
Efforts to Make Rating Uniform	60

WEEKLY DEPARTMENTS:

News of Industrial Development	44
News of Municipal Finance	48
Government and Municipal Bond Market	50
Corporation Securities Market	54
The Stock Markets	56
Corporation Finance	58
Recent Fires	60

time it is patent that some lines of industry are so highly organized as to make the fixing of prices and of market conditions easily possible. When this stage is reached, government control is the only alternative to public ownership or operation. Economic laws may be relied upon to keep prices at a fair level in some cases, but not in all. Some organization subordinate to the general government is necessary for this purpose, for the government is the only body which protects the consumer against the multitude of organizations in the fields of trade and labor. The board should be reorganized, supplied with adequate technical assistance, and given a fresh start.

CO-OPERATION OR THE MIDDLEMAN?

"CUT out the middleman" has been one of the outstanding economic slogans of the past few years. Varied efforts have been made to do away with this ubiquitous creature, but he seems to be a virile and prolific species. The principal effort has taken the form of co-operation, and while many co-operative enterprises have succeeded at the start, few have outlived their initial impetus. "The economics of many current suggestions to 'cut out the middleman' may be in error, but their psychological potency is manifestly great," says Maurice H. Weseen, of the University of Nebraska in *"The Journal of Political Economy"* for June. "Indeed, so great is the appeal of this slogan that many people seem willing to risk even a fundamental change in our economic system if such a change holds out any hope that the present stress may be relieved. No thinking person believes, of course, that a change of such magnitude as is comprehended in the phrase, 'the elimination of the middleman,' could be effected at a single blow. But both those who believe that this suggestion is founded upon sound economic theory and those who fear that it is not so founded are watching with intense interest its rapid spread. The most concrete manifestation of the rise and growth of this idea is to be found in the history of the

co-operative movement, and more particularly, in its phenomenal spread during the years of the recent world war."

The middleman is regarded as a parasitic growth who renders no service in return for the profits he obtains. If this is the case, then there is a whole field of distribution which should be dispensed with. Goods pass through the hands of many parties who do not change them in any way, nor even carry them from one part of the country to another. The price, and presumably the value, increases at each stage. This vast distributive organization has been built up at the request of the public, which has demanded that goods be offered to it in the most convenient time, form and place, and has until recently paid willingly for the service thus rendered. The consumer need take no thought for the morrow, for he knows that his every wish has been anticipated. This is one of the factors which has made the modern economic organization so complex.

Co-operative movements do not as a rule attempt to throw any of the burden upon the consumer. They differ, therefore, from ordinary business only in the character of the proprietors. The lack of unity in control is a business handicap, and the co-operative concern is soon eliminated, or control gravitates into the hands of a few. Where some responsibility is thrown on the consumer, as where he is encouraged to buy in large quantities, and at slack seasons, the inconvenience caused results in unpopularity. Co-operation, in short, is no substitute for present methods of distribution.

CANADA'S POSITION IN IRON AND STEEL

AMONG the fundamental industries which were disorganized by the war, one of the principal was iron and steel. Great Britain lost ground which went to her great competitor, the United States. A determined effort was made to maintain the supplies usually sent to British Dominions, but nevertheless the exports to British possessions fell from \$9,759,661 tons in the five years from 1909 to 1913, to 4,561,397 tons from 1914 to 1918. American iron and steel exports expanded greatly during the war and to a limited extent met the shortage in the export market created by the blockade of Germany, the occupation of Belgium and the diversion of the British output. The United States, Great Britain and Germany produce 80 per cent. or more of the total iron and steel output of the world, while Belgium is a considerable factor in the export international market.

Canada has always been one of the United States' best customers. This country, as is pointed out by Herbert P. Howell, vice-president of the National Bank of Commerce of New York, in an article in that bank's July Monthly, produces considerable iron and steel, but not sufficient for the growing needs. Before the war Canada bought more steel rails, steel bars and rods, steel sheets and plates, and tinplate from the United States than did any country, taking over half the exports in some cases. Since 1914 Canada's importance as a customer of the United States has relatively decreased. This is shown in the following comparison of average yearly imports (in tons):—

United States Exports —	1910-14	1915-19
Rails	393,942	468,794
Billets, ingots and blooms	150,026	1,200,013
Bars and rods	147,921	549,663
Sheets and plates	264,483	543,541
Tinplates, terneplates and taggers' tin	48,708	205,780
Exports to Canada —	1910-14	1915-19
Rails	87,830	38,117
Billets, ingots and blooms	43,402	115,489
Bars and rods	85,730	112,002
Sheets and plates	194,953	200,094
Tinplates, terneplates and taggers' tin	30,734	50,816

"Despite unfavorable exchange, Canada must buy American sheets and plates to keep the wheels turning in her own industries," says Mr. Howell in conclusion. This country has,

however, a substantial part of the world's iron deposits. The natural resources are sufficiently great and convenient to offset the lack of skill and the high production costs. Deposits in some of the other countries are nearing exhaustion. The future of the iron and steel industry in Canada seems assured, and it may not be long before there is a surplus available for export.

ANOTHER COBALT IN THE MAKING

RAPID progress is being made in opening up and permanently establishing a new silver camp in Gowganda. Situated in the very heart of Ontario's wildest wilderness, where it is almost impossible to get in supplies or machinery to work with, silver has been found equalling anything Cobalt ever produced. The history of Gowganda is similar to that of many other mining camps. A few years ago silver was discovered by prospectors and a "rush" then occurred. Claims were held at such high prices that capital was discouraged in entering the field. A few companies started operations but the very high cost of development work soon depleted their treasuries. The O'Brien interests took over the Miller Lake O'Brien mine and by chance struck it rich. They are a private company and details of their progress is not made public. They have been operating for a few years now and until recently were about the only producing mine in the district. It is known in well informed quarters that they produce about a million dollars worth of silver yearly from this mine. Over a year ago Engineer Arthur Cole, when reporting on ore reserves, estimated there was seventeen million ounces in sight. It is said by people who have been down in this wonderful mine that they have a silver vein four feet wide, which runs sixty per cent. silver. This information is given by a reliable party who had actually examined the vein personally.

Within the past year with the prevailing high prices for silver the camp has taken on a new lease of life. Several prominent Cobalt companies have taken options on claims or bought outright promising properties after proving them up. A railway will soon be put into the camp and electric power will be available in August. The camp will then go ahead rapidly.

The Canadian Industries Exhibition in London, England, for which extensive preparations had been made, proved a "dud." Such a failure is worse than no exhibition.

* * * * *

Trade relations with the Russian government are to be resumed. A government which has held the reins of power for nearly three years can certainly be regarded as a *de facto* government, even if it is not officially recognized.

* * * * *

Premier Drury of Ontario intimates that the provincial civil service is to be thoroughly reorganized, and that departments will be provided with staffs sufficient to carry the normal rather than the "peak" load of work. One reason why the earnings of civil servants have been low is because their earning power has not been applied to its full extent.

* * * * *

"There was a time back in the '70's when the government guaranteed the bonds of solvent municipalities, but who had to pay when the collapse came?" This was asked by Premier Drury of Ontario, when he was questioned as to why the government should hesitate to guarantee the bonds of solvent municipalities. The government has wisely decided to act with caution; it must control, rather than be dominated by, the Hydro-Electric Commission.

International Trade

In the transaction of foreign business, knowledge and experience count for much. The experience gained by this Bank at its own offices in such centres of international trade as the following:

London, Eng.	Mexico City
New York	San Francisco

is available for extension of Canadian trade abroad. In addition it maintains a Foreign Department specially equipped to handle all foreign exchange transactions.

THE CANADIAN BANK OF COMMERCE

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

37A

Real Banking Service

All branches of this Bank are in a position to give the most comprehensive Banking service.

Government and Municipal Securities are dealt in. Foreign Exchange bought and sold.

Money Orders and Letters of Credit issued. Collections made on all points in Canada or overseas.

IMPERIAL BANK OF CANADA

202 BRANCHES IN CANADA

Agents in Great Britain:—England—Lloyds Bank, Limited, London, and Branches. Scotland—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches. Ireland—Bank of Ireland, Dublin, and Branches. Agents in France:—Credit Lyonnais, Lloyds and National Provincial Foreign Bank, Limited.

208

—In Canada
and
Abroad



COINCIDENT with Canada's foreign trade ambitions, we have made remarkable progress toward the fulfilment of our policy to build up an institution of an international character that will provide a financial highway for Canadian trade with foreign countries.

Across Canada there are more than 400 branches of the Union Bank of Canada.

We have our own New York Agency and two branches in London, England.

In addition, branches of the Park-Union Foreign Banking Corporation offer direct banking connections in the Orient, at Seattle and San Francisco in the U.S., and in Paris, France.

Resources Exceed \$174,000,000

UNION BANK OF CANADA

Park-Union Foreign Banking Corporation jointly owned and controlled by National Park Bank of New York and Union Bank of Canada.

435

ESTABLISHED



1912

Commonwealth Bank of Australia

acts as bankers to the Commonwealth Government, and State Governments of South Australia, Western Australia and Tasmania.

All classes of GENERAL AND SAVINGS BANK business are transacted in all the principal cities and towns of Australia, Rabaul and London.

Banking and exchange business of every description transacted within the Commonwealth, United Kingdom, Canada, U.S.A. and Abroad.

JAS. KELL,
Deputy Governor 1920

DENISON MILLER,
Governor

The Dominion Bank

ESTABLISHED 1871

Capital Paid-up	\$6,000,000
Reserve Fund	7,000,000

Efficient service in all departments of Banking. Sterling Drafts bought and sold.

Travellers' Cheques and Letters of Credit issued.

362

PERSONAL NOTES

J. H. HANNA, secretary-treasurer of the Calgary Public School Board, has been appointed secretary of the Calgary Board of Trade.

SIR LOMER GOUIN has retired from the premiership of the province of Quebec, after successfully administering the affairs of the province for fifteen years, and according to latest advices, has accepted a position on the directorate of the British Empire Steel Corporation. "In 1905," said Sir Lomer, in a statement regarding his resignation, "after



having been called upon to form a government I drew up a program which, since that time, has appeared to carry weight and which affected every branch of the administration. During fifteen years, I have had the signal honor of enjoying the most complete confidence of our population. I feel that I should now confide to other hands the work of peace, concord and prosperity which the Liberal party has

striven to accomplish in this province since 1897." Besides being premier and attorney-general for Quebec, Sir Lomer was also a prominent business head, having been identified with many industrial and other undertakings in the province. He is a director of the Royal Trust Company; director of the Montreal City and District Savings Bank; director of the Mount Royal Assurance Company. He is particularly interested in the pulp and paper industry in Quebec, his name having been mentioned in connection with recent important developments. He will also be connected with "La Presse," the Montreal afternoon daily. The Hon. Louis A. Taschereau is mentioned as his successor to the premiership.

ROBERT GRAY, of Chatham, Ont., one of the leading business men of the western part of the province, and president of the Gray-Dort Automobile Company, has been appointed to the directorate of the Standard Bank of Canada.

CARL RIORDON, an outstanding figure at the present time in the pulp and paper industry in Canada, and vice-president of the Riordon Company, Limited, has been appointed to the directorate of the Sun Life Assurance Company of Canada, replacing the late John McKergow.

W. P. KIRKPATRICK, former manager of the Canadian Bank of Commerce at Saskatoon, Sask., has returned from a business trip to Havana, Cuba. Mr. Kirkpatrick left Saskatoon last November, and during his stay in Havana,

SUN INSURANCE OFFICE

A notable year of progress is recorded in the annual report of the Sun Insurance Office, which is printed elsewhere in this issue. The company, which was organized in London, England, on April 7th, 1710, has been conducting fire insurance business in Canada on a large scale since June 3rd, 1892. According to the latest available figures, assets held solely for the protection of Canadian policyholders amount to \$673,018, while total Canadian assets are \$979,649. The head office of the company for Canada is at Toronto, and Lyman Root is manager.

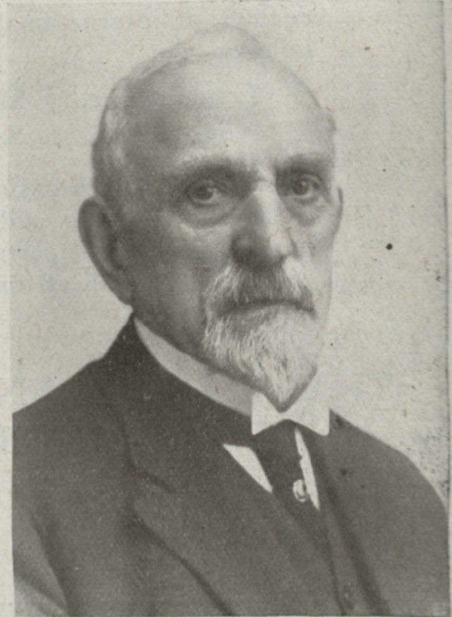
The Canadian figures for 1919 show that net cash received for premiums amounted to \$741,903, while in the previous year the figure was \$712,182. This result is more favor-

succeeded in establishing a branch of the Canadian Bank of Commerce there.

MAJOR R. T. MACKEEN, who has been with the Royal Insurance Company since March, 1919, has been appointed assistant manager in charge of life business for Ontario. Previous to joining the Royal Insurance Company, Mr. MacKeen served in the Canadian army, and after being invalidated was for two years vocational officer for Quebec.

MR. J. W. SCOTT, of Listowel, Ont., was head of the private banking firm of J. W. Scott and Son, which has just been purchased by the Bank of Montreal. The actual transfer was made on May 31st. Mr.

Neil L. Scott, son of Mr. J. W. Scott, remains as manager of the branch. Mr. J. W. Scott is one of the oldest and best-known private bankers in the Dominion, having conducted a large private banking business in Listowel for nearly fifty years, as well as having offices in Palmerston, Clifford and Atwood, and with the late J. A. Halstead, in Mount Forest, Shelburne and Wingham. Mr. Scott has large



business interests outside of banking, and, with T. L. Hamilton, who has been with him for nearly thirty-five years, will continue to look after these, with offices over the Bank of Montreal.

OBITUARIES

WALTER M. CAMPBELL, assistant secretary of the North American Life Assurance Company, Toronto, died on July 11th, at the age of 49 years, after a lengthy illness. Mr. Campbell had been connected with the company for 29 years.

JOHN FARLEY, K.C., one of the oldest and best-known barristers and residents of St. Thomas, Ont., died on July 10th after a brief illness. Mr. Farley was born in Missouri Township 83 years ago, of Irish parentage, his parents settling in Ontario in the early fifties. He graduated in law in 1862 and practised his profession in St. Thomas over 50 years.

able when it is taken into consideration that the ratio of losses to premiums was considerably smaller, the figure being 46.03 per cent., as compared with 52.13 per cent. in 1918. Gross amount of risks taken during the year totalled \$93,413,893, as against \$87,963,278 in the preceding period.

The total business of the Sun Insurance Office is world-wide in extent. Premiums to the amount of \$11,333,095 were received on fire account, and losses totalled \$5,360,690. The funds total \$20,118,340, of which the fire fund, to the amount of \$12,533,240, is the largest. Included in this total are also the paid-up capital of \$2,400,000, the profit and loss balance of \$2,204,860, an investment suspense fund of \$375,000, and a war contingency fund of \$125,000, indicating that company has assets much greater than the necessary reserves, as well as being one of the oldest insurance companies in the world.

THE STERLING BANK

OF CANADA

A constructive policy, based on our belief in the future of Canada and Canadian Industries—is a feature of Sterling Bank service, both in the matter of credits and advice

Head Office
KING AND BAY STREETS, TORONTO 61

The National Bank of Scotland

Limited

Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825

Capital Subscribed.....	£5,000,000	\$25,000,000
Paid up	1,100,000	5,500,000
Uncalled	3,900,000	19,500,000
Reserve Fund	1,000,000	5,000,000

Head Office - EDINBURGH

WILLIAM CARNEGIE, General Manager. GEORGE A. HUNTER, Sec.

LONDON OFFICE—37 NICHOLAS LANE, LOMBARD ST., E.C. 4

T. C. RIDDELL,
Manager

DUGALD SMITH,
Assistant Manager

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

The Bank of Nova Scotia

ESTABLISHED 1832

Capital paid-up - - -	\$9,700,000
Reserve Fund and Undivided Profits over - -	18,000,000
Total Assets Over - - -	220,000,000

HEAD OFFICE - HALIFAX, N.S.
CHARLES ARCHIBALD, President

General Manager's Office, Toronto, Ont.
H. A. RICHARDSON, General Manager

Branches in Canada

39 in Nova Scotia 122 in Ontario 22 in Quebec
12 in Prince Edward Island 38 in New Brunswick 32 Western Provinces

In Newfoundland

Bay Roberts, Bell Island, Bonavista, Bonne Bay, Brigueo, Burin, Carbonear, Catalina, Change Islands, Channel, Fogo, Grand Bank, Harbor Grace, Hermitage, Little Bay Islands, Old Perlican, St. John's, Twillingate, Wesleyville, Western Bay.

In West Indies

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

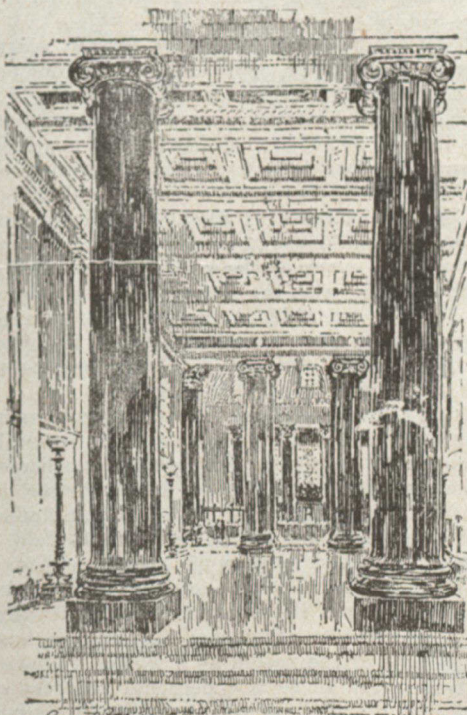
In United States

BOSTON CHICAGO NEW YORK (AGENCY)

Correspondents

Great Britain—The London Joint City and Midland Bank, Limited; Royal Bank of Scotland.
France—Credit Lyonnaise.
United States—Bank of New York, N.B.A., New York; National Bank of Commerce, 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 National Bank, Minneapolis; First National Bank, Seattle.

THE STRENGTH OF A BANK



ESTABLISHED in 1817 with modest capital, the Bank of Montreal for over a hundred years has followed a conservative, aggressive policy, until today it has assets in excess of FIVE HUNDRED MILLION DOLLARS

LIKE Canada herself, Bank of Montreal has grown stronger with the service it has rendered and the obstacles it has overcome.

TODAY the Bank is stronger than ever, prepared to render ever-increasing service to the people and the business concerns of the Dominion.

With Branches in every important centre of every Province and with direct banking connections throughout the world, we are fit for the task of helping Canadian business to grow to full stature.

A steadily increasing number of business men, enterprises, workers and house holders, ambitious young people—thrifty Canadians of every sort, everywhere—are getting the benefit of the strength and intimate service of this financial institution.

Our nearest Branch Manager is the best point of contact with our organization.

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Established over 100 years

Direct wire service maintained between Montreal, Toronto, Winnipeg, Vancouver, New York, Chicago and San Francisco

Assets in excess of Five Hundred and Forty Millions

Savings Departments in all Branches Head Office: Montreal

CASHING CHEQUES FOR STRANGERS

Responsibility Rests Chiefly on Banks, and Adequate Precautions are Not Always Taken to Prevent Loss

BY A. B. BARKER

THE chief point of daily contact between the banks and the general public, is at the teller's wicket, when cheques are presented for payment. At times there is considerable friction, due to the bank requirements in the matter of identification. The law holds the bank responsible for payment to the proper party, and some of the public, not realizing this, or possibly not caring, are inclined to be resentful when asked to prove their identity.

The average teller endeavors to perform this part of his duty with full regard to the feelings of the payee, but in view of his responsibility, he must play absolutely safe. There are some, of course, as in all professions, who are lacking in manners, but the vast majority handle the situation with tact and courtesy.

Resent Suggestion of Dishonesty

Part of the resentment felt by the honest man, who is asked to get someone known to the bank, to identify him, is due to pique at not being recognized, and this blow to his self-esteem is apt to make him unreasonable. With others of course it is merely a form of bluff, as they know perfectly well they are asking the teller to take a risk which they themselves, under similar circumstances, would not take. Sometimes men known to the bank are quite willing to endorse "for identification only," and profess to be much agrieved when this is refused. This may be due to ignorance, but as a rule their intention is that any risk in the matter shall be borne by the bank, while any benefit accruing will come to them.

Responsibility of Bank

When a bank accepts a deposit from a customer it agrees among other things to account to him therefor on demand, and to honor his instructions to pay his cheques on presentation, out of the funds at his credit. In this capacity it is a trustee for its customer, and naturally the customer looks to the bank to protect his rights to the full under this arrangement. Under the Canadian law the responsibilities of the banks in this connection are greater than the law of Great Britain imposes on banks in that country. The British system of crossing cheques insures the negotiation of a cheque by the rightful payee only by having it placed to his credit in the bank in which he has his account. The law practically says that the maker of the cheque, by crossing it as the act provides, can guard against loss by theft, and that if he decides not to avail himself of this method of protection, he must stand the consequences. If a bank in Great Britain, therefore, in good faith and without negligence, pays an "uncrossed" or open cheque, the loss would fall on the maker. This system of crossing cheques is part of the Canadian law, but as the bank is not relieved of any responsibility thereby, it is seldom used.

Banks Liable for Negligence

In the matter of contributory negligence, the public in Canada is also protected at the expense of the banks. The following is a case in point: Some years ago, in the west, a farmer, in paying off his foreman, signed a cheque on his bank account, the body having been filled in by the foreman, who purposely left spaces in the cheque. It was drawn for four dollars, and later filled up for four hundred by the foreman. It was presented to the bank, the officials of which knew the man as an employee of their customer. It was in order, so far as they could tell, and, in good faith, they paid it. Later, it was disputed, and the bank's solicitor advised that, except for the amount for which it was originally drawn, it was a forgery, and the bank, therefore, liable. The case did not come to trial.

In the United States the Supreme Court of California held that a bank paying out money on a cheque drawn to order on which the payee's endorsement had been forged was liable to the depositor, irrespective of the bank's freedom from negligence.

When the public in general understands just what responsibility is borne by the banks in regard to cheques, the vast majority, who constitute the reasonable part of any community, will readily admit the necessity for adequate precautions, and can be depended on to co-operate.

Epidemic of Frauds

At the present time the country is pestered with a number of forgers who are operating in various sections. These have, unfortunately, been sufficiently successful to encourage further attempts, and one result will be a tightening up of the regulations as to identification in all of the banking institutions. Some of the schemes of these gentry are most ingenious. In one of the more recent frauds a man of rather good appearance presented a cheque for a fair amount at the counter of one of the branch banks, and on being asked for identification, claimed to be a relative of one of the officials in a nearby plant, and suggested that they call him up for confirmation, giving the telephone number. The accountant, with visions of a new account, foolishly called up the number without verifying it, and was answered by someone claiming to be the party asked for. He obtained a full and flattering description of the man who had presented the cheque. Later, the cheque was found to be fraudulent, and they are still looking for the payee and his confederate, and the unfortunate accountant has learned a somewhat expensive lesson.

PHENIX ASSURANCE COMPANY, LTD.

Previous records of the Phoenix Assurance Co., Ltd., are shown to have been surpassed by that company in 1919, according to the annual report, given in detail elsewhere in this issue. Net premiums in the fire department totalled \$11,320,195, compared with \$9,970,775 in 1918. Net losses were \$4,812,610, a ratio of 42.5 per cent., against 44.6 per cent. in 1918. New life business to the amount of \$10,813,120 was issued, bringing in new net premiums of \$467,535. In the marine department net premiums totalled \$4,197,670, and claims, \$3,839,190.

The company has been doing business for 138 years, and in Canada its record extends over 117 years. The present managers in this country are R. MacD. Paterson and J. B. Paterson, of Montreal. Last year the net cash received for fire premiums totalled \$1,145,616, an increase of nearly \$100,000 for the year. The loss ratio was 43.16, or slightly higher than in 1918. New life policies were issued in Canada to a total of \$659,843, an increase of \$100,000, and the amount in force is now \$7,441,533.

The most notable event of the past year was the amalgamation of the Phoenix with the Norwich Union Fire, which took place on January 1st, 1920. As a result of this arrangement, Sir Gerald Ryan succeeds Lord George Hamilton as chairman of the Phoenix, and R. Y. Sketch succeeds the former in the position of general manager.

In his address to shareholders at the annual meeting, held in London on April 28th, the chairman, Sir Gerald Ryan, outlined the successful results in the various branches of the company's business. He also pointed out the important assistance rendered by the insurance companies in war finance by subscriptions to war loans and by the heavy taxes paid. This would not have been accomplished if insurance had been nationalized. "What would become of the vast volume of profitable foreign business if insurance were nationalized?" he asked, and continued to show how this foreign business reacted to the benefit of the nation as a whole. "I have ventured to lay before you these few personal reflections," he said, "in order that all who are concerned in our important branch of industry may give thought to the great damage that may accrue to many interests, private and public, by these unsound and ill-considered proposals."

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Head Office: Montreal. OF CANADA Established 1864.

Capital Paid-up, \$8,400,000 Reserve Fund and Undivided Profits, \$8,660,774
Total Deposits (30th April, 1920) - \$163,000,000
Total Assets (30th April, 1920) - \$197,000,000

Board of Directors:

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BANK BRANCH NOTES

Five New Branches Announced This Week—New Buildings
Planned in St. John, N.B., New Toronto, Ont.,
and Marpole, B.C.

The following is a list of branches of Canadian banks which have been opened recently:—

Winnipeg, Man. (Stafford and Grosvenor Streets) Canadian Bank of Commerce
Winnipeg, Man. (Portage Ave.) Canadian Bank of Commerce
Walkerville, Ont. (Ottawa and Walker Rd.) Bank of Montreal
Montreal, Que. (St. Catherine and Poupart Streets) Banque d'Hochelaga
Hemingford, Que. Banque d'Hochelaga

The Royal Bank of Canada erecting a new building at Marpole, B.C., at a cost of \$30,000.

The Bank of Nova Scotia will erect a new building in New Toronto costing \$30,000.

The Standard Bank is erecting a building at St. Johns, N.B.

Edward J. Fitzpatrick, after three years' service in the Brockville, Ont., branch of the Bank of Toronto, has been transferred to Petrolia, Ont.

W. H. Thomson, who for the past 18 years has been in charge of the Portage la Prairie branch of the Imperial Bank, has now been transferred to Regina, Sask.

H. S. Calder, formerly at the Myrtle Station, Ont., branch of the Sterling Bank, has been appointed manager at Sombra, Ont.

A. Burrow, former manager of the Sterling Bank at Sombra, Ont., has been transferred to Richmond Hill, Ont., as manager of that branch.

N. J. Stevenson, formerly accountant of the Sterling Bank at St. Catharines, Ont., has now been promoted to acting manager of the Jordan Station, Ont., branch.

E. G. Matthews, formerly at Auburn, Ont., branch of the Sterling Bank, is now manager of the Monkton, Ont., branch.

RATIFY ENTRANCE TO STEEL MERGER

Shareholders of the Dominion Steel Corporation at a special meeting in Halifax, N.S., on July 15th, ratified unanimously the agreement made by the directors for the entrance of their company into the British Empire Steel Corporation. Following the adjournment of the meeting, Roy M. Wolvin, president of the company, gave out the following statement:—

"I am more than gratified at the splendid spirit of unanimity evidenced at the meeting this morning. The vote polled, 298,000 shares, is the largest represented at a general meeting since the inception of the company, and there was not one dissenting vote. Now that our shareholders have taken this step, I feel that it is fitting for me to say a few words regarding the British Empire Steel Corporation.

"This plan to provide for the association of various Canadian enterprises has been very close to me for a long time, and I am convinced that it will be of great benefit to the province of Nova Scotia and the Dominion of Canada. We to-day, must take a broad world vision, and the association of the proposed companies will make it possible for the Canadian steel industry to take its proper place in world trade."

A most successful season has been concluded by the Atlantic salmon hatcheries in Nova Scotia. While the total number of eggs is not as large as it has been for the past few years, the percentage of eggs hatched was considerably larger. The distribution amounted to 6,722,000 fry, including 262,000 trout. Fry to the number of 50,000 are being fed in tanks during the summer.

EXCHANGE QUOTATIONS

Messrs. Glazebrook and Cronyn, exchange and bond brokers, Toronto, report local exchange rates to *The Monetary Times* as follows:—

	Buyers.	Sellers.	Counter.
N.Y. funds	13 7-16 pm	13 9-16 pm	.....
Mont. funds	Par.	Par.	1/8 to 1/4
Sterling—			
Demand	\$4.40	\$4.41	.....
Cable transfers	4.41	4.42	.....

New York quotations of exchange on European countries, furnished by the National City Co., Ltd., as at July 15, 1920, are as follows (all in cents per unit of foreign currency): Cable, London, 389 1/4, cheque, 388 1/2; cable, Paris, 8.29, cheque, 8.28; cable, Italy, 5.90, cheque, 5.89; cheque, Belgium, 8.80; cheque, Swiss, 17.75; cheque, Spain, 16.05; cheque, Holland, 35.07; cheque, Denmark, 16.65; cheque, Norway, 16.70; cheque, Sweden, 22.05; cheque, Berlin, 2.59; cheque, Greece, 12.75; cheque, Finland, 4.50; cheque, Roumania, 3.10.

WEEKLY BANK CLEARINGS

The following are the bank clearings for the week ended July 14, compared with the corresponding week last year:—

	Week ended		Changes.
	July 14, '20.	July 17, '19.	
Montreal	\$170,114,423	\$136,108,497	+ \$34,005,926
Toronto	105,686,766	91,646,337	+ 14,040,429
Winnipeg	44,880,312	39,610,351	+ 5,269,961
Vancouver	20,534,731	11,847,377	+ 8,687,354
Ottawa	8,045,223	10,726,118	— 2,680,895
Calgary	6,588,068	5,910,168	+ 677,900
Hamilton	7,805,490	6,737,506	+ 1,067,984
Quebec	7,544,483	6,473,821	+ 1,070,662
Edmonton	4,738,657	4,239,440	+ 499,217
Halifax	6,270,796	5,330,825	+ 939,971
London	3,679,328	3,644,744	+ 34,584
Regina	4,244,656	3,758,687	+ 485,969
St. John	3,514,346	3,131,289	+ 383,057
Victoria	4,899,846	.....	.....
Saskatoon	2,181,522	2,109,605	+ 71,917
Moose Jaw	1,649,214	1,549,513	+ 99,701
Brandon	804,488	633,623	+ 170,865
Brantford	1,434,580	1,114,212	+ 320,363
Fort William	843,128	869,568	— 26,440
Lethbridge	645,830	800,477	— 154,647
Medicine Hat	443,194	429,809	+ 13,385
New Westminster	878,688	553,905	+ 324,783
Peterboro	974,847	699,688	+ 275,159
Sherbrooke	1,119,479	1,027,969	+ 91,510
Kitchener	1,349,081	908,057	+ 441,024
Windsor	3,523,733	2,066,425	+ 1,457,308
Prince Albert	449,988	431,444	+ 18,544
Totals	\$409,945,051	\$342,359,460	+ \$67,585,591

Another conference for the adjustment of the finances of some Alberta municipalities has just been held, and it is reported that arrangements have been made for raising revenue sufficient to meet the obligations. Is a municipality, which cannot itself calculate and levy an adequate tax rate, competent to borrow?

Membership in the Saskatchewan Rural Telephone Companies, Ltd., has more than doubled during the past year, according to the report of the secretary of the association, at the second annual convention held in Regina on July 7 and 8. Representatives of some 500 rural telephone companies in the province, with a total of about 150 delegates were in attendance.

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RESERVE LIABILITY OF PROPRIETORS -	20,000,000.00
	\$ 56,000,000.00
AGGREGATE ASSETS 30th SEPT., 1919	\$335,181,247.00



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Succession Duties in Ontario

The rates of Succession Duty having been increased at the recent session of the Ontario Legislature, we have prepared a Booklet entitled "Succession Duties in Ontario." This Booklet contains schedules of the new rates, together with a summary of the main provisions of the Act. To readers of *The Monetary Times* we shall be pleased to send a copy free on request.


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Provincial and Municipal Finances

Comparison of Per Capita Revenues and Expenditures in the Different Provinces, and in 12 Representative Cities—Per Capita Expenditure For All Governments is Highest in Edmonton and Lowest in Charlottetown

“THE simplifying and standardizing of the financial reports of provinces and municipalities would give the citizens of Canada a basis for judging the efficiency of the governing bodies who are working for them. The exercise of individual judgments based on impersonal facts is the only possible guarantee of effective democratic government.” This is the foreword to a summary of the revenues and expenditures of the Canadian provinces, and of 12 representative cities just issued by the Citizens Research Institute.

This pamphlet follows a series recently issued dealing with each province and leading cities. “The preparation of the various provincial bulletins,” says the Institute, “demonstrates clearly the necessity for: (1) Standardization of provincial and municipal accounting methods; (2) a revision of the methods at present employed by some provinces and many cities in their reporting of financial facts, in order that the average citizen may have a clearer understanding of the financial operations of his governing bodies.

“Some provinces and cities have already made commendable progress in modernizing their accounting and reporting procedure, but others are still following methods

which are obsolescent or distinctly obsolete.” A comparison of the main sources of provincial revenue, on a per capita basis, for the year 1917, is given in table 1. Table 2 compares provincial expenditures for 1917 in the same way. Revenues and expenditures of 12 representative cities for 1917 are shown in tables 3 and 4.

Adding together the cost of municipal, provincial and national government in 12 leading cities, for the year 1917, the results compare as follows:—

Victoria	\$ 66.44
Vancouver	69.31
Edmonton	81.56
Regina	53.87
Winnipeg	58.39
London	45.79
Hamilton	44.82
Toronto	56.06
Quebec	39.70
St. John	40.85
Halifax	39.30
Charlottetown	29.23

TABLE 1—REVENUE OF THE CANADIAN PROVINCES FOR THE YEAR 1917—BY MAIN SOURCES—COMPARED ON A PER CAPITA BASIS

	B.C.	Alta.	Sask.	Man.	Ont.	Que.	N.B.	N.S.	P.E.I.
Dominion subsidy	\$1.17	\$3.67	\$2.94	\$2.87	\$.95	\$.90	\$1.75	\$1.24	\$3.97
Miscellaneous fees, fines, etc.	1.29	1.96	2.17	1.17	.83	1.19	.51	.17	.10
Taxes on corporations and companies	.12	.73	.52	1.01	.72	.57	.33	.07	.16
Succession duties	.45	.28	.10	.53	1.13	.78	.08	.25	.04
Lands, forests and mines	4.63	...	...	.28	1.30	.79	1.25	1.48	...
Charitable institutions	.09	.13	.11	.25	.19	.08	.14	.30	.07
Taxes—land, incomes, etc.	2.73	1.41	...	...	...	...	...	...	.57

TABLE 2—EXPENDITURES OF THE CANADIAN PROVINCES FOR THE YEAR 1917—BY ACTIVITIES PERFORMED—COMPARED ON A PER CAPITA BASIS

Division	B.C.*	Alta.	Sask.	Man.	Ont.	Que.	N.B.	N.S.	P.E.I.
Civil government, legislation and administration of justice	\$3.24	\$2.59	\$1.87	\$1.97	\$.95	\$1.20	\$.64	\$.43	\$.61
Education	2.48	2.24	1.45	1.96	.94	.71	.89	.92	1.90
Agriculture	.20	1.38†	.33	.72	.29	.22	.23	.16	.17
Debt charges (interest and sinking fund)	2.25	1.98	1.72	2.38	.85	.87	1.97	1.21	.67
Hospitals, public institutions, charities, public health	1.32	.60	.36	1.04	1.02	.41	.52	.70	1.00
Public works, including highways	4.06	1.30	1.18	1.18	.46	.67	1.46	.80	.82

*Expenditures may differ from those given in “British Columbia—How It Governs Itself,” since figures in these bulletins are based on those given in the Canada Year Book, and not on direct investigation as in the case of the above report.
 †About one-half of this is made up of advance payments.

TABLE 4—EXPENDITURES OF TWELVE CANADIAN CITIES FOR THE YEAR 1917—BY ACTIVITIES PERFORMED—COMPARED ON A PER CAPITA BASIS

City	General government	Education	Protection of persons and property	Highways and bridges	Charities and correction	Health and sanitation	Recreation	Population
Victoria, B.C.	\$ 8.56	\$ 7.53	\$5.92	\$4.48	\$.77	\$7.51	\$.52	36,400
Vancouver, B.C.	8.86	7.43	5.58	6.77	2.93	5.21	1.38	102,550
Edmonton, Alta.	26.24‡	14.04	4.37	2.09	1.20	1.82	.26	55,000
Regina, Sask.	5.81	8.22	3.44	6.57	.27	3.71	1.14	40,000
Winnipeg, Man.	8.82	7.11	5.49	2.59	3.22	1.66	1.08	182,848
Toronto, Ont.	9.10	8.65	5.68	3.02	1.84	4.04	1.30	473,829
London, Ont.	6.45	7.60	2.96	3.04	2.63	.37	.29	57,301
Hamilton, Ont.	4.07	6.57	2.92	2.49	2.15	1.19	.63	107,826
Quebec, P.Q.	9.25§||	2.88	3.54	2.41	.23	.36	.12	103,426
St. John, N.B.	4.25	3.49	2.63	2.66	1.68	.81	.09	61,000
Halifax, N.S.	5.22	6.07	2.69	1.52	1.48	1.22	.17	50,000
Charlottetown, P.E.I.	2.11	1.64	1.01	1.88	.04	.67	.12	12,000

‡Includes the expenditures for debt charges on all city debentures at it was impossible, from information at hand, to allocate same to the various services.
 §||Includes water works expenditures.

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E. B. MURPHY, General Manager

Official Administrator for the Judicial District of Weyburn

TABLE 3—REVENUE OF TWELVE CANADIAN CITIES FOR THE YEAR 1917—BY MAIN SOURCES—COMPARED ON A PER CAPITA BASIS

City	Revenue from taxes			Revenue from other sources
	General	School	Total	
Victoria, B.C.	\$.....	\$.....	\$20.98	\$4.16
Vancouver, B.C. ...	.....	.....	34.13	2.94
Edmonton, Alta	32.54	13.45	45.99	1.06
Regina, Sask.	15.13	7.79	22.92	8.21
Winnipeg, Man. ...	18.63	6.78	25.41	3.26
Toronto, Ont.	21.51	8.28	29.79	3.26
London, Ont.	15.07	6.95	22.02	.84
Hamilton, Ont.	9.83	5.29	15.12	1.68
Quebec, P.Q.	8.22	2.60	10.82	1.44
St. John, N.B.	12.06	3.36	15.42	.93
Halifax, N.S.	11.08	5.98	17.06	1.21
Chalottetown, P. E. I. ....	.....	....	5.60	1.33

SOME LIFE INSURANCE OBSERVATIONS

Slackening Tendency in Some Quarters—Labor Situation and Approach of Hot Season Contributing Factors—Tight Money Has Little or no Effect

A SURVEY of life insurance conditions in Canada by the "Life Underwriters' News," brings out some pertinent and interesting facts. The following questions were forwarded to insurance offices in all parts of the Dominion:— (1) Is business showing a tendency to slow up, or is it being sold at the same rate? (2) If it is slowing up (a) is it due as a natural consequence of the approaching hot season? (b) Or is it the beginning of the long-expected slump? (c) Or is it due to the tightened financial condition? (d) Or can you assign any other reasons? (3) What are other observations from your experience?

In regard to the part one of the first question, the vote was two to one in favor of the negative. The number of affirmative answers was 23, of which 8 were head office, and 3 from the western provinces, while the number of negative replies was 39, of which 9 were head office and 7 from the west. Those who said that there was a slowing up advanced the following contributing causes: (1) Approaching hot season. (2) Beginning of long-expected slump. (3) Tightened financial condition.

Other Reasons for Slackening

In reply to part "D" of question No. 2, the following answers were submitted: From head offices: (a) Labor unrest causing some uneasiness in respect to industry. (b) Natural reaction from excitement of war leading to conservative policy in all lines of business. (c) A few districts affected by unfavorable crop conditions.

From the west:—(a) Desire to await events. (b) Anxiety re crops.

From Ontario:—(a) New Dominion Luxury Tax. (b) Want of rain. (c) Labor situation. (d) Press scares. (e) General feeling of fear in minds of business men that reaction is at hand.

From Quebec:—(a) Luxury tax and other taxes. (b) Awaiting decline in prices to invest money outside of own business.

From the maritime provinces:—(a) Many have been spending too freely, and will economize in life insurance now. Business good. Effect of luxury tax has soon worn off.

General Observations

General observations, in reply to question No. 3, prove interesting, and are as follows:—

Group and foreign business good. Country business never better. Crop prospects bright, which will naturally

offset any letting up there may be in industrial activity. Paying premiums more promptly, although loans are heavy. Cause of loans attributed to necessity of having to buy houses. Effect will be good.

Present tendency to "slow up" only temporary, as public will be reassured that business conditions are sound in Canada, although there has been a great deal of extravagance. Any slowing up is the result on the agent's mind rather than any lack of ability, due mostly to the psychological effect of depression talk. Changed attitude on the part of the public is a permanent one. Money getting tighter has no effect on life insurance.

During past three years life insurance has become so favorably known as an important means of protection and investment that it will take more than tight money and poor crops to seriously affect volume. A slump will only serve to emphasize the value of life insurance—a good business even in bad times. No falling off whatever in collection. If business is falling off, it is because agents are lazy. This opinion is generally held. Results still coming to the real life insurance salesman even in increasing volume. People generally are as prosperous as last year.

There is certainly no room for pessimism. Optimism rules the day. If a slump does come, people will think, and naturally realize that all their other assets are apt to fluctuate in value, and that practically the only investment they can make which will pay 100 cents on the dollar at their death is life insurance. Life insurance men have a golden opportunity not enjoyed by any other classes of salesmen.

COBALT ORE SHIPMENTS

The following were the shipments of ore, in pounds, from Cobalt Station, for the week ended July 9th: Nipissing Mine, 390,147; Mining Corporation of Canada, 128,679; O'Brien Mine, 64,380; total, 583,206. The total since January is 12,546,119 pounds, or 6,273.05 tons.

GRAND TRUNK ARBITRATION BOARD

The Grand Trunk Arbitration Board is now complete, with Sir Walter Cassels, Chief Justice of the Exchequer Court, as chairman; Sir Thomas White representing the government, and the Hon. W. H. Taft, ex-president of the United States, representing the Grand Trunk Railway.

The court, which will begin some time in September, had had submitted to it by the government the duty of determining the value of the first, second and third preferred stock and the ordinary or common stock of the Grand Trunk Railway. The award is to be made by the arbitrators within nine months of the time of appointment, unless more time is granted by the government. A unanimous award will be considered final, but if not unanimous there can be an appeal to the Supreme Court of Canada or to the Judicial Committee of the Privy Council, if notice of appeal on any question of law be given within 30 days of the making of the award.

These stocks are given at a total par value of £37,073,491, the common stock alone being shown at £23,955,437. The real value of these stocks has to be determined. The sum of the total award to the company is an amount on which the annual dividend at 4 per cent. per annum would not be more than \$5,000,000.

A first dividend to the depositors and creditors of the defunct Dominion Trust Co. will be paid in September, according to an announcement made by Liquidator G. C. Gwynne, in Vancouver, on July 8. Passage of a special act by the federal parliament has removed all obstacles which would have delayed payment for another two years.

DO YOU KNOW

that you can place your property in our charge and, in addition to relieving yourself of the trouble and worry of management, increase your income?

We make a specialty of serving under
"LIVING TRUST AGREEMENTS"
 and our experience and special facilities for handling all matters in connection with property assure you of the maximum income. It is not what you pay us, but what we pay you that counts.

Come in to-day and see us regarding a "Living Trust Agreement," or write for our booklet.

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 HENRY F. GOODERHAM, President
 TORONTO - - - Cor. Bay and Richmond Sts.
 WINNIPEG, MAN. - - - LONDON, ENGLAND
4% on Savings—Withdrawable by Cheque 71

Be sure your **WILL** is made, naming a Strong
TRUST COMPANY as your

EXECUTOR

Ask for Booklet: "The Corporate Executor."

CAPITAL, ISSUED AND SUBSCRIBED ..\$1,171,700.00
 PAID-UP CAPITAL AND RESERVE..... 1,172,000.00

The Imperial Canadian Trust Co.
 Executor, Administrator, Assignee, Trustee, Etc.

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 BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY,
 VANCOUVER AND VICTORIA 2

Canadian Financiers
Trust Company

Head Office - Vancouver, B.C.
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 Business Agent for the R. C. Archdiocese of Vancouver.
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Inquiries Invited

General Manager - - - Lieut.-Col. G. H. DORRELL

Canadian Guaranty Trust Company
 HEAD OFFICE, BRANDON, Man.

Acts as Executor, Administrator, Trustee, Guardian, Liquidator
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Official Administrator for the Northern Judicial
 District and the Dauphin Judicial District in
 Manitoba, and Official Assignee for the Western
 Judicial District in Manitoba and the Swift
 Current Judicial District in Saskatchewan.

Branch Office - - - Swift Current, Saskatchewan
 JOHN R. LITTLE, Managing Director

THE BANKERS'
TRUST COMPANY

Head Offices: MONTREAL

Authorized Capital - - - - - \$1,000,000

President -
 SIR H. MONTAGU ALLAN, C.V.O.

Vice-Presidents -
 A. J. DAWES - - - - - D. C. MACAROW
 JAMES ELMSLY - General Manager
 C. D. CORNELL - - - - - Secretary

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PAPER STATIONERY, OFFICE SUPPLIES
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 Simcoe and Pearl Streets - TORONTO

INSURANCE LICENSES ISSUED IN JUNE

Two New Companies Obtain Charter to Transact Business in Canada—Four Others Have Scope Extended—Fraternal Benefit Societies Also Registered

TWO new insurance companies obtained Dominion licenses in June, while four others already licensed under Canadian laws, were authorized to extend their scope. The new companies which obtained licenses were: Traders and General Insurance Association, Ltd., to transact the business of fire insurance, with head office at Toronto, Ont., with Carson and Williams Bros., as chief agents; Pacific Marine Insurance Company, to transact the business of fire, automobile and inland transportation insurance, with head office at Vancouver, B.C., and L. H. Wright, president of the company, as chief agent.

Companies which obtained authorization to extend their scope were: London and Lancashire Fire Insurance Co., Ltd., to write explosion insurance; General Accident Assurance Co., of Canada, to write burglary insurance; Casualty Company of Canada, to write automobile insurance in addition to plate glass insurance for which it is already licensed; Globe Indemnity Co. of Canada, to write forgery insurance.

Besides these charters, two fraternal benefit societies also obtained licenses. "The Maccabees" was authorized to transact in Canada the business of sickness and disability insurance, to the extent authorized by its act of incorporation, in addition to life insurance for which it is already licensed. The "Association Canado-Americaine," a new society, was also authorized to transact the business of life insurance to the extent authorized by its act of incorporation. The chief agency of the association will be in the city of Montreal, Que., and J. Emile Lussier has been appointed chief agent.

New Provincial Charters

New companies which obtained provincial licenses to do business in the province of Quebec are as follows:—British Northwestern Fire Insurance Company, to transact the business of fire insurance, with G. Gordon Lewis, Lewis Bldg., Montreal, chief agent; Tokio Marine and Fire Insurance Co., Ltd., to transact the business of fire insurance, with Wm. Boyd, c/o Irish and Mauseh, Montreal, chief agent; American Central Insurance Company, to transact fire, hail and tornado insurance, with W. G. MacKenzie, Lewis Bldg., Montreal, chief agent.

The Caledonian-American Insurance Company, which is already licensed under Quebec, British Columbia and Manitoba laws, has been granted certificate of registration for the transaction of fire insurance in the province of Alberta. The Retail Merchants' Mutual Fire Insurance Company has also been registered under Alberta laws to transact mutual fire insurance in the province.

Permit has been granted to the Canada Security Assurance Company, for the Western Underwriters' Agency, permitting them to transact in the province of Manitoba, the business of fire, hail and automobile insurance. The General Accident, Fire and Life Assurance Corporation, Ltd., has also been granted a permit for the Scottish Canadian Underwriters' Agency, authorizing them to transact in the province of Manitoba, the business of fire, hail and automobile insurance (excluding insurance against loss by reason of bodily injury to the person).

Agency Notes and Appointments

Messrs. Jones and Procter Bros., Ltd., Toronto, have been appointed general agents for Ontario, of the Continental Casualty Company.

The partnership between Arthur McBean and A. S. Hill, Montreal insurance agents, has been dissolved, and that business will be continued under the name of A. McBean and Co., in the same office, Lewis Bldg., St. John St. The new

company will continue to represent the Occidental and Nova Scotia Fire insurance companies.

F. C. Walls, manager of the agency of the Edmonton Agency of the North American Life Assurance Co., has been appointed president of the Edmonton Life Underwriters' Association.

Geo. A. Symons, for the past two years cashier of the eastern townships division (Quebec) of the Sun Life Assurance Company, is giving up his office duties to devote his whole time to field work. Mr. Symons is secretary-treasurer for the Eastern Townships Life Underwriters' Association.

W. R. Brownlee, of the Continental Life Insurance Company, has assumed the duties of provincial manager for Quebec, with office in Montreal. He succeeds M. D. McPherson, who has resigned.

S. C. Tweed, superintendent, Mutual Life Assurance Co. of Canada, Waterloo, Ont., has resigned that position, his resignation to take effect at the end of the calendar year.

SOLDIER SETTLEMENT LOANS

Soldier Settlement Board loans passed the seventy million mark in June. Up to the 19th of the month there were 17,872 soldiers' loans, amounting to \$70,555,434, approved. The loans were for the following purposes:—

Land purchase	\$38,399,892
Implements	7,849,386
Stock and equipment	22,259,668
Removal of encumbrances	2,046,488
	<hr/>
	\$70,555,434

ALBERTA INSTITUTE OF CHARTERED ACCOUNTANTS

The annual meeting of the Institute of Chartered Accountants of Alberta was held in Edmonton on May 22nd, with President J. B. Sutherland in the chair. The president's report showed that there had been a net increase of eight members during the year, bringing the total up to 67, of whom all but about a dozen would qualify for the D.A.C.A. The financial statement showed a net surplus of \$2,010, the principal part of which had been invested in Victory bonds. Delegates Sutherland and Race reported to the meeting concerning the convention at Winnipeg, and arrangements were made to send two delegates to the convention in Ontario during the summer, Messrs. J. B. Sutherland and W. H. A. Thompson being the representatives elected.

A recommendation was sent forward to future meetings, that the president who is retiring and the incoming president be the representatives in ensuing years to the D.A.C.A. It was agreed that special arrangements might be made at any time, but the adhering to some such plan as the one suggested would provide desirable continuity. The elections for the following year resulted as follows: President, Ed. D. C. Thomson; first vice-president, F. M. Harvey; second vice-president, M. C. McCannell; secretary-treasurer, C. E. Race; auditor, H. O. Patriquin; representative of the institute on the senate of the university, Ed. D. C. Thomson.

Fifty-seven votes were reported as being either completely or substantially in favor of the proposed tariff of fees, and it is probable that action will be taken shortly to have the tariff authorized by the Lieutenant-Governor-in-Council. A proposal that railway fares within the province be paid to members attending the annual meeting was debated, but it was decided that the time was not opportune for putting such an arrangement in force. A recommendation was carried that annual meetings should be held alternately in Edmonton and Calgary. Explanation was made by Mr. Sutherland of the recent incorporation of cost accountants. Committees were appointed to thrash out the details of Alberta's view concerning the report of the Dominion Committee on Uniformity of Standards. Their report has since been sent in to the Dominion secretary.

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The Great West Permanent
Loan Company

SECURITY

5½%	Paid-up Capital	\$2,412,578.81
INTEREST	Reserves	964,459.39
RETURN	Assets	7,086,695.54

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BRANCHES: Toronto, Regina, Calgary,
Edmonton, Vancouver, Victoria; Edinburgh,
Scotland.

DELAY MEANS LOSS

The cash with which you have been intending to open a deposit account should be earning something for you. Open an account with this Corporation NOW and receive interest at

THREE and ONE-HALF
per cent. per annum, paid and compounded half-yearly.

In addition to a service noted for promptness and efficiency you will have the benefit of our long experience, which extends over a period of sixty-five years. One dollar or more will open an account on which full checking privileges will be allowed.

Canada Permanent Mortgage Corporation
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Capital and Surplus Nearly \$12,000,000.00
Total Assets Exceed - \$33,000,000.00

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- Ample financial responsibility;
- Continuous service;
- Collective judgment and advice of a Board of Directors?

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THE Ontario Loan & Debenture Co.

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CAPITAL AND UNDIVIDED PROFITS .. \$3,900,000

5½% SHORT TERM (3 TO 5 YEARS) **5½%**
DEBENTURES
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OVER 200 Corporations, Societies, Trustees and Individuals have found our Debentures an attractive investment. Terms one to five years.

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Capital Account, \$724,550.00 Reserve Fund, \$670,000.00
Total Assets, \$3,249,154.26

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Write us for illustrated booklet descriptive of the twin Cities.

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Interest at 4 per cent. payable half-yearly on Debentures

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ESTABLISHED 1873 **51 YONGE ST., TORONTO**

Paid-up Capital, \$1,250,000 Rest, \$950,000 Total Assets, \$5,085,872

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

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MANITOBA PROVINCIAL SAVINGS BANK

Deposits up to July 10 Totalled \$135,325, Says Chairman Weir—Facilities Brought to Attention of Public

"**B**ANKING by mail is a special service adopted by the province of Manitoba savings office to give depositors outside the city of Winnipeg a safe, convenient and profitable method of depositing their savings," says a booklet just issued by the chairman, E. A. Weir. Any person, it is explained, at any time, may deposit any amount by mail. The interest rate is 4 per cent. per annum on the minimum monthly balance compounded half-yearly. The money may be withdrawn at any time by merely forwarding an order to head office in a special order form provided for on request by letter signed by the depositor himself. Accounts are opened by signing a letter, enclosing the money, in post office, express money order, or bank draft, and mailing to the office, for which a receipt in the form of an ordinary bank pass book is issued. The book is balanced and interest computed every May and November.

Regarding the safety of the deposit system, the booklet says:—

"Deposits in this office are absolutely guaranteed by the government of the province of Manitoba. Depositors cannot lose. All the natural resources of the farms, forests, mines, fisheries, water powers, the wealth of industries in all Manitoba's towns and cities, the strength of the strongest financial institutions and the resources of all the people of the province of Manitoba guarantee the depositor's funds.

"This office was established to give the citizens of Manitoba an opportunity to invest their savings to help their own province. The money secured from the people will be used to finance the Rural Credits Societies and Manitoba Farm Loans' Association. These institutions have helped to make Manitoba prosperous by enabling farmers to break up thousands of acres of land, buy livestock, clean off old and burdensome debts, make purchases for cash and develop better rural communities. The money may also be loaned to assist in financing cities, towns, villages, rural municipalities or school districts within the province of Manitoba."

Business Done So Far

Up to July 10, \$135,325 had been received on deposit, according to a statement made by E. A. Weir, chairman, on that date. The first deposit was made by W. J. Sisler, principal of Strathcona School, Winnipeg, on June 2. The total number up to June 10 was 25. "We have had deposits," said Mr. Weir, "from ten districts in Manitoba by mail. Among them are Elphinstone, Oakville, Souris, Sandy Lake, McAuley and Minitonas. The foreign residents of the city are displaying great confidence in the bank. Our deposits in the north end branch and the number of enquiries we are daily receiving are an indication, I believe, that the provincial savings bank will prove to be immensely popular. The guarantees we offer, the rate of interest and other factors entering into the banking business are proving very attractive to prospective banking customers."

The head office of the bank, in the Lindsay Building, will be opened July 20 or 21, Mr. Weir expects.

A CANADIAN NATIONAL SUMMER RESORT

Among the new activities of the Canadian National Railways this year is the opening of a modern summer hotel at Grand Beach, on Lake Winnipeg, about 60 miles north of Winnipeg. There are 200 guest rooms, each supplied with hot and cold running water. The building has been lined inside with fireproof gypsumboard, the material for which was obtained from Gypsumville, Man., and manufactured in Winnipeg. Smoking rooms and ladies writing rooms are provided on every floor. The cost of the improvements totalled in the neighborhood of \$100,000.

BRITISH REPORT ON CANADIAN TRADE

General Situation is Sound, Concludes Commissioner—United Kingdom Manufacturers Alive to Foreign Competition Here

"**E**CONOMIC, industrial and commercial conditions in Canada are sound, and given more stable, political and social conditions throughout the world than those obtaining at the beginning of 1920, the Dominion should achieve a degree of development far surpassing that achieved hitherto." This is the conclusion expressed in a blue-book just issued by the British government, giving reports on the trade of Canada and of Ontario by F. W. Field, British trade commissioner in Ontario. With reference to the market for British manufacturers, the following statement is made:—

"As a market for British manufacturers Ontario presents an attractive field, more especially in the lines in which United Kingdom manufacturers have excelled for so long. The development of Canadian manufacturing, of which such a large proportion is carried on in Ontario, leads one to the conclusion that the greater part of British trade in this market will in future years be confined to the principal groups of manufactures which constituted the business here of United Kingdom firms before the war."

Other Exporters are Active

Reference is made to the activity of the Japanese in Canadian trade; to the opportunity for sales of machinery here; to the need for more advertising of goods; to the high production costs in Ontario factories as compared with those in the United States; and to the increase in the number of American branch plants here. British manufacturers also showed their interest during the year by establishing factories here. As regards agencies, the following comments are given:—

"It is still a matter for the consideration of certain United Kingdom firms as to whether their agency arrangements for Ontario, and Canada generally, should be treated as part of their United States agency arrangements. At least one British firm with branch works in the United States has now established a branch in Ontario. The tendency of United States firms with trade connections in Canada is to establish separate units in Canada, either branch works, offices, or agents, to deal with their Canadian trade."

GERMAN GOODS IN CANADA

Germany is already securing considerable business in Canada, according to statements made by E. J. Edwards, British trade commissioner in Canada, at a meeting of the Montreal branch of the Canadian Association of British Manufacturers on July 7. Several clever and attractive German trade circulars had come into his hands, he said, through different Canadian firms which had received them, and he urged that representatives of British manufacturers here take warning from this German activity and keep in close touch with buyers, even if they had difficulty in supplying goods.

It had come to his notice, continued the speaker, that foreign manufacturers were trying to tempt British agents here of good selling reputation to accept their agencies on promise of ready supplies and high commission. He hoped that such agents would not accept offers of that kind, but would make some small sacrifice by retaining their British agencies, which would become more remunerative when conditions reverted to normal. Another point stressed by Captain Edwards was that British agents here should urge manufacturers they represented to allocate a certain proportion of their output for the Canadian market exclusively, and so ensure a steady supply of British goods to this country.

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Foundations of Progress and Prosperity

Changing Viewpoint as to Maintaining and Raising Standard of Living—
There Is No Surplus Which Can Be Tapped, Nor Does More
Money Provide a Remedy.—Capital as Well as Labour Must Be Efficient

By W. W. SWANSON

PROFESSIONAL economists and others who ought to know better are engaged in the pleasant process of persuading "labor" that it is being grossly exploited by the capitalist class, inasmuch as the entire field of labor has not been organized and the workers have not, therefore, a sufficient "voice" in the management of industry. The general conclusion that is reached is that the accumulation of capital has proceeded apace, and that the rich have grown richer as the poor have grown poorer. This is true neither absolutely nor relatively.

An examination of many of our financial corporations will disclose the fact that not only are their shares held widely by the people, but also that their activities are vitally essential for the common good—and not for the betterment of a preferred class. Be that as it may, the common notion that the "surplus" should be seized by labor for its immediate enrichment is one of the most pernicious fallacies of the times. It is not by that facile and short-cut method that the workers will be able to make permanent gains. This is obvious enough to those, including the workers themselves, who have observed that the increase in money wages has in general given no corresponding increased command over the necessities and comforts of life.

Wage Increases Were Ineffective

It has been said sufficiently often that wages when advanced have but brought prices and wages alike within the swing of a vicious circle. This solution of the wages problem was, under present conditions, doomed to failure from the first. The assumption underlying this plan of bettering living conditions was that it was possible to restore the standard of living to all the people that existed in 1914—that a mere increase in money wages would maintain and even improve that standard for the masses. The futility of the argument, and the program, is found in the fact that while money wages were never before so high in Canada and the United States, and while money circulates in growing volume, it becomes increasingly difficult to get back to the old standard of living. In the countries of continental Europe the very plethora of money has raised prices to fabulous levels while at the same time reducing and degrading the standard of living. It is well to recognize that the chief difficulty to be overcome is the actual dearth of goods—that no matter how high money wages are raised there are simply not enough commodities to go around. And if this continent is to do its fair share in rehabilitating the economic life of the world there will not be sufficient commodities to satisfy even the primary needs of humanity for a long time to come.

Production and the Hours of Work

The intimate relation of production to consumption is ignored or glossed over by those who speak so glibly of solving the economic problem by the easy expedient of dividing the "surplus" with labor, or handing over that surplus in its entirety. In that exceptionally able work, "The Case for the Shorter Working Day," by Felix Frankfurter of the Harvard Law School, and Miss Josephine Goldmark, the chief emphasis was placed upon the relation of industrial fatigue to productivity; and the eight-hour day was justified by the fact that it had resulted in a higher output per individual per day, which in turn was made the reasonable basis for increased wages and a higher level of living.

But much of present-day discussion turns upon a reduction of hours to increase the amount of work, or rather, to make the same work go farther. Many workers are obsessed with the idea that shorter hours and higher money wages

make for the permanent prosperity of their craft or class. They lose sight of the fundamental fact that real wages consist of what money will buy, and that a general decrease in productivity injures them first, and most of all. At present, the needs of the world considered, there are simply not enough commodities to go around. The granting of higher money wages, without a corresponding increase of the productive output, leads labor into a fool's paradise. If a general increase in the volume of money in circulation means prosperity, then Russia, Germany, Italy and France should be just now the most prosperous countries in the world.

There Is No Surplus

Emphasis upon thrift in order that the permanent machinery and tools of production may be increased through investment does not appeal to many in the community who demand that they may eat their cake and have it. The practice of thrift is too painful and prolonged a process when immediate whims and desires may be sated by the appeal to the local or general strike, or when wages may be increased by the mere threat of provoking industrial disorganization. And thus throughout the United Kingdom, the United States and the Dominion the idea has become all too general that the chief business of labor to-day is to obtain a greater share, or the whole of the surplus—when the surplus is not there. The only surplus that can be divided is one that is produced; and this brings one back to the basic and elementary fact that the quickest and most certain method of raising both local and general standards of living is first of all to produce the goods. The attempt to correlate wages with ever-climbing prices, and to get back to the old standards of living by the money mirage route is burning the truth into the minds of men that labor cannot reap where it has never sowed, and that underproduction makes its malign effects felt first in the field of labor.

Industry Must Have Skilled Direction

Much is made to-day of the "democratization" of industry, and no doubt the principle itself when correctly applied is capable of accomplishing great good. There are radicals and visionaries, however, who imagine and indeed insist that democracy in industry involves the abolition of the executive and capitalistic class as we now know it. In Canada there are relatively few capitalists, as such, who are not directly concerned in the management of industry; and of men of this type the imperative need of the day is for more of them, not less. For, in a word, the executive is the man who has both the vision and the practical ability to get things done, and to get them done in the most effective way. He it is who has learned to combine the many factors of production in such a manner as to obtain the best results—for labor as well as for capital. The man who has that great gift will always be in demand, and will always receive a high return, whether in terms of money, of prestige, or of power.

Combining Factors in Production

Dominating the nation's economic life is the great law of proportionality—the combining of the factors of production in the most efficient way. Abundance of land and abundance of capital in fixed forms—in mines, farms and factories—is in itself the origin and the explanation of the demand for labor. It has often been remarked by economists that the chief reason for the higher level of wages in the Dominion and the United States, as contrasted with hitherto prevailing European standards, is found in the alternative employment always open to the worker on the land—and particularly to the pos-

SUN INSURANCE OFFICE

*Excerpts from Report of the Directors for the Year ending
31st December, 1919*

Fire Account

Premiums received, less Re-Insurances	\$11,333,095
Losses paid and outstanding.....	5,360,690
being at the rate of 47.30 per cent. on the Premiums received.	
Expenses of Management (including Commission to Agents and Working Charges of all kinds) being at the rate of 38.83 per cent.	4,400,385
After reserving as unearned 40 per cent. of the Premiums to cover liabilities under current Policies, there is a Credit balance of.....	491,065
which is transferred to Profit and Loss Account.	

Profit and Loss Account and Dividend

The balance brought forward from last year was	\$ 2,098,010
Paid for Dividends in respect of 1918	684,000
Leaving a Credit Balance of	\$ 1,414,010
This by the operation of the year has been increased to	\$ 3,110,860
There has been:—	
Carried to Pension Fund	150,000
Leaving a Credit Balance of	\$ 2,960,860
An interim Dividend of \$1.75 per Share, less income tax absorbing	\$294,000
was paid in January last. The Directors have declared a further dividend of \$2.75 per Share, less income tax, payable on the 1st of July, which will absorb a further sum of	462,000
	756,000
Leaving unappropriated	\$ 2,204,860

Funds

The Total Funds of the Office stand as follows:—	
Capital Paid-up	\$ 2,400,000
Fire Fund	12,533,240
Accident Fund	46,615
Employers' Liability Fund	802,215
Burglary and General Fund	296,275
Dividend Reserve	750,000
Pension Fund	585,135
War Contingency Fund	125,000
Investment Suspense Fund	375,000
Balance at Credit of Profit and Loss Account	2,204,860
	<u>\$20,118,340</u>

CANADIAN BRANCH:

15 Wellington St. East, - - Toronto

LYMAN ROOT, Manager

sibilities of self-employment there. The same principle obtains with respect to the building up of capital resources in fixed forms. A greater railroad mileage and a more efficiently organized railway system makes for the employment of labor and higher wages. An increase of capital brings benefits to the entire community, and directly raises the status of labor. With enlarged capital investment in fixed forms, and more abundant funds in the loan market, the return to capital by way of interest and dividends declines. At the same time the demand for labor increases, and with that increased demand the rate of wages. The decline in the interest rate makes for community progress and development, and hence for increased general prosperity.

Increased Wealth Benefits All

Thrift and increased production, let it be repeated, make inevitable the raising of the standard of living for labor and the improvement of social and economic conditions for the entire nation. It is impossible to increase the per capita production of wheat, say from five bushels to eight or nine, without at the same time raising the standard of well-being of the whole population of the country. And what is true of wheat is true of all other economic goods—both concrete goods as well as services. If wealth increases faster than population the relative return to capital falls, and the return to labor rises. Granted that there is injustice in specific cases, that some employers underpay employees, it by no means follows that employers in general, by concerted efforts or otherwise, can defraud labor of its just reward. With an abundance of free land, or of cheap land, and an abundance of capital, the demand for labor will inevitably force wages to higher levels. Underproduction penalizes capital, but it is fatal to the best interests of the workers themselves.

Example of Russia

There are some radical labor leaders who profess to see great advantages in the soviet system of government. If they have followed recent developments in Russia they will have observed that the emphasis has been shifted from the right to strike to the necessity to work, and that a great scheme is being formulated and put into operation for the conscription of labor. It has come home to the leaders of soviet Russia, and to the members of the various committees in charge of national affairs, that not visionary theories but hard work is the only way of economic salvation for the nation. If one can rely upon reports from Russia, already the soldiers of the third army in the Ural region, retaining their military discipline, have been compelled to reorganize for labor in the service of the nation. Bitter protest has been entered against the scheme of compulsory labor on the ground that it will make the technical expert and the business executive supreme and lead to the collapse of "industrial democracy." Whether such be the outcome or not, it has become plain to the backers of the soviet that all that remains of Russian civilization and industry will disappear unless the entire labor power of the country is organized in behalf of production. The imperative importance of work, and not the right to strike, receives the emphasis there to-day.

During the war the Anglo-Saxon democracies, including the United States, gave close attention to the cadastration and the organizing of all available resources—not only of material wealth but also of labor power. Under the stress of war amazing feats of production were performed. It was regarded as something little short of treason that waste of materials or of labor power should be permitted. In the great industrial establishments of the United Kingdom and the United States scientific analyses were made of the causes of underproduction and the loss of productive energy. As a result of these studies, production was keyed up to the highest possible pitch. Workers were instructed not only how to make their labor count for more, but also how to safeguard health. True, the driving power that the war emotion gives to industry has gone, but the idea must be recaptured and made effective in new ways. If farms that are now underdeveloped, and workers that are below the average, could be brought up to par the result would be an immense increase

of capital and new areas of work opened up in the fields of trade and commerce.

Guaranteeing Return on Investment

This obligation of increased efficiency rests not only upon labor but upon capital also. In the recent United States legislation, providing for a guaranteed return of 5½ per cent. on the capital value of the railways in the several groups into which they are divided, the opinion was expressed in some quarters that such a guaranteed return would inevitably make for inefficiency. The contrary, however, is the case, for the guaranteed return is assured only to those railroads that come up to standard in the sphere of organization and management. There are many important features about the legislation in question, but none more so than the insistence placed upon the necessity of earning a guaranteed return by giving results—and service. And among other things, it raises the fundamental question as to whether the nation, if it restricts dividends by means of an excess-profits tax, should not—in the case of public service corporations at least—also guarantee a reasonable return on the value of the business in lean years.

Unemployment Pay a Poor Remedy

But beyond that, larger issues are thereby raised for labor. If a fair return on capital, as in the case of the United States railroads, is guaranteed, and that return is related to efficiency, there is bound to result therefrom steadier employment for labor. More than that, the industry may be held more strictly to account in providing reasonable working conditions. It appears evident that the guarantee of work, under decent conditions of hours of work and wages, is the vital factor in the field of labor to-day. In the United Kingdom provision is being made for an unemployment benefit of 15 shillings weekly, the inadequacy of which is bitterly denounced by the labor interests. True, such a benefit is but little better than the pre-war old-age pension; but the objection to the entire scheme goes deeper than that. To pay such an unemployment benefit the industries of the entire nation are taxed, whereas unemployment may develop in only one or two at the same time—leaving a period of general depression out of consideration. This draws attention sharply to the fact, referred to above, that industries as well as labor should be held to "strict accountability" for the efficiency with which they function. Slipshod management, as well as slipshod work, is a matter of common social concern.

To guarantee work, then, is a far bigger and more significant matter than to guarantee an unemployment dole. This ought to be taken into account, in much greater measure than is done at present, by both legislators and workmen who are turning their attention to insurance against unemployment as an urgent social necessity. Production and exchange, the tariff, trusts, pools and combines, and the like, should be studied from this point of view. The finding of additional markets, the relation of Canada's trade to conditions in Central Europe and elsewhere, take on, from this standpoint, a new meaning. To protect the nation's economic life and aid in the great work of saving the world from the collapse of civilization itself is the supreme obligation of the hour.

Minority rule menaces Canada as never before in her history. Class-conscious interests develop everywhere, and the formation of group government in the place of national solidarity threatens the country. It is essential, therefore, as never before, to work out an economic and social policy making for the common good. The One Big Union idea, which is catching the imagination of many Canadians, is that the old constitutional methods have failed, and that the appeal to the ballot must be displaced by the appeal to the power of the general strike. Let no one deceive himself that this idea will fail of making converts. The only sane and effective method of destroying that idea is to displace it by a better and more dynamic idea—the idea that opportunities for progress will be enlarged; that work can be made more certain and continuous for all willing to labor; and that industry as well as labor will be held responsible for efficiency and service. That way lies the broad highway of social and economic progress.

THE NORTHERN ASSURANCE COMPANY

ESTABLISHED 1836

LIMITED

THE EIGHTY-FOURTH ANNUAL GENERAL MEETING of the Northern Assurance Company, Limited, was held in the offices of the Company at Aberdeen, on May 5th, 1920, when the Directors' Report was presented.

FIRE DEPARTMENT

THE NET PREMIUMS received last year amounted to \$10,200,005, an increase of \$637,940 in comparison with those of the previous year. THE LOSSES amounted to \$4,509,515, or 44.2 per cent. of the premiums. THE EXPENSES OF MANAGEMENT (including commission to agents and charges of every kind) came to \$3,973,715, or 38.97 per cent. of the premiums, as against 34.84 last year.

FIRE REVENUE ACCOUNT

Amount of Fire Insurance Fund at the beginning of year :-		Claims Paid and Outstanding.....	\$4,509,515
Reserve for Unexpired Risks.....	\$4,781,030	Commission.....	1,514,460
Additional Reserve.....	7,000,000	Expenses of Management.....	\$2,097,520
	\$11,781,030	Contributions to Fire Brigades.....	18,195
Premiums, less Re-insurances.....	10,200,025	Foreign Taxes.....	343,545
Interest, Dividends and Rent.....	\$663,570		2,459,260
Less Income Tax.....	177,680	Transferred to Profit and Loss :-	
	485,890	Profit for the year.....	\$1,397,815
		Interest.....	485,885
			1,883,700
		Fire Fund at the end of the year :-	
		Reserve for Unexpired Risks, being 50 per cent.	
		of Premiums.....	\$5,100,010
		Additional Reserve.....	7,000,000
			12,100,010
			<u>\$22,466,945</u>
			<u>\$22,466,945</u>

(£1 Assumed to Equal \$5)

FINANCIAL POSITION OF THE COMPANY

After giving effect to the proposals dealing with the balance of the Profit and Loss Account, the financial position of the Company as at December 31 last is as follows :-

Ordinary Shares—Subscribed \$15,000,000—Paid up.....	\$ 1,500,000	Endowment and Capital Redemption Fund.....	798,415
6 per cent. Participating Preference Shares, fully paid.....	2,512,350	Staff Funds.....	1,063,760
Debenture Stock.....	4,933,450	Investment Reserve Fund.....	2,500,000
Fire Fund.....	12,100,010	Profit and Loss Balance.....	2,570,325
Employers' Liability and Accident Funds.....	2,784,170		
Marine Fund.....	14,934,815		
Life and Annuity Funds.....	25,703,255		
			<u>\$71,420,550</u>

HEAD OFFICE FOR CANADA

G. E. MOBERLEY, Manager

MONTREAL

188

GEORGE EDWARDS, F.C.A. ARTHUR H. EDWARDS, F.C.A.
 H. PERCIVAL EDWARDS W. POMEROY MORGAN A. G. EDWARDS
 CHAS. E. WHITE T. J. MACNAMARA THOS. P. GREGGIE
 O. N. EDWARDS J. C. MCNAB C. PERCY ROBERTS
 A. L. STEVENS W. H. THOMPSON

EDWARDS, MORGAN & CO.

CHARTERED ACCOUNTANTS

OFFICES

TORONTO	CANADIAN MORTGAGE BUILDING
CALGARY	HERALD BUILDING
VANCOUVER ..	LONDON BUILDING
WINNIPEG	ELECTRIC RAILWAY CHAMBERS
MONTREAL ..	McGILL BUILDING

CORRESPONDENTS

HALIFAX, N.S.	ST. JOHN, N.B.	COBALT, ONT.
LONDON, ENG.		NEW YORK, U.S.A.

Dominion Textile Company Limited

Manufacturers of
Cotton Fabrics

Montreal Toronto Winnipeg

THE

VICTORY

Insurance Company, Limited

Subscribed Capital £500,000
 Paid-up - - - £250,000

BANKERS:
 LLOYD'S BANK, LIMITED
 THE LONDON JOINT CITY & MIDLAND BANK, LIMITED

FOR REINSURANCES

Directors :
 SIR BYRON PETERS, K.B.E.
 SIR REGINALD H. BRADE, G.C.B. SIR CHARLES DAVIDSON
 EDWARD DEXTER, F.C.A. ROBERT HEADRICK
 CHARLES H. TRENAM, Managing Director

Manager: HARRY L. SMATHERS Secretary: F. CECIL BARLEY

Head Office .
LOMBARD HOUSE, GEORGE YARD
LOMBARD STREET, LONDON, E.C., 3

Telegrams "EMOCREVO, LED, LONDON"

TRUSTEES UNDER DOMINION BANKRUPTCY ACT

Every Province Represented in Appointments Already Made—Individual Bond of \$15,000 Must be Furnished

TRUSTEES have been appointed under the Dominion Bankruptcy Act, which went into force on July 1st, as shown in the list below, issued on Monday, by the department of the secretary of state. The appointees are largely chartered accountants, auditors and financial agents, and they must deposit an individual bond of \$15,000 before the appointments are gazetted and before they will be able to act. It is understood that practically every trust company doing business with the public in Canada applied for appointment. Some of them have not been actively doing this class of business, but in any case they wished to have the necessary powers. The list was, therefore, somewhat of a surprise in trust company circles, as in some provinces only one or two have been appointed. In Ontario, for instance, the National, the Toronto General and the Consolidated are the only ones, although some other companies which have not yet been appointed in Ontario, are on the list for other provinces. It is thought, therefore, that further appointments will be made from time to time.

ONTARIO—Henry Barber, Joseph James Clarke, Edward Roper Curzon Clarkson, Edward Guy Clarkson, Frederick Curzon Clarkson, Geoffrey Teigmouth Clarkson, John Dickie Wallace, Norman Leslie Martin, Samuel Ernest Montgomery, Donald McKenzie McLelland, National Trust Co., Ltd., John Bissland Robertson, Richard Tew, Harry Vigeon, Osler Wade, Albert Elliott Weatherbe, Rutherford Williamson, James Hardy, the Toronto General Trusts Corporation (Toronto), William Alanson Cole, George Andrew Welch, Arthur Alfred Crawley, William Young Denison (Ottawa), Joseph Edmund Crawford, Robert Henry Neeland (Fort William), James Michael Johnston (Cornwall), Oliver Stuart Hillman, Frederick Henry Lamb (Hamilton), the Consolidated Trusts Corporation (London).

QUEBEC—Thomas James Coulter, L.I.A., John Joseph Robson, L.I.A., Albert Onesime Chalifour, Joseph Alphonse Lefebvre, Joseph Gustave Mousseau, L.I.A., Ernest Stamour, Paul Louis Turgeon, Pierre Henri Dufresne, Edouard Henri Merrill, Eugene Prevost, Vincent Lamarre, Edmond Garneau, Wilfred Damphousse, Clovis St. Louis, John W. Ross, Joseph E. Lemire, William Gordon Finlayson, George Taylor Gardiner, Alphonse Moisan, Robert Wilson, Alexander Fowler Riddell, Alexander Irwin Morison, Arthur Gagnon, Joseph Alphonse Villeneuve, Morris Goodman, Richard Costigan, John Hyde, Royal Trust Company, Montreal Trust Company, Bankers' Trust Company, Charles Alfred Sylvester, Arthur Panneton, Edward H. Begin, Frederick William Sharp, F.C.A., Edwin Brigs (Montreal); J. Arthur Larue (Quebec), John James Griffith, L.I.A., Gedeon E. Begin, L.I.A., (Sherbrooke), Joseph Conred Perrault (Joliette).

PRINCE EDWARD ISLAND—The Canadian Credit Men's Trust Association, Limited (Summerside).

NEW BRUNSWICK—The Canadian Credit Men's Trust Association, Limited (St. John), Arthur Earle Cox (St. John).

NOVA SCOTIA—The Canadian Credit Men's Trust Association, Limited, Robert Carter (Halifax).

MANITOBA—The Canadian Credit Men's Trust Association, Limited, William Alexander Henderson, the Northern Trust Company, the Traders Trust Company, the Western Trust Company (Winnipeg).

BRITISH COLUMBIA—Frederick James Carter, The Canadian Credit Men's Trust Association, Limited, Mather Joseph Crehan, Robert Baldwin Ellis, Walter Ernest Hodges, Harry Joseph Perrin, Sydney Wilson, George Edward Winter (Vancouver), Thomas Sturch Annandale (New Westminster).

SASKATCHEWAN—The Canadian Credit Men's Trust Association, Limited, Saskatchewan General Trusts Corporation, Limited (Regina), Great West Securities and Trust Com-

pany, Limited, Executors' and Administrators' Trust Company, Limited, Wm. Ewart Hodge (Moose Jaw), David Mowat (Saskatoon), Oswald Julius Godfrey (Indian Head), the Traders' Trust Company, the Western Trust Company, the Northern Trust Company (Winnipeg).

ALBERTA—The Canadian Credit Men's Trust Association, Limited, the Security Trust Company, John Bain Watson, James Gordon Edgar, the Trusts and Guarantee Company, Limited (Calgary), James Angus MacKinnon, National Trust Company, William Lewis Wilkin (Edmonton), the Western Trust Company, the Traders' Trust Company, the Northern Trusts Company (Winnipeg), Frederick Martyn Oliver (Medicine Hat).

MANITOBA RURAL CREDIT LOANS

A total of \$2,000,000 will have been passed under the Manitoba Rural Credits Act for the period of December 1 to July 31, Chas. Gifford, administrator, stated a few days ago. The amount is approximate, however, but is expected to double the amount for last year. Up to date the total value of cheques issued since April 2 of this year is \$1,090,000, to 56 operating rural credit societies.

MANITOBA CHARTERED ACCOUNTANTS

At the annual meeting of the Manitoba Institute of Chartered Accountants, held recently, the officers elected for the ensuing year were as follows: President, F. C. Gilbert; vice-president, B. F. Griggs; secretary, W. J. Spence; council, F. C. Gilbert, B. F. Griggs, W. S. Ronald, W. A. Henderson, Hubert Reade, E. S. Reid, J. Parton, W. D. Glendenning, S. A. Brown, D. Young, W. Gray, F. C. S. Turner, C. E. White and A. E. Phillips.

PAYMENT ON 1919 WHEAT CROP

The Canadian Wheat Board has decided to make an interim payment of 30 cents per bushel as soon as possible after July 15 against the wheat represented by its participation certificates when such certificates are presented to the board, states an official announcement made recently. While the board, says the statement, will be unable to determine the total value of the certificates before the business is completed; at present, indications are that this payment represents approximately 75 per cent. Owners of participation certificates can send them either direct for payment or through any available agency.

WELLINGTON FIRE INSURANCE CO.

Cash premiums of the Wellington Mutual Fire Insurance Co., Guelph, Ont., during the year 1919, totalled \$107,628, and mutual premiums, interest, etc., brought the income for the year up to \$122,486. In addition there was \$8,228 brought forward from 1918, and \$82,050 received as payment on capital stock. Claims to the amount of \$49,541 were paid, including \$1,809 on 1918 account. Commissions totalled \$24,378, and rebates and returned premiums \$10,520. The sum of \$43,288 was invested, and a balance of \$63,940 remained on hand at the end of the year. The company's assets now total \$206,251, mostly consisting of bonds and debentures. Liabilities to the public are \$66,943, leaving \$139,307 as security to policyholders. The paid-up capital is \$124,500.

These figures represent good progress during the year, the amount of insurance in force being increased from \$10,345,797 to \$13,107,130. With the payment of the remaining 65 per cent. on the capital stock, the latter is now fully paid, and the position of the company strengthened by the investment of these funds.

PHENIX ASSURANCE COMPANY LIMITED

*Sir Gerald H. Ryan on the Insurance Outlook—Interesting Report of the Company's
One Hundred and Thirty-Eighth Annual Meeting—Nationalization of
Insurance Bogey—Growing Demands of Taxation*

RECORD FIRE PROFITS.

The ANNUAL GENERAL MEETING of the shareholders of the Phoenix Assurance Company, Limited, was held April 28, 1920, at Phoenix House, King William-street, SIR GERALD H. RYAN, Bt. (chairman of the company), presiding.

The SECRETARY (Mr. R. A. C. Thomas, F.I.A.) having read the notice convening the meeting and the report of the auditors.

The CHAIRMAN said:—Gentlemen, we have now reached the 138th year of the company's existence, and each year it seems to me that the preparation of a chairman's speech must become more difficult. The accounts gather together, in a condensed form, our operations in practically every branch of insurance business in nearly every part of the world. Questions of great importance necessarily arise in a large number of cases affecting our various interests in one place or another, and these are lost sight of in the audited accounts. It is, therefore, desirable that the opportunity should present itself in the chairman's speech to supplement the accounts and the report, which latter is mainly but a brief summary of the accounts. I accordingly propose to follow the example set by my predecessor in the admirable addresses he delivered for so many years in succession, by offering a running commentary on the results embodied in the accounts, adding a few more general remarks on broader questions which our experience and observation during the year render desirable.

FIRE RESULTS.

My first and most pleasant duty is to call your attention to the signal success of our fire department in 1919. An unusually low loss-ratio—it was only 42.5 per cent. of the premium revenue, and 50 per cent. is regarded by us as a favorable ratio—and expenses which remained at the normal level of 38.3 per cent., left us with a handsome margin of profit. The final profit of £326,377 is not only highly satisfactory in amount, but is the largest contribution the department has made to our profit and loss account since the company was established. (Cheers.) An increase in our premium revenue of no less than £269,884 is also a very favorable feature, this being largely due to the higher values of properties and commodities, and to the growing appreciation of the community that its insurance must be greatly increased in amount if it is to enjoy full and proper protection. A word of praise will be ungrudgingly given to our fire manager, Mr. Boston, for these excellent results (hear, hear), and I would also mention Mr. Beresford, our manager in the United States, for special recognition of his very successful efforts. (Hear, hear.)

MARINE RESULTS.

The marine accounts are not so simple and convincing as the fire figures, because the effect is still seen of the

marked and temporary addition to our normal income, due to the transaction of war risks during the years 1914 to 1919. The claim payments thus relate to business of much ampler dimensions than that completed in the year of account. The same remark applies to our expenditure, and it would be wholly misleading to regard these outgoings as comparable with the premium revenue of 1919. The actual result as shown in the amount of £300,000 carried to profit and loss is exceedingly satisfactory. We may now be said to have passed into the calmer waters of normal peace conditions, and the directors feel that the shareholders would like to join them in their congratulations to Mr. Sandeman Allen and his colleagues for the skill and success with which they conducted this portion of our business in circumstances of unprecedented difficulty. (Cheers.)

ACCIDENT RESULTS.

The accident department exhibited a satisfactory development and a moderate profit was earned. Certain branches of this business—burglary and motor risks, especially—are passing through an unprofitable phase and require exceptional attention. New legislation, in the shape of the Workmen's Compensation (War Addition) Amendment Act (1919), introduces a disturbing element in Workmen's Compensation business. The position of this class of business is being closely watched by ourselves and other tariff companies.

LIFE RESULTS.

The operations of the Life Department recorded some unusual features. An almost universal increase in the new policies issued in the year occurred in this section of insurance business. Various reasons have been assigned for this; the larger incomes now enjoyed by so many, the need of providing for the heavy death duties, the desirability of making good depreciation in savings arising through the shrinkage in the values of investments, and a juster estimate of the proper amount of insurance necessary for heads of families to provide for the protection of their dependents—these, among other reasons, may be given for this remarkable expansion of new life business. We shall all agree that, whatever the cause of causes may be, this is a healthy indication of thrift and forethought on the part of the community—qualities that are not too conspicuous in other directions. (Hear, hear.) A marked increase of expenditure is another common feature of the year's results. Roughly speaking, an additional 2 per cent. of the premium income has been disbursed for management expenses. It is unnecessary for me to say more about this item than that it is the natural outcome of the increased new business, of the heavier cost of all materials, and of the improved remuneration which the board has granted to the staff, to which I shall make further reference later on. In other respects

there is little to comment upon the Life Department, which is in a flourishing condition apart from the fall in the value of investments, a matter so largely outside the control of your board. The outlook is not free from anxiety in this connection, and in such circumstances it is a matter of satisfaction that the board has seen its way to declare a substantial bonus to the policyholders of the Law Life section, after making full allowance for all depreciation. The quinquennial valuation of the company's life fund will be made at the end of the year, and the result must largely depend on the values of investments then ruling.

PROFIT AND LOSS.

I now pass on to what is often considered the most important of our accounts, namely, profit and loss. In this we find gathered together the results of the several trading departments, and interest, dividends, and rents received, on the one side, and our dividend and debenture interest payments on the other. Examining this account closely, we first see that our available interest receipts amount to £187,600 against dividends and debenture interest of £201,489. Next, we find the various profits from separate departments make up a grand total of £336,637, but from this no less than £438,260 has to be deducted in order that we should provide fully for all the taxes that have properly accrued. I say it with no desire to boast, but I believe we take a stricter view of the taxes to be provided for than do many other companies. We hold that at the same time as you pass an item of profit into your accounts you should debit the accounts with the full taxes of all kinds, which are applicable to such profit. (Hear, hear.) It is not unusual, I believe, to charge in account only the amount of taxes actually paid in the year under observation, but this may lead to a small profit in one year having to bear the taxes strictly applicable to a possibly larger profit of the year before, and against this inconvenience our system fully protects us. With this large deduction for taxes and a sum of £170,977 set aside to write down our shareholders' investments to their market values, our trading profits are practically exhausted. The usual provision of £25,000 off the value of our office premises has, however, been made.

DEPRECIATION AND TAXATION.

Now in these figures we see reproduced a feature of our recent experience—namely, a highly satisfactory total trading profit melting away to nothing through the operation of the joint forces of depreciation of values and taxation of income. Of these trading profits our shareholders have taken practically nothing, their dividend being largely provided by interest on their reserves and funds. Almost the whole of the outcome of the trained skill of our managers, the long-established connections of the company throughout the world, and the fruits of our energy, enterprise, and exceptional hard work, have either been whittled away by a shrinkage in our assets or taken from us by the State as taxes. A few words may be spared to deal a little more fully with this phenomenon of late years. As to the depreciation in our funds, this has been caused, directly or indirectly, by a weakening of the nation's credit.

RESPONSE TO GOVERNMENT'S APPEAL.

No class of financial institution answered more freely or promptly to the Government's appeal for support on the issue of the several State loans than did the insurance companies. (Hear, hear.) "Twenty per cent. of the total funds for the Government" was the formula adopted by the great majority of companies, and exceeded by not a few, including our own. The heavy fall in the public quotation of all these securities has had its inevitable effect in the periodical revaluation of our assets. Even since our accounts were made up a further considerable decline has taken place in prices, and, according to the judgment of competent authorities, the lowest point has not yet been reached. Other in-

vestments of a high character naturally followed suit, and the reduction of values has become general. In the last 10 years the Phoenix has written off from the value of its assets (apart altogether from the life funds) sums amounting to upwards of £700,000, and in the five war years, 1915 to 1919, the total was no less than £470,000. Great inherent strength and a wise husbanding of our resources alone enabled us, and other leading insurance companies, to withstand such serious and long-continued depreciation. This, however, must be looked upon as a direct consequence of the war, the debilitating effects of which have left their mark upon the company in many other ways.

GROWTH OF TAXATION.

The item of taxes also yields some remarkable figures. During the 10 years, 1910 to 1919, our shareholders' profits and interest have provided no less than £1,623,315 in taxes of one kind and another, the five war years, 1915 to 1919, alone accounting for £1,552,500. I wonder what the corresponding figures of all the insurance companies would be, and what the total would amount to? Surely something colossal. Now, it may be rather disappointing to insurance shareholders that the profits of their companies should be dangled before their eyes and then withheld for other purposes, and this is a reasonable enough view for them to take. But I think we may all gather solid consolation from the thought that our skill and energy have not been thrown away, nor been worked fruitlessly and to no end, but have rather been employed at their full strength to provide, if not dividends for our shareholders, what was still more important, the sinews of war for the protection of our country. (Hear, hear.) The machine has run at its maximum speed, and the output was never more satisfactory; our shareholders will be the first to express their gratification with the substantial help we have been able to render to the State, even though, in the meantime, their immediate pecuniary interests may have suffered.

THE PROBLEM OF NATIONALIZATION.

There is one aspect of these figures which is, indeed, not without a moral. We hear nationalization spoken of as a principle to be applied to many branches of public or private effort. To-day it is the mines; to-morrow it may be the railways, and so on. Insurance has not escaped the net which has been flung far and wide by the theorists and idealists, who aim at destroying the present fabric of industry. On its political side we have, naturally, nothing to say in such a meeting as this. But will anyone maintain that the same measure of financial support, either in subscriptions to loans or in payment of taxes, would have been forthcoming to the nation in its emergency had the business of insurance been in Government and not in private hands? (Hear, hear.) Remember that a great portion of the total profit of the large insurance offices is derived from foreign business—the result of "missionary" enterprise in the past and of diligent cultivation ever since without intermission.

What would become of the vast volume of profitable foreign business if insurance were nationalized? We have recently had brought prominently before our eyes one example of the complete failure of a Government Department to deal with a certain type of life assurance. Would the result be any the more successful were the more highly technical business of fire or marine or accident insurance undertaken by the State? And even if, for purposes of argument, we admit that home affairs would not necessarily prove to be so palpable a failure, would not the great benefit to the country of our foreign business, carrying everywhere the high name and fame of Great Britain and earning profits for shareholders and taxes for the State, be lost to the country? (Hear, hear.)

The time has not yet come for a detailed and critical analysis of the errors and evils inherent in any scheme to

(Report continued on page 34)

Phoenix Assurance Company, Limited

General Balance Sheet on the 31st December, 1919

LIABILITIES.		ASSETS.	
CAPITAL (fully subscribed) ..	\$16,053,250	Mortgages on Property within the United Kingdom	\$ 2,056,015
In 309,755 \$50 Shares, \$5 paid	1,548,775	Mortgages on Property out of the United Kingdom	18,555
In 113,100 \$5 Shares, fully-paid ("Pelican" Shares)	565,500	Loans on Life Interests	442,135
	\$ 2,114,275	Loans on Reversions	74,115
Fire Insurance Funds	11,466,000	Loans on Stocks and Shares	262,750
Marine Insurance Funds	3,829,465	Investments (at Book Values):—	
Accident Insurance Funds	938,150	British Government Securities	6,310,375
Profits and Loss Account	1,676,875	Municipal and County Securities, United Kingdom	107,225
	\$20,023,760	Indian and Colonial Government Securities	1,153,055
4% Debenture Stock (Law Life) \$5,000,000 Do. (1911)	1,389,750	Indian and Colonial Provincial Securities..	202,775
	6,389,750	Indian and Colonial Municipal Securities..	764,975
Interest on Debenture Stocks accrued but not due	29,820	Foreign Government Securities	3,436,510
Claims admitted or intimated but not paid (Fire)	1,541,575	Foreign Provincial Securities	712,235
Outstanding Accounts—		Foreign Municipal Securities	2,005,070
Fire Department	3,464,125	Railway and other Debentures and Debenture Stocks, Home and Foreign ..	5,059,530
Accident Department	61,960	Railway and other Preference and Guaranteed Stocks	644,860
Marine Department	5,436,175	Railway and other Ordinary Stocks	1,385,605
Dividends	2,993	Freehold Ground Rents	100,000
Debenture Stock Interest	440	House Property and Land	2,930,340
Bills payable	17,415	Salvage Corps Premises (Company's Share)	95,210
	\$36,968,015	Life Interests	35,585
Life Department Funds and Outstanding Liabilities as per separate Balance Sheet	61,435,785	Agents' Balances	3,948,560
		Outstanding Premiums	3,570,870
		Outstanding Interest, Dividends and Rents (less Income Tax)	36,470
		Interest accrued but not payable (less Income Tax)	233,800
		Bills Receivable	85,165
		Cash—On Deposit	111,530
		In hand and on current account	1,184,700
			\$36,968,015
		Life Department Assets, as per separate Balance Sheet	61,435,785
	<u>\$98,403,800</u>		<u>\$98,403,800</u>

\$5 taken as equivalent of £1 Sterling.

Funds of the Company on the 31st December, 1919

Fire Funds (including General Reserve).....	\$11,465,000
Life and Capital Redemption Funds	58,290,270
Marine Funds	3,829,465
Accident Funds	938,150
Profit and Loss Account	1,676,875
Capital paid up	2,114,275
Debenture Stock Funds	6,389,750
	\$84,703,785
Provision for Outstanding Claims and Accounts	13,700,015
Total Assets as per Balance Sheet	<u>\$98,403,800</u>

HEAD OFFICE FOR CANADA :

100 St. Francois Xavier Street

Montreal

JOINT MANAGERS :

R. MacD. PATERSON and J. B. PATERSON

189

substitute bureaucratic control for individual enterprise in the wide field of insurance, but I have ventured to lay before you these few personal reflections in order that all who are concerned in our important branch of industry may give thought to the great damage that may accrue to many interests, private and public, by these unsound and ill-considered proposals.

INCREASING EXPENSES.

I have already mentioned, in connection with the Life Department, the increase in our expenditure. This is, of course, not confined to any single department, but affects every section and phase of our business. The causes are world-wide in their incidence, and too well understood in their origin to call for any remark. The heaviest addition to our expenditure is in the item of salaries, and though the directors are not unmindful, in a company like ours, of the necessity of economy in carrying on our business, they consider that a company like ours must look after its employees properly, and remunerate them on a liberal scale. The temporary allowances made in the shape of war bonuses have, therefore, been made fixed additions to salaries, and during the last few weeks a further substantial revision has been made. In this and other ways the board seek to promote the welfare of the staff, and they have expressed themselves as favorable to joint action among the staff to enable representations to be made to the management, whenever it may seem necessary, on the conditions of employment in the company. At the same time, I cannot conceal from you the fact that all this means a constant increase of expenditure throughout all branches of our business, the full result of which is not apparent in the accounts before us. No corresponding increase in the premiums we charge for the various risks undertaken has yet been made on this account, and, judging by recent results, our profits have been well able to sustain the additional burden. But for some years past insurance business has enjoyed a spell of considerable prosperity, and we cannot reckon upon the continuance of such good times. Indeed, in several directions indications are observable, over a wide area, that a turn of the wheel of fortune has occurred.

MULTIPLICATION OF NEW COMPANIES.

Furthermore, the multiplication of new companies in the last year or two must lead to more strenuous competition for the most desirable risks. I am told that since 1914 the number of active British marine companies has been more than doubled, and new fire offices have, as we all know, sprung into existence in great profusion. These conditions give us no ground for anxiety concerning the future of our company, but sound the note of warning, and show the need of the utmost care and watchfulness in the conduct of our affairs. We believe that our chief safeguard in these circumstances is that we have the benefit of a highly skilled general manager in our new chief official, Mr. Sketch—(hear, hear)—with whom our most efficient experts are associated in the various fields of our work. Together they will be able, we confidently believe, to guide us through any coming difficulties.

THE NORWICH FUSION.

What I have stated as to the general outlook applies with equal force to the business of our newly associated company, the Norwich Union Fire Insurance Society, the fusion of which with the Phoenix was effected, with such remarkable smoothness and goodwill, in the early months of the present year. By this alliance, the Phoenix "group" becomes one of the largest and most important of all British insurance combinations. It is my firm conviction that a great and prosperous future lies before the allied companies, and that in due time we shall see a development and expansion of our business which could hardly have been

thought of in the old days. The one thing to give ground for doubt is the state of the national finances, with the fear lest, in their desire to find a quick and easy solution of present difficulties, our Ministers may be induced to adopt expedients that will weaken the springs of enterprise and undermine the foundations on which our industries have been raised. (Hear, hear.) I now beg to move:—

"That the report be adopted, and that a dividend of 12s. per share, subject to income-tax, be declared out of money available for that purpose at the end of the year 1919, to be payable in two instalments of 6s. each, on May 1 and November 1 next, to members on the register on April 30 and October 31, respectively, except that holders of Phoenix (Norwich Union Fire) shares shall on 1st proximo receive a proportionate amount of 4s. per share instead of 6s., in accordance with the terms of the agreement of January 12, 1920.

"Provided that where no allotment of new Pelican shares has been made by April 30, 1920, to the parties entitled thereto, the May dividend of 6s. in respect of each of such shares shall be retained and paid to such parties on their being duly entered on the register of the company.

"Provided also that where persons entitled to exchange their shares in the Norwich Union Fire Insurance Society, Limited, under the said agreement of January 12, 1920, have been unable, for reasons not objected to by this company, to get their names entered on the register of this company by April 30, 1920, and subsequently comply with such agreement in all respects, the amount of the 4s. dividend shall be retained, and paid to them on their being duly entered on the register of this company."

The RT. HON. LORD GEORGE HAMILTON, P.C., G.C.S.I., seconded the resolution, which was unanimously approved.

Mr. W. H. C. WHIGHAM then proposed that the retiring directors (Mr. Alex. T. Hawes, Sir Joseph White Todd, Bt., and Mr. William Fladgate, M.V.O.) be re-elected.

Mr. G. E. COCKRAM, in seconding, took occasion to congratulate the chairman on his very able and comprehensive address. He expressed the hope that when the next Budget was proposed the Chancellor of the Exchequer would think a little more about economy and a little less about taxation. (Hear, hear.)

The resolution was unanimously approved.

On the motion of Mr. T. W. S. BOWLBY, seconded by Mr. S. WALKER, the auditors (Messrs. Chatteris, Nichols, and Co., and Messrs. Spain Bros. and Co.) were re-elected.

Mr. MILLAR WILKINSON then proposed a hearty vote of thanks to the chairman, the directors, the executive, and the staff of the company. Although, he said, he had objected to the recent amalgamation, he had recently expressed his confidence in the present directors by increasing his share interest in the company.

The motion was seconded by Mr. I. E. ROUCH, and unanimously accorded.

The CHAIRMAN, in acknowledging the compliment on behalf of the directors and himself, stated that they could never have attained the high position in which they now found themselves, or could hope to succeed in holding that position, if they had not had a most competent staff to control their organization. (Hear, hear.)

Mr. R. Y. SKETCH (general manager), replying for the staff, said that the vote of thanks so heartily accorded at their annual meetings was greatly appreciated by every member of the staff, and, he could assure them, it was well deserved. Both in bad years and good years the staff always did their best.

The proceedings then terminated.

What Canada Sells The United States

Analysis Shows Few Commodities In Which Canada Secures Most Business—Exports to United States More Than Offset By Imports—Changes Found in Recent Years

By JOHN A. COOPER

Canadian Bureau of Information, New York

CANADA did fairly well in selling goods to the United States in the year 1919. A new record was made—the total sales amounting to \$494,693,869, according to the figures just issued by the Department of Commerce at Washington. This was an increase of \$43,000,000 over 1918 and \$81,000,000 over 1917. The question then arises: What is the future likely to realize? Will these sales increase or decrease?

In order to answer these questions, the following tables may be studied. They are not exhaustive in range, because the United States government gives the Canadian figures only in twenty-nine classes of goods. Two classes may be added, because Canada is practically the only source of supply—newsprint and asbestos. This makes 31 classes out of a possible sixty or seventy.

Comparison by Years

The following table compares the totals of the 31 classes for the year 1919. The second column gives the total imports from all countries into the United States in 1919, while the third column gives the percentage supplied by Canada:—

IMPORTS INTO THE UNITED STATES FROM CANADA

	1919	Total purchases by U. S. 1919	Per cent. supplied by Canada
Animals, cattle	\$50,376,054	\$ 53,296,078	95
Asbestos, unmanufactd.	7,369,685	7,369,685	100
Breadstuffs, wheat ...	11,293,097	14,905,722	70
Coal, bituminous	4,547,407	4,950,686	95
Copper, ore and matte	5,222,768	23,541,020	25
Copper, other forms ..	5,769,539	53,907,521	11
Cotton cloths	143,503	17,664,903	1
Flax	767,944	3,996,590	20
Furs undressed	16,378,378	69,289,909	25
Calfskins	3,764,056	33,653,139	11
Sheep hides	13,057,554	125,590,047	10
Sheepskins	1,709,853	36,520,519	5
India rubber	2,530,295	215,820,113	1
Iron ore	64,785	2,385,689	¼
Lead ore	441,177	5,453,537	1
Sole leather	646,403	1,286,133	50
Upper leather	1,533,350	2,296,031	67
All other leather	870,060	12,262,106	6
Fresh beef and veal ...	5,416,764	6,408,081	20
Paper, newsprint	43,674,094	43,674,094	100
Flax seed	5,322,051	44,360,095	12
Clover seed	3,527,694	7,401,964	50
Sulphur pyrites	387,490	2,176,565	18
Tea	772,397	20,145,864	4
Tobacco leaf	435,434	10,019,891	4
Wood pulp, mechanical	5,083,488	5,117,316	99
Wood pulp, chemical un- bleached	18,816,872	27,063,707	70
Wood pulp, chemical bleached	3,394,887	4,867,358	73
Wool combing	451,310	4,583,522	10
Wool clothing	7,875,206	171,354,235	4
Zinc ore	115,974	529,660	20

Division Into Groups

Examining these figures and figuring the percentage that the purchases from Canada bear to the total purchases from foreign countries the following general results are obtained:—

Group 1. Twenty classes of articles in which Canada supplies less than 26 per cent. of the total imports of said articles into the United States: Wheat, copper ore, copper bars, cotton cloths, flax, furs undressed, calfskins, sheepskins, cattle hides, India rubber, iron ore, other leathers, flax seed, sulphur pyrites, tea, tobacco leaf, combing wool, clothing wool and zinc ore.

Group 2. Two classes of articles in which Canada supplies less than 51 per cent. and more than 25 per cent. of the total United States importation: Sole leather, clover seed.

Group 3. Three classes of articles in which Canada supplies less than 75 per cent. and more than 50 per cent.: Upper leathers, bleached sulphite, unbleached sulphite.

Group 4. Six classes of articles in which Canada supplies more than 75 per cent.: Live cattle, unmanufactured asbestos, bituminous coal, fresh beef and veal, newsprint, mechanical wood pulp.

Where Canada's Share is Small

In the first group there are twenty classes of articles in which Canada now supplies only a small percentage of what the United States requires from abroad. The sales of all of these could be increased considerably, except India rubber and tea which are not grown in Canada. But even in this high-possibility group, care must be taken not to overestimate Canada's effort. It is true Canada sold the United States wheat to the value of \$11,293,097 in 1919, but the United States sold Canada wheat to the extent of \$3,334,818, which reduces the favorable balance. So the sale of copper ores by Canada was around \$11,000,000, but Canada bought back refined copper to the extent of \$4,000,000. Raw furs were shipped to the United States to the extent of \$16,378,378; yet Canada got back "raws" valued at \$4,331,662 and "dressed" valued at \$1,141,324. In lead Canada bought about half as much as was exported.

Sales Offset by Purchases

So when group two is considered, Canada shipped sole leather to the extent of \$646,043, but bought back \$926,627. The figures are not available for clover seed in 1919, but the experience of years proves that clover seed crosses the border at about the same rate in both directions.

In group three, the situation is similar in the case of upper leathers. Canada sold the United States \$1,533,350, which looks well, until one discovers that Canada bought from the United States more than twice as much of the same material. In sulphite, of course, the movement is all one way, because the pulp resources of the United States are not sufficient for domestic requirements. Here is a great opportunity, as everyone recognizes.

In group four, where Canada sells nearly all the United States gets of these materials, there is still a return factor. In bituminous coal Canada sold \$4,547,407 and bought \$40,003,599. In beef and veal Canada sold \$5,416,764 worth, but bought back fresh, pickled and canned beef to the extent of \$767,642 and bacon to the value of \$10,767,992. In this group, the materials are exchanged largely for geographical reasons.

Lumber and pulpwood are not included in the 31 classes enumerated, because the portions coming from Canada are not specified in the United States tables. The total importations from all countries are as follows: Logs, \$1,690,672; pulpwood, \$10,458,753; sawed lumber, \$36,883,988; lath, \$3,037,000; shingles, \$8,720,032; total, \$59,790,445.

(Continued at foot of page 37)

Whalen Pulp and Paper Mills Limited

ANNUAL REPORT

Of the Directors of Whalen Pulp and Paper Mills Limited, Year Ended February 29, 1920

To the Shareholders:

The accounts of the Company for the year ended 28th February, 1919, showed the following results:

Gross Earnings	\$4,065,206.90
Expenses	3,952,892.22
Net Earnings	\$112,314.77
Deduct:	
Taxes	60,104.07
Fixed Charges	\$ 52,210.70 389,940.31
DEFICIT	\$337,729.61

The accounts of the Company for the year ended 29th February, 1920, show the following results:

Gross Earnings	\$4,619,734.67
Expenses	3,741,185.41
Net Earnings	\$878,549.26
Deduct:	
Taxes	56,181.48
	\$822,367.78
Fixed Charges	\$498,610.61
NET PROFITS	323,757.17

The expenses for the year amounted to 80 per cent. of the earnings as compared with 97 per cent. for the previous year. The earnings for the fiscal year under review exceeded those of last year, notwithstanding one of the Plants was closed for six weeks through lack of orders following the signing of the peace treaty. Your Directors, while optimistic as to the future, recognize mounting labor and material costs, and prudence demands conservative financing, looking to possible falling markets. Your Directors sold, during the first half of 1919, \$500,000 Gold Notes, \$550,000 Debentures and \$1,500,000 Bonds. You will notice by a comparison of the Balance Sheets for the years ended February 28,

1919, and February 29, 1920, that the net liquid assets of your company have been increased by \$1,673,895.90. Recognizing the need of conserving the timber resources of British Columbia, and to stabilize wood costs, your Directors felt it wise to instal barkers, etc., for small-wood operations at your Plants to supplement present large-wood operations. The wisdom of your Directors in installing small-wood operations is borne out by the fact that the price of logs on the open market has doubled in the past year. The improvements and betterments necessarily interfered to some extent with operations, but the work had to be undertaken to improve and increase production and to meet growing log costs. The results of the small-wood operations and the betterments undertaken should be reflected in the last half of the present year's operations. To increase production and improve the quality of your product, one extra digester, additional screens, drying apparatus, etc., are being installed in anticipation of your approval. Your Directors authorized Capital appropriations as under:

For small-wood operations and additional facilities to increase production and improve the quality of pulp at the three plants.....	\$488,000.00
For erection of Shingle Mill and installation of five machines at Woodfibre	12,000.00
For the purchase of Logging Equipment.....	60,000.00
	\$560,000.00

Also your Directors are making provision for further additions to your Plant and Equipment at an approximate cost of \$193,380.20, distributed as follows:

Woodfibre	\$39,611.00
Swanson Bay	10,200.00
Port Alice	15,000.00
Additions to Logging and Transportation Equipment.....	128,569.20
	\$193,380.20

At the end of February the Grand Trunk Pacific completed a car ferry barge, and railway cars are now ferried between your Swanson Bay Plant and Prince Rupert which will cheapen transportation and make it efficient. During the course of the year the launch "Nooya" was sold. For the Directors,
GEORGE BURY, President.

Vancouver, June 25th, 1920.

BALANCE SHEET FOR YEAR ENDING FEBRUARY 28, 1919

ASSETS		LIABILITIES	
COST OF PROPERTIES:			
Land, Buildings, Plant, Water Power and Timber Limits	\$15,505,701.96	CAPITAL STOCK:	
Less—Reserve for Exhaustion of Timber Limits	50,627.82	Authorized—	
	\$15,455,074.14	Preference 20,000 Shares of \$100 each	\$2,000,000.00
INVESTMENTS:			
Dominion of Canada Victory Bonds—		Preference 102,500 Shares of \$1.00 each	102,500.00
Deposited in trust as security for payment of annuity to employee	20,000.00	Ordinary 80,000 Shares of \$100 each.....	\$2,102,500.00 8,000,000.00
			\$10,102,500.00
CURRENT ASSETS:			
Inventories—		Issued—	
Logs, Lumber, Pulp and Shingles.....	\$499,558.66	Preference	\$2,102,500.00
Materials and Supplies on Hand and in Transit	503,222.26	Note—Shares of the par value of \$89,020.00 are held in trust for conversion of outstanding shares of Colonial Lumber & Paper Mills, Ltd.	
	\$1,002,080.92	Ordinary	8,000,000.00
Accounts Receivable less Reserve.....	77,735.52		\$10,102,500.00
Kelly Logging Company.....	\$306,029.58	SIX PER CENT. SERIAL MORTGAGE BONDS:	
Less—Reserve	246,029.58	Authorized	\$2,500,000.00
	60,000.00	Issued	\$2,500,000.00
Cash at Banks and on Hand.....	11,981.19	Less—Held by Trustees as security for the retirement of British Columbia Sulphite Fibre Company, Limited, Bonds	\$520,000.00
	1,152,747.63	Held by Bank as security for Loans	500,000.00
DEFERRED CHARGES TO OPERATIONS:			
Unexpired Insurance Premiums and Prepaid Items	\$ 52,212.64		\$1,020,000.00
Preliminary and Organization Expenses.....	23,180.80		1,480,000.00
Discount and Expenses on Debenture Issue.....	115,393.22	SEVEN PER CENT. DEBENTURE STOCK:	
	190,786.66	Authorized	\$2,500,000.00
		Issued	2,500,000.00

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the Whalen Pulp & Paper Mills, Limited, for the year ended February 28, 1919, and have obtained all the information and explanations which we required. We certify that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,
Auditors.

Vancouver, May 29, 1919.

	\$1,020,000.00	1,480,000.00
PURCHASE MONEY OBLIGATIONS:		
British Columbia Sulphite Fibre Company, Limited, 6 Per Cent. Serial Bonds		520,000.00
CURRENT LIABILITIES:		
Due to Banks—		
Demand Loans and Accrued Interest thereon	\$1,126,111.56	
Overdrafts	204,066.43	
	\$1,330,178.29	
Bills Payable and Accrued Interest thereon.....	226,221.09	
Accounts Payable	517,084.20	
Accrued Interest on Bonds and Debentures.....	98,333.32	
Accrued Taxes	12,607.81	
		2,184,424.71
SURPLUS:		
Balance March 1, 1918	\$369,413.33	
Deduct—Loss for year ended February 28, 1919, before providing for Depreciation	337,729.61	
		31,683.72
CONTINGENT LIABILITIES:		
Trade Paper under Discount.....	\$955,172.00	
		\$16,518,608.43

\$16,518,608.43

APPROVED ON BEHALF OF THE BOARD. W. D. ROSS, Director. A. H. DOUGLAS, Director.

BALANCE SHEET FOR YEAR ENDING FEBRUARY 29, 1920

ASSETS		LIABILITIES	
COST OF PROPERTIES:		CAPITAL STOCK:	
Land, Buildings, Plant, Water Power and Timber Limits.....	\$16,191,775.31	Authorized and Issued—	
Less—Reserve for Exhaustion of Timber Limits.....	74,457.77	Preference—20,000 Shares of \$100.00 each.....	\$2,000,000.00
	\$16,117,317.54	Preference—102,500 Shares of \$1.00 each.....	102,500.00
		Ordinary—80,000 Shares of \$100.00 each.....	\$2,102,500.00
			8,000,000.00
			\$10,102,500.00
INVESTMENT:		Note:—Preference Shares of the par value of \$77,045.00 are held in trust for conversion of outstanding Shares of Colonial Lumber & Paper Mills, Limited.	
Dominion of Canada Victory Bonds deposited in Trust as security for payment of annuity to Employee.....	20,000.00	SIX PER CENT. SERIAL MORTGAGE GOLD BONDS:	
SEVEN PER CENT. GOLD NOTE SINKING FUND:		Authorized	\$6,000,000.00
Augustus S. Peabody, Trustee.....	67,740.71	Issued	\$3,500,000.00
CURRENT ASSETS:		Less—Held by Trustee as security for the retirement of British Columbia Sulphite Fibre Co., Limited, Bonds	455,000.00
Inventories—			3,045,000.00
Logs, Lumber, Shingles and Pulp.....	\$ 487,952.83	SEVEN PER CENT. REDEEMABLE DEBENTURE STOCK:	
Materials and supplies on hand and in transit.....	666,263.86	Authorized	\$4,000,000.00
	\$1,154,216.69	Issued	3,050,000.00
Accounts Receivable	322,343.55	SEVEN PER CENT. SERIAL GOLD NOTES:	
Insurance Claims	79,472.06	Authorized and Issued	\$500,000.00
Kelley Logging Co.	\$341,804.92	Less—Retired	100,000.00
Less—Reserve	261,520.93		400,000.00
	80,283.99	PURCHASE MONEY OBLIGATIONS:	
Dominion of Canada Victory Bonds.....	5,000.00	British Columbia Sulphite Fibre Company, Limited, 6 Per Cent. Serial Bonds	455,000.00
Cash on Hand	13,703.22	CURRENT LIABILITIES:	
	1,655,019.51	Bank of Nova Scotia Overdraft	\$249,952.39
DEFERRED CHARGES TO OPERATIONS:		Bills Payable	18,896.61
Unexpired Insurance and Prepaid Items.....	\$ 56,360.15	Accounts Payable	558,308.41
Deferred Logging Charges	95,486.60	Accrued Interest on Bonds, Debentures and Notes..	144,959.93
Preliminary and Organization Expenses.....	24,329.56	Accrued Provincial Taxes	5,773.35
Discount and Expenses on Debenture and Other Issues	384,577.51	Provision for Dominion Income Tax	35,000.00
	560,753.82		1,012,890.69
		SURPLUS:	
		Balance per last Report, February 28, 1919.....	\$ 31,683.72
		Balance from Profit and Loss Account.....	323,757.17
			355,440.89
		CONTINGENT LIABILITY:	
		On Notes Discounted at February 29, 1920, and Guaranteed Accounts	\$541,516.40
			\$18,420,831.58
			\$18,420,831.58

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the Whalen Pulp & Paper Mills, Limited, for the year ended February 29, 1920, and have obtained all the information and explanations which we required. AND CERTIFY that the above Balance Sheet and the relative Profit and Loss Account are correctly prepared therefrom.

We have satisfied ourselves, subject to the lumber used in construction being charged at market price in place of manufacturing cost, that during the

year only actual additions and extensions have been charged to Property Accounts. No provision has been made for depreciation.

Subject to the above, we certify that the Balance Sheet is correctly drawn up so as to exhibit a true and correct view of the state of the company's affairs, according to the best of our information and the explanation given to us; and that the relative Profit and Loss Account, except for the inclusion therein of the profit on the lumber used in construction, is a fair and correct statement of the net earnings for the year ended February 29, 1920.

Vancouver, June 27th, 1920.
PRICE, WATERHOUSE & CO.,
Auditors.

APPROVED ON BEHALF OF THE BOARD. GEORGE BURY, Director. W. D. ROSS, Director.

WHAT CANADA SELLS THE UNITED STATES

(Continued from page 35)

It may be assumed that 90 per cent. of these imports come from Canada. It is equally clear to those who know the situation that the appetite of the United States for lumber and pulp wood is not nearly satisfied.

This analysis is necessarily incomplete. In its published table, the United States Department of Commerce gives more information than can be obtained at Ottawa about this particular feature of the trade between the two countries, but there is still much to be desired to give a complete picture of what Canada supplies to the United States. A study of what is given above will, however, speedily indicate that Canada's exports to the United States may easily be doubled, given the necessary capital and labor, the necessary time for development and a definite assurance that such increased export will not denude Canadian manufacturers of raw material which is necessary to their present and future production.

Premium income of the Pacific Coast Fire Insurance Co. for the first six months of 1920, is 15 per cent. ahead of the same period last year. The loss ratio is 37 per cent.

ACCIDENT POLICIES FOR MOTOR DRIVERS

Charles G. Booker, mayor of Hamilton, has proposed that drivers of taxicabs and livery automobiles be required to take out an accident insurance policy for the protection of their passengers. "So far," said Mr. Booker to *The Monetary Times* on July 7th, "this has merely been a suggestion of my own, but we are earnestly hoping to bring the matter to a head as we feel that there should be ample protection afforded, not only to the public, but also to the driver of the car, and the only way this can be done is by placing the responsibility and enable that responsibility to be met by the insurance."

FIRE FIGHTING FORCE TOO SMALL

That the St. Boniface fire brigade has been undermanned and underequipped, and that efforts to prevent fires are not meeting with proper support, were opinions expressed by the report of the commission which investigated the St. Boniface fire department, which was made public on June 25th. The investigation was undertaken following a fire April 8th, when it was charged that the brigade had not given adequate service. The report finds that on the occasion referred to, only five firemen out of fifteen were on duty when the alarm was given.

OPTIMISM PREVAILS REGARDING WESTERN CROP

General Rain Reported in Alberta—Notable Improvement in Southern Part of Province—General Conditions Continue Favorable—Manitoba Prospects Encouraging

REPORTS of crop conditions in the west received during the past week reveal rather a mixed condition. The "Manitoba Free Press" in its fourth statement, states that generally, conditions in the whole west are not quite so satisfactory as last reported, while in some large areas, notably southern Alberta, conditions are much improved. The one serious drawback has been lack of rain at many places. Out of 234 points heard from, 115 want more moisture. Coarse grains, as a whole seem to be in a thrifty condition and promise well.

The agents along the western lines of the Canadian National Railways, between the Great Lakes and the Rockies, continue to be optimistic regarding the yield of cereals to be harvested this season. The detailed crop report for the week ending July 3rd, contains some half dozen references to such temporary conditions as need of rain, presence of grasshoppers or presence of cutworms, with attending slight damage from same. But practically all are agreed that the prospects for a bumper crop are excellent. The tone of the report generally appears to be more like that of 1915, than has any since that year of record crops in western Canada.

Manitoba Prospects

Prospects for Manitoba are decidedly encouraging, according to the last report of the provincial department of agriculture. The situation is summarized as follows:—

"Reports from probably fifty per cent. of points are entirely satisfactory, while from other places there is complaint of lack of recent rains. During the past two weeks there have been local rains, but some places have been missed, and evaporation at this time of year is rapid. From no place is there any suggestion of crop failure or even of crops having suffered considerably, and the present promise is that the crop will vary from fair to very good, according to locality.

"An interesting phase of the situation is that some of the places that have suffered most from drouth during recent years have been liberally supplied with moisture this year, while the call for more rain comes from parts that are usually blessed with plenty. Many of the early wheat fields are headed or are heading out. Here and there small hailstorms have occurred, though only a few of these are mentioned in our reports. Practically no damage from heat is evident. The grasshoppers have been very successfully fought this year, though, of course, there are some hoppers still. It is significant, however, that from every place where poison has been used the report to date is satisfactory. In some places cutworms have done a little harm, and one report mentions sawfly damage in the wheat crop, but insect damage, other than that by grasshoppers, is very slight. No rust reports are at hand, and as the crop has moved along so very rapidly, and recent weather has been so unfavorable to rust development, the outlook in this respect so far is good.

"Summerfallow work seems to be progressing well, and a hay crop above the average is indicated. The prevailing outlook is decidedly optimistic. What is wanted now for the grain crop is a good rain or two in the drier parts and bright fairly cool, moderately breezy weather. Present prospects suggest a fairly early harvest."

Expects Repetition of 1915

Superintendent J. M. McKay, of the C.P.R., Saskatoon, on a recent tour of inspection of the lines in Alberta and Saskatchewan was favorably impressed with crop prospects. Mr. McKay stated the crops are good on the lines from Hardisty to Saskatoon. Indications are favorable for a better than average crop throughout the whole of the territory. Some localities are blown out and while serious to the

individual farmers effected the condition is all purely local. The crop conditions taken as a whole are good. On the trip from Saskatoon to Saltcoats, Sask., returning to Yorkton, and from Balcarries over the Grand Trunk and from Lemberg to Saskatoon, Mr. McKay said the crops are far above the average, and if conditions continue as they have been so far a repetition of the crop of 1915 can be expected.

"What impressed me most," said Mr. McKay, "was the fact that in the scrub country, particularly the territory between Wynyard and Yorkton, the crops were better than anywhere else. This, to me, indicates the necessity of tree planting throughout Saskatchewan."

Beneficial Rain in Alberta

A report from Calgary, dated July 6, states that farmers are unanimous in declaring that rarely, if ever, has there been such a beneficial rain as that which started a day or so previously. Only in one or two isolated cases has there been hail and any damage resulting from this has been extremely limited. The rain, it appears, was general, Edmonton, Lethbridge, Calgary and Medicine Hat participating in the downpour was steady, particularly in the latter place when the rain continued for more than two days. The report adds:—

"One of the outstanding features in connection with the rainfall is the extreme optimism of business men in the city. It is undeniable that a certain amount of uneasiness was beginning to be manifested, although there were old-timers like Pat Burns, who never for a moment were lacking in their faith of the country. There were pessimists, nevertheless, who were ever ready to remind one of the drought of last year. All this doubt has now been cleared and it is certain in the opinion of farmers that there will be a good crop in Alberta this year."

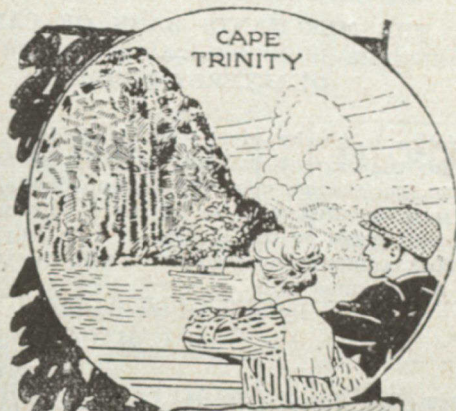
Farmers are agreed that the present weather is ideal for bringing on the crops most rapidly. At Rumsey, wheat is 37 inches in height in many fields and the heads are beginning to shoot. Crops in that district are generally in the best of condition, and at Stettler are far ahead of what they were this time last year.

NORTHERN ASSURANCE COMPANY

Progress made by the Northern Assurance Co. during 1919 was well up to that made by other British insurance companies, as indicated by the eighty-fourth annual report, which has just come to hand. During the year the company acquired the stock of the Medway Insurance Co., Ltd., and of the Tasmania Insurance Co., Ltd. Since the close of the year the capital has been increased to £6,502,500 by the creation of 300,000 new ordinary shares of £10 each, of which the directors decided to issue 50,000 at once to the existing shareholders at the price of £15 per share of £10 (£1 paid). The new capital will appear in the accounts for the year 1920.

In the fire department premiums received increased \$637,940 over the previous year. Losses amounted to \$4,509,515, or 44.2 per cent. of the premiums, as compared with 43.6 in the previous year. The ratio of expenses to management was 38.97, as against 34.84 previously. The life and marine departments were particularly successful. In connection with the former, 2,402 policies were issued for new assurances, amounting in the aggregate, after deduction of re-assurances, to \$6,609,490, yielding annual premiums of \$275,400 and single premiums of \$35,070. This is the largest amount of new business transacted in the history of the company in that department, the sums assured being \$3,724,425 in excess of the figures for 1918, which itself was a record here for the company. The profit and loss account shows net profits of \$3,166,320, which, after dividends and usual deductions, left a total of \$2,570,325 to be carried forward.

The company, which writes fire business in this country, has an aggressive Canadian organization in charge of G. E. Moberly, manager, and in 1919 the company's reputation was further sustained here, net premiums amounting to \$1,050,101, as compared with \$977,872 in the previous year.



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DEBENTURES FOR SALE

CITY OF TRAIL, BRITISH COLUMBIA

Sealed tenders will be received by the undersigned up to 7.30 p.m. on Monday, July 26th, 1920, at the City Hall, Trail, B.C., for \$9,000.00 Local Improvement Cement Sidewalk Debentures bearing 7 per cent. interest, payable semi-annually. Principal payable in 1930. Principal and interest payable at Trail, Toronto or New York. Denomination of bonds \$500.00.

WM. E. B. MONYPENNY,
City Clerk.

179

TENDERS FOR DEBENTURES

GOOSE LAKE CONSOLIDATED S.D. No. 1283, ROBLIN, MAN.

Sealed tenders, addressed to the undersigned, will be received up to Saturday, August 14th, 1920, for the following Debentures:—

First Issue.—Debentures for Twenty-five Thousand Dollars (\$25,000.00), dated January 1st, 1920, bearing interest at 6 per cent. per annum, and repayable in twenty (20) equal annual instalments of \$2,179.61 each. First payment, January 1st, 1921. Payment to be made at Union Bank of Canada, Roblin, Man.

Second Issue.—Debentures for Twenty-five Thousand Dollars (\$25,000.00), dated June 1st, 1920, bearing interest at 6 per cent. per annum, and repayable in twenty (20) equal annual instalments of \$2,179.61 each. First payment, June 1st, 1921. Payment to be made at Union Bank of Canada, Roblin, Man.

District includes Village of Roblin and 109 sections of land. Assessment for 1920, \$830,465.00.

The highest or any tender not necessarily accepted.

I. S. MITCHELL,
Secretary-Treasurer,
Roblin, Man.

191

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

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DIVIDENDS AND NOTICES

THE MERCHANTS BANK OF CANADA

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of Three per cent. for the current quarter, being at the rate of Twelve per cent. per annum, upon the Paid-up Capital Stock of the Bank, was declared, payable on 2nd August next to Shareholders of record on the evening of 15th July, dividends on new stock, computed in accordance with the terms of issue, to be at the same rate.

By order of the Board.

D. C. MACAROW,

General Manager.

Montreal, 28th June, 1920.

184

McINTYRE PORCUPINE MINES, LIMITED (No Personal Liability.)

DIVIDEND No. 11

Notice is hereby given that a dividend of 5 per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of September, 1920, to Shareholders of record at the close of business on August 1st, 1920.

By Order of the Board.

M. P. VAN DER VOORT,

Secretary-Treasurer.

Dated at Toronto, July 9th, 1920.

190

CANADA AT WASHINGTON

A Canadian government representative at Washington is to be appointed, according to announcement recently made in parliament, and at times this representative will act for the empire as a whole. Mr. Bonar Law, in explaining the reasons in the British house, said that the imperial government expected from it closer co-operation and good-will between the empire and the republic. Commenting upon the announcement, "United Empire," the journal of the Royal Colonial Institute, says:—

"This is a distinct constitutional step forward, and obviously in conformity with the new status of the Dominions. It is not so much a departure from practice as a supplement and a confirmation. Canada has on more than one important occasion, where her interests were concerned, been allowed a special representative. At Washington her interests are constant and many. Criticism of the new arrangement, curiously enough, comes from Canada, where it is objected that it has been made without consultation with parliament. The point might surely have been raised with more effect at Westminster, but on this side there is approval only. Not the least noteworthy feature of the scheme is that when the British ambassador is absent the Canadian minister will take his place. In other words, the empire will be represented by the Dominion. It is naturally asked what view the other Dominions will take. Sooner or later they will probably demand that they too should have special representatives. The appointment will give Canada a real opportunity to fill the role which so many think should be hers—that of interpreter of things American to Great Britain and of things British to the United States."

The January-June, 1920, index to *The Monetary Times* is now printed, and subscribers may obtain copies free upon request.

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MORE FAILURES BUT SMALLER LIABILITIES

Number of Insolvent Firms for First Six Months of this Year Shows an Increase—Liabilities Have Been Reduced to a Large Extent

BUSINESS failures in Canada for the six months ended June, 1920, were greater in number in comparison with the same period in 1919, the figure being 415, as against 385. While the number shows an increase, however, there is a

Provinces.	No.	Total Commercial.		No.	Manufact'ng.		No.	Trading.		No.	Other Com'l.		No.	Banking.	
		Assets.	Liabilities.		Liabilities.	No.		Liabilities.	No.		Liabilities.	No.		Liabilities.	
Ontario	110	\$ 1,902,570	\$ 2,238,351	30	\$1,831,957	74	\$ 389,969	6	\$ 16,425	..	..	..	..	..	..
Quebec	132	2,036,364	3,470,846	29	2,210,013	96	1,067,548	7	193,285	..	..	..	..	..	..
British Columbia	20	145,596	242,179	6	102,000	11	103,179	3	37,000	..	..	..	..	..	..
Nova Scotia	20	35,669	104,384	5	17,984	15	86,400	..	..	..	..	..	..	..	..
Newfoundland	12	71,600	296,932	3	32,000	8	159,589	1	105,343	..	..	..	..	..	..
Manitoba	29	601,693	478,792	6	361,960	23	116,832	..	..	..	..	..	..	..	..
New Brunswick	14	23,457	50,548	1	20,000	12	29,548	1	1,000	..	..	..	..	..	..
Prince Edward Island	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Alberta	20	349,575	182,640	3	6,700	13	60,240	4	115,700	..	..	..	..	..	..
Saskatchewan	58	512,610	571,961	4	7,862	50	544,046	4	20,053	..	..	..	..	..	..
Total 1920	415	\$ 5,679,134	\$ 7,636,633	87	\$4,590,476	302	\$ 2,557,351	26	\$ 488,806	..	..	..	..	..	..
" 1919	385	5,932,722	9,316,645	122	6,312,373	239	2,470,036	24	534,236	..	..	..	..	..	..
" 1918	501	6,652,293	8,654,694	133	5,460,936	338	2,962,352	30	231,406	..	..	..	..	..	..
" 1917	618	7,165,000	10,336,703	142	3,707,934	441	4,696,772	35	1,931,997	..	..	..	..	..	..
" 1916	1,031	10,306,520	15,868,941	225	5,508,305	753	7,876,164	53	2,484,472	..	..	..	..	..	..
" 1915	1,450	26,197,218	23,421,615	345	8,571,114	1,040	11,002,990	65	3,847,511	1	\$150,000	..	..	..	..
" 1914	1,218	9,312,063	11,888,225	276	3,929,323	902	7,215,158	40	543,744	2	500,000	..	..	..	..
" 1913	817	6,950,544	9,593,498	210	4,075,973	587	4,811,233	20	706,292	2	125,000	..	..	..	..
" 1912	696	3,774,696	5,112,219	155	1,540,337	510	3,304,356	31	267,526	..	..	..	..	..	..
" 1911	661	4,906,799	6,492,736	162	2,402,665	488	3,852,609	11	237,462	..	..	..	..	..	..
" 1910	659	7,793,298	9,752,541	135	5,244,268	511	4,402,887	12	105,386	1	549,830	..	..	..	..
" 1909	761	6,759,281	7,629,059	204	2,645,120	541	4,067,135	16	916,995	..	..	..	..	..	..
" 1908	881	6,705,840	8,335,725	239	3,559,745	619	4,550,658	23	222,322	1	560,781	..	..	..	..

INCOME ASSESSMENT OF OIL AND GAS COMPANY

Ontario Supreme Court Decision Means that a Company Might be Losing Heavily, but Must Still Pay on Profitable Works

THE value of mineral land for assessment purposes is determined by the income derived from it, according to the decision of the Supreme Court of Ontario, on appeal in *re* Union Natural Gas Company and the Township of Dover, announced on January 19th, 1920. It was also held that it is not the income from the general business carried on, but the income from the mine or mineral work that is to be assessed.

Company Actually Had Deficit

In 1916 the Union Natural Gas Co. leased land in the township of Dover, county of Kent, and drilled wells in search of oil and natural gas, but its efforts came to little until 1917, in which year the value of oil and gas produced was \$11,041, and in 1918, when oil and gas to the value of \$93,838 were produced. In its efforts to produce this the company drilled in the township of Dover some twelve wells, of which only two—designated well No. 1 and well No. 7—produced oil and gas, and they produced practically all the oil and gas secured by the company in this township. The two wells in operation were assessed at \$35,000 each, but on appeal to the County Court this was reduced to \$62,376, this amount being arrived at by deducting ground rent and cost of operation from gross income. The company claimed that it had suffered a deficit, for its payments on all wells, whether productive or not, had amounted to \$116,120, which, less the assessed income of 1919, viz., \$62,376, left a deficit of \$53,743.

Meredith, C.J.O., in his written judgment, states that the question for decision is as to the mode of assessing which should be adopted.

Each Mine Treated Separately

The Ontario Assessment Act, section 40, provides that the income from a mine or mineral work shall be assessed by and the tax leviable thereon shall be paid to the municipality in which such mine or mineral work is situate. Provided that the assessment on income from each oil or gas well operated at any time during the year shall be at least \$20. Then comes subsection 6 which provides for the assessment of mines or mineral works that are being operated. In his lordship's opinion, "each gas or oil well—being a mine or mineral work—is to be treated as a separate entity and the income from it is to be separately assessed." "The assessment in respect of a mine or mineral work is a very different thing from the assessment of a merchant, a manufacturer, or mine-operator in respect of the business carried on by him. If, as counsel for the appellant contended, the appellant was to be assessed in respect of its business generally, language very different from that which is used in sub-section 6 would have been used. What the legislature was there dealing with was land, and it was providing that in the case of a mine or mineral work, the land should not be assessed at its actual value or at less than the value of other land in the neighborhood used exclusively for agricultural purposes, but that its value for assessment purposes was to be determined by and be the amount of the income derived from it. It is to be noticed also, that it is not the income from the business carried on by the appellant, but the income from the mine or mineral work, that is to be assessed."

"I would affirm the order of the Board."

W. L. McKinnon and Co., bond dealers, Toronto, have returned to their office premises in the McKinnon Building, which was damaged by fire some weeks ago.

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News of Industrial Development in Canada

Three New Paper Mills to Locate in Ontario—Definite Announcement to This Effect Has Been Made—Another One May Possibly Be Established at Kapuskasing—Spanish Merchant Investigating Dominion Lumber and Pulp Conditions—South African Steel and Iron Representatives Placing Orders in Canada

DURING the past week announcement has been made of the establishment of four pulp and paper mills, all of which are to be located in Ontario. The Provincial Paper Mills, Ltd., has just acquired full ownership of the Port Arthur Pulp and Paper Co., of which they had control for some time previously. About \$1,500,000 is involved in the transfer, and it is intended to expend about \$2,500,000 in the erection of a paper mill. Preliminary work has been in progress for the past six months, but delay in delivery of machinery, owing to the over-crowded condition of paper machinery factories, has made definite plans for completion impossible. The plant, which occupies 140 acres in the city of Port Arthur, Ont., has turned out about \$2,000,000 of sulphite annually, which has been sold in the United States, chiefly in Wisconsin and Minnesota. It is now intended to complete the product into paper on this side with a mill to turn out 40 tons a day.

Arrangements have been completed to commence building on the Mission site at the mouth of the Mission River, Fort William, Ont., a \$3,000,000 plant, according to an announcement by R. J. Manion, M.P., for Fort William. It is understood that the name of the company is the Fort William Pulp and Paper Co., and that Kaministiquia power will be used.

A large pulp mill is to be erected at Kapuskasing, although nothing definite as to the plans have yet been given out. The site is regarded as being ideal for such an enterprise, the territory tributary to the Kapuskasing River above that point and south of the Transcontinental Railway being heavily timbered, and a large waterfall being conveniently located with which to generate the required electric power. It is understood that the plan took form some two years ago, but was delayed. Actual work on the laying out of the site will be commenced at an early date. The names of those interested have not been mentioned, but it is known definitely that the mill will be located, although complete plans are not yet available.

The Nipigon Fibre and Paper Mills, Ltd., will locate a mill one mile west of the village of Nipigon, Ont., which, when completed, will produce 40 tons of pulp per day. Head offices of the company are at Port Arthur.

International Mill Ready Soon

An announcement from New York states that the new mill of the International Paper Co. at Three Rivers, Que., will be put into operation about November 1st next. It is estimated that the output of the new plant will be approximately 80 tons of sulphite pulp per day. Eventually, it is planned to produce newsprint at the Three Rivers plant, although definite steps to materialize this forecast may not be taken in the near future, although it is hoped that the newsprint section of the plant will be in a productive stage by the fall of 1921.

Relative to the rumor that the plant at Cornwall, Ont., would be closed down, the Howard Smith Paper Co. states that the plant is at present, and has been for some time, working to the limit of its capacity, with every prospect of such a condition keeping up for some time. The company is also building a large sulphite mill near its present plant, which will add greatly to the output.

Timber limits containing fir and some cedar on the south-west of Vancouver Island, B.C., have been sold by the Rat Portage Co. to John W. Blodgett, of Grand Rapids, Mich., for \$400,000. A mill will be erected on the property.

Initial steps toward establishing trade between Canada and Spain are being taken by Augusta Ramoneda, of Barce-

lona, Spain, who is the representative of all the paper mills of Spain. Mr. Ramoneda states that the primary object of his trip to Canada is to investigate the lumber and pulp supply of the country, and to ascertain how much of the product is available for export. "The paper mills of Spain need 60,000 tons of pulp," he said, "and the first two shipments from Canada, amounting to seven thousand tons, left Quebec the latter part of last month." The development of trade in other products would follow later, Mr. Ramoneda declared. An office has been established in Montreal.

Mr. T. A. Connolly, a member of the firm of J. W. and T. Connolly, leading steel and iron merchants, Capetown, South Africa, has arrived in Canada. For many years the firm which Mr. Connolly represents, had been buying from Great Britain, but during the war they started obtaining supplies from Canada through the Dominion Exporters, Ltd., whose headquarters are in the New Birks Building, Montreal. Mr. Connolly was so impressed with the possibilities and advantages of the Canadian trade that he has taken a trip here with the South African director of the Dominion Exporters, Ltd., and through the Montreal offices he has come in contact with a large number of the leading manufacturers, with the result that he has placed some important contracts in Canada, with the intimation that further contracts are likely to be given out in future.

Manufacturing Notes

The St. Thomas, Ont., Hydro-Electric Commission has declared a reduction of approximately 15 per cent. on all power rates in the city, the new order to be retroactive from June 1st. This will mean a big saving to the larger commercial users in the community.

Owing to the scarcity of coal, the plant of the Canada Cement Co. at Hull, Que., may close immediately and may not reopen until belated shipments of fuel arrive. The cement plant has been operated at one-half capacity since last spring.

The Andrew Gray Upholstering Co., of Toronto, an industry established for many years, and doing an extensive business, will locate in Owen Sound, Ont., as soon as a factory can be built. The site of the factory will be on Third Avenue East, near the old Central Hotel, a property owned by Elias Lemon. The building will be of stone construction, two stories high at first, and 50 feet wide by 72 feet long. The company will rent the factory from Mr. Lemon, with the option of purchase, and will manufacture all kinds of high-grade upholstery. Hydro power will be used for the operation of machinery. No bonus or aid from the ratepayers is being asked by the company.

Affiliation of the Mann Axe and Tool Co., Ltd., of St. Stephen, N.B., with the James Smart Manufacturing Co., Ltd., of Brockville, Ont., is announced. The Mann Axe and Tool Co. had its origin in St. Stephen, 1911, in conjunction with the James H. Mann Co., of Lewiston, Pa. It succeeded the Maritime Edge Tool Co., which, in turn, had been established here in 1900, when Mr. Huestis came from St. John, and with H. W. Broad and the late John Wilson took over the business that had for many years been carried on by E. Broad and Sons. It is expected that the St. Stephen branch will be directed as in the past by Charles E. Huestis, who will continue as president and general manager of a new company under the charter of the Mann Axe Co., Ltd.

Work on the contract for the erection of the new thousand-foot dock for the G.T.P. at Prince Rupert, B.C., has already commenced. The material is being assembled and the preliminary work is under way by the contractors, Grant, Smith and Co. and Magoffin, Ltd. This dock is expected to

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be used for Oriental as well as Alaskan trade. It will be one of the most modern docks on the coast.

The York Cotton Mill, St. John, N.B., will be electrified. New equipment to be provided includes two steam turbines of 600 horse-power each, for which a new power-house is now being constructed. The new units are replacing a 250 horse-power steam and a 150 horse-power gas engine. Some additions will also be made to the Cornwall, Ont., mill.

Location of the Samson Tractor Co. of Canada, Ltd., at Oshawa, Ont., is announced. The new company will manufacture and look after the Canadian distribution of Samson tractors, Samson trucks and Samson farm implements. It is intended to commence the manufacture of the trucks at once, but, as time will be required to equip a plant for the manufacturing of the tractors and implements, these will be imported, for the present, from the factory of the parent company at Janesville, Wis., the Canadian firm taking care of the distribution.

Mexicans Want Canadian Trade

Luis Murna Martinez, recently appointed commercial representative of the new Mexican government, arrived in Toronto a few days ago for the purpose of working up closer trade relations. The new government is now firmly established, he says. "We wish to establish closer relationship, too, because Mexico offers facilities for the investment of Canadian capital for the development of many industrial plants, where there is plenty of raw material produced in the country. The principal aim of the new government is to establish larger trade relations with this and other countries." Regarding power interests in Mexico in which enterprises Canadian capital is invested, Mr. Martinez says that the Mexican Light and Power Co. have about £10,000,000 sterling to invest in large plants for tramways in Mexico.

DOMINION BUSINESS FAILURES

The number of failures in the Dominion, as reported by R. G. Dun and Co., during the week ended July 9, 1920, in provinces, as compared with those of previous weeks and corresponding weeks of last year, are as follows:—

Date.	Ont.	Que.	Man.	Alta.	Sask.	B. C.	N. S.	N. B.	P. E. I.	Total.	1919.
July 9	7	7	3	0	0	0	2	2	0	12	8
July 2	Figures not yet available										6
June 25	0	0	3	0	4	2	0	0	0	9	15
June 18	1	9	0	1	2	2	0	2	1	18	9

CONTINUE PURCHASE OF SEED GRAIN

Abnormal conditions throughout the prairie provinces during the past two years have led the federal government to decide on a continuation of the Dominion Seed Purchasing Commission, it was announced by Dr. S. F. Tolmie, minister of agriculture, recently. This means that the government, since the commission was established in 1916, has done business with the farmers of the country to the extent of approximately \$15,000,000. The actual balance sheet, just completed by the department, and covering the three years up to September last, shows \$11,896,540 advanced to the Seed Purchasing Commission on the authority of the minister of agriculture. On that date there had been refunded to the receiver-general \$11,903,437, and, in addition, the commission held assets, including seed grain in storage, amounting to \$51,185.

Referring to the need for a continuation of the work of the commission, Dr. Tolmie went on to show that the money advanced for the past season's business amounted to \$3,800,000, over \$3,200,000 of which has already been returned to the receiver-general. The final accounting of the year's business may not be completed before September, but the estimated balance at the end of May gives promise of the total amount being returned to the public treasury, an exceedingly satisfactory state of affairs, according to the minister.

NEW INCORPORATIONS

Riordon Co., Ltd., \$80,000,000—Brunette Sawmills, Ltd., \$2,000,000—Marsh Mines Development Co., Ltd., \$1,500,000

The following is a list of companies recently incorporated under Dominion and provincial charter, with the head office and the authorized capital:—

Kenmore, Ont.—Conn, Ltd., \$40,000.
 Waterloo, Ont.—E. O. Weber, Ltd., \$500,000.
 Sherbrooke, Que.—Fletcher Corp., Ltd., \$100,000.
 St. John, N.B.—St. John Creamery, Ltd., \$49,000.
 Fredericton, N.B.—Lawlor and Cain, Ltd., \$49,000.
 Kingston, Ont.—Chateau Belvidere, Ltd., \$200,000.
 Hamilton, Ont.—Highway Gardens, Ltd., \$250,000.
 Chatham, Ont.—L. H. Johnston Co., Ltd., \$40,000.
 Melfort, Sask.—The Bell Electric Co., Ltd., \$5,000.
 Sapperton, B.C.—Brunette Sawmills, Ltd., \$2,000,000.
 Grimsby, Ont.—The Grimsby Pickle Co., Ltd., \$40,000.
 Goodeve, Sask.—Goodeve Ukrainian Home, Ltd., \$2,000.
 Moncton, N.B.—The Moncton Supply Co., Ltd., \$24,000.
 Ptarmigan Creek, B.C.—Ptarmigan Lumber Co., \$250,000.
 Raddeck, N.S.—Bell-Baldwin Hydrodromes, Ltd., \$5,000.
 Port Hammond, B.C.—Diamond Lath Mills, Ltd., \$10,000.
 Nelson, B.C.—Baskin-Gevurtz Lumber Co., Ltd., \$100,000.
 Yorkton, Sask.—The New York Drug Co., Ltd., \$20,000.
 London, Ont.—Metropolitan Holding Corp., Ltd., \$500,000.
 North Portal, Sask.—North Portal Lumber Co., Ltd., \$20,000.
 Weyburn, Sask.—Weyburn Sash and Door Factory, Ltd., \$20,000.
 Ottawa, Ont.—Kipawa Raw Fur and Hide Co., Ltd., \$50,000.
 Owen Sound, Ont.—The Slade Manufacturing Co., Ltd., \$200,000.
 Balcarres, Sask.—The Balcarres Power and Light Co., Ltd., \$15,000.
 Regina, Sask.—Standard Clay Brick Co., Ltd., \$25,000;
 Ceylon Sodium Co., Ltd., \$125,000.
 Prince Albert, Sask.—Muske and Phillippe, Ltd., \$35,000;
 Central Realities Co., Ltd., \$25,000.
 Victoria, B.C.—R. P. Clark and Co., Ltd., \$50,000; Mala-
 hat Tie and Lumber Co., Ltd., \$25,000.
 Saskatoon, Sask.—Murphy, Juehlf's Lands Co., Ltd., \$50,000;
 Universal Tire Filler Co. of Saskatoon, Ltd., \$10,000;
 LePage Co., Ltd., \$20,000; Andon Dulmage Drug Co., Ltd., \$39,300.
 Moose Jaw, Sask.—Consumers Export Co., Ltd., \$5,000;
 Hiltz Stocking Machine Co., Ltd., \$10,000; Moose Jaw Amuse-
 ments, Ltd., \$40,000.
 Montreal, Que.—Belanger Foundry, Ltd., \$100,000;
 Riordon Co., Ltd., \$80,000,000; Adcock and Brewer, Ltd., \$24,000; Joliette Castings and Forgings, Ltd., \$1,000,000;
 Steamship Julius Kessler Corp., Ltd., \$650,000; Cassel Cyanide Co. of Canada, Ltd., \$50,000.
 Toronto, Ont.—Ebsary Gypsum Co., Ltd., \$50,000; Inter-
 locking Tile Co., Ltd., \$135,000; Edward Press, Ltd., \$40,000;
 Niagara Sand Co., Ltd., \$250,000; Calnay Cinema Corp., Ltd., \$40,000; Burnside Realty, Ltd., \$40,000; Victory Toffee Co., of Toronto, Ltd., \$60,000; D. A. Balfour Co., Ltd., \$40,000; United Jobbing and Importing Co., Ltd., \$100,000.
 Vancouver, B.C.—Storey and Campbell, Ltd., \$500,000;
 F. and F. Henderson, Ltd., \$150,000; A. W. Brett, Ltd., \$10,000; Shilvock-Jackson, Ltd., \$25,000; Western Glass Co., Ltd., \$25,000; Marsh Mines Development Co., Ltd., \$1,500,000;
 Gevurtz Lumber Co., Ltd., \$350,000; Hardwood Chair Co., Ltd., \$10,000; Rotary Harrow Co., Ltd., \$50,000; Maple Leaf Knitting Co., Ltd., \$20,000; E. A. Earle, Ltd., \$10,000; Gray King Manufacturers' Agency, Ltd., \$10,000; Dally Coal and Oil Syndicate, Ltd., \$1,100,000; Vancouver Commission Co., Ltd., \$20,000.

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News of Municipal Finance

Calgary Will Lose By Transfer of Collected Tax Arrears To New York—Regina Sinking Fund Report Shows All Required Provision Made—Good Tax Collections Reported By Oak Bay—Saskatoon Anticipates Big Deficit on Street Railway This Year

Ottawa, Ont.—The Eastview council will negotiate with the Ottawa city fathers in the near future, with a view of annexing their municipality to the city.

West Kildonan, Man.—School board estimates for the year 1920-21, amounting to \$71,258, have been passed. This amount is for five schools and is an increase of \$20,823 over last year.

Woodstock, N.B.—The board of school trustees in submitting its report for the year ended June 30 last, shows receipts of \$16,986 and expenditures of \$17,507 for the twelve months, leaving a debit balance of \$521.

Timmins, Ont.—Assessment of the town has been increased from \$2,025,613 to \$2,445,264. The principal increases are in land, buildings and income. The population is given as 4,018, as compared with 4,663 last year.

Devon, N.B.—The tax rate this year will be \$3, as compared with \$2.71 for last year. Assessment has also been increased about one-third. The big increase in the money requirements of the town this year is due largely to the increased cost of schools, the expenditure in that department being increased from \$5,400 last year to \$11,500 this year.

Calgary, Alta.—Since July 1, the date when payment of 1920 taxes began, the city treasurer has taken in more than \$153,920, most of which were current taxes. Until July 20, taxpayers are allowed 10 per cent., which rate is lowered to 6 per cent. to August 20, and reduced 2 per cent. each month thereafter. At the end of the year unpaid taxes become delinquent.

Quebec, Que.—City representatives have decided to act upon the following plan in all future negotiations for tax exemption: New industries will be tax exempt for ten years for real estate tax only. Nothing the first year and 10 per cent. each year up to the eleventh year when they will be paying their full tax. Where conditions warrant, extensions of factories will be tax exempt for five years, the first year nothing and 20 per cent. each year until the sixth year.

Oak Bay, B.C.—Tax collections up to the end of June, after which a penalty is added, were 82 per cent. of the entire levy. The levy in Oak Bay last year was \$182,000, while this year it is up to \$215,000. The amount collected up to the end of June last year was \$140,000, while this year it amounts to \$175,000. Outside of properties protected by the War Relief Fund, Oak Bay has at the present time practically no tax arrears on its books.

Lennox and Addington Counties, Ont.—The following equalization of the townships for assessment has been made by the council: Adolphustown, \$408,679; Amherst Island, \$430,091; Bath, \$111,000; Camden, \$2,097,900; Denbigh, A. and A., \$57,209; Ernesttown, \$1,986,184; N. Fredericksburgh, \$753,534; S. Fredericksburgh, \$762,659; Kaladar, A. and E., \$76,512; Napanee, \$880,000; Newburgh, \$117,983; Richmond, \$1,093,350; Sheffield, \$604,194; total, \$9,387,295.

Saskatoon, Sask.—Decision has been made by the city council to reduce the street car service, in view of a deficit of over \$40,000 which the city faces on its street car lines for 1920. A report by Commissioner Yorath brought to light that the loss on the system up to May 31 was \$11,382, and the city would also have to pay out \$11,700 for the Smith claim. The estimated loss for June would be \$6,500, making a total up to June 31 of \$29,582. Total capital charges monthly are \$5,229, so that the road is losing approximately \$1,300 per month on operating alone. This condition has existed only twice before—June, 1916, caused

by jitney competition, and November, 1918, caused by the flu epidemic.

Ontario.—Provincial legislation which will go into effect on July 31, will mean an increase in civic revenue in municipalities all over the province of several millions, according to an estimate by City Treasurer Baker, of London. This law permits municipalities to levy taxes on the incomes of citizens derived from dividends declared on stock held in industrial and manufacturing corporations. Hitherto, this source of income has been without the jurisdiction of civic corporations, but the new law passed at the recent session of the Ontario legislature puts all these matters on a new footing.

Mr. Baker points out that a visible reduction in the city tax rate will be made through it, and some Ontario cities are preparing to take advantage of the new order this year. Brantford, he states, is seriously considering the preparing of a second assessment after July 31, and that the proposal may be made in the city which he represents.

Montreal, Que.—Approximately \$1,250,000 on gross revenue, covering a period of two years and a half, is owing to the city by the Montreal Tramways Co. This money is payable at the rate of \$500,000 a year, and the company has paid nothing on this account since the new contract was signed early in 1918. The clause in the agreement regarding the payment of this money reads:—

"The city shall receive out of gross revenue over and above all other amounts to which it may be entitled under this contract or otherwise, the sum of five hundred thousand dollars (\$500,000) per annum during the continuation of this contract, payable quarterly."

The administrative commission when questioned on the matter stated they had allowed the company a delay in making payment, for the reason that if they insisted on payment it might have for effect an increase in car fares. Meanwhile, the company pays the city interest on the amount owed.

Alberta.—The new tax recovery act as passed by the last legislature is now going into effect, being dated as operative from July 1. Under its terms proceedings are to be taken for the recovery of all taxes in arrears at the end of 1919. The municipal authorities in each case will be responsible for putting through the tax recovery, and they will include in it not only their own taxes, but those levied by any other taxing authority, so that overlapping may be avoided.

Lists of assessable lands in arrears in all parts of the province will be prepared at once and will be furnished by the department of municipal affairs to the reeves. These lands will then be advertised for sale, and tax sales will follow in due course, the date set under the act being on or before December 15.

One year's time will be allowed for redemption, and if not so redeemed the delinquent lands will be taken to a judge for final action. It is estimated that the total amounts outstanding in tax arrears of all kinds in the province, even not counting the cities, run into the millions, and the new act now going into operation is expected to result in substantial increases in overdue payments during the balance of the year.

Regina, Sask.—The report of the sinking fund trustees for the year ended December 31, 1919, shows that adequate provision has been made by the city, as required by the city act, for sinking fund purposes, and all levies in this respect have been paid into the fund in full as at December 31, 1918. There is a balance of \$29,836 due by the city on account of 1919 levy. The corresponding balance which was due from

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the 1918 levy at the end of 1918, was \$62,887, which is an indication of a great improvement in prompt payment of the tax levy.

New investments were made during the year to the amount of \$434,057. The trustees received from the city council on November 15, 1918, the sum of \$75,000, being a portion of the insurance money collected on the Winter Fair Bldg., for investment. As this money was required for the erection of a new fair building, the trustees returned the proceeds of the investment on June 23, 1919, which amounted to \$81,985.

The interest rate per annum, capitalized yearly, calculated to pay the principal of the debentures when, and as they became due, is 4 per cent., as provided in Section 292 of the City Act. The average yielding rate of the sinking fund investments is 6 per cent., and as a result, a surplus has been established, which for the year 1919, amounted to \$28,974, and which added to the previous surplus shows a total surplus earned since the policy to invest sinking funds was adopted, of \$74,456. Of this amount \$63,748 has been returned to the city to be used for current or other expenditures, and \$10,708 has been set aside as a reserve to provide for the possible losses or depreciation in the securities.

Total sinking fund investments are \$1,836,875, and interest accrued on investments, \$51,294. Cash in bank amounts to \$18,676 and that on hand, \$61,658. Total assets are \$1,998,339, while total liabilities, including investment reserve of \$10,708, amount to \$1,970,592.

Calgary, Alta.—Messrs. Spitzer, Rorick and Co., the American financial house from which the city obtained a loan of \$1,500,000 in June, 1919, on 5-year treasury notes,

issued against the 1918 and previous taxes as security, are demanding that the city proceed to turn over the amount of these taxes which have been collected to date. At the present time, this amount totals some \$225,000, and at present exchange rates it would mean that the city would lose some \$35,000 on the transfer of these funds to New York. In a letter to the city on the subject, Spitzer, Rorick and Co., admit that they gave written permission that the city treasurer was to transmit these funds, as collected, from time to time, taking advantage of favorable rates of exchange. City Treasurer Mercer maintains that as exchange has at no time, since the loan was obtained, been more favorable than then, but, on the other hand, is higher, the written permission has entitled him to retain the funds in Calgary. Naturally, there is no benefit to the city in holding them, as once they are forwarded, an equivalent amount of the interest bearing treasury notes will be taken up. The only question at issue, therefore, is the loss of exchange.

Spitzer, Rorick and Co. maintain that the city may lose still more money by holding them, that exchange is growing worse instead of better, and point out that although the city of Vancouver, in a similar position, lost money by transmitting funds last January, nevertheless it actually saved money by sending the funds at that time, as if it had waited until the present its loss would have been much greater. Moreover, the firm say that when they made the loan last summer, they stood a loss of \$75,000 in transmitting the funds for the loan from the United States to Canada on account of exchange, and hence they do not think the city is right in declining to shoulder any loss in returning them. The subject is now being discussed by the city.

Government and Municipal Bond Market

Usual Summer Quietness Prevails—Few Small Municipal Issues Taken Up—British Columbia Disposes of More Securities to Local and American Syndicate—Alberta Campaign for Sale of "Baby Bonds" Now Under Way

QUIETNESS prevailed in the bond market during the past week. A few small municipal issues were taken up at prices which certainly registered no improvement. The city of Windsor is asking for tenders on bonds approximating \$380,000, of the instalment type, but outside of this the immediate future offers nothing of especial interest.

Victory Bonds as Investments

Under the above caption, Messrs. Wood, Gundy and Co. in a financial digest, publish an article which should prove interesting. It reads in part as follows:—

"If an unusually large supply of any commodity is placed on the market within a comparatively short period, the result, no matter how great the anticipated ultimate demand, is that the price of that commodity eases to a point below the original value of the article. Then, after the primary demand has been supplied and the secondary demand prevails, the price readjusts itself, and if there is no increase in the output, that commodity will return to its former selling price.

"This truism constitutes one of the reasons for the position of the bond market to-day. It is true that inflation and the non-productive employment of labor have played a part, but between these two factors and government loans, exists a connecting link. Had it not been for the immense volume of labor employed in the manufacture of munitions, and the financing of a huge fighting force engaged in a non-productive pursuit, the raising of large sums within so short a period would have been unnecessary, and without these factors, no inflation would prevail.

"To accomplish this war financing, it was realized that the institutions and private individuals whose habit it was

to buy bonds could furnish but a portion of the capital required. It was necessary to secure large sums from industrial, mercantile and other concerns, who strongly supported the loans, and from individuals who had hitherto regarded bonds as an investment for the wealthy only. Undoubtedly, the market for bonds was greatly widened by educational campaigns, which taught hundreds of thousands the advantages of owning this class of security.

"Finally the time arrived when many of these concerns found it necessary to employ their assets in financing expansions and additions to their businesses, which had been postponed during the latter period of the war. Also, a number of people who bought Victory Bonds either through patriotism, or believing that war-time wages would continue, have required to part with their holdings. As a result of this liquidation, it seemed that the market might suffer from a surplus of these bonds. Buying, however, has been surprisingly good and the opinion that these bonds would soon become the property of the permanent investor is vindicated by the large number of orders continually received. Redistribution, now under way, takes time, and in this period bonds are cheap.

"Final absorption, therefore, may be termed the crux of the price situation. Victory loan bonds are rapidly passing out of the hands of those who wish to sell, and into the hands of those who plan to retain them until maturity. The floating supply will grow smaller and with its absorption a strengthening in the Victory bond market should occur."

Coming Offerings

The following is a list of debentures offered for sale of which mention has been made in this or previous issues:—

'The Bond Market'

is the name of our latest publication. It contains short articles on such questions as "Victory Bonds as an Investment," "Canada—a Creditor Nation" and "Inflation."

It will prove of interest to those people who care to read of the elements affecting the financial situation.

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CANADA

Borrower.	Amount.	Rate %.	Maturity.	Tenders close.
Alliston, Ont.	15,707.39	6	20-inst.	July 19
Capreol, Ont.	\$17,000	6	10 & 20 inst.	July 24
Trail, B.C.	9,000	7	10-years	July 26
Sherbrooke, Que. ...	392,500	5	5-years	July 26
St. Jerome-de-Matane, Que.	150,000	5½	Optional	July 27
Macdonald R.M., Man.	25,000	6	20-years	July 28
Goose Lake, C.S.D., Man.	50,000	6	20-inst.	Aug. 14

Brantford, Ont.—A block of \$150,000 school debentures have been placed on the local market. The city recently disposed of \$300,000 in the same manner.

Goose Lake C.S.D., Man.—Tenders will be received until August 14th, 1920, for the purchase of \$50,000 6 per cent 20-instalment debentures. (See advertisement elsewhere in this issue).

Macdonald R.M., Man.—Tenders will be received until July 28th, 1920, for the purchase of \$25,000 6 per cent., 20-year telephone debentures, which are in denominations of \$500. H. Grills, Sanford, Man.

Windsor Ont.—Tenders are being received to-day, July 16th, for the following debentures:—\$17,000 6 per cent. 10-instalment; \$12,000 6 per cent. 10-instalment; \$40,000 6 per cent. 10-instalment; \$107,547.81 5½ per cent. 10-instalment; \$50,000 6 per cent. 20-instalment; \$150,000 6 per cent. 20-instalment, totalling \$376,547.81.

Sherbrooke, Que.—Tenders will be received until July 26, 1920, for the purchase of the following debentures: \$150,000 5 per cent., maturing August 1, 1925; \$242,500 5 per cent., maturing June 1, 1925, both payable in the province of Quebec. Tenders must be accompanied by an accepted cheque equal to 1 per cent. of the amount of the tender and specify whether the offer is made with or without accrued interest.

St. Jerome-de-Matane, Que.—Tenders will be received until July 27, 1920, for the purchase of \$150,000 5½ per cent. debentures, which are dated April, 1920. The price offered in the tenders shall not include the interest accrued on the bonds at the time of their delivery. Separate tenders shall be made for redemption of the debentures by the corporation: (1) In five years by annual series; (2) in ten years by annual series; (3) in thirty years by annual series. The debentures are to be printed by the tenderer.

Debenture Notes

Courtenay B.C.—Ratepayers have voted in favor of raising \$110,000 for a new waterworks system.

Sandwich, Ont.—Ratepayers have defeated a by-law authorizing the raising of \$30,000 for the erection of a new fire hall.

Newfoundland.—A resolution empowering the governor-in-council to raise a loan of \$1,000,000 to be used in the rehabilitation of the Reid-Newfoundland Railway, has been introduced in the house of assembly.

Moose Jaw, Sask.—On July 10th, ratepayers voted in favor of the following by-laws:—\$45,000 for school; \$16,500 for school; \$2,000 for cottage schools. A by-law authorizing the raising of \$34,000 for addition to Alexandra school was defeated.

Sarnia, Ont.—Ratepayers have defeated a by-law authorizing the raising of \$300,000 for a duplicate water main system, and also one authorizing the additional expenditure of \$20,000 towards the purchase of a municipal paving plant.

Westmount, Que.—Two civic loan by-laws totalling \$830,000 have been approved by the minister of municipalities for the province and by the lieutenant-governor, and immediate steps will be taken to promulgate the by-laws, and make legal the bonds to be issued thereunder, even though they may not be placed on the market for some time. The money will be used chiefly for roads, sewers and general improvements.

Saskatoon, Sask.—A by-law authorizing the raising of \$30,000 for the extensions to the municipal street railway, will be submitted to ratepayers on July 22nd. A by-law authorizing the raising of \$27,300 for extensions to the electric light and power plant will also be submitted.

St. John, N.B.—A heavy financial program is faced by the city this year. Already \$150,000 is needed for the nurses' home and \$357,000 for water extensions. Besides this, school trustees are planning two new schools which cannot be built under \$100,000 each, and many other smaller, but not less important items.

Halifax, N.S.—The finance committee is recommending a loan of nearly \$900,000 for the following purposes:—\$200,000 for sewers; \$150,000 for water extensions; \$300,000 for street paving; \$60,000 for fire station; \$150,000 for tuberculosis hospital; \$4,000 for fire alarm quarters.

Renfrew, Ont.—Two tenders were received on the \$17,938 5 and 6 per cent., 23 and 30-instalment debentures, but both were rejected. Turner, Spragge and Company offered \$15,745.47 and R. C. Matthews and Company, \$15,285. J. A. Devenny, clerk-treasurer, informs *The Monetary Times* that an option has been taken for two weeks, but by whom he does not say.

London, Ont.—The finance committee will recommend to the council that the Ontario Railway Board be petitioned to authorize the issuance of \$265,000 of debentures for the public utilities commission. The amounts required are:—\$100,000 for a new reservoir, for which the people voted at the last election; \$85,000 for waterworks extension, and \$80,000 for hydro-electric department extensions. All three issues were sought in the city of London bill which was killed in the legislature.

Bond Sales

Swan River R.M., Man.—An issue of \$58,000 6 per cent. 30-year bonds has been sold to Messrs. Strange and Snowden, Winnipeg, at an interest cost to the municipality of slightly less than 7 per cent.

Drummondville, Que.—Rene T. Leclerc has been awarded \$83,000 6 per cent. 10-year waterworks and sidewalk debentures at 96.50. Versailles, Vidricaire and Boulais bid 95 while the Municipal Debenture Corporation bid 95.50.

St. Chrysostome, Que.—The \$7,500 6 per cent. 10-instalment debentures which were issued to pay off the floating debt, have been sold to J. A. Porrier at 100.25. La Banque Provinciale bid 93.1 while Credit-Canadien, Inc., bid 96.14.

Hawkesbury, Ont.—The town has accepted an option from Messrs. A. E. Ames and Co. for the \$179,000 6 per cent., 6, 20 and 30-year debentures. The option was taken at 95.883 less 1½ per cent. Messrs. Wood, Gundy and Co., also took an option at 92½.

Grand Prairie Alta.—Two debenture issues aggregating \$13,000 have been disposed of to the three local men. H. W. Smith, a pioneer farmer and rancher of the Grande Prairie district, took \$10,000; Norman Cuthbertson, \$2,000, and A. W. Carveth, \$1,000. Numerous applications for smaller allotments were received but rejected. The price obtained was 92, the bonds bearing 6½ per cent. for a fifteen-year period.

Alberta Local Sale

Sale of the Alberta government "baby" bonds under the new plan recently announced by the provincial treasurer, is now getting under way. Already \$74,000 have been disposed of, representing daily average of \$3,500 for twenty-one selling days. This average is expected to increase largely as the campaign gets further under way.

British Columbia Sale

British Columbia.—W. J. Goepel, deputy minister of finance, wires *The Monetary Times* that the amount of the recent bond sale was \$1,300,000. The bonds are dated June 30, 1920, mature in five years, bear interest at the rate of 6 per cent., and are payable both in New York and here. A part of the issue was sold at 99.78, to whom Mr. Goepel does not mention, and part to a local syndicate comprising British-American Bond Corporation, Royal Financial Corporation, Ltd., and Gillespie, Hart and Todd, at par.

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Corporation Securities Market

Trading Broader But Not So Heavy On Montreal Exchange—Paper Issues Still the Features—Provincial Paper Company May Issue Bonds—New Brunswick Telephone Company to Increase Capital—Brompton Shareholders Ratify Proposed Stock Changes—American Sales Book Shares Now Listed in Toronto

IRREGULARITY marked dealings in the New York market for the week ended July 14th, although trading was broader. The easing in call money had little effect. Traders were disturbed to a large extent by reports of commercial difficulties and by the threatened interruption in industrial operations on account of transportation congestion and the coal shortage. Speculative interests are still much confused over the immediate future of the money market and outlook for general business. If there was more certainty about these matters they would be disposed to buy stocks more freely.

Although trading in some stocks on the Montreal exchange was not as heavy as in the preceding week, the market was broader. The features were the paper stocks, both in activity and strength, Abitibi, Spanish River and Laurentide leading that section. The sensational rise of 25 points in Riordon is considered a belated one, and is attributed to the exchange of shares in regard to the recent consolidation. Such an advance has been expected for some time. Outside of the paper issues, Atlantic Sugar was the most attractive stock, gaining 11 points on a comparatively small turnover. At the close there was a weakening tendency which left that issue $4\frac{1}{2}$ points lower. The preferred also attracted considerable attention, rising 15 points, and continuing strong until the close. The actions of the latter are understood to be related to the conference in New York with regard to the payment of dividend arrears, which amount to 29 $\frac{1}{2}$ per cent. National Breweries was active and strong, while the tendency in Quebec Railway was to lower levels. The banking section was weak.

Toronto Exchange

Brazilian, Atlantic Sugar and Spanish River were the three stocks on the Toronto market which attracted the most interest. Brazilian was the active feature of the three, with a fractional gain. Atlantic Sugar exhibited much strength, the common gaining 16 $\frac{1}{2}$ points and the preferred 16 points. Spanish River, which remained fairly steady all week, sought higher levels at the close, the common gaining 9 points and the preferred 14 $\frac{1}{2}$ points. C.P.R. attracted much attention when it rose 6 $\frac{1}{2}$ points at 140 $\frac{1}{2}$. There was a reactionary tendency at the close, however. Canada Bread was rather erratic, while Quebec Railway was somewhat weaker.

Railway Issues on Market

There was little interest in the bond market outside of Quebec Railway, which issue was inclined to weakness. It is interesting to note the prices of the odd blocks of Canadian railway bonds which are now being offered in the United States. The Canadian Northern 6 per cent. equipment trust certificates, maturing each June and December from December 1st, 1920, to 1929, inclusive, which were put on the market in January last, were then offered to yield 6 $\frac{1}{2}$ and 6 $\frac{1}{2}$ per cent. These same bonds are now being offered to yield 7.50 per cent. Likewise, the Canadian Northern 5 $\frac{1}{2}$ per cent. gold notes, due December 1st, 1922 and 1924, which were put on the market in March at prices to yield 7.01 and 6.96 per cent., are now being sold to yield 7.75 and 7.40 per cent. The Canadian National 7 per cent. equipment trust certificates, due May 1st, 1935, which were put on the market in May, are still being offered at the same price, namely, 7.10.

Capitalization Changes

At the session of the Public Utilities Commission of New Brunswick on July 9th at St. John permission was given to the New Brunswick Telephone Co. to issue \$175,000 additional stock. The former authorization was for \$2,000,000. The additional issue is for the purpose of paying for extensions

and improvements effected during the last few years for which no stock had been issued.

The capital stock of F. T. Hill and Co., Ltd., will be increased from \$150,000 to \$500,000 by the creation of 3,500 shares of new stock (par value \$100). Supplementary letters patent have been issued by the province of Ontario for this purpose.

It is probable that the Provincial Paper Mills, Ltd., will do some new financing later in the present year in connection with the new plant at Port Arthur, Ont. A bond issue is mentioned, which will be secured by the company's four properties, the other mills being at Georgetown, Thorold and Mille Roches. In the reorganization of the company last April ownership of the Port Arthur Pulp and Paper Co. was acquired. At the time of reorganization the Provincial Paper Mills was allowed \$2,400,000 authorized preferred stock, of which \$1,700,000 has been issued; \$7,600,000 of common stock, of which \$3,500,000 has been issued, and \$3,000,000 of bonds, none of which have been issued. It is the present intention of the company to finance the new mill on bonds, if possible, with a supplementary sale of treasury preferred stock, should that be necessary.

Brompton Shareholders Approve Increase

At a meeting of the shareholders of the Brompton Pulp and Paper Co. in Montreal last week ratification was given the proposal of the directors to increase the common capitalization, which now consists of 70,000 shares of a par value of \$100 each, to 210,000 shares of no par value. Of the latter issue present shareholders of the company will receive two shares of the new securities for each one of old, the balance of 70,000 shares remaining in the Brompton treasury to be issued in order to provide for future exigencies in the way of financing.

It has been stated, however, that there is no present intention on the part of the board to issue any portion of the new stock in the treasury, the financial position of the company at the present time being so comfortable that the extensions at East Angus and elsewhere now in process of completion are being provided for out of current earnings.

Following the meeting, it was announced that the regular dividend of 1 $\frac{1}{2}$ per cent. had been declared on the preferred shares and one of 3 per cent. on the common, the latter being equal to \$1.50 per share on the new no par value stock. Both disbursements will be made on August 7th to holders of record July 31st.

American Sales Book Shares Listed

Both issues of the stock of the American Sales Book Co. are now listed on the Toronto Stock Exchange. The outstanding common stock is \$614,660 (par value per share, \$20), and preferred, \$3,073,300 (par value, \$100). The number of shares in each case is 30,733. The delay in listing this stock was due to the distribution going on among Carter-Crume shareholders, which is now practically completed.

American Sales Book Co. was organized in 1911 by the present president, Mr. S. J. Moore, and has plants at Niagara Falls, N.Y., and Elmira, N.Y. It is one of the few Canadian companies operating in the United States, and is the largest manufacturer of mercantile sales books in the world. The company was formed by merging the Carter-Crume Co., the Eastern Sales Book Co. and the American Sales Book Co., Inc., shareholders of the original companies receiving stock in the new concern in return for the assets they turned in. There are upwards of 800 shareholders, the majority of them being in Canada.

Common has been quoted all week at 25 bid, while preferred was quoted at 86 asked and 80 bid.

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PRIVATE WIRES TO WINNIPEG, CHICAGO, TORONTO,
MONTREAL AND NEW YORK

MONETARY TIMES WEEKLY STOCK EXCHANGE RECORD

MONTREAL—Eight days ending July 14th. (Figures supplied by BURNETT & Co.)

Table with columns: Stocks, Sales, Open, High, Low, Close. Lists various stocks like Abitibi Power & Paper, Ames Holden, Asbestos Corp, etc.

Table with columns: Banks, Bonds. Lists financial institutions and bond issues like Bell Telephone Co., Asbestos Corp, etc.

MONTREAL—Continued.

Table with columns: Bonds, Sales, Open, High, Low, Close. Lists bonds like Dom. Cannery, Dom. Coal, Dom. Cottons, etc.

TORONTO—Eight days ending July 14th.

Table with columns: Stocks, Sales, Open, High, Low, Close. Lists various stocks like Atlantic Sugar, Ames-Holden, Barcelona, etc.

Table with columns: Banks, Loan and Trust, Bonds. Lists financial institutions and bond issues like Commerce, Dominion, Hamilton, etc.

TORONTO—Continued

Table with columns: War Loans, Sales, Open, High, Low, Close. Lists war loan issues like Dom. Can. W. Loan, Victory Loan, etc.

WINNIPEG—Week ended July 10th.

Table with columns: Sales, Open, High, Low, Close. Lists Winnipeg market data like Victory Loan, Home Investments, etc.

NEW YORK—Week ended July 10th.

Table with columns: Stocks, Bonds, Sales, Open, High, Low, Close. Lists New York market data like Canadian Pacific, Dom. of Can., etc.

LONDON, Eng.—Week ended June 26th.

Table with columns: Gov't. & Mun., Railways, Ind. Fin., Etc., Sales, Open, High, Low, Close. Lists London market data like Alberta, B.C., Canada, etc.

REGINA WILL DO ITS OWN FINANCING

Will Not Pay More than Current Rate of Exchange on Sterling Issues—Local Sales Being Attempted

(Special to *The Monetary Times*.)

Regina, July 10th, 1920.

SOMEWHAT of a spirit of antagonism between the Regina city council and the bond brokers of eastern Canada has been created, as a result of which the city council has just turned down a recommendation of the city commissioners to call for tenders for a block of debentures of about \$100,000 which will be ready for the market, provided the burgesses approve the issues at the polls on July 22nd. The city council will instead attempt to sell the issue over the counter to local investors, and, in order to ensure a ready sale, a committee of the council has been appointed to cooperate with the city commissioners in putting on a publicity campaign.

Won't Pay Interest at Par

The situation has been partly brought about by the attitude of the city council with respect to the payment of interest coupons of sterling bonds domiciled in Canada. This has been a burning question in the council chamber since the first of the year. The coupons are made payable in sterling currency, and the council decided to redeem at current rate of exchange.

The decision brought a storm of protest from bond houses on behalf of their clients, and, as a result of the representations which have been made, the question has been discussed at numerous meetings of the council during the first six months of the year, and was only finally disposed of early this month by the aldermen ordering the item struck off the agenda, thus proclaiming its intention to adhere to its original decision. At the same meeting it was decided to make an appeal to the local investors for the necessary funds to construct this year's programme of improvements.

The council adopted the attitude that the city should not be expected to pay par rate of exchange on what was stated to be large quantities of Regina city sterling bonds sold to Old Country investors and repurchased in this country last year with the object of realizing on the difference in exchange. A compromise was suggested by some of the aldermen in the form of a provision that par rate of exchange should be paid on all securities which had been domiciled in Canada prior to July 1st, 1919, putting it up to the holder to support his claim by a sworn statement of date of purchase. This, however, was declared to be impracticable, and the council has now definitely decided to pay current rate of exchange on these coupons.

New Financing this Year

The city will have for sale this summer debenture issues totalling approximately \$240,000. Of this amount, \$100,000 will be voted on at the polls on July 22nd, and, subject to the approval of the burgesses, subscriptions are already being

taken for this issue. A further \$80,000 represents local improvement by-laws, which will be financed by the bank. The remaining \$60,000 is an issue for paving lanes in the business district, and an effort will be made to place this issue with the property-owners abutting on the property to be improved, the Local Government Board having stipulated that this flotation be confined to the local market.

Early in the year the city undertook its first sale of securities on the local market. An issue of \$61,000 6 per cent. debentures, maturing 1934, and an issue of \$56,000 6 per cent. debentures, maturing 1928, were offered through the wickets at the city hall. The longer term flotation was over-subscribed to the extent of the total of both flotations, and of the other issue \$36,000 was sold, the selling price being par in both cases.

When the city council undertook to turn down the recommendation to call for tenders among the bond brokers for the new issue maturing in 1935, some of the aldermen declared that they would have to pay a higher price than those which had been sold locally, and they did not wish to place themselves in the position of being turned down by the bond houses. Further, to pay a higher price to eastern bond brokers would be an injustice to the local investors, who had paid par for 6 per cent's., it was stated.

While the foregoing was the attitude of the majority of the council, one or two members shook their heads. "What about the future when we may wish to call for a million dollars or more?" they asked.

Local Sales Being Pushed

The Local Government Board in this province is also doing what it can to encourage the sale of municipal and telephone debentures among local investors, and, largely as a result of its actions, issues totalling \$250,000 were sold directly to local investors in 1919 in addition to further sums sold indirectly.

The Saskatchewan Rural Telephone Companies' Association, at its convention in Regina last week, passed a resolution, asking the Local Government Board to afford every opportunity to telephone subscribers to purchase rural telephone debentures. The Hon. Geo. Bell, chairman of the L.G.B., told the convention that, up to the limits of his staff's capacity, the board was prepared to do this, and would issue debentures in any denomination to assist local sales.

THE RIORDON PULP AND PAPER COMPANY, LIMITED

COMMON STOCK DIVIDEND No. 18

Notice is hereby given that a quarterly dividend of 2½% has been declared on the Common Stock of the Company for the quarter ending June thirtieth, 1920, payable August fifteenth, 1920, to shareholders of record at the close of business on August sixth, 1920.

By Order of the Board.

F. B. WHITTET, Secretary-Treasurer.

Montreal, July 13th, 1920.

194

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison, Jr., & Co., Toronto (Week ended July 14th, 1920.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Aita. Pac. Grain...pref.	83	90	Cuban Can. Sugar.com.	46.50	49	Laurentide Power.....	62	63	Toronto Power.5's (1924)	85	90
Ames Holden Tire...com.	41	42	.....pref.	72	76	Loew's (Ottawa)...com.	10	12.75	Trust & Guar.....x.d.3%	70	76
Belding, Paul.....com.	59	59	Davies, William.....6's	98	101.50	Manufacturers Life.....	34	39	United Cigar Stores pref.	1.75	
Black Lake.....com.	14	14	Dominion Fire.....	49		Massey-Harris.....	101	107	Western Assurance.....	10	14.50
.....pref.	22.50	22.50	Dom. Foun. & St....com.	74		Mattagami Pulp.....com.	64	65.50	West. Can. Pulp.....com.	40	44
British Amer. Assurance	9.75	13.25	.....8% pref.	95.50	98	Mexican Nor. Power...5's	7.50	10	Western Grocers...pref.		76.50
Burns, P., 1st.....6's	98.75		Dom. Iron & Steel 5's 1939	72	75	Mississauga Golf.....	47	57.50	Whalen Pulp.....com.	60	
Caledon Moun. Trout Cb.	200		Dom. Power.....com.	51.50	53	Murr.-K.....7%pref.	67	73.50	Whalen P'p Trust Cert.....	60	
Can. Felt.....pref.	66.50		Dunlop Tire.....7% pref.	92	96	National Life.....	40				
Can. Furniture...pref.	26.50	30.50	.....6's	96.50		North Amer. Pulp.....	8	8.50			
Can. Mortgage.....	63.50	69	Goodyear Tire. pref.x.d.	90	95	North Star Oil.....pref.	5	5.50			
Can. Oil.....com.	56		.....pref.	90	95	Ont. Pulp...6's X-Talons	95	99			
Can. Westinghouse.....	100	110	Gunns.....pref.	91	95	Page Hersey.....pref.	72.50				
Can. Woollens.....com.	47.50	51	Harris Abattoir.....6's	91	95	Riordon.com.(new.stk.)	50	52			
.....pref.	85	85	Home Bank.....	100.50	105	Robert Simpson.6% pref.	78	82.50			
Cockshutt Plow 7% pref.	55	59	Imperial Oil.....	110	118	Sterling Bank.....	111	117			
Cof'gwood Ship'dg...6's	93		Kipawa Paper.....com.	71.50	75	Sterling Coal.....com.	18	20.50			
Crown Life.....	86		King Edward Hotel.com.	74.50	80						

Corporation Finance

Position of New Riordon Company Clearly Reviewed—Directorate of the Organization Has Been Announced—Sherwin-Williams Selling Interest in Canadian Subsidiary—Whalen Company Improves Position—Still Need For Conservative Financing, However—Toronto Railway Would Defer City Payments

Calgary Gas Co.—The Calgary city council is at present considering action to be taken in regard to the request of the company for an increase of rates. Permission has been asked to investigate the books of the company before coming to a final decision.

Ottawa Light, Heat and Power Company.—Satisfactory earnings are reported by the company as derived from its subsidiaries, the Ottawa Gas Company and the Ottawa Electric Company. Notwithstanding the increased cost of fuel, labor, etc., current earnings are running at the rate of approximately 9 per cent. per annum on the company's common share capital, as compared with 7 per cent. per annum in 1919.

Toronto, Hamilton and Buffalo Railway Co.—For the year ended December 31st last the net income was \$338,521, as compared with \$902,507 in the previous year. Gross revenue was \$2,500,917; net railway operating revenue, \$493,919; operating income, \$421,919; gross income, \$628,198, and net income, \$338,521. The surplus was \$78,981, and the profit and loss surplus now amounts to \$2,537,718. Total assets are \$15,449,061.

Tooke Brothers, Ltd.—At the annual meeting of the company in Montreal last week, there was a revision of the personnel of the directorate. The new directors, Lt. Col. Chas. W. McLean and W. M. Weir, were elected to the board, replacing W. Fred. Heney, of Montreal, and Hon. F. H. Phippen, K.C., of Toronto. Lt.-Col. McLean also replaces W. A. Brophy in the vice-presidency of the enterprise, the latter, however, retaining his post as managing director.

The board and officers now comprise: W. A. Tooke, president; Lt.-Col. C. W. McLean, vice-president; W. A. Brophy, managing director, and the following directors: A. J. Brown, K.C., Wm. McMaster, W. M. Weir and W. S. Barker, the latter member of the board being also secretary-treasurer of the company.

Toronto Street Railway.—The company is asking the city for permission to defer payment of the city's percentages on revenue on condition that the accumulated sum of these percentages be deducted in 1921 from the whole amount which Toronto has to pay for the assets of the company. In the meantime the company would use the funds to meet its increased expenses. It is estimated that the sum of these percentages, between now and the end of the franchise, will be \$1,500,000. The proposition is not favored by the civic authorities, and will be considered in its legal as well as other aspects. Mayor Church, in making a statement on the matter before the council, said:—

"I have gone fully into the question, both from the legal point of view and as a matter of policy, and have come to the conclusion that it can't be done. In the first place, it will open up the whole question of the agreement; secondly, it will depreciate our revenue, and the amount of the depreciation will have to be made up in the tax rate. There is no security, and there are also legal objections which would lead to complications. On these grounds and as a matter of policy the company must finance itself without the help of the city. We would have to borrow money at 7 to 8 per cent. if we didn't get our money in time."

Montreal Light, Heat and Power Co.—Figures were produced before the Quebec Public Service Commission in Montreal on July 14th in support of their contention that the price of gas should be increased from the present rate of 85 cents per thousand cubic feet net to \$1.20 per thousand cubic feet, less 10 cents discount, or \$1.10 net, an increase of 25 cents per thousand feet. J. S. Norris, general manager of the company, produced the figures for the five years, 1914-1919, and showed that profits had steadily fallen for

each of the years, while on the figures for the last eight months of 1919 it was contended there would be a deficit on the sale of gas for 1920 of \$1,075,362 if present rates were maintained.

The commission considered the application and will render judgment shortly.

Illinois Traction Co.—The annual financial statement now going to shareholders shows that gross earnings of the company increased by \$2,495,580, or 16.35 per cent., to \$17,756,583, all departments participating in the increase except gas and miscellaneous decreases to the amount of \$54,733 under no particular name. The decrease in the gas item is due to the placing of the earnings from the products in another category. These by-products showed an increase of \$234,614.

After deductions, the balance left for the preferred was \$1,335,393, an improvement of more than \$840,000 from the year before. Balance carried forward amounted to \$1,078,073, as compared with a previous balance of \$1,060,345.

Whalen Pulp and Paper Mills, Ltd.—An improvement in the financial position of the company, as already shown in a brief review which has appeared in these columns, is emphasized in the detailed report which is given on another page of this issue. Although the future of the company appears bright, the directors, in view of present conditions, recognize the necessity of conservative financing. Sir Geo. Bury, president, in his report to shareholders, states:—

"The expenses for the year amounted to 80 per cent. of the earnings as compared with 97 per cent. for the previous year. The earnings for the fiscal year under review exceeded those of last year, notwithstanding one of the plants was closed for six weeks through lack of orders following the signing of the peace treaty.

"Recognizing the need of conserving the timber resources of British Columbia, and to stabilize wood costs, it was felt wise to instal barkers, etc., for small-wood operations at your plants to supplement present large-wood operations. The wisdom of installing small-wood operations is borne out by the fact that the price of logs on the open market has doubled in the past year. The improvements and betterments necessarily interfered to some extent with operations, but the work had to be undertaken to improve and increase production and to meet growing log costs. The results of the small-wood operations and the betterments undertaken should be reflected in the last half of the present year's operations. To increase production and improve the quality of your product one extra digester, additional screens, drying apparatus, etc., are being installed in anticipation of your approval."

A recent report from Vancouver states that Sir George Bury will retire as president of the company. Sir George has declared that he cannot continue with the company as he has accepted an appointment in advisory capacity with certain large interests on the Eastern Coast. What position he has accepted, and who will be his successor, have not yet been determined.

Sherwin-Williams Company of Canada.—A cable from London, England, confirms the recent rumors which have been current in stock circles, regarding negotiations with the London and Australian subsidiary, the Lewis Berger and Sons Company. The cable reads as follows:—

"Walter H. Cottingham, president of the Sherwin-Williams Co., of Canada, Limited, who is now in London, states that he has formed a syndicate to purchase the Canadian interest in the London and Australia Company of Lewis Berger and Sons. The Canadian company retains a considerable stockholding interest in the English company,



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HEAD OFFICE - TORONTO

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Lewis Berger and Sons in addition to receiving a substantial cash payment. He states that the object of the change is to enable them to extend the English business, and also put the Canadian company in strong financial standing, in view of the rapidly increasing business in Canada."

W. S. Fallis, of Montreal, the managing director of the Sherwin-Williams Company who is now attending to the company's business in the west, when asked regarding the new deal stated that there was nothing authentic for publication at the present time. Regarding the report that the price which the company is receiving was \$1,300,000 in cash and \$2,000,000 in the preferred shares, Mr. Fallis stated that this was rather an underestimate rather than an overestimate of the property which is being transferred.

The Sherwin-Williams Company of Canada was formed in 1894. It took over the Canadian business of the Sherwin-Williams Company of America and also the business of Lewis Berger and Sons, of London, England, which had been for some years associated with the Sherwin-Williams Company of America. Later control was acquired of the business of the Canada Paint Company, of Montreal. The company has assets of between \$15,000,000 and \$20,000,000. The plant of the Sherwin-Williams Company in Montreal is said to be the most modern and complete of its kind in the world. The Lewis Berger Company has been doing business in London for 150 years, and has maintained offices in Sydney, Australia, Wellington, New Zealand, Bombay and Paris.

Riordon Company, Ltd.—In order to eliminate any misunderstandings which may have arisen from the confusion of the many statements regarding the new company, the following announcement has been given out, revealing in a brief and clear manner the present standing of the new company:—

"The Riordon Pulp and Paper Company sold all its assets to the Riordon Company, Limited, and since July 1st last the Riordon Pulp and Paper Co., Ltd., has ceased to be an operating company. The Riordon Co. Ltd., has assumed all

the liabilities of the Riordon Pulp and Paper Co., including the two bond issues which are still in force and which mature in 1929 and 1942, respectively. The only asset of the Riordon Pulp and Paper Co. is \$9,000,000 of 7 per cent. cumulative convertible preferred stock and \$12,000,000 of common stock of the Riordon Co., Ltd. The Riordon Pulp and Paper Co. has no liabilities whatsoever, and its only business is to receive dividends on the Riordon Co., Ltd., stock which it holds, and to pay dividends on its outstanding preferred and common stocks.

"Riordon Co. Ltd., operates all the mills formerly operated by the Riordon Pulp and Paper Co., and those of the Kipawa Co., Ltd., which latter company has virtually passed from existence. The common stock of the Riordon Pulp and Paper Co. now listed on the Montreal Stock Exchange will continue to bear dividends, and the stock will remain outstanding until the two bond issues, referred to above, are paid off, and will continue listed as at present. Riordon Co., Ltd., securities now being traded in on the local curb and unlisted markets will be listed on the Montreal Stock Exchange as soon as possible."

The full board of directors of the Riordon Co. Ltd., now stands as follows:—Charles Riordon, president; Carl Riordon, vice-president and managing director; C. B. Thorne, second vice-president and technical director; J. B. White, third vice-president and timber director; T. E. Warren, manager of the Ticonderoga Pulp and Paper Co., fourth vice-president and mercantile director; F. B. Whittet secretary and treasurer; J. S. Douglas, general manager of the Mail Printing Co., Toronto; T. J. Stevenson; C. G. Bancroft, president International Trust Co., Boston; J. W. Wheeler, Parkinson and Burr, Boston; W. D. Ross and Senator W. C. Edwards. The board of the Gatineau Co., Ltd., has also been appointed, and is constituted exactly as the board of the Riordon Co., Ltd. The Gatineau Co., Ltd., takes over the Edwards and Gilmour and Hewson properties. All of its capital stock is owned by the Riordon Co., Ltd.

RECENT FIRES

Western Printing and Lithographing Co. at Calgary and Mann Axe Factory at St. Stephen, N.B., Both Suffered Loss of \$100,000

Alvinston, Ont.—July 13—Planing and sawmills belonging to D. J. McEachern and Sons damaged. The loss is estimated at \$10,000, with insurance of \$1,500.

Brockville, Ont.—June 30—Residence of Al. Henry, township of Dunganon, destroyed. Building and contents were insured to the extent of \$500.

Calgary, Alta.—July 5—Western Printing and Lithographing Co. damaged. Estimated loss, \$100,000.

Fairville, N.B.—July 8—Warehouse belonging to Ready's Breweries damaged. Fire was caused by an ash pile. The loss was fully covered by insurance.

Golden, B.C.—July 3—Store belonging to A. D. J. Mathieson and Co. and the fire hall at Golden destroyed by fire.

Halifax, N.S.—July 9—Garage belonging to the Nova Motor Co. damaged.

Jasper, Ont.—July 9—Methodist church destroyed. Fire was caused by an electrical storm.

Kensington, P.E.I.—July 7—Bank of Nova Scotia building damaged by fire.

London, Ont.—July 12—Factory belonging to the Taylor-Campbell Electrical Co. damaged. Loss, \$3,000.

Moncton, N.B.—July 11—City almshouse and barn destroyed.

North Bay, Ont.—July 12—Twenty-two houses destroyed in the village of Wye. Fire was caused from bush fires.

Parry Sound, Ont.—July 12—House owned by Beagan Brothers, was destroyed. There was no insurance.

St. Stephen, N.B.—July 10—Mann axe factory damaged. Estimated loss, \$100,000, with insurance of \$50,000.

Toronto, Ont.—July 11—Garage belonging to L. G. Randle and twenty-five motor cars destroyed. Total loss, \$25,000.

Waterloo, Ont.—July 7—Warehouse belonging to Bauer's shoddy mill damaged. Loss, \$20,000.

Winnipeg, Man.—July 10—Building belonging to the Crescent Furniture Co. damaged. Estimated loss, \$50,000.

July 12—Commonwealth Block damaged by fire. Estimated loss, \$30,000.

Wrentham, Alta.—July 7—Walsh store and contents damaged. Estimated loss, \$6,000.

ADDITIONAL INFORMATION CONCERNING FIRES

Ayton, Ont.—June 3—The Ayton Creamery, owned by P. J. Biniger, was damaged by fire. The fire was caused by a spark from smokestack. Total loss, \$8,000, with insurance of \$5,000.

McAdam, N.B.—June 19—Restaurant and ice cream parlor belonging to King and Smith damaged. The total loss was \$5,000, with insurance of \$1,200 in the Nova Scotia Fire.

Stratford, Ont.—June 23—A sewing machine, table and iron belonging to Wally Hern was destroyed. The fire was caused by an overheated iron. Total loss, \$90, fully covered by insurance.

Winnipeg, Man.—June 14—Warehouse and contents occupied by R. A. Lister and Co., Ltd., and owned by the Northern Trusts Co. was destroyed. The loss is \$9,000, with insurance of \$7,000 in the Sun Insurance Co., Insurance Co. of North America and the Scottish Union and National.

Mr. I. W. Killam, president of Royal Securities Corporation, Montreal, announces the election of the following officers of the corporation: W. C. Pitfield, vice-president and general manager in charge of the corporation's entire organization, and V. M. Drury, vice-president. The new appointments take effect at once.

EFFORTS TO MAKE RATING UNIFORM

Co-Operation Between Eastern and British Columbia Associations—Balmoral Apartment Fire Reveals Defects in Building Regulations

Vancouver, B.C., July 10th, 1920.

IN the report of J. A. Thomas, British Columbia fire prevention officer, on the Balmoral apartment house fire, in which several people lost their lives, Mr. Thomas said: "The present fire by-law, operated in Vancouver, cannot be understood by laymen of ordinary intelligence or by some lawyers, for this reason and also for the reason that the staff of the building inspector and city fire wardens was insufficient in numbers: by-laws have not been properly enforced in the past." A large number of technical recommendations for the protection of apartment houses, hotels and semi-public buildings have been made by Mr. Thomas in his report.

John Jenkins, Manager Britannic Underwriters, paid a visit to Vancouver this week. Mr. Jenkins, who is vice-president of the Canadian Underwriters' Association, stated that it was the desire of the governing council of that body to have the basic system of making rates the same all over the American continent, and the rates themselves, as nearly alike as the differences in local position will permit, and with that end in view the Canadian Automobile Underwriters' Association are giving the provincial association every assistance in their power.

The new Manual containing the rates at which automobile insurance can be written is now being printed. As a new system of rating has been adopted and the rates have nearly all been changed ample time is being given before they become effective, which will be on September 1st.

J. R. Davison this week addressed all the insurance organizations of the coast cities of British Columbia at a luncheon held in Vancouver. Mr. Davison is publicity commissioner for Vancouver. The speaker outlined the work of the publicity department in advertising Vancouver throughout the prairie provinces and coastal states. He appealed for the insurance men to support his work and to see that the city provided greater sums to carry on with.

RAILROAD EARNINGS

The following are the approximate gross earnings of Canada's transcontinental railways for the month of June:—

Canadian Pacific Railway.			
	1920.	1919.	Inc. or dec.
June 7	\$3,619,000	\$2,957,000	+ \$ 662,000
June 14	3,660,000	3,062,000	+ 598,000
June 21	3,578,000	3,024,000	+ 554,000
June 30	5,060,000	3,977,000	+ 1,083,000
Totals	\$14,917,000	\$13,020,000	+ \$2,897,000

Canadian National Railways.			
	1920.	1919.	Inc. or dec.
June 7	\$1,618,195	\$1,509,340	+ \$ 108,855
June 14	1,866,517	1,676,264	+ 190,253
June 21	1,820,408	1,435,593	+ 384,815
June 30	2,471,419	1,811,838	+ 659,581
Totals	\$7,776,539	\$6,433,035	+ \$1,343,504

Grand Trunk Railway.			
	1920.	1919.	Inc. or dec.
June 7	\$1,936,529	\$1,619,873	+ \$ 316,656
June 14	1,995,993	1,693,589	+ 262,404
June 21	2,013,144	1,746,055	+ 267,089
June 30	2,926,623	2,196,458	+ 730,165
Totals	\$8,872,289	\$7,255,975	+ \$1,576,314

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Insurance Company of North America

CAPITAL\$ 5,000,000
ASSETS IN EXCESS OF\$36,000,000

Issues specially desirable forms of Use and Occupancy, Rental and Leasehold Insurance

Agents in all the principal cities of Canada and the United States.

Robert Hampson & Son, Limited

GENERAL AGENTS FOR CANADA

1 ST. JOHN STREET - MONTREAL

THE PROVIDENT

ASSURANCE COMPANY

A. M. ALETTER, Provincial Agent

C.P.R. Building, Toronto

A Strong All-Canadian Company, with Head Office at Montreal, has been licensed to transact

Fire Insurance

in addition to Automobile, Accident, Sickness, Liability, Guarantee and Surety.

The Fire Branch will operate non-tariff, writing moderately large lines.

Applications for agencies are invited.

ESTABLISHED 1886

Queensland Insurance Co. Limited

of Sydney, N.S.W.

Capital Paid Up \$1,750,000 Assets \$4,015,811

Agents Wanted in Unrepresented Districts

MANAGERS FOR CANADA:

Montreal Agencies Limited - - Montreal

British America Assurance Company

FIRE, MARINE, HAIL and AUTOMOBILE

INCORPORATED 1833

HEAD OFFICES: TORONTO

W. B. MEIKLE, President and General Manager
E. F. GARROW, Secretary.

Assets Over \$4,300,000.00

Losses paid since organization over \$47,500,000.00

The Standard Life Assurance Company of Edinburgh

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

Invested Funds.....\$ 69,650,000	Invested under Canadian Branch.....\$ 15,000,000
Deposited with Canadian Government and Government Trustees..... 8,200,000	Revenue..... 8,350,000
	Bonuses declared..... 40,850,000
	Claims paid..... 181,950,000

W. H. CLARK KENNEDY, Manager.

F. W. DORAN, Chief Agent, Ontario



THE **MONARCH LIFE**
SECURITY AND SERVICE
MONARCH LIFE
HEAD OFFICE - WINNIPEG.

BRITISH TRADERS' INSURANCE COMPANY

Limited

Established 1865

AGENCIES THROUGHOUT THE WORLD

Fire—Marine—Automobile

General Agents, Toronto
Automobile Department: WINDEYER BROS. & DONALDSON
General Agents Fire Department: G. S. PEARCEY

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.

WESTERN ASSURANCE COMPANY

INCORPORATED 1851

Fire, Marine, Auto-
mobile, Explosion,
Riots, Civil Com-
motions & Strikes.

Assets..... over \$8,300,000.00
Losses paid since organization .. 77,700,000.00

Head Offices: TORONTO, Ont.

W. B. MEIKLE,
President and General Manager

C. S. WAINWRIGHT,
Secretary

A. H. PRINGLE,
Canadian Fire Manager

SUN FIRE

FOUNDED A.D. 1710

THE OLDEST INSURANCE CO. IN THE WORLD

Canadian Branch ... Toronto

LYMAN ROOT, Manager

THE MERCANTILE FIRE INSURANCE COMPANY

Incorporated 1875

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

The LONDON ASSURANCE

Head Office, Canada Branch, MONTREAL

Total Funds exceed \$42,500,000

Established A.D. 1720. FIRE RISKS accepted at current rates
Toronto Agents, Armstrong, DeWitt & Cressin, Ltd., 36 Toronto St.

FIRE CASUALTY The Northern Assurance Company, Limited of London, England

Accumulated Funds, 1918, \$75,229,660.00.
Head Office for Canada: Room 306, Lewis Bldg., 17 St. John Street, Montreal.

G. E. MOBERLY, Manager.
A. HURRY, Manager, Casualty Department.

CALEDONIAN-AMERICAN

Insurance Company of New York

Head Office for Canada - MONTREAL

JOHN G. BORTHWICK, Manager

BRYCE B. HUNTER - Resident Agent

H. W. RANDLB, Inspector

51 Yonge Street, Toronto

Telephone Main 31

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, } Managers
J. B. PATERSON, }

100 St. Francois Xavier Street, Montreal, Que.

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

FARMERS' FIRE & HAIL INSURANCE COMPANY

FIRE, HAIL AND AUTOMOBILE INSURANCE

Head Office, CALGARY. Saskatchewan Office, REGINA

M. P. JOHNSTON, Managing Director

GENERAL

ACCIDENT FIRE AND LIFE

ASSURANCE CORPORATION, LIMITED, OF PERTH, SCOTLAND

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

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 | COLIN E. SWORD,
Accident Department | Canadian-Manager

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

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

Fire
Hail
Automobile



Security
over
\$93,000,000

The
British Crown
Assurance Corporation Limited
of Glasgow, Scotland

Guaranteed by Eagle, Star and British Dominions
Insurance Company, Limited, of London, England

Head Office for Canada, **TORONTO**
J. H. RIDDEL, Manager E. C. G. JOHNSON, Asst. Manager

Norwich Union

FIRE INSURANCE SOCIETY LIMITED

(Founded 1797)

Norwich, England

Fire Insurance
Accident and Sickness
Employers' Liability
Plate Glass
Automobile Insurance

Head Office for Canada:
NORWICH UNION BUILDING
12-14 Wellington St. E., Toronto



Canada Branch
Head Office, Montreal

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

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

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

A Combination of age, magnitude and experience

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

LONDON & SCOTTISH ASSURANCE COR- PORATION, Limited, OF LONDON, ENG.

Formerly London and Lancashire Life and General Ass'ce Assoc'n., Limited
Established in Canada 1863
ALL CLASSES OF LIFE ASSURANCE TRANSACTED

SCOTTISH METROPOLITAN ASSURANCE COMPANY, LIMITED

FOR FIRE, ACCIDENT and SICKNESS INSURANCE
Guarantee Bonds, Elevator and General Liability, Automobile Liability,
and Fire, Employers' Liability, Public and Teams Liability.

Head Offices for Canada:
LONDON & SCOTTISH BLDG., - - MONTREAL
TOTAL ASSETS \$25,500,000
Branches and Agencies
throughout Canada, **ALEXANDER BISSETT,**
Manager for Canada



ALFRED WRIGHT,
Manager

A. E. BLOGG,
Branch Secretary

14 Richmond St. E.
TORONTO

Security, \$42,000,000

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS - - \$2,617,350.09

A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO OFFICE: 20 KING STREET WEST
W. H. GEORGE, Superintendent of Agencies

7% may be worth less than 5½%

A curious anomaly, but none the less true. For instance: a man whose income is \$6,000, must get 6.15% from a new taxable investment in order to equal 5½% from Victory Bonds. This is but a typical example showing to what extent the *Federal Income Tax* affects those whose income exceeds \$3,000. Our reference card respecting the Income Tax may interest you.

DOMINION SECURITIES CORPORATION LIMITED.

MONTREAL BRANCH
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

Service to Absent Owners

WE maintain an expert Valuations Department which is at the service of owners of properties in British Columbia who may be absent, and who, therefore, desire independent valuations of their holdings in case of offers of purchase or lease.

Pemberton & Son

FINANCIAL AGENTS
The Pacific Building, Vancouver, B.C.

Sey. 9490

Great American Insurance Company New York

INCORPORATED - 1872
PAID FOR LOSSES

\$112,397,573.17

STATEMENT JANUARY 1, 1920
CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

\$5,000,000.00

RESERVE FOR ALL OTHER LIABILITIES

17,191,302.37

NET SURPLUS

11,010,376.51

ASSETS

33,201,678.88

THE SECURITIES OF THE COMPANY ARE BASED UPON ACTUAL VALUES ON DECEMBER 31st, 1919

Since January 1st the authorized, subscribed and paid-up Capital Stock of the Company has been increased to \$10,000,000. The Company now owns \$10,000,000 U. S. Government Liberty Loan Bonds and \$340,000 Canadian Victory Loan Bonds.

Home Office, One Liberty Street
New York City

Agencies Throughout the United States and Canada

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