

# The Monetary Times

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OF CANADA

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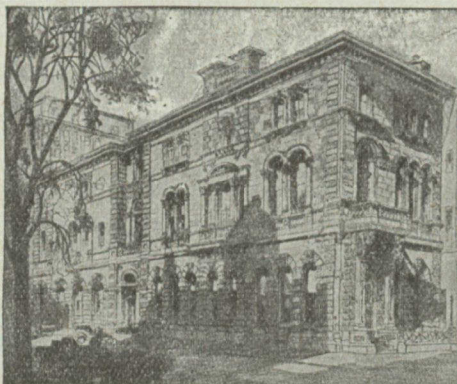
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# Monetary Times

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of Canada

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Old as Confederation

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## Solvency of Fraternal Benefit Associations\*

Review of Legislation Affecting Fraternal—Canadian Provinces Have Been Negligent, but Dominion now has Good Law—Deficiency in Funds Must be Faced by Old Members, and New Members Must be Protected by Segregation of Funds

By FRANK SANDERSON, M.A., LL.D.  
Consulting Actuary, Ontario Department of Insurance

**T**HE vital importance of fraternal benefit societies to the home, to the community and to the state has for many years been generally recognized. The state sustains an important relation to these benefit-granting societies and that relation naturally expresses itself in legislation.

The question of legislation in reference to fraternal orders is both difficult and delicate. In dealing with this subject, much strong feeling has been engendered in years gone by in Great Britain, the United States and Canada. The problem is still with us and will not down until properly settled. Recent and prospective legislation in the United States and Canada touching the financial position of these societies is demanding attention on every side. The present magnitude and extent of the operation of fraternal societies in America is seen by these striking facts:—

Annual benefits paid (1919) .....	\$ 150,000,000
Number of members .....	10,000,000
Amount of insurance .....	\$10,000,000,000

### A New Method of Approach

It has been my privilege in recent years to devote some time in viewing the situation as to fraternal benefit societies from the inside as well as the outside. I have come into the closest contact with many officials and insured members in their chief legislative meetings when questions as to the solvency and readjustment of rates and benefits were under discussion. I have endeavored to study the human elements as well as the actuarial and financial factors that enter into the solution of the questions that are still live issues both for the societies themselves and for government officials.

May I, therefore, begin by stating a conviction arrived at by close touch with the main issues involved that the time has arrived when a better method of approach than has too often prevailed must be applied to the problem of bringing all such societies to a sound position. Until a comparatively recent time the method of approach in all spheres of investigation was largely the deductive and dogmatic method. That method is now largely set aside by the educated modern mind. The last quarter of the 19th century and the opening years of this century have made it evident that the true way to approach the study of any subject, whether it be science, economics or religion, is the historical method. We have now come to realize that we can never understand anything until we find out how it came to be. "The history of a thing is the thing." To trace the growth of an institution is the only possible way to get at its meaning. So

\*An address before the conference of provincial superintendents of insurance, Winnipeg, October 5, 1920.

the historical approach is characteristic of all intelligent intellectual effort to-day. It traces effects to their causes, reconciles divergences and softens our asperities. Instead of fighting our opponent, we explain how he came to be. Thus tolerance and comprehension take the place of dogmatic argument, invective and denunciation.

Approached from the historical point of view, we enter upon the investigation of fraternal insurance and its problems with a comprehensive and sympathetic appreciation of how things came to be as they are. From an historical review of what has been done in different parts of the world to improve by legislation and otherwise the financial position of these societies, we are in a better position and attitude of mind to point the way for the better protection of both their present and prospective members.

### Evolution of Fraternalism

The late Sir George Hardy, ex-president of the Institute of Actuaries, has truly pointed out that friendly societies "were originally purely social in character, subsequently charitable and mutually protective, and only in recent times financial."

Here, then, we have in a sentence the genesis and evolution of friendly societies, or, as they are generally called in America—fraternal societies. Thus by seeing historically how the emphasis changes from the purely social, first to the charitable, then to the mutually protective and then to the financially developed insurance character, we are in a better position to apply appropriate methods and legal enactments to remedy any existing short-comings in this institution which has its roots so deeply imbedded in the human family.

The foregoing states briefly and simply a broad general principle—a method of approach, an attitude of mind but everything turns on a right approach. My subject now requires me to narrow the application of this principle to the question of "Legislation as to the Solvency of Fraternal Societies." In the application of the historical method one naturally asks what steps have been taken in the past to correct by legislation, defects in friendly society finance. From a comprehensive view of past successes and failures in this direction and from an enlightened understanding of present-day requirements, we will the more surely blaze out the safe legislative path for the days to come. I must ask, therefore, that instead of the microscope we use the telescope and take a rapid historical survey of legislation in Great Britain, United States and Canada, looking towards an improvement of the financial condition of these societies. I am convinced that such a survey will satisfy both fraternalist and legislator that on this side of

the water, and on this side of the boundary line the sins of statutory omission will produce a chastened sense of humility and a true repentance which should lead to "acts" of righteousness "writ large on the statutes of provincial legislatures.\*"

#### Provincial Legislation

Prior to the year 1916, no provision for regular valuations of the insurance certificates of fraternal societies existed in the laws of any province of Canada, nor in the Dominion Insurance Act. This was not due to the oversight or shortcoming of the superintendents of insurance, but to the fact that for years outside influences at work rendered it impossible for either insurance departments or members of parliament and legislature to carry out desirable legislation and needed reforms. It was not until the laws of nature and arithmetic, together with the general trend of public opinion both inside and outside fraternal ranks, had made such legislation possible of enactment that we find the first requirement for the valuation of the certificates of fraternal societies placed on the statutes of any province of Canada. The adoption in the United States of the Mobile Bill and the New York Conference Bill created the atmosphere and the occasion for the passing by the Ontario legislature of amendments to the Ontario Insurance Act embodying several of the valuation and other requirements of the United States Acts just mentioned.

The new Ontario Act passed in 1916 did not, fortunately, include the ineffective section of the New York Conference Bill known as section 23 (B) previously referred to. On the other hand, it did not provide for annual actuarial valuation reports to the insurance department as required by both the Mobile Bill and the New York Conference Bill, but only for a valuation every three years. Nor did it provide for any improvement in the degree of solvency of a society from triennium to triennium, no matter what the degree of actuarial insolvency, but was content with the condition of "not getting worse." It provided that if at any triennial valuation subsequent to 1917 the society had gone backward as to the solvency, then a restoration is supposed to be made up to the 1917 degree of solvency within two years, or thereafter the rates for new members are to be those known as the Hunter rates, and these contributions kept apart from other funds of the society; and further, if at next triennial valuation no improvement be shown, then the new members are supposed to be placed in a separate class and their certificates valued as an independent society in respect of contributions and funds.

Other provisions were incorporated, but the above are the vital parts of the 1916 Ontario amendments as to solvency.

#### Provisions Rendered Ineffective

Unfortunately by some strange action or suggestion, an innocent-looking sub-section was added at the end absolutely nullifying the foregoing provisions as to a society maintaining its degree of solvency by the proviso that unless the governing body of the society at its annual meeting voted itself within the application of these new legal provisions, the said provisions should not apply or have any effect. To the credit of the officers and executive of the Canadian Fraternal Association be it said that they made more than one effort to have this remarkable clause eliminated, but unfortunately without success.

No society having since voted itself within the operation of these special solvency clauses, they are therefore now actually "dead wood" in the Ontario law. It should be re-

\*Mr. Sanderson here reviewed legislation in Great Britain, where compulsory actuarial valuation and publicity of the actuarial balance sheets are required, and have helped to bring the leading British Friendly Societies to a high degree of solvency. Regarding the United States, the New York Conference Bill, which is in force in about 40 states, provides that a society is not to get into a worse condition and may accumulate funds to improve its condition, but this does not assure solvency.

corded that at the last session of the legislature the present superintendent of insurance recommended the elimination of the objectionable clause, but owing to certain representations it was allowed to stand until the next revision of all the provisions as to valuation and solvency. When we remember that in Great Britain compulsory actuarial valuations for friendly societies have now been required for about half a century, and various other allied returns for a much longer period, it cannot be admitted that our legislators in Canada have been guilty of breaking the speed limit in legislation touching the solvency of fraternal societies. The fact is adequate, and effective legislation on this vital question is long overdue on provincial statute books, and the Ontario law of 1916 is sadly in need of being replaced by a more worthy substitute.

#### Deficit is Big Handicap

The hopelessness of a large society, say 50 per cent. solvent, with a deficiency say, of \$10,000,000, ever overcoming this deficiency by any mere makeshift methods and without honestly facing a readjustment of rates or reduction of benefits is manifest by the annual loss from interest alone—a loss of 5 per cent. of \$500,000 per annum on the deficiency. The increase in liability due to increase on age works much faster in such a case than any increase in assets from year to year.

There is still a field for the worthy friendly society, but the faithful and intelligent fraternal leader must have his hands upheld by sane and effective legislation which will make it easier for the sound and solvent society to succeed and more difficult for the unsound and unrepentant society to trade upon the credulity of the public. May our provincial superintendents be endowed with a high sense of official duty and a fine sense of appreciation of the needs of the fraternal society.

#### Dominion Legislation

Until the year 1919 no provisions appeared in the Dominion Insurance Act as to actuarial valuation and solvency requirements for fraternal societies, notwithstanding urgent representations of the insurance department on the subject. An interesting history of the rise and departure of the non-fraternal "assessment associations" could be told, but I must turn at once to the recent Dominion legislation of 1919 when the old "Assessment Life Insurance" portion of the act was at last wiped off the statutes of Canada, and a more worthy portion known as "Part II. A Fraternal Benefit Insurance" took its place. This is the most advanced and worthy piece of legislation dealing with fraternal societies that has yet appeared on this side of the Atlantic, even though it bears evidences of compromise to meet awkward circumstances. It is a straightforward and honest attempt to deal with a perplexing subject in a way that reasonably satisfies public needs, and at the same time carries the judgment and tacit approval of the most reliable fraternal leaders. It avoids the marked weaknesses and the "put-off-till-to-morrow" policy so manifest in the American Mobile Bill and New York Conference Bill, which, it now appears, already need amending.

Touching the Dominion Act let me quote the opinion of an outstanding leader of American fraternalists, himself the head of a large American society doing business in Canada, which has not yet attained to full actuarial solvency. Addressing the Canadian Fraternal Association a few months ago, this prominent and honored fraternalist, Mr. D. P. Markay, of Detroit, ex-president of the National Fraternal Congress, said:—

"The provisions of the (Dominion) Act referred to are not only timely and wholesome, but in our judgment should be earnestly welcomed by all fraternal benefit societies doing business in Canada. It is to be regretted that such action was not taken twenty years ago or more, not only in Canada but in the United States as well."

Mr. Markey is frank enough and honest enough to put his finger on the cause of the present necessity when he

added: "We have no one to blame for our troubles in connection with readjustment of rates but ourselves. We were shortsighted, perhaps cowardly in handling the situation. I think we are all satisfied now the laws of mortality are inexorable, and that any institution which attempts to defy them is only sowing the wind and will read the whirlwind."

The Dominion enactment has this broad, general characteristic. It approaches the solution from a knowledge of the history and genius of the friendly society. It avoids the rigidity of old-line statutory valuation requirements—it is flexible in operation without being vague and loose in conception. It leaves a large degree of responsibility for the society's financial position to the society's actuary, who must, however, be qualified.

For provincial requirements this law would, of course, have to be adapted to local requirements, and possibly provision made for embarrassing circumstances that are not provided for in 1925 when all societies licensed under the Dominion Act are expected to have been brought to 100 per cent. solvency.

There is one practical consideration that should commend itself to provincial legislators and superintendents of insurance. This is that the main principles and requirements of the Dominion Act have been the subject of much interchange of view between the Dominion officials and fraternal officials. The debatable ground has been gone over and a workable legislative program agreed upon. This is saying a great deal. As evidence, I have already quoted the head of a leading foreign society. I add an extract from the annual report a year ago of the counsellor of the Canadian Fraternal Association:—

"An agreement was arrived at as a compromise between the views of the committee (of the societies) and those of the superintendent. Representatives of the societies interested in the bill attended before the banking and commerce committee, when all of this amending bill was adopted by said committee without opposition." (The counsellor refers to one minor excepted point which, it is understood, was afterwards arranged.)

Another practical consideration is the fact that several societies which are under provincial jurisdiction have in recent years made readjustments which are claimed to be adequate. They would, therefore, not probably be affected. Others would, it is believed, welcome the advantages which a 100 per cent. solvent condition would open up to them. With the depressing effects of actuarial insolvency out of the way, a new era would open for friendly societies.

#### What Dominion Act Requires

What then are the broad principles and requirements of the recent Dominion Act? The following is a digest and analysis of the principal provisions of the Dominion Act, especially those dealing with solvency:—

1. Fraternal societies not required to comply with the same actuarial test, nor to make the same amount of deposit as regular insurance companies.
2. A large degree of responsibility and liberty is left to the society's own selected but qualified actuary.
3. A government deposit of \$10,000 is required.
4. Before receiving Dominion license a fraternal society shall file, among other statements, an actuarial valuation by a qualified actuary appointed by the society, who shall certify as to the solvency of the society.
5. A foreign fraternal society hitherto transacting business in Canada, and at present unable to furnish an actuary's certificate of 100 per cent. solvency, may, if its premium rates for new members be considered adequate, and it is otherwise eligible, receive a provisional license annually until 1st March, 1925, after which the society must comply with section (4) above (i.e., be 100 per cent. solvent), in order to renew its license.
6. A provisionally incorporated fraternal society desiring a Dominion license and unable to furnish an actuary's certificate of 100 per cent. solvency on an officially approved

basis may, subject to the other provisions of the act, obtain a license either by depositing with the government adequate reserves on new certificates after date of license, or, by placing new members on adequate rates, and in a separate class, with their funds held exclusively for such class. Such license may be renewed annually until 1st March, 1925, after which the society may comply with section (4) above (i.e., be 100 per cent. solvent), in order to renew license.

7. Special provision is made for dealing with a society falling below 100 per cent. solvency. On request (preceded by full investigation), the society must make good the ascertained deficiency within four years, otherwise its license may be withdrawn.

8. Every licensed society shall annually mail to each certificate holder in Canada a copy of the valuation balance sheet on the basis used in the filed annual statement and an explanation of the facts concerning the society's condition thereby disclosed. (The basis of valuing mortuary benefits is the National Fraternal Congress Table and interest at 4 per cent., subject to certain permissible variations.)

9. Copies of policy forms must be filed with the superintendent and shall contain certain standard provisions.

#### What of the Future?

In the evolution of the fraternal societies to their present position the duty of the legislature may be summed up in these broad but sane official words of an important Royal Commission:—

"The stability of these useful bodies ought to be legislatively assured, and the only method of securing and maintaining that stability known to the science of insurance is to forbid the making of contracts below the actual cost. With regard to their present members, it is not equitable that members hereafter joining and paying rates just equal to actual cost should have their rates affected and their protection imperilled by the needs of those whose provision (rates) may prove inadequate."

This statement recognizes the two sides of the problem requiring legislative solution—the adequate and inadequate rated members. The majority of Canadian fraternal societies being provincially incorporated and under provincial laws, the provinces are now face to face with the imperative obligation to improve the law and not to fall behind the Dominion and the United States in the effort to protect the public and give permanent stability to these societies, which can fill many useful functions if assured of their future. Adequate rates and proper reserves are an absolute essential to stability. There is no excuse for a society not adopting adequate rates for new members at this late hour. The view of fraternal leaders may be stated in two sentences addressed to fraternal members:—

"It is a crime to issue certificates upon inadequate rates." (Executive Com. Report, Nat. Frat. Congress.)

"I declare that any person who issues a certificate on inadequate rates is committing a deliberate fraud. Ignorance is no excuse to-day." (The President of an American Fraternal Society.)

Thus adequate rates for new members is a first step.

#### Segregation of Funds

Another step is then necessary. The most reliable fraternal judgment has recently declared that "the laws should distinctly provide for the segregation of funds accumulated by the payment of those paying adequate rates." (Exec. Com. report, N.F.C.)

The crux of the fraternal problem is of course the readjustment of rates or benefits upon the present inadequate-rate membership, as to which I might say much from actual experience. The New York Conference Bill, now generally enacted in the United States, and the Ontario law, both fail to properly protect the new adequate-rate member. These laws leave the solution of the inadequate-rate class to a slow dying pace that jeopardizes the future of a society that will not take effective action. This keeps the whole question of fraternal insurance in uncertainty. So much is this realized both by Insurance Commissioners and the

most intelligent and far-sighted fraternal leaders in the United States that a new bill has, after consultation, been drafted this year, and has been approved by the Insurance Commissioners and by the Executive Committee of the National Fraternal Congress. The main purpose of the bill is to require:—

- (1) Adequate rates for new members.
- (2) Adequate Reserves for new members.
- (3) Separation and segregation of reserves for new members.

The Dominion Act of last year largely anticipates this proposed American legislation, and moreover, it makes provision for bringing the whole society to a solvent position within a reasonable time. This Dominion law (9-10 Geo. V. chap. 57) met with the tacit approval of Canadian fraternal leaders when being finally passed.

#### Suggestions for Provincial Legislation

I do not think it prudent to set out at present detailed provisions for provincial enactment. That can only be done after mutual conference and careful discussion of local situations. But it may be possible to indicate in outline some things that recent legislation and actual experience have made essential for consideration in any effective legislation. I mention the following:—

1. An annual certified valuation of certificates upon an approved basis.
2. Preparation of a valuation balance sheet, and provision for bringing same to notice of each member. Separate valuation balance sheets where there is segregation of reserve as a means of education.
3. Adequate rates for new members, and maintenance of proper reserves therefore, where inadequate rates not readjusted.
4. Separation and segregation of funds of adequate-rate members, where inadequate-rate members not readjusted.
5. Provision for complete readjustment of inadequate-rate members within a reasonable period, with suitable action where the society does not carry out same in the time specified. Also provision for elimination of a future deficiency.
6. Reasonable liberty and responsibility to be left to the society's own selected actuarial adviser, who must be qualified.

I refrain from further comment, and in conclusion I submit again that, in any new endeavor, mutual confidences and deference must go hand-in-hand with the adoption of sound insurance principles. The heart and the head must work together. I thus come back to where I began—a new and better method of approach.

I have purposely avoided actuarial technicalities and figures, but I trust the foregoing illustration of the historical method of approaching the subject may be of some assistance to those who may have anything to do in the future in legislation as to solvency of fraternal societies.

A new uniform provincial law on this subject is one of the needs of the day, and a real service to the public and to the future wellbeing of the societies would be rendered by the passage of such a law in provinces having societies under their jurisdiction.

#### SUN LIFE JOINS ASSOCIATION

At a meeting of the Association of Life Insurance Presidents, held on Friday, October 1st, the Sun Life Assurance Company of Canada, of Montreal, was unanimously elected to membership in the association, bringing the total of members up to forty-five companies. Of these, thirty-seven are domiciled in the United States and eight in Canada. The Sun Life was organized in 1865, and commenced business in May, 1871. Its president and managing director is T. B. Macaulay. Its admitted assets as of December 31st, 1919, were \$105,711,468, and its insurance in force on that date amounted to \$415,873,787.

#### RAILWAY QUESTION GOES BACK TO BOARD

Government Will Not Alter Decision—Inland Revenue Expands Rapidly—Two Millions Sent to Germany

(Special to *The Monetary Times*.)

Ottawa, Oct. 7th, 1920.

**R**AILWAY rates as fixed by the recent judgment of the Board of Railway Commissioners are to stand, at least as far as the government is concerned. The decision to refer the appeal back to the board was reached by the Cabinet on October 5th. An official statement will be made later, but it is learned that the outstanding decision is against disallowance, coupled with a number of suggestions to the Railway Commission to institute further inquiries into various phases of the question, notably the discrimination which, in his judgment, the chief commissioner affirms to exist as between the east and west, to the disadvantage of the latter.

Following a conference of representatives of the provincial governments, held in September, the government has resumed control of fuel through the system of provincial controllers previously used. This move was recommended also by the Board of Railway Commissioners.

The Department of the Secretary of State has despatched two million dollars of Canadian money to the clearing house overseas to be paid to German merchants and individuals in payment of debts owed by Canadians prior to the war and secured from them by the department. In the meantime the department is encountering certain difficulties with the clearing house, which difficulties an official will be despatched overseas to clear up. One difficulty lies in the fact that Great Britain desires that all communications to the clearing house be addressed through the colonial office. The department objects to this. A further difficulty arises from the fact that Canadian claims are being computed in pounds and not in dollars.

Property of alien enemies in Canada held by the department, amounting to a very substantial sum, is to be handed back to them soon. Some of it was in cash, some in jewellery, etc, and, so far as possible, it will be handed back in the form in which it was seized. Moneys in the bank to the credit of the interned does not draw interest, however.

#### Increase in Inland Revenue

There was a net increase of \$7,218,367 in the inland revenue returns for the month of September, according to the statement for the month issued from the office of the deputy minister of the department. The total inland revenue collected for the month was \$11,921,287, a gross increase of \$7,455,481 over the revenue for the corresponding month of 1919. The chief increase came from war tax, which brought in \$8,709,416, an increase of \$7,455,298 over the war tax returns for the month of September, 1919. A comparative statement of the returns from the months of September, 1919 and 1920, follows:—

Excise, 1919, \$3,389,892; 1920, \$3,180,216; decrease, \$209,675. Excise seizures, 1919, \$19,568; 1920, \$17,965; decrease, \$1,592. War tax, 1919, \$1,254,117; 1920, \$8,709,416; increase, \$7,455,298. War tax fines, 1919, \$2,650; 1920, \$1,185; decrease, \$1,465. Methylated spirits, 1919, \$36,141; 1920, \$12,009; decrease, \$24,132. Law stamps, 1919, \$559; 1920, \$311; decrease, \$248. Totals, 1919, \$4,702,919; 1920, \$11,921,287.

Customs returns for the month of September, 1920, showed a total of \$15,530,899 collected, an increase of \$697,658 over the corresponding month of last year.

A continuous freight and passenger service to Iceland from Montreal during the open season and Halifax in the winter will be soon in effect if Arni Eggertson, real estate and financial broker of Winnipeg, is successful in the mission he has undertaken for the government of Iceland, from which country he has just returned. To encourage trade between the two countries Mr. Eggertson has been commissioned by the Icelandic government to effect a loan either with the Dominion government or the banks.



# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.  
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## UNEMPLOYMENT AND PUBLIC WORKS

UNEMPLOYMENT has failed to provide the *raison d'être* for extensive public works planned when the war ceased. In fact, the prolonging of the period of rising prices and labor scarcity has made it seem advisable for governments and municipalities to reduce their construction work to a minimum. This policy is unquestionably sound, and where not followed out dangerously heavy capital charges are being incurred.

But while the post-war reaction has not yet come, there are signs that it is at hand. Quite apart from the war and its reactions, however, regular business crises always produce unemployment. These crises are found to occur at intervals of from seven to sixteen years. The last one in England, the United States and in Canada was in 1914. A crisis follows a period of expansion, and is characterized by a fall in prices, lack of new enterprises, and unemployment. As the business growth of the past few years has been abnormally great, it may reasonably be expected that the next depression will be correspondingly severe.

What can and should the government do to mitigate such a condition? Apart altogether from its function in controlling industry as a whole, the state—and this means the provinces and municipalities as well as the Dominion—is itself an employer of labor. In fact, in Canada it is the largest employer of labor. The possibility and advisability of the state so planning its public works as to keep out of the market for labor and materials in times of expansion, and coming into the market at times of depression, were discussed by W. C. Clark, professor of political economy at Queen's University, in an address on the "Regular Ration of National Demand for Labor by Government Employment," read at the meeting of the American Association of Public Employment Offices held in Ottawa two weeks ago. Professor Clark took the view that the state could perform an effective service by so doing.

But such a question must be considered from the national point of view rather than from that of labor alone. Labor would probably benefit by such action, for the large

works undertaken at the time of depression would sustain employment and wages, more than offsetting the adverse effect of the removal of the state from the market when business was good. But under this system public works would be carried on when private industry, the judgment of which may be taken as being generally right, considers new works inadvisable. The most acute stage of the crisis is when prices are still high, but unwillingness to risk the future so great that further expansion ceases and the volume of business contracts; in other words, when the momentum of the rising prices movement carries it beyond the period during which its causes are in play. This would be the logical time for the state to take action. When prices have reached the bottom, on the other hand, and even before they have reached the bottom, private business again plans new work, and its demand relieves the unemployment and lack of markets which was so acute when prices were higher. Recent tendencies have been in the direction of government industry adopting the methods which have proved successful in private industry. The adoption of the above-mentioned policy would be a move in the opposite direction, for it regards public works as a means of adjusting labor supply and demand, rather than something carried on for the welfare of the country as a whole. Should not public policy be to operate state industry for the welfare of the public rather than of a section of the community?

## CONDITION OF AMERICAN INDUSTRY

BUSINESS in the United States is below normal, according to an inventory of conditions just prepared by the Liberty National Bank of New York. The information was secured from representative concerns in diversified lines. Forty-two per cent. of those interviewed report the volume of their sales as being above normal. Cancellations, inventories, accounts receivable and transportation difficulties are, generally speaking, excessive. Collections, coal supply and efficiency of labor are, on the other hand, lower than usual. It is the feeling of the majority that a normal situation exists as to accounts payable, availability of materials,

and labor supply. It is also a notable fact that 65 per cent. of those interviewed are of the opinion that merchandise prices will be lower. The following is a digest of the replies received:—

Production.—30 per cent. report production above normal; 22 per cent. report production as normal; 48 per cent. report production below normal.

Sales.—42 per cent. say that sales are above normal; 25 per cent. say that sales are normal; 33 per cent. say that sales are below normal.

Cancellations.—52 per cent. report cancellations above normal; 33 per cent. report them as normal; 15 per cent. report less cancellations than usual.

Unfilled orders.—36 per cent. say that unfilled orders are above normal; 47 per cent. report them as normal; 17 per cent. report unfilled orders below normal.

Inventories.—68 per cent. report inventories in excess of normal figures; 20 per cent. report them as normal; 12 per cent. report inventories below normal.

Availability of materials.—17 per cent. describe conditions as above normal; 55 per cent. report them as normal; 28 per cent. report availability of materials below normal; 100 per cent. complain of a shortage of coal.

Labor.—9 per cent. report a present surplus of labor; 53 per cent. report the availability of labor as normal; 38 per cent. report a shortage of labor in their particular industry; 100 per cent. maintain that efficiency of labor is below normal.

Merchandise prices.—23 per cent. believe that prices will be higher; 65 per cent. that prices will be lower; 12 per cent. that present prices will continue.

Accounts payable.—19 per cent. say situation is above normal; 62 per cent. say situation is normal; 19 per cent. state that they are below normal in this item.

Accounts receivable.—48 per cent. report amount above normal; 40 per cent. report amount normal; 12 per cent. report amount below normal.

Collections.—48 per cent. say collections are running on a normal basis; 52 per cent. state that collections are slow, and in a few instances it is reported that notes are being given by houses which heretofore discounted their bills.

Transportation.—92 per cent. of those interviewed complain of difficulties experienced, only 8 per cent. reporting normal conditions prevailing; 94 per cent. express the opinion, based upon their experience, that transportation conditions are growing better.

### THE SECRETS OF THE GREAT

**T**HERE is a way to the top, so we are told. Charles M. Schwab, the American steel magnate, has defined the secrets of success as follows:—

"First. Unimpeachable integrity. This is the very foundation. With this as a starting point the rest will be relatively easy.

"Second. Loyalty. As a rule I find that the university men are loyal. Be loyal to the people with whom you are associated. Give credit always where credit is due, and remember always that it will attract credit to you to give credit to someone else. Make your employer believe that you are with him always, that you are proud to be with his department in his company.

"Third. A liberal education in the finer things of life, of art, of literature, will contribute toward a success in life. Man needs imagination, and these are the sources for it.

"Fourth. Make friends. Enemies don't pay. You will be surprised at the pleasantness that will surround you when you have made friends instead of enemies. Whatever your misfortunes in life, boys, just laugh.

"Fifth. Concentrate. Learn to concentrate and think upon the problem in your mind until you have reached a conclusion. Don't be afraid of mistakes. Don't blame a man if he makes them; but it is the fool that makes the same one twice.

"Sixth. Go at your work. You may not find yourself the first year. Don't hesitate to change from distasteful work, but don't change because difficulties come up or trouble arises. Give the best that is in you. Let nothing stand in the way of your going on."

### RAILROAD SITUATION STILL TANGLED

**T**HE Canadian railroads are still on the mat. The advocates of railroad bankruptcy have again lined up their case in an appeal to the government, over the head of the Board of Railway Commissioners. Curiously enough, the opponents of higher rates are themselves the greatest users of the roads, and if their arguments are sufficiently insistent they may succeed in getting bad service at the old rates. Can they not be satisfied to pass the increased costs on to the shoulders of the consumer?

There seems to be doubt as to whether it is the surplus of the Canadian Pacific or the deficit of the Canadian National that is causing the difficulty. That a private corporation should make profits is one of the crying evils of the present day; that a public industry should even make ends meet is a slap in the face of its owners. Are not these essential industries to be operated in the public interest rather than for profit, and what limit is there to the bargain on which the public interest will insist? Surely the question of railroad rates is a technical one which the board is competent to decide? Leave the tariff, which is too big to be handled by any commission, for the decision of the political parties and their supporters at the polls.

Restriction of rents will scarcely be a solution of the housing problem.

\* \* \* \* \*

A miss is as good as a mile, but remember that you are not always missed, says the Safety League.

\* \* \* \* \*

Chapleau's fire hall has been damaged by fire. Even fire halls must seek the protection of insurance.

\* \* \* \* \*

President Hanna persists in appealing to the public to support "our railway." It does not yet seem to be clear whether the Canadian National is to be operated as a private road, securing business on the basis of service rendered, or as a government department.

\* \* \* \* \*

Protesting against rent increases is now the favorite pastime of the demagogue. Have the Toronto clergymen who have complained against high rents estimated to what extent they are due to the great areas occupied tax free by the sectarian institutions which they represent?

\* \* \* \* \*

Short-term bonds, such as Victory Loan due 1922 and 1924, now are obtainable to yield well over 6 per cent., while bonds running for a term of 20 years or over offer an exceptional opportunity for appreciation in market value. These two classes of securities are the most attractive on the market to-day.

\* \* \* \* \*

"The shortest argument for protection in Canada may be illustrated in the rotation of the seasons," says the *Home Bank Monthly*, which then proceeds to show that now, since our lumber industry cannot any longer absorb our surplus winter labor, we have built factories to provide employment for those who are not required to "do the chores" on the farm. Does the *Monthly* really think this is why we have protection, or is it trying to show the prodigal city workman the way back to the land?



DEPARTMENT OF CUSTOMS AND INLAND REVENUE

**NOTICE**

*To Manufacturers, Wholesalers  
and Retailers*

NOTICE is hereby given to all concerned that Returns, accompanied by remittance of Luxury and Excise Taxes, must be made as follows to the local Collector of Inland Revenue, from whom any information desired may be obtained.

Returns of Luxury Tax must be made on the first and fifteenth day of each month.

Returns of Jewellers' Tax, Manufacturers' Tax, and Sales Tax must be made not later than the last day of the month following the month covered by the return.

Returns for Taxes in Arrears must be made forthwith, otherwise the penalty provided by law will be enforced.

By Order of the  
DEPARTMENT OF CUSTOMS AND INLAND REVENUE  
GEO. E. DUNBAR,  
Collector of Inland Revenue,  
TORONTO

**CURRENT ACCOUNTS**

Efficiency is hard to obtain and highly paid for. Merchants and Manufacturers will find this Bank equipped and prepared to give all Current Accounts the efficient care and careful consideration they demand.

Open a Current Account with this Bank. Your interests will be faithfully looked after by experienced men.

**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.

205

**Fifty-five Years of  
Banking Service**

Time has demonstrated the soundness of the policies on which the first Board of Directors founded this Bank fifty-five years ago—October, 1865—and which have continued throughout its existence.

**Union Bank of Canada**

467

**THE  
Bank of Nova Scotia**

Established 1832

Capital	- -	\$9,700,000
Reserve	-	\$18,000,000
Total Assets		\$230,000,000

GENERAL OFFICE : TORONTO, ONT.

H. A. Richardson, General Manager

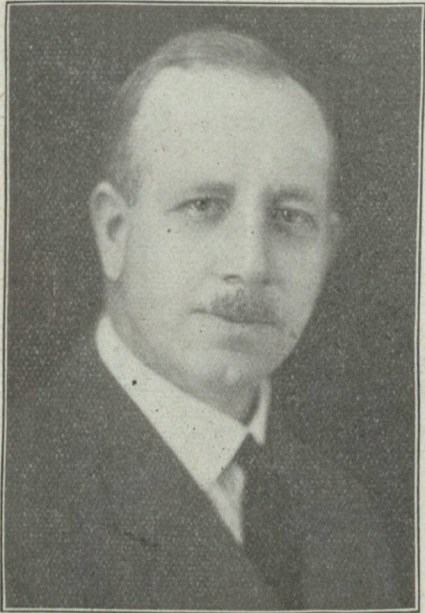
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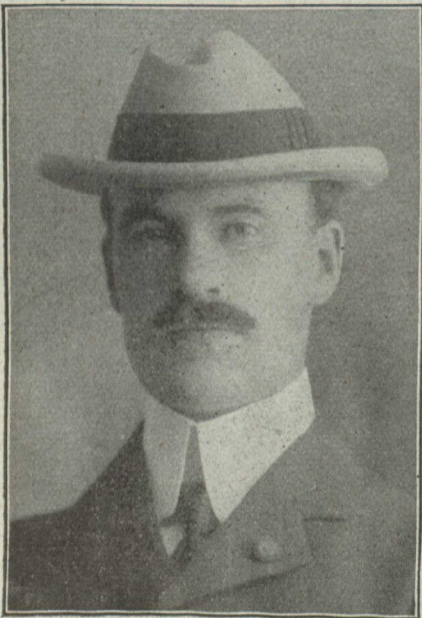
## PERSONAL NOTES

ARTHUR B. BUCKWORTH was recently appointed general manager of the Pacific Great Eastern Railway, succeeding George E. Macdonald. For the past two and one-half years he has been manager of the Spokane and British Columbia Railway. Born in Birmingham, England, Mr. Buckworth came to Canada with his parents at the age of twelve years and spent his early life in the city of Hamilton, leaving for the Kootenay district in British Columbia when nineteen years of age. After spending two years in Rossland, B.C., Mr. Buckworth resided at Ymir, B.C., a small mining town,



for the succeeding fifteen years. Going to Vancouver twelve years ago as representative for E. R. C. Clarkson Company, liquidators, of Toronto, Mr. Buckworth has remained as their Vancouver representative since that time and during the last two years has officiated as manager of the Spokane and British Columbia Railway.

C. G. K. NOURSE has been appointed to succeed C. W. Rowley, as manager of the main branch of the Canadian Bank of Commerce at Winnipeg, Man., Mr. Rowley having been appointed one of the superintendents for the central west. The banking career of Mr. Nourse includes service with the Bank of Commerce at Goderich, Ont., and Dawson, Y.T., in minor capacities. From 1890 to 1901 he was manager of the bank's branch Skagway, Alaska, and from there he went to White Horse, Y.T., as manager, which position he held until 1913, when he was appointed to manage the Prince Albert, Sask.,



branch. In 1905 he became head of the bank's branch at Lethbridge and eight years later was appointed manager of the Calgary branch, which position he held until his present appointment.

WALTER L. FOSTER, secretary of the British Columbia Fire Underwriters' Association, Vancouver, B.C., for the past five years, has resigned owing to ill-health.

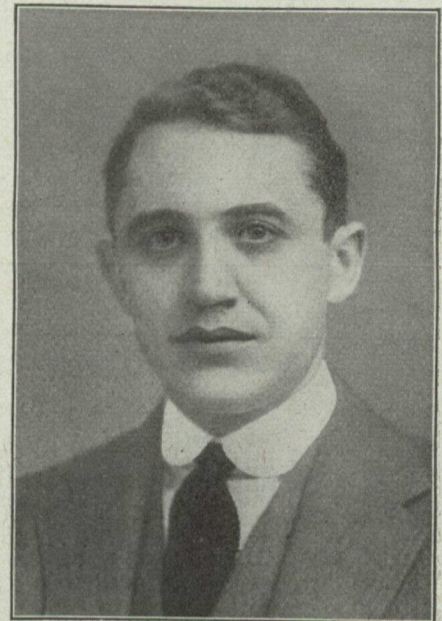
JOHN O. HASTINGS, member of the Montreal stock brokerage house of Ryan, Grier and Hastings, has been elected a member of the Montreal Stock Exchange.

D. M. ROBERTS, who has been with the Toronto investment house of MacKay and MacKay for some time, has been appointed manager of that company. Previous to becoming associated with MacKay and MacKay, Mr. Roberts was with the Toronto office of the United Financial Corporation, Limited.

FRED W. FIELD, British government trade commissioner in the province of Ontario, left Toronto on October 7th for England, to confer with the Department of Overseas Trade in London and manufacturers and merchants throughout the British Isles. Mr. Field will be away for about three months or more.

DOUGLAS S. MCMASTER, representative of the stock brokerage house of C. Meredith and Company, Montreal, on the local exchange, is joining O'Brien and Williams, another Montreal stock brokerage house, and will be the floor member for that company. D. E. Crutchlow, another partner of the Meredith company, will be the new representative of that house.

WILLIAM E. WILDER, who will represent Wood, Gundy and Company, on the Toronto Stock Exchange, has been connected with that firm since leaving Toronto University in 1911. Last year he was made a member of the firm. He is well known among the bond dealers and investors of Toronto and of the Dominion as a whole because of the widespread connections of his company and also through his active participation in the war loan campaigns. In these campaigns he served on the special subscription committees which made such creditable records. Wood, Gundy and Company now have offices in Toronto, Montreal, New York, London, and Saskatoon, and recently were incorporated in Manitoba, with a view to opening a branch in Winnipeg.



## OBITUARIES

A. C. MCMICKEN, assistant receiver-general of the finance department of the federal government at Winnipeg, and manager of the Dominion Government Savings Bank, died on October 1st, a victim of heart disease.

L. K. CAMERON, for many years King's Printer for the province of Ontario, and who resigned that position six years ago owing to ill-health, died at Santa Monica, Cal. on October 1st, at the age of 67 years. Some 38 years ago Mr. Cameron founded the "Northwest Farmer," at Winnipeg.

J. H. HALPENNY, of Westboro, Ont., an agent of the Dominion Life Assurance Company, is dead as the result of an accident when the automobile in which he was riding was struck by a New York Central train near Theresa, N.Y., opposite Brockville. C. E. Robertson, superintendent of agencies for the Dominion Life, who was with Mr. Halpenny, was injured.

## THE STERLING BANK OF CANADA

Personal contact between Sterling Bank officers and our clients has resulted in the latter obtaining better collection returns, faster service throughout all Banking transactions, closer co-operation and greater satisfaction in all dealings with the Bank.

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73

## 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

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1912

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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.

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# THE EXCHANGE RATE

## II.—What Controls It?

THIS series, published each week, is intended to remove misunderstandings as to the cause of fluctuation in the exchange value of our dollar in other countries.

When the demand for any commodity is greater than the supply, the price of that article is sure to rise.

A foreign dollar is a commodity in Canada, that is something to be bought or sold and not current money, and similarly the Canadian dollar is a commodity in a foreign country and not current money there.

Their value (or rather their price in the local current money) is therefore governed by the law of supply and demand.

The reason foreign dollars are commodities is that they are not "legal tender" outside their own country.

You would not like a debt to you to be paid in German marks or French francs because of the difficulty you might have in converting them into your own currency. At border points in the United States, our immediate neighbors, where exchanging the two currencies is a simple matter, Canadian money is now generally accepted, but elsewhere in that country it is taken reluctantly.

To protect their peoples all Governments provide that creditors may refuse payment of amounts due them unless made in certain specified currencies and the currencies so authorized are called "legal tender."

The banker who receives "foreign dollars" cannot therefore pay them out over the counter so they are not money to him, but only securities, until he can exchange them for currency of his own country.

Next week in No. III. of this series we will explain the method of making this exchange.

## THE CANADIAN BANK OF COMMERCE

Capital Paid Up \$15,000,000.  
Reserve Fund - \$15,000,000.

This series, when completed, will be published in pamphlet form. If you desire a copy, write to our Head Office, Toronto.

F37R

**SUGGESTS STRICTER LICENSING OF AGENTS**

**Provincial Insurance Superintendents Discuss Methods of Doing Business—Manitoba's Bank Has Raised Quarter Million**

(Special to *The Monetary Times*.)

Winnipeg, October 7, 1920.

**T**HE third conference of the provincial superintendents of insurance was held in Winnipeg from October 4 to 7, with a representative gathering of insurance men of all branches and from all parts of Canada in attendance. At the organization meeting held Monday the following officers were elected:—President, Arthur E. Fisher, Saskatchewan; vice-president, Charles Heath, Manitoba; secretary-treasurer, V. Evan Gray, Ontario.

A splendid address on the regulation of insurance agents, brokers and adjusters was given at the opening session by Mr. V. Evan Gray, superintendent of insurance for Ontario. The speaker said that he was an ardent defender of the agency system, but not in the form in which it was administered in Canada to-day, but in the form in which it might be and would be administered when more fully developed. Suggested remedies by the speaker included the appointment of a commission to enquire into and determine the proper and reasonable rates of commission to be allowed to agents on fire insurance. Mr. Gray also proposed a control and limiting of the persons who may act as insurance agents by an improved licensing system. Insurance adjusters should be licensed in a similar manner, he said.

Speaking upon fraternal societies, Dr. F. Sanderson, actuary of the Ontario Department, declared that there was the greatest need for a readjustment of the insurance rates offered by these societies. In addition to securing adequate rates there should also be adequate reserves, and all societies placed upon a solvent basis. A new uniform law was needed in all provinces having fraternal societies under their jurisdiction.

A splendid paper on hail insurance by W. M. Seller, deputy superintendent of insurance for Alberta, was read Tuesday afternoon. On Wednesday a valuable paper on the "Model Fire Policy Act" was read by Chas. Heath, superintendent of insurance for Manitoba, and one on "Reciprocal Insurance Exchanges," by Chas. M. Howell, of Kansas City, created a good deal of discussion.

**Business Marking Time**

Ideal weather conditions prevail in the west and thrashing is rapidly being completed. The ground also is in good shape for plowing, and good progress is being made. Business, as a rule, is somewhat quiet, due in part to the fact that farmers in all parts of the country were extremely busy. The outlook for fall business is excellent, and wholesale houses are sending forward large shipment.

The provincial savings organization has to date transferred to the government for the use of rural credit societies over a quarter of a million dollars, having bought treasury bills of the government for this amount. The fact that the organization after forty days' operation has a quarter of a million which it is able to transfer to the government gives promise of future success.

**SEPTEMBER BORROWINGS REDUCED IN VOLUME**

**Total of Provincial Bond Sales Small—No Railway or Industrial Flotations—Amount of New Municipal Financing Increased**

**S**EPTEMBER was a quiet month in the bond market, the total of new financing being \$9,389,176 as compared with \$16,804,644 in August and \$1,494,038 in September a year ago. The low total in September, 1919, was due, of course, to the Victory loan, bond selling organizations devoting themselves almost entirely to that undertaking.

No corporation or railroad issues were floated last month, and the volume of provincial financing was very small as

compared with previous months. The total of municipal bond sales was greater, being \$5,639,176, compared with \$3,404,644 in August and \$744,038 in September, 1919, and was made up chiefly of two large issues, namely, Edmonton and Ottawa. Other issues were fewer in number than previously.

A summary of all bond sales last month, with comparisons, follows:—

	Sept., 1920.	Aug., 1920.	Sept., 1919.
Provincial . . . . .	\$3,750,000	\$10,000,000	\$ 750,000
Municipal . . . . .	5,639,176	3,404,644	744,038
Corporation . . . . .	.....	3,400,000	.....
	<u>\$9,389,176</u>	<u>\$16,804,644</u>	<u>\$1,494,038</u>

ISSUE	AMOUNT	RATE %	MATURITY	PURCHASER	PRICE PAID
<b>PROVINCES</b>					
	\$				
Saskatchewan.....	3,000,000	6	20 years	Wood, Gundy & Co.	94.68
Alberta University.....	750,000	6	5 years	Wells-Dickey Co.	99.25
	<u>3,750,000</u>				
<b>MUNICIPALITIES</b>					
<b>Ontario—</b>					
Ottawa.....	2,300,000	6	Various	United Financial Corp., Ltd., & Associates	97.29
Sarnia.....	128,000	6	20 years	Dominion Securities Corp.	93.493
Essex Border Utilities.....	117,615	6	28 instalments	A. E. Ames & Co.	.....
Owen Sound.....	88,000	6½	.....	Locally	100.00
Charlottenburgh Tnp.....	95,000	5½	20 instalments	A. E. Ames & Co.	.....
Toronto Township.....	37,000	6	20 instalments	Wood, Gundy & Co.	94.13
Lakefield.....	33,500	6	30 instalments	A. E. Ames & Co.	7% bas.
Milton.....	48,000	6	30 instalments	Wood, Gundy & Co.	90.31
Etobicoke Tnp.....	17,361	6½	5 instalments	C. H. Burgess & Co.	98.07
Trenton.....	12,000	6½	20 instalments	Wood, Gundy & Co.	6¼ b's.
	<u>2,876,476</u>				
<b>Alberta—</b>					
Edmonton (short term).....	2,075,000	6	Various	Morris Bros., Portland	97.29
Calgary (treas. notes).....	250,000	6	2½ years	Ross Alger & Co., & Morris Bros.	98.75
Edmonton (notes).....	124,000	6	2 years	Ross Alger & Co.	.....
	<u>2,449,000</u>				
<b>Saskatchewan—</b>					
Schools.....	241,700	Var.	Various	Various	Var.
Chester.....	9,000	.....	.....	International Loan Co.	Par.
Whitewood.....	3,000	.....	.....	Locally	.....
	<u>253,700</u>				
<b>British Columbia—</b>					
Prince George.....	35,000	6	.....	National Bond Corp., Vancouver	.....
Grand Forks.....	25,000	.....	5 & 20 years	Locally	.....
	<u>60,000</u>				

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**Weyburn Security Bank**

Chartered by Act of the Dominion Parliament  
HEAD OFFICE, WEYBURN, SASKATCHEWAN

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		(\$5 = £1.)
CAPITAL SUBSCRIBED	- - -	\$353,396,900
CAPITAL PAID UP	- - -	70,679,330
RESERVE FUND	- - -	49,836,410
DEPOSITS, &c.	- - -	1,621,541,195
ADVANCES, &c.	- - -	821,977,505

THIS BANK HAS ABOUT 1,500 OFFICES IN ENGLAND & WALES.  
Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. 3. London Agency of the IMPERIAL BANK OF CANADA.  
The Agency of Foreign and Colonial Banks is undertaken.

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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 (31st July, 1920) - Over \$163,000,000  
Total Assets (31st July, 1920) - Over \$200,000,000

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**BANK BRANCH NOTES**

Seven New Branches Announced This Week, and One to be Closed—A. C. Mills Leaves Bank of Nova Scotia

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

Toronto (Dufferin & St. Clair Ave.)	Royal Bank of Canada
Ottawa (Bank St. & Second Ave.)	Royal Bank of Canada
Churchbridge, Sask.	Bank of Toronto
White Rock, B.C.	Royal Bank of Canada
Brussels, Belgium	Banque Nationale
Marseilles, France	Banque Nationale
Montreal, Que. (1509 St. E.)	Merchants Bank of Canada

A branch of the Bank of Montreal at Paspébiac, Que., will be closed on or about the 15th inst.

A. C. Mills, manager of the Bank of Nova Scotia, at Glace Bay, N.S., has resigned his position, and is leaving to take over the management of a large trust company at Halifax.

J. J. Grozelle, former accountant at the Home Bank, London, Ont., has been promoted to manager of the Sarnia branch. Lawrence Nolan will succeed Mr. Grozelle as accountant at London.

Leslie H. Reilly, who has been manager of the Merchants Bank at Leduc, Alta., has been promoted to the managership of the Namayo Ave. branch at Edmonton, Alta. John McArthur, who has been transferred from Morrin, Alta., is succeeding Mr. Reilly.

The Bank of Nova Scotia is erecting a new building at the corner of Queen and McCaul Streets, Toronto.

**EXCHANGE QUOTATIONS**

Glazebrook and Cronyn, exchange and bond brokers, Toronto, report local exchange rates as follows:—

	Buyers.	Sellers.	Counter.
N.Y. funds	8 15-16 pm	9 1-32 pm	.....
Mont. funds	Par.	54 pm	1/8 to 1/4
Sterling—			
Demand	\$3.81	\$3.82	.....
Cable transfers	3.82	3.83	.....

New York quotations of exchange on European countries, as supplied by the National City Co., Ltd., Toronto, as at October 7, 1920, follow: London, cable, 350 1/2; cheque, 349 3/4; Paris, cable, 6.70; cheque, 6.69; Italy, cable, 3.90; cheque, 3.89; Belgium, cheque, 7.06; Swiss, cheque, 16.05; Spain, cheque, 14.68; Holland, cheque, 31.05; Denmark, cheque, 14.04; Norway, cheque, 14.02; Sweden, cheque, 20.00; Berlin, cheque, 1.62; Greece, cheque, 10.25; Finland, cheque, 2.80; Roumania, cheque, 1.97.

**DOMINION BUSINESS FAILURES**

The number of failures in the Dominion, as reported by R. G. Dun and Co. during the week ended October 1, 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.
Oct. 1	3	4	0	1	3	4	0	2	0	17	11
Sept. 24	2	3	1	0	2	4	0	1	0	13	22
Sept. 17	5	8	2	0	2	0	0	5	0	24	..
Sept. 10	5	8	0	1	0	0	0	0	0	14	21

The Federal Finance Corporation, Ltd., Toronto, have opened an office at 22 Sun Life Building, Hamilton, Ont.

**MONTHLY BANK CLEARINGS**

The following are the Bank Clearings for the month of September, compared with the same month last year:—

	Sept., 1920.	Sept., 1919.	Changes.
Montreal	\$556,543,834	\$ 498,925,811	+\$ 57,618,023
Toronto	414,156,433	358,890,250	+ 55,266,183
Winnipeg	245,983,823	218,769,121	+ 27,214,702
Vancouver	77,437,078	59,519,366	+ 17,917,712
Ottawa	35,473,726	42,194,407	— 6,720,681
Calgary	36,447,175	30,522,676	+ 5,924,499
Hamilton	31,836,176	26,588,243	+ 5,247,933
Quebec	30,648,095	25,182,030	+ 5,466,065
Edmonton	22,715,293	21,543,119	+ 1,172,174
Halifax	22,421,025	19,811,960	+ 2,609,065
London	14,676,204	13,488,312	+ 1,187,892
Regina	18,316,105	19,891,838	— 1,575,733
St. John	13,253,567	13,189,520	+ 64,047
Victoria	11,727,457	10,544,780	+ 1,182,677
Saskatoon	9,632,660	9,092,260	+ 540,400
Moose Jaw	7,723,012	8,070,554	— 347,542
Brantford	6,574,696	4,955,276	+ 1,619,420
Brandon	3,182,754	3,337,860	— 155,106
Fort William	3,805,695	3,880,159	— 74,464
Lethbridge	3,927,345	3,451,406	+ 475,939
Medicine Hat	2,465,692	1,957,501	+ 508,191
New Westminster	3,077,724	2,501,600	+ 576,124
Peterboro	4,235,936	3,509,196	+ 726,740
Sherbrooke	5,524,034	4,112,790	+ 1,411,244
Kitchener	4,720,901	3,974,507	+ 746,394
Windsor	15,371,371	9,736,140	+ 5,635,231
Prince Albert	1,666,781	1,903,146	— 236,365
Totals	\$1,603,544,592	\$1,419,543,828	+\$184,000,764
Moncton	3,513,528	.....	.....

**WEEKLY BANK CLEARINGS**

The following are the Bank Clearings for the week ended October 7, 1920, compared with the corresponding week last year:—

	Week ended Oct. 7, '20.	Week ended Oct. 9, '19.	Changes.
Montreal	\$172,599,412	\$143,282,538	+\$ 29,316,874
Toronto	117,132,001	91,147,107	+ 25,984,894
Winnipeg	102,512,194	64,606,018	+ 37,906,176
Vancouver	17,730,307	14,738,459	+ 2,991,848
Ottawa	16,640,249	9,366,195	+ 7,274,054
Calgary	11,419,901	9,441,345	+ 1,978,556
Hamilton	9,151,017	7,123,221	+ 2,027,796
Quebec	7,549,145	6,262,845	+ 1,286,300
Edmonton	5,976,663	5,277,259	+ 699,404
Halifax	4,890,567	5,593,244	— 702,677
London	4,383,086	3,579,423	+ 803,663
Regina	6,054,319	5,690,068	+ 364,251
St. John	3,183,354	3,445,954	— 262,600
Saskatoon	2,811,662	2,502,418	+ 309,244
Moose Jaw	2,520,986	2,219,224	+ 301,762
Brantford	1,784,861	1,627,319	+ 157,542
Brandon	1,032,928	1,064,510	— 31,582
Fort William	1,153,933	1,169,944	— 16,011
Lethbridge	1,306,518	770,982	+ 535,536
Medicine Hat	794,764	701,920	+ 92,844
New Westminster	807,578	678,623	+ 128,955
Peterboro	1,494,544	1,031,718	+ 462,826
Sherbrooke	1,304,238	1,039,676	+ 264,562
Kitchener	1,293,977	1,185,231	+ 108,746
Windsor	3,854,349	2,431,654	+ 1,422,695
Totals	\$499,382,553	\$385,976,895	+\$113,405,658
Moncton	854,783	.....	.....



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RESERVE FUND -		16,375,000.00
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		\$ 64,032,000.00
AGGREGATE ASSETS 31st MARCH, 1920		\$377,721,211.00



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# Legislation Respecting Life Insurance Beneficiaries\*

English Common Law has Been Altered by Legislation in Canada—  
Statutes Differ in Various Provinces, However—Comparison of Law as  
Regards Beneficiaries, Division of Insurance, and Children's Insurance

By H. J. SIMS, L.L.B.

Sims, Bray & McIntosh, Head Office Solicitors of the Mutual Life Assurance Co. of Canada, Waterloo, Ont.

FOR a proper understanding of the various provincial enactments in respect to beneficiaries, it would be well for a moment to consider the status of beneficiaries at common law.

In the absence of any legislation the common law rule is that a policy and the money to become due under it belong, the moment it is issued, to the person named in it as the beneficiary, and there is no power in the person procuring the insurance, by any act of his, to transfer to any other person the interest of the beneficiary named in the policy. The interest of the beneficiary is a vested one, subject to be defeated in the event of the moneys never becoming payable within the terms of the contract. In the absence of any contrary arrangement between the company and the assured, an irrevocable trust is created.

## Agreements in United States

In order to defeat the common law doctrine the invariable practice in the United States is for the insurance company, when effecting the contract, to permit the assured to change the beneficiary at any time, and most all policies issued in the United States contain provisions to that effect. It is simply a matter of agreement between the company and the assured. So far as I am aware, there is no legislation in any of the various states of the union dealing with this particular branch of the subject and to the best of my knowledge there is none in England.

In Canada, on the other hand, the vested right doctrine at common law has been greatly altered, if not altogether defeated, by virtue of legislative enactments permitting the assured to change the beneficiary, subject, however, to certain restrictions which will be dealt with later on. It has, therefore, not been the practice for Canadian companies to insert a change of beneficiary clause in their policies.

In passing it may be stated that it has been conceded that the rights and status of beneficiaries are matters within the purview of the provincial legislatures.

## Advanced Legislation

It can safely be said that Canada has insurance legislation much in advance of most of the older countries and principally in respect to beneficiaries. Many years ago in Upper and Lower Canada the principle was adopted of freeing insurance moneys payable to wives and children from the claims of creditors. In fact, Canada was the first country in the British empire to enact such legislation. The principle has since been extended in favor of certain other beneficiaries and is now an integral part of the insurance acts of all the provinces. Insurance moneys are by statutory enactments in this country frequently impressed with a trust, and the contract has added to it many of the characteristics of a trust settlement. The paternal features of modern legislation in Canada, as well as in other countries, have largely been dictated by a recognition of the importance of life insurance as a factor in the economic life of a nation, of the immense investments of money entrusted to life companies, and of the further fact that the encouragement of life insurance will best tend to eradicate the baneful influences of thriftlessness.

The provinces of Ontario and Quebec have been the pioneers in insurance legislation in Canada. The Ontario

Insurance Act deals in a most comprehensive way with the whole matter of insurance. Quebec, too, has very complete laws on the subject. The Saskatchewan Insurance Act is practically a counterpart of the Ontario Act. The maritime provinces have used the Ontario Act as a basis for their insurance laws. Much of the legislation in Manitoba, British Columbia and Alberta is similar to that of Ontario and Quebec.

Although there is considerable variation in the statutory enactments of the different provinces concerning life insurance, still the salient features of the various provincial acts are similar. This is particularly true in respect to the benefits conferred on wives and children. At the same time it is to be regretted that there are not uniform insurance laws throughout the various provinces. If there were, it would avoid much confusion, considerable inconvenience and more or less litigation.

It is my purpose now to point out some of the many differences in the various provincial statutes relating to beneficiaries. Before doing so it would be advisable to mention that the law of that province in which the assured resides when the insurance is effected and presumably where the policy is delivered to him, governs the construction of the contract, and some of the courts have also held that this rule applies as well to the rights and status of the beneficiaries, no matter to what province or country they may afterwards remove and notwithstanding any term or condition in the policy to the effect that the law of the province where the head office of the company is situate shall govern. The only possible exception is British Columbia.

## Preferred Beneficiaries

Allow me to point out in the first place that the preferred class of beneficiaries differs in some of the provinces. In Ontario, Saskatchewan, Alberta, Nova Scotia and Prince Edward Island the class consists of the husband, wife, children, grandchildren and mother of the assured. In Quebec, in the case of a man, it consists of his wife, his children and his wife's children. In the case of a woman it consists of her children. In Manitoba the class is the husband, wife, children and step-children. In British Columbia the husband, wife and children are only preferred beneficiaries, while in New Brunswick, the class consists of husband, wife, children, grandchildren, mother, father, brothers and sisters of the assured.

In all the provinces, except Quebec, insurance moneys payable to preferred beneficiaries are not attachable by the creditors of the assured as well after as before payment by the company. In Quebec they are only exempt while in the hands of the company. In that province they are also exempt while in the hands of the company from the claims of the beneficiary's creditors, but not after payment. In Manitoba such moneys are not liable to seizure by the creditors of the beneficiary whether paid over by the company or not. There is no similar provision in the Insurance Acts of any of the other provinces.

## Division Among Beneficiaries

Where the benefits are payable to wife and children, without any apportionment, the law in Manitoba is that the wife takes one-third and the children two-thirds. In Quebec the wife takes half and the children the other half. In all

\*An address before the conference of provincial insurance superintendents, Winnipeg, October 4-7, 1920.

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of the other provinces the wife and children all share equally—i.e., per capita.

In the following instance there is even a greater variation. It is the case of the benefit being solely for a wife who is not designated by name. In the event of her death, there being no further appointment by the assured, the Insurance Acts of Quebec, Manitoba and British Columbia provide that the moneys revert to the assured's estate. In Alberta the moneys go in equal shares to the second wife and children, if there are any. Children of a deceased child take the parent's share. If there are no such beneficiaries the moneys revert to the assured's estate. In Ontario, Saskatchewan and the maritime provinces the second wife is entitled to the benefits. If there is no second wife living when the claim is payable, there is a reversion in favor of the assured's estate.

If the wife being a sole beneficiary is designated by name and she predeceases the assured, there being no further appointment, the statute law of Ontario, Saskatchewan and Alberta provides that the moneys are payable to the second wife and children in equal shares, the children of a deceased child taking by representation. In Quebec, Manitoba and British Columbia the moneys revert to the assured's estate. In New Brunswick and Prince Edward Island the children of the assured are entitled, while in Nova Scotia only the infant children take.

Then, again, in British Columbia and the maritime provinces children of a deceased child do not take the parent's share. In other words, the word "children" does not include grandchildren in these provinces. In all the other provinces grandchildren are included.

#### Children's Insurance

The laws respecting children's insurance are not uniform. There is legislation in five of the provinces permitting infant insurance to a limited extent. The legislatures of these provinces no doubt recognized the well-known dangers arising from the unrestricted insurance of children. There is no legislation in Manitoba or the maritime provinces on the subject.

In Ontario and Saskatchewan a minor over fifteen years of age has an insurable interest in his own life and can take out a policy in favor of himself or for the benefit of a preferred beneficiary or of a father, brother or sister. In Alberta there is similar legislation and the class in whose favor the insurance can be placed is extended so as to include a grandparent. In British Columbia the age limit is sixteen years and there is no restriction as to the beneficiary. In the other provinces there is no legislation enabling infants of any age to insure their lives. If, however, policies are taken out by minors on their own lives in Quebec, Manitoba or the maritime provinces, or even by children under fifteen years of age in Ontario, Saskatchewan and Alberta, and under sixteen in British Columbia, such policies are not absolutely void. They are only voidable at the instance of the infant. In all cases they are binding on the company. It is, accordingly, quite apparent how very unsatisfactory the law is on this particular subject.

In the payment of insurance moneys to which infants are entitled, there is an utter lack of uniformity in the various provinces. In Ontario if there is no trustee appointed by the assured to receive the moneys, payment must be made into court. In Quebec, in such a case, payment may be made to the testamentary executor of the assured. If the assured dies intestate a tutor may be appointed who can give an effectual discharge on behalf of the infant. In Manitoba, if there is no trustee, the money can be paid to the executor. If there is no executor, payment can be made to the guardian of the infant. In Alberta in the absence of a trustee, shares of infants may be paid to a trust company appointed as trustee by the court. In certain cases the mother of the infant may be appointed guardian and receive the money. In British Columbia and the maritime provinces the moneys can be paid to the assured's executors, or to a guardian or trustee appointed by the court.

#### Changing Beneficiary

The law in the different provinces dealing with the method of changing beneficiaries is not the same. In Ontario, Saskatchewan and Alberta it has been held that if it appears from the words used by the assured in the declaration that he desires to change the beneficiary, effect must be given to it accordingly. Words of a general character are sufficient as long as the intent of the assured is reasonably plain. The Ontario courts have gone so far as to hold that a document signed in the form of a will by the assured, though not executed in accordance with the Wills Act, and, consequently, invalid as a testamentary document, is effectual as a declaration to vary the benefits of an insurance contract. In Quebec the change must be effected by a declaration in writing endorsed upon or referring and attached to the policy. In the other provinces the declaration to be effective, must refer to the policy by number or otherwise.

It is worthy of remark that in British Columbia there is no legislation enabling an assured to revoke a benefit conferred on an ordinary beneficiary without the latter's consent. It does seem rather anomalous that while the assured may deprive his wife of the benefit of a policy by giving it to his child, he cannot take it from a stranger unless the right to change the beneficiary is reserved in the policy.

#### Law Should be More Uniform

I think I have cited enough instances to show that in many respects life insurance legislation in respect to beneficiaries differs widely in the various provinces of the Dominion. There are many more. To my mind there is no good reason why such differences should exist. The common law of England prevails in all of the provinces, with the exception of Quebec and even in that province most of the life insurance legislation is similar to that in existence in the rest of the Dominion. Generally speaking, economic and social conditions are the same in Nova Scotia as they are in British Columbia. Furthermore, most of the life companies have agencies in all of the provinces and have policyholders from the Atlantic to the Pacific. Why, then, should there not be uniform legislation throughout the whole of the Dominion? Everyone must admit that it would be highly desirable.

In my humble opinion, it should not be difficult to attain this object. The same broad underlying principles are found in all of the provincial insurance acts. It is true they differ widely in some respects, but not to such an extent that it would be impossible for all of the provinces to get on common ground. The differences are mostly in details, but it is just these details that cause so much confusion, not only to the companies, but to the insuring public as well. A strong effort is being made to have a model fire insurance policy adopted by statute in the various provinces. An equally strong effort should be made to co-ordinate life insurance legislation.

#### Laws Should be Codified

For one thing, life insurance has become such a great factor in the business world of to-day that the laws relating to the subject should be codified. This course has been pursued to a considerable extent in Quebec as well as in Ontario and Saskatchewan. In Alberta and the maritime provinces the law has only been partly codified. On the other hand, the legislation in Manitoba and British Columbia is quite meagre.

Another thing, too. It would seem advisable that all insurance legislation should be gathered together in one act. Ontario and Saskatchewan are the only provinces which have adopted this system. To find the insurance laws of Quebec you have to search through the Civil Code as well as various parts of the Consolidated Statutes. Each of the other provinces has at least two or three separate acts dealing with insurance. How simple and handy it would be to have the whole provincial law relating to insurance under one cover. The law should be readily available to every one.

It is to be regretted that more care is not taken in the drafting of legislation. In many cases bills are submitted in

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 BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY,  
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**Dominion Textile Company Limited**

*Manufacturers of  
 Cotton Fabrics*

**Montreal Toronto Winnipeg**

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Managing an estate is no task for a layman. Problems such as investigations of securities, investments of trust funds, sale of property, care of real estate and accurate accounting require specialized ability.

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Because of some slight defect in the Will many an estate has been distributed in a way the will-maker never intended.

To ensure the distribution you want for your property you should have your lawyer draw your Will.

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**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

**Directors:**

Sir H. Montagu Allan,	J. M. Kilbourn	T. E. Merrett
T. Ahearn [C.V.O.]	J. D. G. Kippen	Lt.-Col. J. R. Moodie
G. L. Cains	W. B. Leitch	Farquhar Robertson
A. J. Dawes	Sir F. Orr Lewis, Bart.	Hon. Lorne C. Webster
A. B. Evans	Thos. Long	F. Howard Wilson
David N. C. Hogg	D. C. Macarow	Edwin H. Wilson
	W. A. Meldrum	John Wilson

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the dying hours of a session and are hurried through before they have been given proper consideration. After they are proclaimed a part of the law of the land, it is found that they are ineffective or unjust. They are subsequently amended or repealed. The result is that our statutes are cluttered with useless legislation.

#### Model Bill Suggested

In conclusion, I would suggest that a model bill be drawn up covering life insurance law and including that very important phase of the subject, the rights and status of beneficiaries. I do not contend that the provisions in the Ontario Insurance Act are perfect. They can be improved on in some respects. The meaning of some of the sections is not altogether clear. The language can often be simplified. On the other hand, most of the Quebec law is admirably clear and concise. It has been very largely codified in that province and the work has been carefully and intelligently done.

There is this to be said in favor of the statutory life insurance law of Ontario and Quebec, that it can readily be used as a frame work for a model act, for the reason that most of the other provinces have incorporated into their acts the main features of the law of the two older provinces. Where the legislation is scant, such as in Manitoba and British Columbia, the enactment of such a bill should be warmly welcomed.

The business of life insurance in Canada has assumed such vast proportions and the insuring public is so vitally concerned, that some concerted action should be taken along the lines above indicated. I understand that the revision of some of the provincial insurance acts are now under contemplation. I accordingly think that the present time is most opportune to bring about a co-ordination of the life insurance laws of Canada.

I desire to congratulate the superintendents on their conference and to express the hope that by reason of their joint deliberations a greater uniformity in all laws respecting insurance will result.

## August Bank Statement Reflects Credit Restriction

Call Loans in Canada and Abroad Reduced—Increase in Current Loans Parallel to that in Savings Deposits—Municipal Loans Stand at High Figure—Provincial Borrowings Decrease—Dominion Government Rapidly Using up its Credit—Holdings of Gold and Dominion Notes Lower

	August, 1919.	July, 1920.	August, 1920.	Year's inc. or dec.	Month's inc. or dec.
Deposits on demand	\$ 584,300,855	\$639,415,025	\$ 640,361,707	+ 9.6	+ .15
Deposits after notice	1,196,632,931	1,253,170,443	1,261,647,732	+ 5.4	+ .7
Current loans in Canada	1,011,785,424	1,377,276,853	1,385,470,163	+ 36.9	+ .6
Current loans elsewhere	146,964,315	190,914,052	200,945,241	+ 37.0	+ 5.0
Loans to municipalities	57,536,867	78,792,822	79,912,041	+ 38.6	+ 1.3
Call loans in Canada	95,899,836	115,360,894	113,598,923	+ 18.1	— 1.7
Call loans elsewhere	174,176,578	203,045,209	193,888,245	+ 10.9	— 4.9
Circulation	223,454,556	240,833,686	237,697,647	+ 6.3	— 1.3

Above are given the principal changes in the August bank statement, reflecting the business and financial position of the Dominion during that month. Restriction of credits is clearly seen, while increases in deposits were not very significant. Savings deposits increased about .7 per cent. for the month, as compared with .8 per cent. previously. The following table shows the trend of the deposit accounts during the past thirteen months:—

	Deposits payable on demand.	Deposits payable after notice.
1919—August	\$584,300,855	\$1,196,632,931
September	650,743,015	1,227,437,715
October	705,280,241	1,262,746,984
November	728,657,589	1,137,858,277
December	703,329,292	1,138,086,691
1920—January	621,408,024	1,163,297,037
February	620,069,555	1,187,027,307
March	657,412,028	1,197,719,570
April	652,918,760	1,209,573,990
May	645,957,229	1,229,073,515
June	659,622,583	1,243,700,977
July	639,415,025	1,253,170,443
August	640,361,707	1,261,647,732

The course of deposits during the past six years is shown in the following table:—

August.	On demand.	After notice.	Total.
1915	\$334,022,174	\$ 692,580,626	\$1,026,602,800
1916	443,317,275	806,774,687	1,250,091,963
1917	439,995,259	952,591,821	1,392,587,080
1918	554,906,517	1,014,711,865	1,569,618,382
1919	584,300,855	1,196,632,931	1,780,933,786
1920	640,361,707	1,261,647,732	1,902,009,439

#### Current Loans Increased

Current loans in Canada increased by about .6 per cent., or slightly less than the advance in savings deposits. The increase for the year is large, however, being nearly 37 per cent., as compared with about 5½ per cent., in notice deposits. It is a notable fact that current loans are in excess of savings deposits by about \$124,000,000, while a year ago the position was vice versa. A reduction of about \$2,000,000, or nearly 2 per cent., is shown in call loans in Canada. The following table shows the trend of the Canadian loan accounts since August, 1919:—

	Current in Canada.	Call in Canada.
1919—August	\$1,011,785,424	\$ 95,899,836
September	1,058,572,202	96,912,709
October	1,104,940,160	100,549,390
November	1,189,408,423	121,754,469
December	1,207,109,046	125,888,760
1920—January	1,226,962,963	132,015,334
February	1,257,015,902	127,251,919
March	1,322,267,030	128,233,310
April	1,347,238,230	125,644,859
May	1,349,079,981	119,114,493
June	1,365,151,083	115,272,587
July	1,377,276,853	115,360,894
August	1,385,470,153	113,598,923

#### Call Loans Abroad

A further reduction of call loans, particularly in New York, indicates the restriction which banks are placing upon funds for stock market purposes, and the usage of the money for more urgent purposes in the country. These accounts will probably show further decreases in the September and subsequent statements, after the commencement of the an-

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in a **5½%** DEBENTURE of  
**The Great West Permanent**  
**Loan Company**

**SECURITY**

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

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Scotland.

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is the way some people save, and many succeed in building up substantial accounts. It is well worth the effort to save, even in a small way, as it is a well-known fact that saving money increases one's productiveness.

Your savings will be safe with this old-established institution, and you will receive interest thereon at

**THREE AND ONE-HALF**  
per cent. per annum, paid twice each year.

**Canada Permanent Mortgage Corporation**  
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T. H. PURDOM, K.C., President      NATHANIEL MILLS, Manager

## THE Ontario Loan & Debenture Co.

LONDON      INCORPORATED 1870      Canada

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

**5½%** SHORT TERM (3 TO 5 YEARS) **5½%**  
DEBENTURES  
YIELD INVESTORS

JOHN McCLARY, President      A. M. SMART, Manager

### London and Canadian Loan and Agency Co., Limited

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.

WILLIAM WEDD, Secretary      V. B. WADSWORTH, Manager

### THE TORONTO MORTGAGE COMPANY

Office, No. 13 Toronto Street

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

President, WELLINGTON FRANCIS, Esq., K.C.  
Vice-President, HERBERT LANGLOIS, Esq.

Debentures issued to pay 5%, a Legal Investment for Trust Funds.  
Deposits received at 4% interest, withdrawable by cheque.  
Loans made on improved Real Estate on favorable terms.

WALTER GILLESPIE, Manager

**5½%**

**Absolute  
Security**

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

## The Empire Loan Company

WINNIPEG, Man.

## Six per cent. Debentures

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

**The Canada Standard Loan Company**  
520 McIntyre Block, Winnipeg

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### THE TORONTO GENERAL TRUSTS CORPORATION

COR. BAY and MELINDA STS. - TORONTO







# The Spanish River Pulp & Paper Mills, LIMITED

At the Annual Meeting of the Shareholders of The Spanish River Pulp & Paper Mills, Limited, held at Toronto on September 30th, 1920, the following Directors were re-elected:—

Geo. H. Mead. P. B. Wilson. Thomas Gibson. C. E. Read.  
T. Watson Sime. G. R. Gray. T. H. Watson.

At a subsequent meeting of the Board the following officers were re-elected:—

President ..... Geo. H. Mead.  
Vice-President ..... P. B. Wilson.  
Vice-President ..... Thomas Gibson.  
Secretary ..... J. G. Gibson.  
Treasurer ..... A. H. Chitty.  
Manager of Operations ..... C. H. L. Jones.  
Woods Manager ..... G. R. Gray.

President Mead submitted the following report and balance sheet, and the same was unanimously adopted:—  
Toronto, Ontario, August 27th, 1920.

To the Shareholders of The Spanish River Pulp & Paper Mills, Limited:—

Your Directors submit the following report of the operations of The Spanish River Pulp & Paper Mills, Limited, including the Lake Superior Paper Company, Limited, for the year ending June 30th, 1920:—

## SUMMARY OF INCOME ACCOUNT

Net Earnings for the Year .....	\$3,915,051
Less Reserved for Depreciation .....	594,620
	<u>\$3,320,431</u>
Less Interest on Funded Debts and Other Loans .....	768,362
	<u>\$2,552,069</u>
Net Surplus for the Year .....	\$2,552,069
Less Appropriation for Contingencies and Government Taxes .....	350,000
	<u>\$2,202,069</u>
Balance of the Consolidated Profit and Loss Account as at 30th June, 1919 .....	2,368,222
	<u>\$4,570,291</u>
Appropriated as Follows:	
Accumulated Preferred Dividends to 30th June, 1920, met by issue of Preferred Stock .....	\$2,871,493
Bond Sinking Fund Reserve .....	638,000
	<u>3,509,493</u>
Leaving to be Carried Forward .....	<u>\$1,060,798</u>

The reduced balance carried forward this year as compared with last year is due principally to the distribution of accumulated dividends to preferred stockholders, as indicated above.

After due notice and in accordance with the authority taken when they were issued in 1914, the Company called for payment on 1st February, 1920, the talons and promissory notes issued in respect of the deferred two years' bond and note interest, and also called for payment on the 1st March, 1920, the "A" Debentures issued at the same time. The above indebtedness has now been paid out of the funds raised by the sale of \$3,500,000 (out of a total authorized issue of \$5,000,000) ten-year serial mortgage lien 6% notes, which were issued in September, 1919. The Company was fortunate in raising these funds in the United States at very reasonable rates, and the expenses in connection with the issue have been largely met by the favorable exchange rates ruling on American Funds.

Under the agreement entered into in 1914, covering the Bond and Note Interest, it was required that the whole of the deferred interest should be paid before a dividend could be declared on the Company's Capital Stock. The payment of such obligations has rendered it possible for the Company to satisfy the dividends on the Preferred Stock accumulated to 30th June, 1920, by the issue of \$2,871,493.41 Preferred Stock, representing the amount of such dividends and the proportion (10%) thereof payable to the Bondholders. The relative stock certificates have now been issued.

The production of all plants of the Company continued satisfactorily throughout the year, and with normal water supply and the completion of the two new paper-making units at Espanola, the Net Earnings for the year show a fair increase over the previous year. It is expected that the total output will be considerably greater during the ensuing year, as the Espanola extensions were only recently completed and all plants have now been advanced to a high state of efficiency.

At the last Annual Meeting, Mr. T. H. Watson, of Toronto, was elected by the stockholders a Director of the Company in place of Mr. J. G. Gibson, resigned. Mr. Watson is well versed in the affairs of the Company, and the Board feels that his counsel will be of great assistance.

Your Directors, at the conclusion of a successful year, desire to record their great appreciation of the good service and efficient work rendered by the Officers, Staff and Employees of all Departments, without which the above results could not have been obtained.

By order of the Board.

GEO. H. MEAD, President.

## The Spanish River Pulp & Paper Mills, Limited Lake Superior Paper Company, Limited

CONSOLIDATED BALANCE SHEET as at 30th June, 1920.

Assets.	
PROPERTY ACCOUNT—	
As at 1st July, 1919 .....	\$24,133,557.96
Net additions for Year .....	2,402,899.17
	<u>\$26,536,457.13</u>
CURRENT ASSETS—	
Pulpwood .....	\$ 3,465,647.70
Woods Equipment and Stores, and Mill Stores .....	1,973,267.98
Mill Products .....	1,029,240.74
Accounts Receivable, less Doubtful Debts .....	2,953,031.70
Victory Bonds .....	184,150.00
Companies' Bonds purchased and held .....	577,705.00
Cash in Banks and on hand ...	530,881.63
	<u>10,713,924.75</u>
Insurance Premiums and Payments in Advance .....	98,008.38
	<u>\$37,348,390.26</u>
Liabilities.	
CAPITAL STOCK—	
Authorized:	
Common .....	\$10,000,000.00
Preferred 7% Cumulative Participating .....	10,000,000.00
	<u>\$20,000,000.00</u>
Issued:	
Common .....	\$ 8,000,000.00
Preferred 7% Cumulative Participating .....	8,571,493.41
	<u>\$16,571,493.41</u>
FIRST MORTGAGE 6% Bonds—	
Authorized and Issued .....	\$ 9,000,000.00
Less: Redeemed to Date .....	488,833.26
	<u>8,511,166.74</u>
6% Serial Mortgage Lien Notes—(Authorized \$5,000,000.00) .....	3,500,000.00
CURRENT LIABILITIES—	
Loan from Banks .....	\$ 1,000,000.00
Accounts and Bills Payable ...	2,835,477.90
Accrued Interest on Bonds and Serial Notes .....	267,378.64
	<u>4,102,856.54</u>
Miscellaneous and Contingent Reserves .....	1,037,261.16
Depreciation Reserves .....	1,926,813.58
Bond Sinking Fund Reserve .....	638,000.00

**PROFIT AND LOSS ACCOUNT—**

Consolidated Credit as at 30th	
June, 1919 .....	\$ 2,368,222.72
Add Net Profit for the Year ..	2,202,069.52
	\$ 4,570,292.24

Less Preferred Stock Dividend, representing accumulated Dividend on 7% Preferred Stock from 1st July, 1913, to date, and share thereof (10%), payable to Bondholders .....	\$2,871,493.41	
Transferred to Bond Sinking Fund Reserve .....	638,000.00	
	3,509,493.41	
Contingent Liabilities .....	\$ 60,937.00	\$ 1,060,798.83
<b>Total Liabilities .....</b>	<b>\$37,348,390.26</b>	

We have audited the books and accounts of The Spanish River Pulp & Paper Mills, Limited, and of its subsidiary, the Lake Superior Paper Company, Limited, for the year ending 30th June, 1920, and certify that the above Consolidated Balance Sheet is properly drawn up and shows a true and correct view of the state of the combined Companies' affairs and the results of the operations for the year as shown by the books, and according to the best of our knowledge and the explanations given us.

All our requirements as Auditors have been complied with.

PRICE, WATERHOUSE & CO.,  
27th August, 1920. Chartered Accountants. 250

**DEBENTURES FOR SALE**

**DEBENTURES, TOWN OF KENTVILLE**

Sealed tenders addressed to the undersigned and marked "Tenders for Debentures" will be received up to noon on October 18, 1920, for the purchase of the following debentures:—

\$25,000.00 to pay Water Works Debentures maturing January 1, 1921, in denominations of \$500.00 each, and dated January 1, 1921:

\$2,500.00 to pay School Debentures maturing January 1, 1921, in denominations of \$500.00 each, and dated January 1, 1921:

\$1,300.00 to pay Exhibition Ground Debentures which matured on November 1, 1919, in denominations of \$100.00 each, and dated November 1, 1920:

\$2,300.00 for the purchase of a Chemical Engine for the Fire Department, in denominations of \$100.00 each, and dated November 1, 1920.

These debentures redeemable in 25 years.

All of the above debentures will bear interest at six per cent. per annum, payable half-yearly, and said debentures are to be issued under the Authority of an Act of the Legislature of the Province of Nova Scotia passed at the last session.

The highest or any tender not necessarily accepted.

Dated at Kentville, Kings County, N.S., this 27th day of September, A.D., 1920. 246

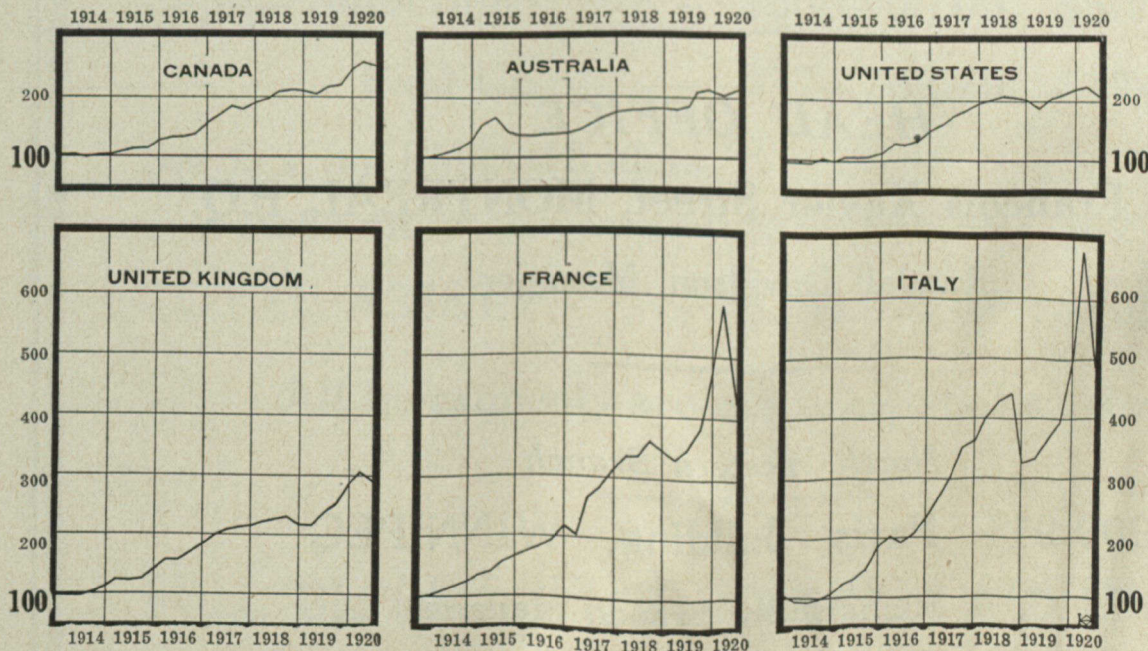
J. CARROLL,  
Town Clerk.

**MOVEMENT OF WHOLESALE PRICES**

"Wholesale prices continue to decline," says the Bank of Commerce Letter for September, "but in Canada, the

changes recorded are slight. Food prices remain firm, and those for manufactured necessities, such as clothing, while slightly lower, are not expected to recede to any great extent. Increasing labor, transportation and other costs largely offset the

**WHOLESALE PRICES.**



decrease in the price of wool, hides and other raw materials. At present, industry is more settled than has been the case for some time, and the labor supply has improved. These are conditions which conduce materially to efficiency, but as yet the volume of production is not such as to cause much change in the present scale of prices. Changes to conform with the general movement towards credit deflation are desirable, but precipitate declines would create business dislocation."

The accompanying graphs indicate wholesale price movements in various parts of the world during the last seven years.

The base line (or 100) represents the index number of wholesale prices for the year 1913 in each country named. The quarterly index numbers for the period January 1914 to June 1920 are plotted as percentages of this base.

Canada: Department of Labour. Australia: Bureau of Census and Statistics. United States: Bradstreet. United Kingdom: Economist. France: Statistique Generale. Italy: Bacchi.

THE

# NORTH BRITISH AND MERCANTILE INSURANCE COMPANY

Established 1809

Entered Canada 1862

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Total Assets Exceed \$140,000,000  
Canadian Investments Exceed \$5,000,000  
Investments West of the Great Lakes  
Exceed \$1,000,000

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## HEAD OFFICE

84 St. Francois Xavier Street, MONTREAL, P.Q.

Randall Davidson, Manager

---

## *North Western Branch*

909-911 Paris Building, WINNIPEG

C. A. Richardson, Branch Manager

THE  
**OCCIDENTAL FIRE INSURANCE  
 COMPANY**

Under the control of the North British and Mercantile Insurance Company

**HEAD OFFICE**

909-911 Paris Building, WINNIPEG

President, Randall Davidson

Vice-President & Secretary, C. A. Richardson

**DIRECTORS**

S. E. Richards

W. A. T. Sweatman

Robt. Campbell

	Dec. 31st, 1914	Dec. 31st, 1919
Capital Subscribed - -	\$500,000.00	\$500,000.00
“ Paid Up - -	\$174,762.70	\$174,762.70
Surplus on Policy-Holders		
Account - - -	\$250,856.35	\$423,803.07
<b>TOTAL ASSETS - -</b>	<b>\$359,025.09</b>	<b>\$705,199.67</b>

All Investments are in Canadian Securities

**FULL DEPOSIT WITH DOMINION GOVERNMENT**



## DIVIDENDS AND NOTICES

### THE CONSUMERS' GAS COMPANY OF TORONTO

#### *Notice of Annual Meeting*

The Annual General Meeting of the Shareholders of the Consumers' Gas Company of Toronto, to receive the report of the Directors, and for the election of the Directors for the ensuing year, will be held in the Company's Boardroom, 17 Toronto Street, Monday, the 25th day of October, 1920, at 12 o'clock, noon.

ARTHUR HEWITT,  
General Manager. 249

### THE MERCHANTS BANK OF CANADA

#### QUARTERLY DIVIDEND

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 1st November next to Shareholders of record on the evening of 15th October, stock not fully paid up on 31st July to participate in the dividend on the amounts paid up on that date and upon later payments from the date thereof.

By Order of the Board.

D. C. MACAROW,  
General Manager.

Montreal, 30th September, 1920. 247

### PENMANS, LIMITED

#### DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared this day for the quarter ending October 31st, 1920. One and one-half per cent. (1½%) on the Preferred Stock, payable on the 1st day of November, to shareholders of record of the 21st day of October, 1920, and Two per cent. (2%) on the Common Stock, payable on the 15th day of November, to shareholders of record of the 5th day of November, 1920.

By Order of the Board.

C. B. ROBINSON,  
Secretary-Treasurer.

Montreal, Que., September 20th, 1920. 242

### DOMINION TEXTILE COMPANY, LIMITED

#### NOTICE OF DIVIDEND

A dividend of two and one-half per cent. (2½%) on the Common Stock of the Dominion Textile Company, Limited, has been declared for the quarter ending 30th September, 1920, payable October 1st, to shareholders of record September 15th, 1920.

By order of the Board.

JAS. H. WEBB,  
Secretary-Treasurer.

Montreal, 8th September, 1920. 225

### DOMINION TEXTILE COMPANY, LIMITED

#### NOTICE OF DIVIDEND

A dividend of one and three-quarter per cent (1¾%) on the Preferred Stock of the Dominion Textile Company, Limited, has been declared for the quarter ending 30th September, 1920, payable October 15th, to shareholders of record September 30th.

By order of the Board.

JAS. H. WEBB,  
Secretary-Treasurer.

Montreal, 8th September, 1920. 224

### THE CLIFTON COMPANY, LIMITED

#### DIVIDEND No. 1

Notice is hereby given that a dividend of 5 per cent. has been declared on the common capital stock, payable October 7th, 1920, to shareholders of record at the close of business, September 30th, 1920.

By Order of the Board.

W. K. FRASER,  
Secretary.

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## Condensed Advertisements

"Positions Wanted," 3c per word; all other condensed advertisements 5c. per word. Minimum charge for any condensed advertisement, 65c 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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# Your Railways and the Cost of Living

**B**EFORE the Privy Council at Ottawa protest against the New Railway Rates has been made on the ground that the giving of the New Rates would raise the cost of living by a percentage many times higher than the percentage actually charged by the Canadian Railways.

It was pointed out that the numerous middlemen who act as the distributors of goods would each add his percentage of profit to the freight rate, so that although the railways might receive say only 40 cents additional freight charge on a shipment, the public would be forced, by the distributing middlemen, to pay many times that amount.

The managements of the various Canadian Railways desire, through this their association, to draw the attention of newspaper readers to the highly significant fact that the recent increase in United States Railway Rates—an increase similar to the increase in Canada—*has actually been followed by a decrease in the cost of living in that country.*

## Furthermore,

A great Canadian manufacturer recently made public—without any solicitation and without the previous knowledge of the Railway managements—figures which proved that the retail selling price of a yard of plain white cloth in Winnipeg, after being hauled from Montreal to Toronto and Toronto to Winnipeg, would be increased only one-half a cent, *even after the wholesaler had added 20% profit to the new freight rate and the retailer another 50%.*

He showed that these distributors, whether rightly or wrongly, added 15 cents to his mill-price of 16 cents per yard.

Yet the railways carried the raw cotton for this yard of goods from Texas to Montreal, and the finished goods from

the mill to Toronto and Toronto to Winnipeg for one-and-one-half cents.

One-and-one-half cents as against fifteen cents.

We venture to believe that whatever the explanation or the justification may be, the same serious additions to cost by the distributing trades will be found in relation to almost every article of common household use.

This is not to attack distributors. They may themselves be victims of a bad system or of an overcrowded trade. But it is to point out that if they add whatever percentages they, as a trade, find convenient *on top* of the freight rates the Railways cannot help either themselves or the public. The oppressive results of these practices should not be charged against the Railway managements, nor cited as reasons for holding freight rates down—merely because railway rates *can* be held down—while other prices soar as the various trades find necessary.

**R**AILWAY charges always must be a serious item in determining cost of production, but the management of your Railways urge upon your attention this fact: that antiquated, overloaded and wasteful systems of distributing goods are much more properly a subject for public anxiety.

*Canada cannot prosper without prosperous railways. Canadian railways cannot prosper unless Canada prospers.*

In all sincerity let us suggest that the people of Canada beware of those who would restrict and even strangle the railways, *simply because control exists there—and is not so convenient in other departments of commercial activity.*

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## HALIFAX EXPLOSION CASE FINALLY SETTLED

Neither Vessel Responsible for Damages, Says Privy Council in Deciding Case on Which Opinions of Supreme Court Judges Were Divided

THE privy council of Great Britain has dismissed the appeals made by both parties from the decision of the Supreme Court of Canada in the case of *the Imo v. the Mont Blanc*. These were the two ships which collided in Halifax harbor on December 6, 1917. The Supreme Court's judgment of the case was announced on May 19, 1919. The owners of the "Mont Blanc" claimed \$2,000,000 as damages and the owners of the "Imo" counterclaimed for a similar amount. In reporting the case, the "Law Times" says:—

Mr. Justice Drysdale, assisted by nautical assessors, tried the case at Halifax. The trial occupied 13 days. The judge pronounced the "Mont Blanc" solely to blame. The owners appealed to the Supreme Court of Canada, and the appeal was heard by the five judges, two of whom found the "Mont Blanc" wholly to blame, two found the "Imo" solely at fault, and the fifth judge was of opinion that both were equally responsible. In the result the Supreme Court allowed the appeal and held both ships equally liable. From that decision both sides appealed.

### How Collision Occurred

At the time of the disaster the "Imo," belonging to the port of Christiania, was going in ballast to sea on a voyage to New York under a charter made between her owners and the Belgian Relief Commission. The "Mont Blanc" was the property of La Compagnie Generale Transatlantique, and was going from New York to Halifax with a full cargo of picric acid, T.N.T., benzol and guncotton, belonging to the French government. Each was in charge of a qualified pilot. The collision took place in about mid-channel while the "Imo" was steering down channel from the Narrows to sea, and the "Mont Blanc" was going up channel, intending to pass through the Narrows. There was, it was admitted, no wind and very little tide, and for all practical purposes there was sufficient visibility.

The "Imo" alleged against the "Mont Blanc" that she was travelling at excessive speed, and that she starboarded her helm and attempted to cross the bows of the "Imo"; that she waited to reverse engines until the instant of or only a few seconds before the collision; that she crossed to the Halifax side of the channel instead of keeping to the starboard side of mid-channel, and that she did not give the proper whistle signals or navigate in accordance with the whistle signals. Stress was also laid on the fact that she had no interpreter on the bridge through whom the Canadian pilot could give orders to the French officers.

The "Mont Blanc" submitted that the negligent navigation of the "Imo" was the sole cause of the collision. It was alleged that, while the "Mont Blanc" was keeping to her right side of the channel and giving appropriate signals, the "Imo" adhered to her wrong side, thus putting the "Mont Blanc" into a position of difficulty when it was necessary to take immediate action. The putting of her helm hard a-starboard was, it was submitted, the best course to have adopted to avoid a disaster.

### Negligence on Both Sides

Lord Atkinson, whose judgment was read by the Lord Justice Clerk, went in great detail into the cases and the evidence on both sides, and, in conclusion, said: Their lordships have, upon the whole, come to the following conclusions: First, that the "Mont Blanc," from the time when she passed the "Highflyer" till she starboarded her helm in the agony of the collision, never left her own water, though she may no doubt before she was actually struck have forged ahead so as to cross the middle line of the channel. Second, as she steamed up through her own waters her speed was not immoderate. Third, the "Imo," in order to inflict the injury to the "Mont Blanc" which it is proved she did inflict, must have struck that ship with more force and at a higher

rate of speed than her witnesses admit. Fourth, the "Mont Blanc" must at the time of the collision have had little, if any, way on her, else the stern of the "Imo" would have been twisted to some extent, which it was not. Fifth, the inclination of their lordships' opinion is that the "Imo" could, when she first reversed her engines, have crossed into and remained in her own water, as she was bound to do, but never did.

It is not necessary, however, absolutely to decide the last point, because, in the case of both ships, it is clear that their navigators allowed them to approach within 400 feet of each other on practically opposite courses, thus incurring risk of collision, and, indeed, practically bringing about the collision, instead of reversing their engines and going astern, as our assessors advise us they, as a matter of good seamanship, could and should have done, long before the ships came so close together. This actually led to the collision. The manœuvre of the "Mont Blanc" in the agony of the collision may not have been the best manœuvre to adopt, and yet be in the circumstances excusable. But their lordships are clearly of opinion that both ships are to blame for their reciprocal neglect to have reversed and gone astern earlier than they did. They are, therefore, of opinion that the appeal and cross-appeal both fail, that the judgment appealed from should be affirmed, and there will be no order as to the costs of the appeal and cross-appeal.

## SUIT OVER REAL ESTATE DEAL

A suit to recover \$198,000 was begun in Winnipeg on September 24 by the Albyn Trust Co., who cite the King's Park Co. as defendants. This action arises out of a real estate deal of years gone by in which the subdivision known as King's Park was the vended property. This property lies between the Agricultural College and St. Norbert and Pembina Highway and the Red River. The plaintiffs are suing on a mortgage, and the defence set up is that as the plaintiffs have failed to make payment on a prior mortgage the defendants are not liable until this obligation is discharged. A counter-claim has also been filed by the defendants for damages for breach of contract in connection with the mortgage sued upon. Argument was to be resumed this week.

## VICTORY BOND CONTROL EXTENDED

At a meeting of members of the Montreal Stock Exchange this week it was agreed to extend further the time in which Victory bonds may not be dealt in on the floor of the institution from October 1 to December 31 next. As generally anticipated, the wishes of the Minister of Finance in this connection were met. It is understood, however, that the resolution adopted expresses the view that the latest extension should be the last one, the majority of the members favoring open dealings in the securities. No action will be required on the part of members of the Toronto Stock Exchange, as the agreement with the local exchange does not expire until the end of the present year.

Notice is given by the Department of Finance that on account of the interest payments due first November the transfer books of the 1918 and 1919 Victory loans will be closed from the 30th September to the 31st October, inclusive. Bonds which are received at the department for transfer after the 30th September will not be transferred until after the opening of the transfer books on the 1st November.

That the city of Quebec may apply to the legislature at its next session for power to municipalize fire insurance was intimated on September 15 by Ald. P. Bertrand, chairman of the fire committee.

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# News of Industrial Development in Canada

**Backus Interests Reach Agreement with Ontario Government—Publicly Owned Paper Plant Being Considered by "Farmer" Cabinet—Sockeye Salmon Pack will be Greater Next Year—Potato Flour Industry Inaugerated in the West—Vancouver Island Suitable for Textile Manufacturing**

**A**FTER weeks of negotiation, an agreement has been reached between the Ontario government and a syndicate represented by E. W. Backus, of Minneapolis, Minn., regarding pulpwood limits and water power in the Lake of the Woods district. The Backus interests asked for the English River limits, but in order to get this concession they must enter into public competition. According to the agreement the first step necessary for the Backus interests is to erect a mill at Kenora and develop the Lake of the Woods limits which they now hold. The only change in the old agreement concerning these limits is a clause where the government doubles the fees on pulpwood, and brings them up to the present standard. The government also grants a lease to the Backus people of the water power at White Dog Rapids on the Winnipeg River, subject to such "rentals, reservations and conditions," as the minister of lands and forests may deem in the public interest. Mr. Backus, who is the owner of the Norman dam at the outlet of the Lake of the Woods, which is an essential work for the regulation of the level of the Lake of the Woods, consents, as a further term of the agreement, to submit to such regulations as to this dam as may be imposed by the minister of lands and forests.

The government has made a stipulation with Mr. Backus that any portion of the newsprint product must be available for sale to Canadian publishers at the instruction of the government. The amount is left open, but it is said that the government could order 100 per cent. to Canadian publishers under the agreement.

Although nothing definite has been stated, a plan for operating a pulp and paper mill as a provincial enterprise is being seriously considered by the Ontario government. According to the plan under consideration, the mill would be established in the Nipigon district at some point to which power could be transmitted from the new Hydro-Electric power development plant at Nipigon Falls. The establishment of a publicly owned and operated plant, such as this, is considered by no means improbable.

Announcement has been made by the government of Ontario that the limits west of Hele township are to be cancelled. These limits are those over which the Provincial Paper Mills, Ltd., Port Arthur, has been cutting for the past few years. The company's cutting permit has expired and the limits are now up for sale. It is the intention of the government, wherever possible, to cancel any timber limit off which the tenderers have cut the amount originally contemplated, so as to do away with excess profiteering in the obtaining of more wood than the amount to which the tenderer is entitled.

## Sockeye Salmon Pack Large

The sockeye pack on the Fraser River, British Columbia, this year will be the largest in four years, according to information received from that section. The sockeye salmon return to their spawning grounds in cycles of four years, and it has been noted by government observers that a big year was generally followed by a lean one, and the succeeding years showed gradually increasing returns. This is the third year of the cycle, according to Fraser River authorities, and, consequently, next year there should be a larger run of sockeye than in this season.

Government reports for July show a considerable increase in the provincial fish catch, as compared with the preceding June and with the corresponding period of a year ago. Fish to the value of \$415,862 were caught last month in the waters contiguous to Van-

couver Island, and of this salmon contributed \$397,452, being 36,132 cwts. June's figures were \$267,102, and July, a year ago, \$342,020. In the Fraser River and in the remainder of the first fishing district, including Howe Sound and Burrard Inlet, the catch aggregated \$294,131, and in June the total was \$171,284, while in July, 1919, the catch approximated \$202,456.

G. L. Dodds, formerly reeve of Arthur, Man., is planning a series of potato flour mills for Manitoba and other western provinces. Mr. Dodds is a farmer, and is well known in his district as a practical agriculturist and farm scientist, and expresses confidence in the outlook for the success of the new industry. He stated that not only is the potato flour itself an economical and popular commercial product, but there are by-products, such as starch and alcohol. Even the residue makes good stock food.

Mr. Dodds says he is now well on the way towards the establishment of the first unit in his series of mills. It will be built at Melita, which is in the centre of a district known to have a soil particularly adapted to the production of mealy varieties of potatoes—those which make good potato flour. Asked as to the kind of potato which would be raised for the manufacture of potato flour, Mr. Dodds instanced the "Bovee." This potato is described as being pink in skin, white as the flesh, and markedly dry and mealy. It is said to ripen early, yield abundantly, and, while it does not attain to any phenomenal size, is perfect in shape and of fine quality.

## Vancouver for Textile Manufacturing

Vancouver Island, British Columbia, according to some of the big textile manufacturers of Great Britain who have been there during the past few years, is an ideal place for the manufacture of textiles. Mr. Thompson, of the Island Development League, sees other reasons than the climate for advancing the idea. The establishment of the Trans-Pacific service of the Canadian Mercantile Marine will give service from the Pacific Coast of Canada to British-India ports; and with the C.P.R. freight service that is to be extended to the same part of the empire, Indian cotton could be set down on Vancouver Island, manufactured and marketed to points in the prairies and even as far east as Ontario, under conditions that should be more favorable than can be found in the use of American cotton.

This last has to be imported into eastern Canada for treatment at the Canadian cotton manufacturing centres for distribution to the west, and it can be seen that the freightage by water and manufacture at the west coast could not only eliminate the heavier cost of freightage by rail, but would also do something by way of encouraging trade within the nation and be another development on a preferential trade basis which should be universal throughout the empire.

## Ontario Manufacturing

Ratepayers of Wingham have approved of a by-law granting a loan of \$10,000 and a fixed assessment of \$10,000 for seven years, to the William Gunn Co., of Saginaw, Mich., which is to operate a phonograph factory in that municipality.

A by-law granting a fixed assessment of \$10,000 per annum to the Quinte General Manufacturing Co., of Deseronto, has been approved by the ratepayers.

Possibilities of the location in Fort William of a large assembling plant by the Four Drive Tractor Co., of Big Rapids, Mich., was announced by D. L. Bole, of the Bole Grain Co., last week. The manager of the company was

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recently in the city in conference with Mr. Bole, with the result that the Bole company has secured the distributing rights for the company for the whole of Canada. If there is sufficient demand in Canada for the tractor built by the company, the assembling plant will be erected in Fort William, as machine parts can be shipped from Big Rapids and assembled in Fort William considerably cheaper than the complete machine can be put on the Canadian market.

The Bogart Carlough Corporation of Paterson, N.J., manufacturers of steel sash and allied products, have decided to open a Canadian branch at London, and have secured temporary quarters at the corner of Bathurst and Adelaide Streets. They will employ about 150 hands at the start.

The principle of engaging a paid publicity agent to set before the people of Ontario and Quebec the advantages of Timiskaming was adopted at the annual meeting of the Timiskaming and Northern Ontario Associated Boards of Trade at Timmins, Ont., last week. The question of ways and means was left to a committee, which will report at the next meeting of the board at Cobalt early in the new year.

Because of the unfavorable conditions of the market, the Electrical Steel and Metals Co., Welland, has ceased operations. This is the second large industry to close down within two weeks, the other being the British American Shipbuilding Co.

Extension of the present factory of the Steel Co. of Canada, Hamilton, to facilitate the manufacture of wire and wire products, will be undertaken.

Canadian Edison Phonographs, Ltd., have concluded the purchase of a large factory building at St. Thomas, now occupied by Lawson Jones, Ltd., lithographers, and the St. Thomas Cabinets, Ltd., manufacturers of cabinets. The new corporation, which is the Canadian branch of the Edison Co., of Orange, N.J., will engage in manufacturing phonograph cabinets and the assembling of cabinets and phonograph mechanism for the Canadian trade, and eventually for the export trade for all parts of the British Empire. The new corporation has purchased the entire equipment of the St. Thomas Cabinets, Ltd., and much more machinery will be installed in the plant in the near future, and it is hoped that everything will be in shape to turn out the first Canadian made Edison phonograph by June 1, 1921.

### Wool Shipment Heavy

Three hundred thousand pounds of wool have so far been shipped from Alberta to the Co-operative Wool Growers' Association in Toronto for disposal, and there are still two carlots to ship, according to a statement from E. L. Richardson, of Calgary. This is a record, as last year the total output was only 260,000 pounds. For some time, states Mr. Richardson, there was no market for wool, but it is now quoted at anywhere from 25c. to 60c. per pound. Mr. Richardson is of the opinion that if any average between these two prices is secured by the Co-operative Association in Toronto for this growth of Alberta wool, it will be most satisfactory. The association this year has handled about 2,000,000 pounds of wool from all parts of Canada.

From all the mines of the Dominion Coal Co., the total output was 264,733 tons, as against 260,736 tons for the previous period, and 242,628 in the same month a year ago.

As a result of the report of the investigation committee sent to Chicago by the British Columbia government to investigate the success of electrical blast furnaces, the establishment of the iron and steel industry in the province is expected shortly. An electric scrap mill will be established to handle the large quantity of scrap iron and steel now sent every month to Seattle mills. The committee will also urge the encouragement of the rubber and paper bag industries. It was brought out that 82 per cent. of the world's rubber comes from the British Empire and that the raw material can be landed cheaper at the Pacific ports of the province than at Chicago or Akron. They found the great paper bag manufacturers of Chicago using Canadian paper entirely.

A new plant is being built by the Magnolia Metal Co. of Canada, Ltd., at 37 Shannon St., Montreal, Que. The company was recently incorporated with a capital of \$100,000.

### NEW INCORPORATIONS

**Mammoth Mining Corporation, Ltd., \$5,000,000—Ruggles Motor Truck Co., Ltd., \$3,000,000—Canadian Flashlight, Ltd., \$2,000,000—Fulton Motors, Ltd., \$2,000,000**

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

Piapot, Sask.—Mercer Levis, Ltd., \$10,000.  
Fort William, Ont.—Hardy's, Ltd., \$40,000.  
Moose Jaw, Sask.—Slater & York, Ltd., \$50,500.  
Prince George, B.C.—Station Club, Ltd., \$2,000.  
Regina, Sask.—Western Fruit Co., Ltd., \$10,000.  
Belleville, Ont.—National Castings, Ltd., \$50,000.  
Niagara Falls, Ont.—Niagara Hats, Ltd., \$500,000.  
Lucerne, B.C.—Lucerne Railway Club, Ltd., \$2,000.  
Yorkton, Sask.—United Supply Co., Ltd., \$250,000.  
Alliston, Ont.—Alliston Gold Mines, Ltd., \$1,000,000.  
Victoria, B.C.—West Coast Power Co., Ltd., \$10,000.  
Humboldt, Sask.—Arlington Hotel Co., Ltd., \$10,000.  
Monteith, Ont.—Hawk Lake Lumber Co., Ltd., \$40,000.  
Warwick, Que.—Warwick Woollen Mills, Ltd., \$195,000.  
Granby, Que.—United Maple Products, Ltd., \$1,000,000.  
Prince Rupert, B.C.—Prince Rupert Logging Co., Ltd., \$10,000.  
Kelowna, B.C.—Kelowna Poultry Association, Ltd., \$20,000.  
Waterloo, Ont.—Waterloo Glove Manufacturing Co., Ltd., \$100,000.  
Napierville, Que.—La Compagnie d'Eclairage de Napierville, Ltd., \$99,000.  
Brantford, Ont.—Brantford Machine Tool Co., Ltd., \$50,000; Abrasives, Ltd., \$600,000.  
Hamilton, Ont.—Valley Oil & Gas Co., Ltd., \$100,000; Carr Pattern and Tool Co., Ltd., \$40,000.  
London, Ont.—National Inks, Ltd., \$40,000; Steel Sashes, Ltd., \$40,000; Ruggles Motor Truck Co., Ltd., \$3,000,000.  
Quebec, Que.—Prinza, Ltd., \$10,000; Adolphe Hunt, Ltd., \$200,000; Quebec Marine Works, Ltd., \$25,000; Clarke Trading Co., Ltd., \$1,000,000.  
Winnipeg, Man.—Mammoth Mining Corporation, Ltd., \$5,000,000; Murphy Door Bed Co., of Western Canada, Ltd., \$50,000; Reesor and Clark Grain Co., Ltd., \$50,000; Prudential Investments, Ltd., \$50,000; Quality Cakes, Ltd., \$100,000; Ross Motor Co., Ltd., \$50,000; Western Truck Body Co., Ltd., \$50,000; Nungester Hot Water Electric Incubator Co. of Canada, Ltd., \$50,000.  
Vancouver, B.C.—Motion Pictures Advertising Co., Ltd., \$50,000; B.C. Telephone Employees' Building Association, Ltd., \$10,000; Attorney Mines, Ltd., \$100,000; Galbraith and Earle, Ltd., \$50,000; Rose Hat Shop, Ltd., \$10,000; Bergman's, Ltd., \$15,000; Lull Bay Log and Pulpwood Co., Ltd., \$150,000; Overwaita (New Westminster), Ltd., \$10,000; Canadian Flashlight, Ltd., \$2,000,000.  
Montreal, Que.—Purity Ice Cream Co., Ltd., \$100,000; Dominion Dairy Co., Ltd., \$49,500; La Societe d'Administration, \$299,000; Atlantic Realties, Ltd., \$190,000; Le Pays, Ltd., \$20,000; Triplex Motion Picture Machine Co., \$100,000; Glovers, Tanning and Knitting, Ltd., \$100,000; Continental Guaranty Corporation of Canada, Ltd., \$800,000; Berialt Co., Ltd., \$57,600; Ideal Investments, Ltd., \$100,000; Ramsay Kelly Co., Ltd., \$50,000; Haupt Co., Ltd., \$50,000.  
Toronto, Ont.—Canadian Timber Co., Ltd., \$1,000,000; Paramount Peterboro Theatres, Ltd., \$4,000; Belleayre Hospital, Ltd., \$40,000; Plummer Machine Co., Ltd., \$100,000; Dundas Plate Glass Co., Ltd., \$200,000; A. Ramsay and Son Co., of Ontario, Ltd., \$100,000; North American Feldspar, Ltd., \$60,000; Windyear and Donaldson, Ltd., \$50,000; Cluett, Peabody and Co., of Canada, Ltd., \$750,000; Exide Batteries of Canada, Ltd., \$600,000; Ault and Wilbur Co. of Canada, Ltd., \$500,000; Fulton Motors, Ltd., \$2,000,000; Norwesco of Canada, Ltd., \$50,000.

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# News of Municipal Finance

**Financial Condition of Saskatchewan Municipalities Does not Constitute any Cause for Anxiety on Part of Bond Holders, States Hon. George Langley—Growth of Montreal's Debt—Ontario Municipalities Show Substantial Increases in Assessment**

**T**HAT there is nothing to be alarmed over in connection with the financial condition of certain towns in Saskatchewan, is the statement of Hon. George Langley, provincial minister of municipal affairs. This remark was made following publicity in the press of eastern Canada, regarding the affairs of Battleford, Canora and Humboldt. This minister stated that he does not consider that the financial condition of either of these municipalities constitutes any cause for anxiety on the part of the bondholders.

"It is inevitable in a developing province that centres of population should be affected by the location of the railway lines," said Mr. Langley. "This has been particularly the case in connection with the town of Battleford. The establishment of North Battleford as a separate municipality on the opposite side of the Saskatchewan River has resulted not only in arresting the growth of the old town but has withdrawn a large amount of the patronage upon which the old town formerly depended. The bondholder, like other investors, has to hazard results under circumstances like these, which are more or less inevitable."

The financial condition of the town of Humboldt has been seriously affected by the fact that although a railway town, the railway itself has not been taxable. "Should the Dominion government, as holder of the majority of the stock of the Canadian Northern Railway, waive its right to immunity from taxation," said Mr. Langley, "the town would in a very short time be financially on easy street."

The town of Canora is and will in all probability continue to be the centre of a prosperous farming district, according to Mr. Langley, so that no difficulty should be experienced by the Local Government Board in making an arrangement that will eventually give the holders of its bonds full protection and ensure a settlement that will not entail any loss upon them.

"The statement in the press that the bondholders of the towns mentioned are reported to have shown considerable reluctance to place themselves in the hands of the Local Government Board and thereby sign away their rights without having any intimation in advance of what the Local Government Board will do, surprises me not a little," continued Mr. Langley, "as the board's action has always been taken as much in the interest of the bondholders as in that of the municipalities themselves. The Local Government Board has at all times shown itself ready to allow bondholders to exercise their legal rights if they thought it in their interest to do so. As the towns mentioned form a very small exception to the good standing of the municipalities in Saskatchewan, I think that the general condition is one that merits congratulations rather than otherwise."

At a meeting of bondholders of the town of Melville, Sask., it was decided to recommend that the affairs of the town be placed in the hands of the Local Government Board of Saskatchewan. A communication was read from the secretary of the Local Government Board, conveying the information that the officials at Melville are confident that they will be able to pay up all arrears before the end of 1920, and a full report by auditors will be placed in the hands of the bondholders in the course of about six weeks.

**Woodstock, Ont.**—Total general assessment now amounts to \$6,369,558, an increase of \$931,113 over 1919.

**Barrie, Ont.**—The assessment roll of the town shows a total valuation of \$4,415,794, which is an increase of \$120,275 over last year.

**Winnipeg, Man.**—Total tax collections during September amounted to \$2,265,049, bringing the grand total to date, since May 1, up to \$3,402,620.

**Toronto, Ont.**—Total receipts from the civic railway for September, amounted to \$46,558, an increase of \$6,956 over

the previous month, and \$7,957 over the same month a year ago.

**Sandwich, Ont.**—The town's population has increased from 3,643 to 4,153 during the past year, according to figures prepared by the town assessors. Property valuation is placed at \$7,716,835, and taxable property, after exemptions, at \$6,159,625.

**Brantford, Ont.**—According to a recent statement made public, assessment figures of the city are as follows: Total taxable assessment, \$25,178,505; total exempt assessment, \$4,686,900; grand total of general assessment, \$29,865,305; total increase in taxable property, \$3,493,185; total increase in business, \$321,705; total increase in income, \$401,140; total increase in taxable assessment, \$4,216,030.

**Vancouver, B.C.**—Comptroller Pilkington, at a recent meeting of the civic finance committee, urged economy in the various departments of the city during the remainder of the year. A net operating deficit of about \$61,000 faces the city, unless certain measures are taken, according to the comptroller. The city is at present making arrangements to engage a tax expert to report and recommend on the best sources from which to obtain more revenue. Civic tax receipts to date this year, according to figures compiled up to the end of September, amount to about \$5,000,000.

**St. John, N.B.**—At a recent meeting of the city council Mayor Scholfield reported that the city's bank overdraft at June 30th last was \$402,441, of which amount \$74,770 was arrears in taxes.

The city's proportion of tax arrears for the four years from 1916 to 1919 is as follows: 1916, \$9,389, worthless; 1917, \$14,529, 5 per cent. collectible; 1918, \$24,186, 12 per cent. collectible; 1919, \$12,578.40, 40 per cent. collectible. There are ninety-two taxpayers in arrears to the amount of \$50 or over. One-half of this number are paying on account.

**Montreal, Que.**—According to civic statistics published recently in the city, fully a third of the annual income has to be set aside for interest charges. Six and a quarter millions are consumed in interest, while three quarters of a million must be deducted from revenue for the sinking fund. As the total revenue is twenty-one millions, there must be taken from it seven millions for interest charges and the sinking fund. The city has two "permanent loans, one amounting to half a million and bearing the rate of 7 per cent., and the other seven millions, but bearing the interest rate of 3 per cent." These two permanent loans were floated many years ago, when the city particularly needed money. From time to time efforts have been made to arrange so the loans would be taken up, but the holders showed no ardent desire to comply with the request.

Figures are given showing that the bonded debt goes back to 1848. In that year, by act of parliament, the city was authorized to issue bonds to the amount of \$200,000 to purchase waterworks. A number of other loans quickly followed for sewers, additions to the waterworks, etc., until in 1867 the total debt amounted to five millions. In 1868 the first issue of bonds became due. Nine years later the debt was close upon ten millions. In 1888 it was eleven and three-quarter millions, and ten years later again, in 1898, it had gone up to twenty-seven and a half millions. In 1906 it was a shade over thirty-one millions. From there it increased as follows: 1910, \$49,102,727; 1911, \$63,352,900; 1912, \$68,359,860; 1913, \$83,736,805; 1914, \$97,017,420; 1915, \$98,720,745; 1916, \$100,000,000; 1917, \$102,000,000; 1918, \$121,276,622; 1919, \$122,000,000. The principal cause of the marked increase in 1918, over 1917, was the enforced annexation of Maisonneuve.



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# Government and Municipal Bond Market

British Columbia Sells Securities at a Premium—Issue Disposed of Across the Line—Saskatchewan Will Conduct a Campaign to Sell Farm Loan Debentures Locally—Three and a Half Millions Wanted—Windsor May Test the Local Market

**T**HERE is no visible broadening tendency in the bond market just yet, and bond dealers are of the opinion that no great change will take place this year. After the strain of the crop movement and the credit situation has been relieved, a better demand is expected, while prices will no doubt stiffen, but until Victory bonds are placed on the open market, which it is hoped will be at the end of the year, and prices are allowed to find their own level, it is recognized that there will be no marked improvement.

The market in the United States is in a very satisfactory condition. Demand is good, and prices, particularly of Liberty bonds, have had a marked advance. There is also a good demand for Canadian bonds in that market, as evidenced by the absorption of all of the British Columbia issue and practically all of the Ottawa bonds. The same syndicate which purchased the \$1,000,000 of British Columbia's, are now offering to place double that amount of the same bonds on the same terms, which should be a good indication of the situation.

## British Columbia May Borrow More

According to an announcement made in Vancouver recently, British Columbia has not yet finished borrowing this year. The province has under consideration a loan of about \$5,000,000 for roads, this loan to be provided for out of increased motor fees. Should conditions warrant, a similar amount will be borrowed within the next three months. In addition, it is understood that the government has been sounding local bond houses with a view to having them subscribe to a loan to provide funds wherewith the \$3,000,000 University of British Columbia project at Point Grey may be inaugurated under the provisions passed at the last session of the legislature.

Windsor, Ont., is now considering the advisability of selling somewhat over \$400,000 debentures locally. It will be remembered that the city had some \$376,548 debentures recently returned, owing to a legal difference. These securities, together with some housing bonds, are now ready for the market. Whether local or not it has not yet been decided.

Gloucester Township bonds, which are being offered locally are selling well, according to reports. City Treasurer Huber, of Kitchener, Ont., also advises *The Monetary Times* that about \$80,000 of total of \$152,300 debentures have been disposed of over the local counter.

City Treasurer Davis, of Hamilton, also advises that since May 1 last approximately \$425,000 debentures have been sold to inhabitants of the community at a 6 per cent. rate.

## Saskatchewan to Sell Locally

Saskatchewan has decided to conduct a campaign between October 26 and December 7 for the sale of \$3,500,000 farm loan debentures within the province. According to Hon. C. A. Dunning, provincial treasurer, the campaign will be conducted on a miniature Victory loan scale. The executive of the Saskatchewan Press Association will take charge of the publicity side of the campaign, and the municipal officials throughout the province will have charge of the organization work and will arrange for canvassing committees. Mr. Dunning, speaking of the new plan, said in part:—

"The Saskatchewan Farm Loans Board has loaned over \$5,250,000 since the first loan was made on September 10th, 1917. In a new province like ours the lack of capital has always proved a heavy handicap to thousands of our best farmers. The need of adequate capital was never greater than it is at present when so many of our farmers are changing over from straight grain growing to mixed farm-

ing. At the same time, financial conditions throughout the entire world have never been more unsettled.

"There is no way by which the government can secure sufficient funds at a reasonable rate of interest to meet the heavy demand from farmers in all parts of the province, except by guaranteeing to the home investor a safe and profitable investment, and borrowing from the people of Saskatchewan who have money the funds to loan farmers who desire to borrow on first mortgage, on longer terms and at a lower rate of interest than they can secure money from other sources. I feel quite confident that we can secure from our own citizens the money which is so urgently required for establishing our farming industry on a permanently profitable basis.

"In creating the Farm Loans Board our principal object was to reduce the cost of money to the farmer, not to do all the farm loan business. It was never the policy of the government and it is not the policy at the present time to attempt to take over the farm loan business, but rather to exert an influence on the cost of money to the farmer and to affect the terms and conditions upon which he secures mortgage loans, just as the Saskatchewan Co-operative Elevator Co. influences the grain business in Saskatchewan. There is every indication that our hopes are being realized, as there is ample evidence that we are affecting the farm loan business in the province to a very great extent.

"Saskatchewan farm loan debentures are an obligation of the whole province of Saskatchewan and therefore provide an absolutely secure as well as a patriotic investment for our citizens. As these bonds are redeemable at par at any time by giving the provincial treasurer three months' notice in writing, the bonds can never depreciate in value and are always worth 100 cents in the dollar. The interest yield of five per cent. per annum, payable semi-annually, gives a satisfactory return to the investor while providing the farmers of our province with capital at a reasonable rate of interest.

"Up to the present time, although there has been no active campaign put on to dispose of these bonds, a total of \$2,082,000 worth of the debentures has been sold. We had just entered upon a campaign for the sale of these bonds in the fall of 1917, but at the request of the finance minister of Canada we laid our campaign aside so as not to interfere with the Victory loan campaign."

Bond dealers are rather doubtful as to the outcome of such a campaign, especially in view of the fact that Saskatchewan bonds are now selling to yield 6.30 per cent. There will be a number of purchasers, no doubt, who will be attracted by the 90-day retirement privilege, and a number more who will yield to the "call of patriotism," but wise investors will demand more than a 5 per cent. yield. To sell the entire \$3,500,000 within the period desired is considered almost an impossibility, at least just now.

## Coming Offerings

The following is a list of debentures offered for sale, particulars of which are given in this or previous issues:—

Borrower.	Amount.	Rate %.	Maturity.	Tenders close.
Ste. Anne de Chicoutimi, Que. . . . .	\$ 25,000	5½	10-years	Oct. 11
Three Rivers, Que. . . . .	700,000	6	10-years	Oct. 11
Kentville, N.S. . . . .	30,300	6	25-years	Oct. 18

Kentville, N.S.—The \$30,300 6 per cent. debentures of the town, for which tenders are being called, are redeemable in twenty-five years. The latter remark was omitted from the advertisement which was published in *The Monetary Times* last week.

## "Times are Changed"

This quotation is derived from an old Latin proverb, and applies to the investment situation to-day.

For many years it was necessary to sacrifice security to receive a high interest return, or vice versa. To-day, by purchasing 1934 Victory Bonds, it is possible to obtain both.

At 96½ and interest, the 1933 maturity assures the purchaser of a tax-free interest return of 5.87% for thirteen years.

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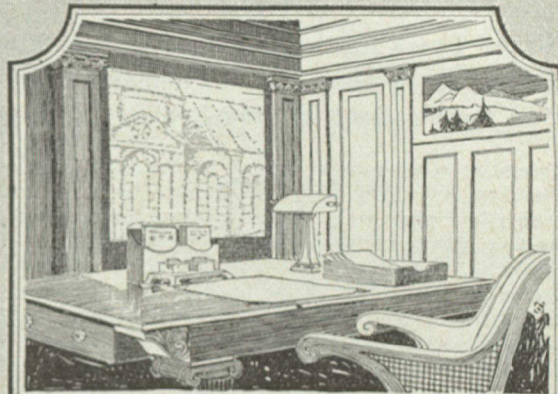
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Production is now rapidly increasing, the estimated output for the current year ending December 31st, 1920, being over \$600,000, with profits of at least \$150,000

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MONETARY TIMES WEEKLY STOCK EXCHANGE RECORD

MONTREAL—Week Ended Oct. 6th.

(Figures supplied by BURNETT & Co.)

Table with columns: Stocks, Sales, Open, High, Low, Close. Includes sub-sections for Banks and Bonds.

MONTREAL—Continued.

Table with columns: Bonds, Sales, Open, High, Low, Close.

TORONTO—Week Ended Oct. 6th.

Table with columns: Stocks, Sales, Open, High, Low, Close. Includes sub-sections for Banks and Bonds.

TORONTO—Continued.

Table with columns: War Loans, Sales, Open, High, Low, Close.

WINNIPEG—Week ended Oct. 2nd.

Table with columns: Sales, Open, High, Low, Close. Includes War Loan 1922 and Union Bank.

NEW YORK—Week ended Oct. 2nd.

Table with columns: Stocks, Sales, Open, High, Low, Close. Includes Canadian Pacific and Dom. of Can. 5%.

LONDON, Eng.—Week ended Sept. 17th.

Table with columns: Gov't. & Mun., Sales, Open, High, Low, Close. Includes Canada 3 1/2% and various railway bonds.



## CO-OPERATION SECURITIES MARKET

(Continued from page 46)

York funds. The issue is in line with a distinct revival of public interest in securities of public utility enterprises.

## Provincial Paper Bonds

The Provincial Paper Mills, Ltd., have been authorized to issue \$3,000,000 bonds, but only \$1,000,000 will be sold at present. The bonds to be disposed of now bear interest at 6 per cent., are dated May 1, 1920, mature in twenty years, and are payable both in Canada and the United States. I. H. Weldon, president of the company, makes the following comment:—

"This course was taken because of the substantial profit which the company would receive in selling bonds in American funds and converting the proceeds into Canadian funds. The above amount is offered to shareholders in the company for subscription on or before November 1, 1920, at par in American funds. For the convenience of all Canadian shareholders, the price to them is fixed at \$1,100 in Canadian dollars for each \$1,000 bond, payment in full to be made on or before November 1, 1920. Each bond will be accompanied by a stock purchase warrant, which will enable the holder thereof to purchase eight shares of stock upon the terms and conditions therein named."

The stock purchase warrant entitles the holder to buy eight common shares of the par value of \$100 each before November 1, 1925, at the following prices: \$125 per share up to November 1, 1921; \$140 between that date and November 1, 1923; and \$150 if purchased between the latter date and November 1, 1925.

## Capitalization Increases

R. J. Whitla and Co., Ltd., incorporated under the laws of Saskatchewan with a capital of \$2,000,000, have been authorized to increase their capital stock to \$4,000,000.

The N. Bawlf Grain Co., Ltd., has been authorized by the Saskatchewan government to increase its capitalization from \$1,000,000 to \$2,000,000, by the issue of 10,000 shares of \$100 each.

Stock of the Magnolia Metal Co. of Canada, Ltd., will be absorbed privately. The company was recently incorporated with a capital of \$100,000 and head office at Montreal, Que.

Burdick Bros., Ltd., investment bankers, Vancouver and Victoria, B.C., are offering \$300,000 8 per cent. first mortgage gold bonds of the Paramount Victoria Theatres, Ltd., in denominations of \$100, \$500 and \$1,000, at par and interest, with a bonus of 50 per cent., common stock. The bonds are secured by building, property and other assets to the total value of the issue, and are redeemable at the option of the company at 105 and accrued interest. Redemp-

tion of the bonds at maturity is provided for by sinking fund, to be commenced in January, 1923.

The Pyke Yacht Motor Co., Ltd., recently incorporated with a capital of \$200,000, and with head office in Montreal, are selling stock privately to customers and motor boat owners throughout Canada. Already half of the issue has been subscribed for.

The Robert McDonald, Ltd., diamond merchants, etc., recently incorporated at Vancouver with a capital of \$100,000, will make no public offering of stock. All shares are being absorbed privately. Such is the case of the Giant Motor Truck Co., Ltd., also incorporated at Vancouver recently with a capital of \$100,000.

## Option for Western Power Stock

A recent issue of the "Wall Street Journal" contains the following announcement:—

"A committee composed of M. H. Coggeshall and Bayard Dominick has addressed a letter to the stockholders of the Western Power Co. of Canada, Ltd., advising them that interests are seeking an option on the preferred and common stocks of the company. Option price is stated to be \$70 a share for the preferred and \$35.10 for the common stock, payable in Canadian currency.

"The committee advises shareholders that at the request of several large holders of stock it has entered into agreement with the Chartered Trust & Executor Co. of Toronto, whereby the latter is given an option until November 1, 1920, on all stock which may be deposited. Shareholders wishing to take advantage of the option agreement are asked to deposit their stock with the Canadian Bank of Commerce. Upon deposit of at least 56.27% of the common and 51.99% of the preferred the option will be exercised.


"The letter states that inability of the company to do new financing on favorable terms which is necessary to provide funds for additions and extensions, makes the entry of new interests into the affairs of the company desirable."

Supplementary letters have been issued to the Canadian Fairbanks-Morse Co., Ltd., subdividing the 16,000 shares of the common stock of the company now of the par value of \$100 each, into 80,000 common shares of no nominal or par value, and also increasing the capital stock of the company by the addition of 45,000 common shares of no nominal or par value, making the common stock of the company 125,000 shares of no nominal or par value, provided, however, that the company shall carry on its business with a capital stock of \$2,125,000.

The new stock of the Burlington Steel Co., Ltd., of which particulars were given in these columns last week, will not be available to the public. The Imperial Varnish and Color Co., Ltd., Toronto, also make a similar announcement.

A stock selling campaign will be put on in October by the Alberta Flour Mills, Ltd., according to an announcement made by J. A. Burgess, financial agent of the company. The company hopes to dispose of \$1,500,000 of stock to provide the funds necessary for the large new mill at Calgary.

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Manager,

D. S. SECORD

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# Corporation Finance

Lake of the Woods Milling Profits Lower, but Position is Strengthened—Spanish River Common Placed on Seven Per Cent. Dividend Basis—Ford Motor of Canada Earns Sixty-Seven Per Cent. on Capital—Lower Tonnage but Higher Profits for Hollinger

**Porto Rico Railways Co., Ltd.**—The following is a comparative statement of earnings of the company for the month of August, 1920:—

	1919.	1920.	Increase.
Gross .....	\$ 95,861	\$119,232	\$ 23,370
Net .....	41,335	48,668	7,333
For eight months:			
Gross .....	750,327	906,257	153,929
Net .....	285,424	350,285	64,860

**Ottawa Electric Railway.**—The Board of Control of the city of Ottawa has recommended to the city council that a plebiscite be held in January next, at which property holders will vote whether or not to acquire the railway at a price to be fixed by arbitration. If the recommendation is approved the board will obtain a valuation of the property and assets of the railway before the vote is taken. Finally, if the ratepayers approve, the city will go to the legislature for power to borrow the necessary amount of money to be involved in the undertaking.

**Ford Motor Co. of Canada.**—George M. McGregor, vice-president and general manager of the company, reports that net profits for the year were \$4,696,243, after deduction of \$968,590 in business profits, taxes and all other expenses. Dividends paid amounted to \$1,750,000, leaving surplus on July 31 last at \$8,216,305, as compared with \$5,270,061 at July 31, 1919. The showing is made on a production of 55,616 cars, exclusive of tractors, and compared with 39,112 manufactured the previous year, and 75,000 to be produced the current fiscal year.

The profits earned were equivalent to 67 per cent. on the outstanding capital stock of \$7,000,000.

**Laurentide Co., Ltd.**—At the annual meeting of the company in Montreal last week, replying to a shareholder, who referred to the item of \$2,812,859 in bank loans, contained in the statement submitted, Geo. Chahoon, president, said that the extensions, acquisition of new limits and the retiring of the company's entire bond issue outstanding at the beginning of the year were all factors reflected in the position referred to. As to whether such loans would be liquidated out of earnings, he stated that, as had been the case in previous Laurentide statements, the item would probably "melt away" within a reasonable time.

**Barcelona Traction, Light and Power Co.**—The increase in the net earnings of the company in August was the second lowest monthly increase registered this year, owing to the continuance of the labor trouble in Barcelona, Spain. A record of gross and net earnings since the beginning of the fiscal year, together with the increase of net over last year, follows:—

	Gross. (pesetas)	Net. (pesetas)	Net inc. (pesetas)
March .....	2,533,815	1,695,141	754,489
April .....	2,676,148	1,767,913	782,874
May .....	2,647,592	1,767,311	628,785
June .....	2,523,998	1,618,187	488,939
July .....	2,542,202	1,570,414	451,773
August .....	2,715,020	1,716,904	463,834

**Spanish River Pulp and Paper Co.**—At the annual meeting of the company on September 30 last, the common stock was placed on a 7 per cent. dividend basis by the declaration of a quarterly rate of 1¾ per cent., payable to shareholders of record September 30, on October 15. The meet-

ing was of a routine character, about 90 per cent. of the outstanding common and preferred stock being represented, mostly by proxy. The former directors were re-elected and subsequently the following officers were elected: President, G. H. Mead; vice-presidents, P. B. Wilson and Thos. Gibson; secretary, J. G. Gibson; and treasurer, A. H. Chitty. Following the meeting President Mead, discussing the possibilities of supply catching up on demand, said that none could tell when that would take place, or what further falling off in general business was likely. If anything like the normal demand continued, it would be some time before the demand for paper products was equalled by the supply. The company's entire output is now being marketed at one price.

Replying to a vote of thanks, President Mead said: "The company has been conservatively dealt with at all times and rather with the thought in mind of permanency than of any temporary value which might accrue to the benefit of the security holders, and we hope we have built firmly enough to make the company a lasting property."

**Lake of the Woods Milling Co.**—Total profits earned by the company, according to the financial statement for the year ended August 31, 1920, which was made public to-day, amounted to \$732,232, compared with \$756,616 a year ago, and \$857,914 in the 1917-18 period. After the payment of the bond interest and dividend disbursements among preferred shareholders, which showed no variation from the previous year, there remained a balance applicable to the junior securities of the company, before the writing off of the usual \$100,000 from property and goodwill accounts, of \$573,232, against \$597,616 a year ago, and \$698,914 in the preceding period. Allowing for the increase in the common stock capitalization effected during the year, the year's results were equivalent to approximately 23.4 per cent. on the shares, compared to 28.5 per cent. last year, and 33.3 per cent. in 1918. After all deductions, which included payments to common shareholders of \$294,000 unchanged from the previous year, there remained a surplus of \$179,232 to carry into the accounts of the current year, bringing the balance remaining at the credit of profit and loss account up to \$1,161,647.

While profits were lower, the balance sheet of the company showed a decided strengthening in the position of the company. As will be seen from the following figures, the working capital was greatly increased:—

	1920.	1919.	1918.
Current assets ....	\$4,659,629	\$3,530,385	\$2,618,645
Current liabilities .	1,177,540	1,293,530	921,938
Working capital ..	3,481,089	2,236,855	1,696,707
Other principal changes in the balance sheet, are as follows:—			
	1920.	1919.	
Plant, etc. ....	\$3,130,558	\$3,145,558	
Less depreciation .....	50,000	50,000	
	\$3,080,558	\$3,095,558	
Goodwill .....	400,000	450,000	
Equipment .....	75,979	84,665	
Wheat, flour, etc. ....	1,052,567	1,062,687	
Total assets .....	8,139,187	7,375,944	

**Hollinger Consolidated Gold Mines, Ltd.**—Notwithstanding fewer employees and lower tonnage per day, the company has made a higher profit so far this year, according to an interim report just issued. The improved position is stated to be due to the payment in New York funds for gold sold to the Ottawa mint, the premium being higher this year than in 1919. The interim statement covers the period from

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January 1 to September 8, and the figures are as follows, with comparisons:—

	1920.	1919.
Total income .....	\$4,866,597	\$4,839,845
Total expenditure, including maintenance .....	2,285,223	2,431,636
Net profit .....	\$2,581,374	\$2,408,209
Expenditure for plant .....	116,346	242,149
Dividends paid to October 6 .....	1,476,000	1,230,000
Average number of men employed—		
Mine .....	666	832
Mill .....	138	145
General .....	266	286
Total .....	1,070	1,263
Average tons per day—		
Broken .....	2,037	2,159
Milled .....	1,838	1,902
Approximate number of shareholders, 2,600.		

### POST-OFFICE SAVINGS BANK

Deposits in the post-office savings bank during July, 1920, were \$614,814, as compared with \$561,829 in previous month. The position of the bank was further improved by

## Lake St. John Pulp & Paper Company, Limited

(Incorporated under the Companies' Act of the Dom. of Can.)

Authorized Capital, \$4,000,000

20,000 Shares of 8% Cumulative Non-participating Preferred Stock—20,000 Shares Common Stock.

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Canada's great timber reserves and wonderful water powers, and the continued growth of our Pulp and Paper Industry.

The Lake St. John Pulp & Paper Company, Limited, has vast pulpwood areas in the heart of a thickly populated country, close to railways and water routes, unlimited water powers of its own and great pulpwood tracts of land to draw from for many years to come.

The Lake St. John Pulp Syndicate, having underwritten some of the stock of the Company, they are now offering it to investors. It is one of the best and most attractive offerings made for many years.

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a reduction of about \$170,000 in withdrawals. The following are the July figures as published by the Finance Department:—

DR.	JULY	CR.
BALANCE in hands of the Minister of Finance on 30th June, 1920..	\$ cts. 30,019,422.92	WITHDRAWALS during the month..... \$ cts. 858,221.78
DEPOSITS in the Post Office Savings Bank during month.....	614 814.82	
TRANSFERS from Dominion Government Savings Bank during month:—		
PRINCIPAL.....		
INTEREST accrued from 1st April to date of transfer.....		
DEPOSITS transferred from the Post Office Savings Bank of the United Kingdom to the Post Office Savings Bank of Canada	14,957.90	
INTEREST accrued on depositors' accounts and made principal 31st March 1920, Estimate .....		
INTEREST allowed to Depositors on accounts closed during month.....	4,447.54	BALANCE at the credit of Depositors' accounts on 31st July, 1920..... 29,795,421.40
	30,653,643.18	30,653,643.18

## RECENT FIRES

**Business Section of Drumheller Destroyed, Loss \$50,000—  
Business Section of Grassy Lake Destroyed, Loss of  
\$65,000—Nanton Court Apartments, Toronto, \$50,000**

**Balaclava, Ont.**—October 2—Large frame barn of Daniel Stewart was destroyed by fire. The loss is \$8,500, partly covered by insurance.

**Barrie, Ont.**—October 4—Stables of Dr. Alfred Morren, Collier Street, were destroyed, together with the contents. The loss is \$5,000.

**Darmood, Sask.**—September 27—Johnson's general store and Brown Brothers' hardware store were destroyed by fire. The loss is \$10,000, with \$6,700 insurance.

**Drumheller, Alta.**—October 2—A serious fire broke out, destroying the Drumheller Cafe, Fossko's grocery store, Skinner and Waites' bowling alley, the Drumheller Club, and partially destroying Vickers' garage. The loss is \$50,000.

**Grassy Lake, Alta.**—October 1—Business section was damaged by fire. The loss is estimated at \$65,000, partly covered by insurance.

**Hamilton, Ont.**—September 30—Thompson's drug store, 672 Barton Street East, was damaged by fire. The loss is \$2,000.

**Havelock, Ont.**—September 29—Grocery and bakeshop of G. R. McGregor were destroyed. The loss is \$12,000, partly covered by insurance.

**Kenora, Ont.**—September 29—Grocery store of Martin and Pointier was damaged. Loss is \$10,000.

**Kitchener, Ont.**—October 4—Barn on the farm of Philip Weber, on the road between St. Jacob's and Elmira, was totally destroyed by fire. The loss is \$6,000, partly covered by insurance.

**Meaford, Ont.**—October 2—Apple evaporator, owned and operated by Reid and Gower, was damaged by fire. The loss is estimated at \$8,000, partly covered by insurance.

**Quebec, Que.**—October 1—Limoilou Convent, on Eighth Avenue, was damaged by fire. The fire is believed to have been caused by a spark from a nearby mill.

**Seeley's Bay, Ont.**—September 29—Barn of C. Blackman was struck by lightning and destroyed. The loss is heavy, and partly covered with an insurance of \$1,500.

**Sherbrooke, Que.**—October 2—Three large barns and the storage houses on Alderman William Brault's farm on the Brompton Road were destroyed, causing a loss of \$30,000, with insurance of \$9,000.

**Toronto, Ont.**—October 1—Nanton Court Apartments, Rosedale, were damaged by fire. The loss is \$50,000.

**Watson, Sask.**—September 25—Green and Ketchen garage damaged by fire. The loss is \$20,000.

**Yarker, Ont.**—September 27—Barn of Alfred Galbraith was damaged by fire. The fire was caused by lightning, and the insurance was \$700.

## ADDITIONAL INFORMATION CONCERNING FIRES

**Beaverton, Ont.**—September 15—Cupola and core-room of Smith Brothers was damaged by fire. The fire was caused from the oven. The total loss was \$950, with insurance of \$2,000 in the Gore District.

**Milford, Ont.**—September 6—St. Philip's Anglican Church was damaged by fire. The fire was caused by lightning. The loss is \$3,500, with \$1,250 insurance in the London Mutual.

**Manitoba.**—During the month of July there have been 148 fires reported, with a loss of \$157,219. There have been three fatalities. There were two apartment buildings damaged, dwellings 27, farm buildings 31, offices 4, warehouses 5, stores 5, stables 3, and hospitals 1. The following were the causes: Lightning 30, matches 10, rubbish 14, smoking 15, spontaneous combustion 3, explosions 4, and reported unknown 22.

**Ontario.**—During the month of August there were 592 fires, with losses of \$157,592. Lightning caused 139 fires. There were 101 farm barns destroyed.

**Toronto, Ont.**—Fire department records for the month of September show that that were 149 alarms. Estimated total damage, \$39,527; loss to contents, \$24,910. There were thirteen fires caused from dumps and grass and twelve from children playing with matches.

**Vancouver, B.C.**—September 2—Three suites, owned by T. A. Linesley. The loss was \$3,800, with insurance of \$100,000 in the following companies: Union Assurance, Canada Accident, Car and General, Palatine, New York Underwriters, Providence, California, London Underwriters, Niagara, Mercantile, National Union and Hartford.

**Vancouver, B.C.**—September 5—The fire chief of Vancouver has sent the following information regarding the fire in the Empire Building on September 5th:—

"The value of the building is given as \$70,000, with insurance to the amount of \$56,000 carried on same in the following companies: Norwich Union, Agricultural, Vulcan, Fidelity-Phenix and Continental. The loss is estimated at around \$1,500 to \$2,000 (building only). Damage to contents is set at \$130 (no insurance carried covering same). The total value of contents is given as \$72,050, with insurance on same to the amount of \$45,600.

"The cause of the fire is undoubtedly 'incendiary,' the fire having been started in some old paper in the hallway (corner), second floor, north side of the building. I would add that a number of fires, all of incendiary origin, occurred within a few days only of the above, and all about the same hour, as follows: Fairfield Block, September 1st, 9.58 p.m.; loss about \$9,500. Tunstall Block, September 2nd, 12.42 a.m.; loss about \$15,000. 609 Pender Street West, September 2nd, 2.14 a.m. (rooming house); loss about \$65. Park Rooms (rooming house), September 2nd, 4.30 a.m.; loss estimated at \$250. Moore printing establishment, 319 Pender Street West, September 3rd, 11.52 p.m.; estimated loss, \$250.

## ONTARIO FIRE PREVENTION LEAGUE

The annual meeting of the Ontario Fire Prevention League was held in Toronto on October 5th. The following officers for 1920-21 were elected: Honorary president, Hon. E. C. Drury; president, Arthur Hewitt; first vice-president, J. M. Watt, London; second vice-president, G. C. Martin, Hamilton; secretary-treasurer, George F. Lewis, Toronto.

Prohibition of wooden shingle roofs on dwellings not situated more than 50 feet from adjacent structures was advocated by J. B. Laidlaw, manager of the Norwich Union Fire Insurance Society, in an address before the meeting. After brief discussion of his resolution to seek legislation along these lines the convention endorsed his views.

In his report as secretary-treasurer, George Lewis said that during the first eight months of 1920 there were 626 fires in Ontario, with losses of \$7,361,380, and insurance, \$5,309,214. For the first eight months of 1919 the figures were: Fires, 6,351; total losses, \$7,352,501; and in 1918, fires, 7,484, loss, \$10,079,491. Fire losses in the United States and Canada, he said, were ten times those of European countries.

Two acts which it is proposed to have introduced at the next session of the Ontario legislature were discussed. One deals with lightning rods and their installation. The other is to regulate the location, construction and operation of dry-cleaning establishments using gasoline.

Fire Marshal E. P. Heaton, of Ontario, in a short address, estimated that 80 per cent. of the fires in the province are preventable. Other speakers were Franklin H. Wentworth, secretary of the National Fire Protection Association, Boston; John B. Laidlaw, manager of the Norwich Union Fire Insurance Society, Toronto; W. H. Shapley, president of the Dominion Fire Protection Association; and Arthur Hewitt, president of the League.

## Knocking at the Door

Opportunity is knocking at the Fire Insurance Agent's door. The majority of people are under-insured, construction is going ahead as rapidly as conditions will permit. The agent's chief requisite in securing a share in this volume of business is the representation of an up-to-date, service-giving company.

The **FIDELITY (FIRE) UNDERWRITERS** is that company, Mr. Agent. Write our Service Department for full particulars of the advantages of our agency. Do not put it off. You are losing money with each moment of delay.

### FIDELITY (FIRE) UNDERWRITERS

OF NEW YORK

HENRY EVANS, President.

Policies assumed half by The Fidelity-Phenix Fire Insurance Company and half by The Continental Insurance Company of New York

CANADIAN HEAD OFFICE: 17 ST. JOHN STREET, MONTREAL

W. E. BALDWIN, Manager

## Insurance Company of North America

CAPITAL .....\$ 5,000,000.00

ASSETS JULY 1st, 1920 .....\$38,946,013.37

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.*

## LAW UNION & ROCK

INSURANCE COMPANY, LTD.

LONDON, ENGLAND

Fire—Casualty—Automobile

*Over \$10,000,000 invested in Canada*

Canadian Head Office  
MONTREAL  
COLIN E. SWORD, Manager

Toronto Branch  
ALF. WRIGHT - Fire Mgr.  
ALEX. MacLEAN, Acc. Mgr.

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



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

THE  
**Wawanesa Mutual Insurance Co.**  
 Head Office: WAWANESA, MAN.  
 OWNED AND OPERATED BY FARMERS  
 In Manitoba, Saskatchewan, Alberta and British Columbia  
 Insuring Farm Property only, at the lowest possible cost to the assured

As at	Assets .....	\$ 1,437,252.37
December	Reserve for Unearned Premiums .....	94,542.18
31st, 1919	Number of Policies in Force .....	40,000
	Amount of Insurance in Force .....	83,290,110.00
	Increase in Business during 1919.....	7,658,573.00

**FARMERS:** Why insure in small or weak Mutual Companies, when you can insure with the Wawanesa Mutual, the largest and strongest strictly Farmers' Mutual Fire Insurance Company in Canada.  
 AGENTS IN ALL LOCALITIES  
 This Company has no connection with The Western Canada Mutual Fire Insurance Association, or any other combination of Mutual Companies.

**WESTERN ASSURANCE COMPANY** INCORPORATED 1851  
 Fire, Marine, Automobile, 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. R. PRINGLE, Canadian Fire Manager

**British Northwestern Fire Insurance Company**  
**Head Office TORONTO**  
 HON. EDWARD BROWN, President.  
 J. H. RIDDEL, Managing Director.  
 E. C. G. JOHNSON, Secretary.  
 F. K. FOSTER,  
 Winnipeg, General Agent for Western Provinces.  
 The policies of this Company are guaranteed by Eagle, Star and British Dominions Insurance Company, Limited, of London, England.  
**ASSETS EXCEED \$93,000,000**  
*Applications for agencies are cordially invited.*

**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 NORTH EMPIRE FIRE INSURANCE Co.**  
 HEAD OFFICE WINNIPEG, MAN.  
**Toronto Office: 218 Confederation Life Bldg.**  
 J. E. HOUNSOM, Manager  
 (Policies guaranteed by the London Guarantee and Accident Company, Limited)

**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 & Crossin, Ltd., 36 Toronto St.

**The Commercial Life Assurance Company of Canada**  
*Head Offices, C.P.R. Bldg., Edmonton*

FIRE CASUALTY  
**The Northern Assurance Company, Limited**  
 of London, England  
**Assets, \$79,801,255.00**  
 Head Office for Canada:  
 Room 306, Lewis Bldg., 17 St. John Street, Montreal.  
 G. E. MOBERLY, Manager.  
 A. HURRY, Manager, Casualty Department.

**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**

**CALEDONIAN-AMERICAN**  
 Insurance Company of New York  
**Head Office for Canada - MONTREAL**  
 JOHN G. BORTHWICK, Manager  
**BRYCE B. HUNTER - Resident Agent**  
 H. W. RANDLE, Inspector  
 51 Yonge Street, Toronto Telephone Main 31

**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.  
 L. W. SHUH, Manager.  
 ALLAN BOWMAN, Vice-President.  
 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

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.



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.

**DOUBLE INDEMNITY BOND**  
TWICE AS MUCH LIFE ASSURANCE FOR THE SAME PREMIUM  
IF DEATH RESULTS FROM ANY ACCIDENT.—ENQUIRE—

THE NORTHWESTERN LIFE  
HOME OFFICE BUILDING DONALD ST. WINNIPEG

**The Western Mutual Fire Insurance Co.**  
Head Office - Didsbury, Alberta

President—H. B. ATKINS, M.L.A.

PARKER R. REED. LARGEST ALBERTA  
Managing Director FIRE MUTUAL

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 CORP.**  
CORPORATION, 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, \$46,500,000

**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

# Canadian Government Municipal and Corporation Bonds

BOUGHT — SOLD — QUOTED

## DOMINION SECURITIES CORPORATION LIMITED.

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

Established 1901  
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TORONTO

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

### MORTGAGES

Investors favoring the mortgage will, upon request, be kept constantly posted as to our offerings in this field. We offer first mortgages secured by first class retail property, returning 7%. Amounts, \$10,000 and upwards. Smaller mortgages to yield 8%

*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

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& BASCOM, Agents,

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Toronto, Ontario

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Dominion Bank Building, Toronto, Ontario