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Canada's War Loan Financing

Is It Desirable and Proper to Finance Our War Requirements in the United States
Just Now, Leaving the Issue of the Fourth Domestic Loan Until Early Next Year?

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Cold Storage Report Hints Government Control

COMMISSIONER O'CONNOR, *Investigator, Says Food Controller Hanna is the Man for Action—Companies' Control of Domestic and Export Trade—Figures as to "Margin" and a Note as to What "Margin" is—Extracts from the Official Report.*

HAVING completed his investigation into the cold storage business in Canada, Mr. W. F. O'Connor, the commissioner, places the burden of action upon Hon. W. J. Hanna, the food controller. In his report, Mr. O'Connor says:—

"Now that a food controller has been appointed and very close co-operation established between that official and this branch of this department, I consider myself relieved from the making of any suggestions as to the amelioration of conditions as I may find and disclose them, deeming that the function of action concerning food prices and food conditions, as distinguished from that of investigation, is now his to perform, and that any recommendations of mine, even though valueless, or because so, might prove embarrassing. He will be furnished with a copy of this report, and all data secured on the investigation or to be secured will be (as he has requested, and as you as minister have directed) will be at his disposal."

In several parts of the report the commissioner hints at government control. In one place he says: "The fact that the food sold from cold storage for export is in the hands of a very few companies is sufficiently evident. This situation is may be possible to turn to use. In the event of necessity of national control of exports, export prices or export buying, the concentration of the major part of the trade in foodstuffs in the hands of a few companies will greatly facilitate such control. As to the advisability or otherwise of state action of this kind, it is a matter of policy and beyond the sphere of the present inquiry. It would come about, if at all, as a war measure, and in case of its being considered the course and fate of 'big business,' such as referred to, during the war should be studied and known." In another part of the report he says: "No specific data is given upon the point of storage costs, because it is believed that a special investigation is required into the value of the by-products of meat, and that some compulsorily applicable cost accounting system of storage and other costs on specific commodities should be established. The present storage charges are such as are arbitrarily fixed by the different companies and levied against their commodities. The existing intricate system of storage charging can best be investigated at the same time, and possibly a legal scale of charges can thereafter be established. The project of providing such an expert examination is under way." And again elsewhere: "In view of any possible effort on the part of the State to con-

trol export trade or export prices, it might be well to note that because such a large proportion of these commodities passes through only two or three warehouses governmental control or supervision would not be difficult to bring into effect."

In a little homily on business profits and patriotism, Mr. O'Connor says: "Wandering not from the text, and taking conditions as they are, the simple and potent fact is that the large cold storage companies which operate in the different sections of Canada, having or securing the capital to control and the organizations to distribute the country's food products, have set themselves to the doing of it, and with success. This control does not in all cases approximate the absolute. With respect to certain lines it does. Canada's export trade of cold storage products is practically limited to four or five large meat companies and three or four large export houses which export cheese and dairy products. This export trade, which has attained to such immense proportions since the war, has greatly increased the capital and solidified the organization of the companies which have been so fortunate as to have had it come, or to have contrived to bring it their way. When the opportunity offered they were ready for it, and whether or not they have administered a practical monopoly of their country's foodstuffs in time of war in such manner as in the judgment of their country they had ought, there is due to them at least a meed of admiration on account of the efficiency with which they have performed what they set out to do. Their reward has been that which, doubtless, they anticipated—a large and increased revenue with substantial profits. In the face of a tremendous and consistent export demand the matter of the prices payable by them to their vendors was one practically immaterial, and seems to have been so regarded. The unfortunate domestic consumer, though living in a land of plenty, was thus constituted a competitive buyer as against a starving world, whose fields and farms produced not enough or not at all; the export prices reacted upon domestic prices and raised them, notch by notch, until Canadian foodstuffs for home consumption were selling, as they yet are, at prices ordinarily associated with periods of famine. It is proper that the Canadian consumer's contribution towards the upbuilding of Canada's immense export trade, so rendered, should be recognized. Up to the present the laurels have gone to the purveyors. The food consumer has suffered as a re-

sult of war conditions. The food purveyor has not. He has seen to it that he has been well and sufficiently paid. Accordingly, while yielding well-deserved credit to the cold storage companies of Canada for the capable manner in which they have grappled with the problem of supplying the needs of the armies and people of Great Britain and the Allies, it will be well to remember that the performance has been upon strictly business and not upon patriotic lines. The consumer, who alone has suffered for his country in the process, is the patriot."

Mr. O'Connor finds that the operations of cold storage companies generally have been fairly conducted and that there has been no illegal combination nor any excessive accumulation on the part of any company. His other conclusions are:—

"Individual instances of profiteering occurred during the year 1916. These I have already identified. If they had occurred during the present year, since the provision of the order-in-council under which I am acting in the making of these investigations, I would consider it my duty to recommend that the facts be laid before the proper attorney-general for his consideration as to their criminality.

"A tendency has become apparent during this present year, on the part of a few companies, to exact seemingly excessive margins upon beef and butter. Whether these margins are in fact excessive only a criminal prosecution or a declaration on the part of the food controller as to what shall be a fair price or a fair margin can determine.

"While, since the coming into force of the order-in-council concerning the cost of living, the margins of the companies referred to in conclusion No. 2 have not ruled as high as during 1916, they are, in my judgment, yet too high; but I have to make concerning them the same observation as made concerning the companies referred to in conclusion No. 3. Perhaps the mere mention of the matter may lead to a desirable change in conditions.

"As concerns the business of most other cold storage companies, I consider that their profits on certain lines, while not high as compared with before-the-war prices, might well be less. Their business has so immensely extended during the war period that the before-the-war margins of profit ought not to be considered now fair tests of fair profits.

"Any reductions securable by the lessening of the margins of the cold storage companies will go only a short way towards reduction of prices to the consumer. The margin of the cold storage companies is, per pound or per dozen, relatively small; the profits of the cold storage companies are made on the enormous turn-over.

"The farmer, the cold storage operator, the wholesale produce merchant, the retailer and the consumer, indeed every person who in any manner has come into relation with the commodities covered by this report, including the farm laborer whose wages have been increased, the carter whose charge has been increased, the miller whose shorts and bran command higher prices, the employees of wholesalers and retailers whose salaries are higher, the consumer who requires delivery under a more expensive system, and who, besides, is on his own part as master or employee a link in an independent but connecting chain of causation of high prices in some other commodity the price of which reacts upon the price of the commodities covered by this report, have all contributed with a multitude of unmentioned others to produce such prices as prevail. We cannot have peace prices in the midst of war conditions. As conditions change price levels will change—upwards or downwards. Prices de-

pend upon costs. If certain costs must be paid certain prices must be charged. If the farmer can be enabled to produce cheaply and will sell at a reasonable price to a distributor or distributors who will resell at a fair profit all that is possible to be done will have been done. Eliminate the profit and you eliminate the enterprise. Substitute the State and it too must regard costs and earn sufficient profit to make the enterprise pay its way. Any other course leads towards State bankruptcy.

"In connection with conclusion No. 3, I refer to the preceding figures for April, 1917. Replacement costs may have tended towards enhancement of the margin on beef during that month. The farmer or producer was charging more for the product. As respects butter, a western company sold over 200,000 pounds of butter at a margin of ten cents per pound. The selling price, notwithstanding, was but one cent above the average price ruling at the time. An explanation was demanded. It transpired that the butter had been bought at a price very much below the market rate. My conclusions concerning this case, based upon the law, were as follow: The transactions were isolated. One who buys low, as one to whom an article is gifted, may, so far as the law is concerned, sell at the prevailing rates. A temporary fluctuation of a cent or two in price is common and unavoidable, so that it cannot be said of one who (unless consistently) sells a cent or so in advance of the prevailing price, that he is necessarily an extortioner. So I make no recommendation concerning the case but exhibit it as an example of an opportunity that came to a firm to share with the public a 'good thing' but which opportunity the firm overlooked. Its action was not, in my judgment, illegal, but was it respectable? Likewise as to the more aggravated, because continuous, exaction of excessive profits by another firm, on bacon: aside from the matter of illegality, is this sort of thing to be considered respectable? Mine may be as the voice of one crying in the wilderness, but I have to register in the negative."

The commissioner makes the claim that the figures in his report are "highly reliable." On this point he says: "For the six months last past I have maintained a close and persistent scrutiny over the operations of these companies. Without exception they report to me monthly, with items, their stock on hand, their receipts, their costs, their sales, their prices realized and the quantities sold for export and for home consumption respectively. In the beginning the necessary information, covering a four-year period, year by year, 1913 to 1916, inclusive, was obtained under oath. The monthly reports are by cards not under oath, nor need they be for the present purpose, because they connect with the basic information originally obtained. Nor have I omitted to check the returns as to exports by the customs figures, nor to check those given from time to time as to domestic sales by examination of the actual invoices of purchasers, extraneously obtained. Further, in response to many suggestions from such companies that I personally attend and examine their books, I have caused it to be known that in due course an expert accountant will in all likelihood attend for this purpose. You will be aware that I have already recommended such action, for the purpose of verification and especially of securing an accurate computation of the profits upon by-products. I make the preceding statements to justify the claim that the figures hereinafter appearing may be accepted as highly reliable."

After analyzing the table showing the business done by the cold storage companies (and printed on the following page), Mr. O'Connor says: "It is possible now to see the real character of the work of the cold storage com-

panies and their place in the economics of foods. As the primary collectors and distributors of the food of the country subject to commerce, that is not consumed on the farm or distributed locally by the butchers and grocers of the small towns, they compete with the produce dealer in the home market; they practically monopolize the export market; they purchase meat directly from the producer; manufacture the by-products, put the meat through the necessary processes and control the sale of it. Eggs they buy directly from the producer or through local produce dealers. The butter is bought to some extent in this manner, and largely from the creameries; cheese is, of course, purchased from the cheese factories. From the fact that their dealings are on such a huge scale, it is to be expected that the margin imposed on the food passing through hands will be small compared to that of the total margin between the price paid to the producer and the

price paid by the consumer. The total profit may be and frequently is very large and in particular cases individual companies have taxed the food passing through their hands as highly as the grocer or small dealer, but the general trend of the cold storage business is toward a normal margin, frequent and flagrant as may be the exceptions to this rule. The truth of this statement is borne out by examination of the grocers' invoices, buying and selling.

"It is natural that the average wholesale prices for Canada of the different commodities is higher than the average selling prices of the cold storage companies in Canada, as these prices represent both those of the cold storage companies and the wholesale dealers, to whose prices another margin in after that of the cold storage house has frequently been added. The average price received by the cold storage companies for butter in 1916 was 32.7

TABLE I.—Business of All Cold Storage Companies in Canada in 1916.

Commodity.	1	1(*)	2 3		4	5	6	7	8	9 10	
	Total production of Canada (Note 1) and the total quantity of meat (dressed weight) killed in Government abattoirs (Note 2) for twelve months from Jan. 1 to Dec. 1, 1916.	Estimated Home Consumption for all Canada.	Total quantity purchased by cold storage companies and cost of same laid down in the warehouses of these companies.		Average cost per pound.	The total quantity sold and amount for which sold (Note 11).		Average Selling Price per lb. or doz.	Margin per lb. or doz. (Note 9)	Quantity sold for export from Canada according to the Trade and Commerce Returns (Note 10).	
	lbs. or doz.		lbs. or doz.	\$	cts.	lbs. or doz.	\$	cts.	cts.	lbs. or doz.	cts.
Butter.....	224,000,000	216,000,000	46,561,063	14,358,160	30-83	43,867,720	14,359,430	32-73	1-90	7,670,270	38-20
Cheese.....	202,000,000	20,000,000	76,806,324	13,908,000	18-11	72,638,890	13,713,058	18-88	0-77	157,768,762	19-40
Eggs.....	145,000,000	138,400,000	28,122,683	7,326,214	26-05	26,410,119	8,018,002	30-36	4-31	4,504,463	34-40
Beef.....	295,823,000	484,000,000	189,952,154	20,425,417	10-75	170,472,195	19,522,000	11-45	0-70	40,998,879	12-80
Fresh Pork.....			113,125,331	16,789,800	15-76	69,629,564	10,909,167	15-67	0-83		
Smoked Pork.....			45,723,503	7,009,367	15-33	54,056,692	9,927,020	18-36	3-03		
Pork.....	325,636,000	536,000,000	158,848,834	23,799,167	15-0	123,686,256	20,836,181	16-85	1-85	12,005,270	14-10
Bacon.....			125,605,834	19,795,040	15-76	151,309,429	30,787,823	20-34	4-58	169,401,293	19-10
Ham.....			14,383,485	2,761,676	19-20	14,390,367	3,067,809	21-32	2-11	3,558,032	16-10
Mutton and Lamb.....	28,956,000	72,000,000	13,609,605	2,286,939	16-80	12,666,380	2,205,229	17-41	0-61	183,601	14-10

Commodity.	11		12	13	14	15		16	17	18	19		20	21		22	23
	Quantity sold for export by the cold storage companies of Canada (Note 3).		Average selling price per pound.	Margin per pound or doz. (Note 4)	Quantity sold for Home Consumption by the cold storage companies in Canada (Note 5).		Average selling price per lb. or doz. (Note 5)	Margin per lb. or doz.	Quantity available for consumption, 1916.		Goods stored in cold storage warehouses in Canada, not the property of the firms operating the warehouses in which they were stored.		Quantity received into store during year.	Quantity in store 1916.			
	lbs. or doz.	\$	cts.	cts.	lbs. or doz.	\$	cts.	cts.	lbs. or doz.	lbs. or doz.	lbs. or doz.	lbs. or doz.	lbs. or doz.	lbs. or doz.	lbs. or doz.		
Butter.....	5,241,297	1,646,297	31-40	0-57	29,376,287	9,750,405	33-18	2-35	8,824,657	7,277,948	10,494,659	4,710,977	3,669,093				
Cheese.....	55,942,457	10,373,191	18-54	0-43	15,536,524	3,206,290	20-64	2-53	4,667,910	4,732,118	47,995,774	6,803,571	3,346,618				
Eggs.....	6,057,522	2,036,058	33-61	6-56	16,344,677	4,877,425	29-84	3-79	6,515,188	2,623,436	5,708,418	4,836,349	1,703,948				
Beef.....	13,885,286	1,381,227	9-94	0-81	110,104,060	12,386,520	11-25	0-50	6,793,916	31,537,160	16,970,038	657,858	8,568,028				
Fresh Pork.....	24,904,787	4,191,416	16-83	3-68	47,007,346	7,400,648	15-74	0-90	13,569,032	9,455,700	1,623,622	378,122	144,582				
Smoked Pork.....	7,164,306	1,378,750	19-24	3-91	26,673,188	5,220,908	19-57	4-24	7,782,791	7,357,657							
Pork.....	32,069,093	5,570,168	17-37	2-37	73,680,534	12,621,556	17-13	2-13									
Bacon.....	136,899,648	27,723,928	20-25	3-68	12,537,254	2,464,899	19-66	3-09	5,818,464	8,812,385	36,844	none	9,815				
Ham.....	2,111,764	355,169	16-82	2-38	10,483,628	2,403,881	22-93	3-73	815,703	1,236,716	37,370	3,900	10,721				
Mutton and Lamb.....	45,400	7,634	16-81	0-01	12,003,446	2,088,283	17-39	0-59	646,917	2,108,057	1,576,285	13,255	840,259				

NOTE 1.—Estimation based on the exports plus the estimated per capita consumption and the figures of the last decennial census.
 NOTE 2.—This includes practically all the live stock killed in the abattoirs and represents, according to the estimates of the Agricultural Department, about half of the live stock killed in Canada.
 NOTE 3.—This is the difference between the average selling price and the average cost price including all expenses of storing, overhead charges, losses and profit.
 NOTE 4.—This is the difference between the average cost price per pound or dozen and the average selling price for export.
 NOTE 5.—This does not represent a loss as much meat sold for export in 1916 was bought in 1915 when the average cost of cold storage plants was lower than in 1916.
 NOTE 6.—This includes some smoked pork products as well as bacon, the prices of such being very similar.
 NOTE 7.—The reason for this is that many of the quantities sold for export and for home consumption by the cold storage companies does not equal the total quantity sold. The reason for this is that many of the cold storage companies were unable to state whether their sales were for export or for home consumption, but a very considerable proportion of the total sales is shown in these two columns.
 NOTE 8.—It will be observed that the sum of the quantities sold for export and for home consumption by the cold storage companies does not equal the total quantity sold. The reason for this is that many of the cold storage companies were unable to state whether their sales were for export or for home consumption, but a very considerable proportion of the total sales is shown in these two columns.
 NOTE 9.—With regard to fresh pork a large percentage that was purchased as such was manufactured into bacon, ham and smoked pork and was sold as such.
 NOTE 10.—This includes sales made by all dealers of all kinds in Canada.
 NOTE 11.—Where the quantity sold exceeds the quantity purchased the excess represents partially the quantity on hand at the beginning of the year.

cents. The average wholesale price for Canada was 35 cents. Absolute comparison cannot be made of these figures because the average wholesale price for Canada is based on a specific class of butter, but the general comparison holds good. For instance, the average price which the investigation showed as received by the cold storage companies for cheese was 18.9 cents. The average wholesale prices for 1916, as worked out from the prices ruling daily throughout the year by the proper officers of the labor department, were as follow: Butter, creamery, Montreal, 35 cents; cheese, western, colored, Montreal, 19.8 cents; eggs, fresh, Montreal, 39.5 cents; beef, hind quarters, 14.6 cents; pork, 14.7 cents; salt pork, 16.8 cents; mutton, 14.6 cents; ham, 21.2 cents; bacon, 23.7 cents. The wide difference between the wholesale and the cold storage prices of eggs is due to the fact that the average wholesale price is calculated from the price of fresh eggs during each month throughout the year.

"The average price of mutton is lower than that showed by the cold storage companies because lamb is included with the mutton in their reports. The foregoing figures cannot form the basis of an absolute comparison because the price of specified lines is recorded in the average wholesale prices, and the price of all qualities of each commodity is shown in the average prices worked out from the cold storage reports. Comparison can be made, however, in a general way. It is in the profit per pound or per dozen that the public is chiefly interested. That margin, if reasonable, will be cheerfully paid; if unreasonable, its exaction, aside from all question as to the morality of food profiteering in time of war, is by the law pronounced criminal. A reasonable margin is as due the cold storage operator as it is due the farmer, the wholesaler or the retailer. It is the price which Canada pays for the preservation of her food supplies (a) for distribution from her large centres of production to her population in general and her urban population in particular, and (b) for export, so that she may compete with her excess supply, as a food purveyor, with other countries. It is the reward which Canada allows to those who perform for her the service of so conserving her food supply as to enable the use of the whole and the return of a fair yield in money therefor. Within it is included the price paid by the farmer for storing his excess production until the time of greater scarcity. He pays so that the fruits of his labor may be rendered an article of commerce and become a reliable source of revenue.

"The consumer pays to stimulate production so that he may be able to procure sufficient of the particular commodity at all seasons, at a nearly as possible stableized prices, and so that gluts and famines may alike be avoided. Have the margins exacted by the cold storage operators been unreasonable? There are two ways of discovering this: First, by applying the test of the averages of other years; second, by specific and expert examination of the records of actual operations. Both methods have been pursued, but it must be admitted that although much has been done the latter method has not been followed out as yet to the full extent desirable. The work is still proceeding. The accompanying table of margins shows the average prices and the proportion of the total quantities sold by cold storage companies for the years 1913 to 1916, and for home consumption."

Commenting on this table, the commissioner says: "It is desirable that the precise meaning attached to the word 'margin' in this report should be very carefully noted. It represents gross, not net, profit on the commodity from the time it is laid down, all costs and expenses paid, in the storage warehouse. The questionnaires sent out to

the various companies to secure specific information on margins demanded sworn testimony as to (a) the quantity of each commodity purchased during the year; (b) the cost of such laid down in warehouses including freight and unloading charges; and (c) the total quantity sold during the year and the total amount for which sold. The average cost prices and average selling prices were computed. The difference between these is the margin referred to. The margin represents, therefore, the cost of storing, losses, interest on investment, overhead charges, any other expenses incurred by the cold storage company from the time the commodity enters the warehouse until

TABLE II.—Margins, With Average Prices and Proportion of Total Quantities Sold by Cold Storage Companies, 1913-1916, and for Home Consumption.

	Average cost per pound or doz.	Average Selling Price per pound or doz.	Percentage of Total Amount sold as shown for export	Percentage of Total Amount sold as shown for Home Consumption	Margin on Total	Margin on Export	Margin on Home Consumption
			%				
Butter—							
1913....	25.38	27.12	less 1	90	1.74		
1914....	25.0	27.0	" 1	80	2.00		
1915....	27.37	29.95	" 5	80	2.58	1.47	2.44
1916....	30.83	32.73	" 12	70	1.9	0.57	2.39
Cheese—							
1913....	12.78	13.21	85	12	0.43	0.24	1.61
1914....	12.78	13.93	81	15	1.15	0.83	2.57
1915....	14.46	14.89	81	14	0.39	0.08	1.73
1916....	18.11	18.89	77	20	0.78	0.39	2.53
Eggs—							
1913....	22.58	24.93	less 1	63	2.35		
1914....	23.96	26.46	4 3/4	70	2.5	4.64	2.36
1915....	22.31	25.98	18	60	3.67	5.73	3.19
1916....	26.05	30.36	23	60	4.31	7.55	3.79
Beef—							
1913....	8.96	10.02	2 1/2	85	1.06	less 2.25	
1914....	10.68	11.62	5	90	0.94	" 0.29	
1915....	9.68	10.23	6	60	0.55	" 0.48	
1916....	10.75	11.45	8	60	0.70	" 0.78	
Pork—							
1913....	12.5	14.47	2	80	1.97	0.14	2.12
1914....	12.09	13.45	20	70	1.36	0.83	1.58
1915....	12.22	13.65	20	70	1.43	1.14	1.51
F. P. 1916....	14.84	15.67					
P. & S. P. 1916....	15.43	16.85	26	60	1.85	2.37	2.13
Bacon—							
1913....	14.75	17.08	34	55	2.33	less 0.36	3.15
1914....	13.56	16.04	60	30	2.48	2.17	2.34
1915....	14.10	16.57	87	12	2.47	2.69	1.46
1916....	15.76	20.34	90	8	4.58	4.49	3.97
Ham—							
1913....	14.43	19.29	less 1	84	4.86		
1914....	14.84	17.85	12	80	3.01	0.85	2.9
1915....	14.42	17.37	25	70	2.95	1.6	2.62
1916....	19.10	21.32	15	70	2.12	less 2.39	3.72
Mutton & Lamb—							
1913....	11.97	13.35	less 1	95	1.38		
1914....	13.08	14.29	" 1	95	1.21		
1915....	14.48	15.42	" 1	80	0.94		
1916....	16.80	17.41	" 1	90	0.61		

it reaches the persons to whom they sell and the cold storage company's profit. It is the total charge imposed on the food from the time it enters the cold storage house until it passes into the hands of grocers or wholesale dealers. It will be observed that the margin on butter since 1913 has increased two cents per pound, on cheese 0.35 cents per pound, on eggs 0.96 cents per dozen. On beef it has decreased 0.12 cents, on bacon it has increased 2.25 cents, on ham it has decreased 0.76 cents. The export of butter has increased during the same period from less than 1 per cent. of the total cold storage sales to 12 per cent. Although the proportion of cheese exported as compared with the total quantity sold by cold storage

(Continued on page 44.)

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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INCOME TAX

There is general approval of the income tax introduced in the House at Ottawa this week. The people have asked for such a tax, believing it fair and equitable. If adequate machinery is devised for its collection, Sir Thomas White's estimate that the probable revenue from the tax will be \$15,000,000 or \$20,000,000, will probably be exceeded. To learn successful collection methods, the government should turn to the United Kingdom rather than the United States.

The objections to the proposed tax raised in the House by Mr. E. M. Macdonald, deserve the consideration of the finance minister. Undoubtedly the tax as it stands will bear heavily on the men of moderate incomes. The average citizen with an income of \$3,000 or \$4,000, in these days especially, has about all he can do to finance the home, the family, increased property taxation, life, fire and accident insurance, mortgage payments, and so on. In face of the greatly increased living costs the smaller incomes have (without the tax) a very narrow margin between income and legitimate expenses, however thrifty and careful the wage-earner or salaried man may be. Mr. Macdonald also objected that there was not a sufficient differentiation between the unmarried and the married men in regard to the respective amounts they would have to contribute. The only differentiation is that the tax, with the unmarried men, starts with incomes of \$2,000 a year, while with the married men it starts with \$3,000 a year. Another point which deserves consideration in connection with the proposed tax is the matter of a deduction for life insurance premiums and government annuities. Citizens who are paying out part of their incomes in this way, thus relieving the State of possible responsibilities after death, deserve more consideration than those who are not making provision for the future of their family, and which means some sacrifice of income in the meantime. The deduction, from the federal tax, of all or a part of the municipal or provincial taxes, is another matter for consideration.

OUR NEXT WAR LOAN

In discussing the probable market for the next Canadian war loan, we may take it for granted that, if necessary, the loan can be raised and oversubscribed at home. It would not be an easy task; it would require hard work and great effort; but it could be done. Would it be more desirable, however, to have the United States assist with the financing of our fourth war loan, thus giving the Canadian market and investor a well-earned respite and for greater effort next spring? At present, opinions are divided. On the one hand is the contention that such financing in the United States would have two direct results. It would give immediate relief to our banks, and this, it is contended, is greatly needed at this time in view of the heavy balance of trade between Canada and the United States. We are buying largely in the United States and paying cash, at the same time we are selling to England and giving credit, thus rapidly using up our available working capital. Under normal conditions, Canada is the second best customer of the United States, and there is no reason why we should not be favored, at present, with a substantial loan, which would correct exchange, prevent gold exports and relieve the strain on our banks in taking care of our United States balances. Canada is not, at present, in a condition to float a fourth domestic loan. If a loan were attempted it would not meet with entire success, and would make more difficult any future domestic financing. We could not find a market for the fourth loan through the channels in which the previous loans were obtained. These in brief are the arguments of those who favor the United States for our next loan.

On the other hand, there is weighty opinion in favor of keeping our war debt at home, making our taxpayers our war bond holders also. The views of this group are somewhat as follows: Canada has existed mainly upon borrowed money for twenty-five years. Thoughtlessly the people of the Dominion have come to look upon money borrowed abroad as a gift or as manna from heaven instead of a liability. The moment our ability to borrow from foreign markets is suspended, our troubles commence. That is what is chiefly the matter with Canada to-day, according to the view of many authorities. The sooner we stop borrowing money abroad, the better, as we already have a vast debt per capita, seven or eight times as great as the public debt per capita of our neighbors across the line. Every day of our national life we must send \$500,000 over the border to meet the interest on our indebtedness of \$4,500,000,000 abroad. We are in the position of a young spendthrift who gaily continues to squander money so long as the mortgagee will lend. It is correct to assume that financing in the United States will afford relief to the situation, including the question of premium on New York funds, if the government can borrow money in the United States instead of in Canada, but it is only temporary relief and it increases our already heavy debt abroad. In addition, the economic situation is far from satisfactory and the outlook obscure.

Upon consideration of these opposing views, our decision must be made as to where we will market our fourth war loan, assuming the United States authorities are willing to assist. The consensus of opinion, however, seems to be in favor of a loan in the United States. Various opinions are printed elsewhere in this issue.

The above was written before the announcement yesterday of the proposed Canadian loan in the United States.

COLD STORAGE COMMISSION

Criticism of the appointment of Mr. G. F. Henderson, K.C., as chairman of the new commission to review the report of Commissioner O'Connor on the cold storage corporations, was made to parliament on Tuesday by Mr. F. B. Carvell. He was afraid that the chairman would be "more inclined to prevent the truth coming out than to get at it for the benefit of the public." He was of this opinion from experience he had had with Mr. Henderson at a previous inquiry, the shell committee inquiry, where Mr. Henderson acted for the then Colonel J. Wesley Allison. Mr. Carvell thought that, in view of the appointment of Mr. Henderson, counsel should be named to represent the people. If this were not done, he was "afraid that a truthful report would not be forthcoming."

We are not in a position to judge of Mr. Henderson's qualifications for his present appointment. We do know, however, that implicit confidence may be placed by the public in the work and the findings of Mr. A. B. Brodie, representing Price, Waterhouse and Company, and of Mr. Geoffrey Clarkson, of Clarkson, Gordon and Dilworth. These two accountants are associated with firms of the highest standing and one may feel certain that the investigation, so far as they are concerned, will not be tinged with the slightest political consideration. Mr. Clarkson particularly has had considerable experience in just such investigations and has won an excellent reputation for straightforward and accurate work of this nature.

Sir Robert Borden stated in the House at Ottawa on Tuesday that the question was largely one of accounts, profits, and so forth. The inquiry was eminently one for gentlemen of the experience possessed by those appointed. A committee of the House of Commons would not be the best tribunal for an inquiry into complicated accounts and matters of a complex nature in relation to large business affairs. That is the proper view. In the meantime, the cold storage companies, we feel sure, will do everything possible to facilitate the work of the inquiry. It was Sir Joseph Flavelle, president of the William Davies Company, who asked for the investigation.

LLOYDS BANK RETURNS

The report of Lloyds Bank, presented by R. V. Vassar-Smith, chairman, at the recent annual meeting, showed gratifying results. The available profit for the past year, after payment of salaries, pensions, other charges and expenses, and the annual contribution to the provident and insurance fund, and making full provision for rebate, income tax, bad debts, contingencies, etc., is £1,283,797 15s. 8d. To this has to be added £106,969 1s. 11d. brought forward from the previous year, making a total of £1,390,766 17s. 7d. Out of this an interim dividend of 14s. 6d. per share, being at the rate of 18½ per cent. per annum, and amounting, less income tax, to £363,128 was paid for the half-year ended the 30th June last, the usual £60,000 has been written off the bank premises account, and £520,000 has been appropriated in writing down the bank's investments, which (with the exception of the war loans, which are taken at cost) stand at or below market value.

From the balance remaining, £447,638, the directors recommended that a dividend at the same rate, amounting, less income tax, to £340,433, should be declared, and that the balance, £107,204, be carried forward to the profit and loss account of the present year. Four directors were elected during the year, namely, Mr. Henry Bell, the Hon. Robert Henry Brand, C.M.G., Mr. Oswald Sanderson and Mr. Andrew Weir.

MINING INVESTMENTS

The suggested legislation to protect investors in British Columbia mines has much to commend it. It is proposed to divide the province into six mineral survey districts, each in charge of a qualified mining engineer. Permanent survey and inspection of mining areas would replace the temporary work of the past, and so bring capital directly into touch with the man who needed it. It is proposed also to carry on experimental work with the oil flotation and other processes which would be done at the Department of Mines, Victoria, or in connection with the British Columbia University at Vancouver. Anyone bonding a property must guarantee in advance the payment of a month's wages to his miners. Hon. Mr. Sloan, provincial minister of mines, who introduced the bill, deprecates fraudulent stock sale methods. Legislation in some places presumes that a man is dishonest and attempts to legislate him into honesty. In a clause in the British Columbia act, for the protection of investors, the government takes the attitude that if persons floating a mining stock company do not aim at legitimate development, the minister of mines can give such notice as will protect investors. This provision in the bill for the protection of investors in mining stock or shares reads: "The minister of mines may, and each resident engineer shall, upon receiving notice of any advertised or intended sale of shares in any company or interest in any claim or mine or mineral property or interest whatsoever, upon statements or terms not in accordance with actual facts and conditions, give such notices, either personal or public, as may be necessary to prevent any injury to investors, and every notice given under this section shall be absolutely privileged."

The Canadian mining industry has suffered too long with the evils of stock jobbers. The reputable mining engineer has not been consulted often enough regarding mining investments. Our governments can well afford to take a greater interest in the relation of capital to the mining industry, one which will yield a much larger income to the nation in future years than it does now.

The company's assets are as follow, shillings and pence omitted:—Cash in hand and with the Bank of England, £38,115,548; cash at call and short notice, £6,430,338; bills of exchange, £15,306,652; war loans, at cost (including £1,100,000 lodged under treasury minute of the 17th November, 1915), and other British government securities, £35,774,830; Indian and colonial government securities, corporation stocks, English railway debenture and preference stocks, and other investments, (including investments lodged with the treasury under Scheme B), £5,867,958; Lloyds Bank (France), Limited, namely: 11,980 shares of £50 each, £20 paid, £239,600; advances to customers and other securities, including stock exchange loans under treasury minute of the 31st October, 1914, £55,856,841; liabilities of customers for acceptances, endorsements, etc., as per contra, £11,207,869; bank premises, at cost, less amounts annually written off for depreciation, etc., £2,832,845; total, £171,632,486.

We cannot sell in foreign markets only those styles and qualities we desire to sell and at our price. We can sell in foreign markets only what they want and against competitors who give careful attention to market requirements.

Mr. F. H. Wright, who has been in charge of the rental department of the Yorkshire and Canadian Trust Company, Vancouver, has been appointed assistant general manager of the company. Mr. Wright is a capable young business man.

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DIVIDEND No. 108.

Notice is hereby given that a Dividend at the rate of twelve per cent. (12%) per annum upon the paid-up Capital Stock of this Institution has been declared for the three months ending 31st July, 1917, and that the same will be payable at the Head Office and Branches on and after Wednesday, the first day of August next.

The transfer books will be closed from the 17th to the 31st July, 1917, both days inclusive.

By order of the Board,

E. HAY, General Manager.

Toronto 20th June, 1917.

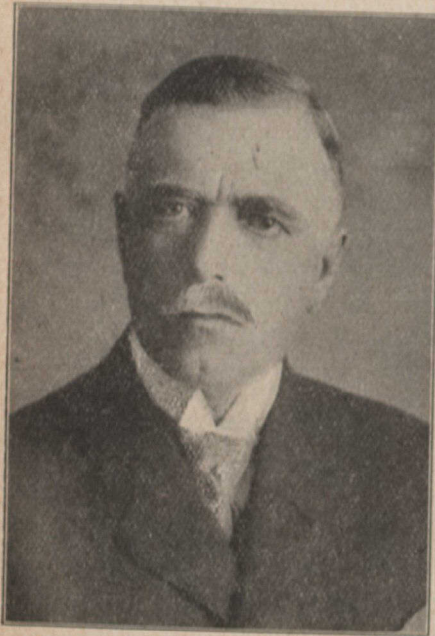
PERSONAL NOTES

MR. R. R. COTTER is in charge of the bond department of the Sterling Bank of Canada.

MR. A. BARTON HEPBURN, chairman of the board, Chase National Bank, New York, is another of the leading financial men of the United States who visits Canada for a vacation. He tells *The Monetary Times* that he has just returned to New York from a pleasant salmon fishing outing here.

MR. ALEXANDER NAISMITH MOUAT, who has been appointed comptroller-general of British Columbia, is a business man of wide experience and a fully qualified chartered accountant, being a member of the Dominion Association of Chartered Accountants and the Institute of Chartered Accountants of Manitoba and Alberta. He was born in Edinburgh, Scotland, and educated at the Royal High School. He came to Canada in 1882, at the age of 18, and spent some time in the west. After service in the audit department of the Canadian Pacific Railway at Winnipeg, he left in 1886

to enter the service of the Hudson's Bay Company at Winnipeg. He was appointed assistant manager at Winnipeg, then the most important of the company's branches. In 1897 he organized a system for handling the company's large trade arising from the rush to the Yukon and Alaskan gold-fields. In 1904 he became comptroller of the company at Winnipeg and in 1905, after twenty years' service, he retired and for several years gave attention to personal interests in Alberta, during that time also establishing eleven branches for Swift & Company. Four years ago Mr.



Mr. A. N. Mouat.

Mouat was called to Edmonton as city auditor, and in January, 1915, he was appointed by the council to establish a comptroller's department. The system then installed created favorable comment in the financial world. The system secures control at every stage by audit before liability is incurred or expenditures authorized to be made against the appropriation, audit before payment is made, and audit after payment is made, to ensure that the expenditure is charged to the correct account. This system was adopted by the Norris government in Manitoba at the outset of its administration. Mr. Mouat is a man of executive and administrative ability, is a hard worker, and his appointment to this office will mean the complete reorganization of the accounting system of British Columbia province, as recommended to the government by Price, Waterhouse & Company in its report made recently.

LIEUT.-COL. W. S. DINNICK who for a period of fifteen years has held the office of president of the Sterling Trusts Corporation, the Dovercourt Land Company, and vice-president of the Standard Reliance Mortgage Corporation, has resigned these offices. He is severing his official relations in order that he may enter with his full time upon broader and more personal enterprises with which he has recently become connected. These include the proposed Devonshire Hotel, Toronto, which will be built when financial conditions improve and the prices of materials are not so high. Col. Dinnick has left the companies with which he was associated for many years, with the best of friendly relations.

MR. H. R. SILVER, manager of the Dominion Molasses Company, Halifax, N.S., has been appointed a director of the Acadia Sugar Refinery Company.

MESSRS. W. J. DOW & COMPANY, Toronto, have been appointed special representatives for the St. Lawrence Underwriters' Agency of the Western Assurance Company.

MR. W. B. CUMMING, formerly with G. A. Stimson and Company, is looking after the interests in Toronto and vicinity of Messrs. C. Meredith and Company, Limited, Montreal.

MESSRS. FREDERIC W. THROSSSELL, C.P.A., JOHN B. ROBERTSON, C.A., and GEORGE A. ROBINSON, C.A., have become associated in practice as public accountants, auditors, and cost accountants, under the firm name and style of Throssell, Robertson and Robinson, with offices in the Citizens' Building, Cleveland, Ohio. The firm also represents in Cleveland Robertson, Robinson and Company of Toronto and Hamilton.

MR. GEORGE H. ALLEN, and of the best-known men in life insurance circles, died last week at Toronto in his fiftieth year. Mr. Allen was one of the founders of the Travellers' Life Assurance Company, first president of the Dominion Life Underwriters' Association, and for the past three years city manager of the North American Life Assurance Company. He was successful in writing many large insurance policies. He was a Liberal in politics, and an active member for recruiting, being vice-president of the Recruiting League.

MR. DAVID MITCHELL has been appointed city comptroller by the city council of Edmonton. Mr. Mitchell succeeds Mr. A. N. Mouat, who has been selected as comptroller-general for the province of British Columbia. Mr. Mitchell, who since 1915 has acted as assistant city comptroller, entered the city's service four years ago, having been chief audit clerk for a time. His services have been generally recognized, and he possesses excellent qualifications for his new position, particularly in municipal experience. Mr. Mitchell came from Scotland in 1899, and has held numerous positions of trust.

MR. NICHOLAS F. BRADY, president of the New York Edison Company; Mr. J. E. Aldred, senior member of the firm of Aldred & Company, and Mr. Arthur V. Davis, president of the Aluminum Company of America, have been elected directors of the Merchants' National Bank to fill vacancies. Mr. Raymond E. Jones, agent of the Royal Bank of Canada in New York, and a director of the Merchants' National Bank, will assume his duties as vice-president on August 1st. Ex-Senator Burton, of Ohio, will continue as president of the institution. The Merchants' National Bank is the institution of which interests associated with the Royal Bank of Canada acquired control recently.

MR. H. ROSEN, agent of the New York Life Insurance Company, who recently sold \$1,500,000 of life insurance to Sir Mortimer Davis, president of the Imperial Tobacco Company, Montreal, has had an interesting career. According to Mr. D. P. Kingsley, president of the New York Life, Mr. Rosen came from German Poland to America in the steerage of an ocean liner. He arrived in New York friendless, penniless, and without a working knowledge of the English language. Last year he made \$107,000 in commissions alone, an amount \$32,000 greater than the president of the United States. "When one considers that many life insurance agents make less than \$1,000 a year, one sees what this immigrant's achievement signifies," said Mr. Kingsley, who added:—"What is most interesting to me about this man is the fact that he is not one of those 'natural born geniuses' who begin to challenge attention as soon as they step out of the cradle. When he entered our employ thirteen years ago he stated on his application blank that he hoped to write 'about \$5,000 worth of insurance a month.' This is an amount so modest that any agent who expects to hold his job ought to reach it, at least. Soon after he entered our employ a change, a development, came into this man's life. New possibilities opened before him, new ambitions within him. In a few years he was breaking all records. In 1916 he wrote over \$10,000 of paid insurance for every working day in the year." Sir Mortimer Davis, of Montreal, had \$50,000 of insurance in a United States company. Mr. Rosen sold him \$1,000,000 more for the purpose of protecting a large estate at his death. After having been examined, and after he found out what a good proposition it was, he was persuaded to make it \$1,500,000. The premium was over \$75,000.

THE BANK OF BRITISH NORTH AMERICA

Established in 1836. Incorporated by Royal Charter in 1840

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

HEAD OFFICE

5 GRACECHURCH STREET, LONDON.

Head Office in Canada

ST. JAMES ST., MONTREAL

H. B. MACKENZIE, General Manager

ADVISORY COMMITTEE IN MONTREAL:

SIR HERBERT B. AMES, M.P.

W. R. MILLER, Esq. W. R. MACINNES, Esq.

This Bank has Branches in all the principal cities of Canada, including Dawson (Y.T.), and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.

Agents for the Colonial Bank, West Indies

Drafts, Money Orders, Circular Letters of Credit and Travelers' Cheques issued negotiable in all parts of the world.

Savings Department at All Branches



THE BANK OF NOVA SCOTIA

Capital paid-up - \$ 6,500,000
Reserve Fund - 12,000,000
Total Assets - 110,000,000

HEAD OFFICE - HALIFAX, N.S.

BOARD OF DIRECTORS

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General Manager's Office, Toronto, Ont.

H. A. RICHARDSON, General Manager.

J. A. McLEOD, Asst. General Manager.

BRANCHES IN CANADA

30 in Nova Scotia

33 in New Brunswick

7 in Prince Edward Island

10 in Quebec

67 in Ontario

14 in Western Provinces

IN NEWFOUNDLAND

Bay Roberts

Brigus

Catalina

Harbor Grace

Bell Island

Burgeo

Channel

St. John's

Bonavista

Burin

Fogo

" East End

Bonne Bay

Carbonear

Grand Bank

Twillingate

Wesleyville

IN WEST INDIES

Havana, Cuba,

San Juan, Porto Rico.

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

IN UNITED STATES

BOSTON

CHICAGO

NEW YORK (AGENCY)

CORRESPONDENTS

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

France—Credit Lyonnais.

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



ESTABLISHED 1874
95 BRANCHES IN CANADA
Capital Paid Up - \$4,000,000
Rest - 4,750,000

Board of Directors

HON. GEORGE BRYSON, President.

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SIR GEORGE BURN

SIR HENRY K. EGAN

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General Manager,
D. M. FINNIE

Assistant General Manager,
H. V. CANN

W. DUTHIE, Chief Inspector.

Interest added half yearly to Savings balances.

Prudent people gradually build up savings funds, and are thus prepared for the opportunities or necessities of the future.



THE HOME BANK OF CANADA

ORIGINAL CHARTER 1854

Branches and Connections throughout Canada

Head Office and Nine Branches in Toronto

8-10 King Street West, Head Office and Toronto Branch
78 Church Street
Cor. Queen West and Bathurst
Cor. Queen East and Ontario
1220 Yonge Street Subway, Cor. Alcorn Ave.
Cor. Bloor West and Bathurst
236 Broadview, Cor. Wilton Ave.
1871 Dundas St., Cor. High Park Ave.
Borden Military Camp

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

La Salle, Que.—Messrs. J. O. Davis and Company, Montreal, have purchased \$50,000 6 per cent. 25-instalment bonds at 9.373.

Petrolia, Ont.—The \$15,000 6 per cent. 20-instalment hydro-electric extension bonds were sold to the Canada Bond Corporation at 99.

New Toronto, Ont.—Tenders for the purchase of \$50,000 6 per cent. 30-year waterwork debentures will be received up to July 27th. T. R. Longstaff, treasurer, New Toronto.

Brockville, Ont.—Tenders will be received up to August 15 for \$28,000 5½ per cent. 5-year debentures, issued in denominations of from \$100 to \$1,000. C. A. McLean, treasurer, Brockville, Ont.

Preston, Ont.—Messrs. George A. Stimson and Company, Toronto, have purchased \$33,100 bonds, bearing 5½ per cent. interest and repayable in 10 instalments. These bonds were issued for local improvements and permanent pavements.

Burlington, Ont.—For the issue of \$45,745.18 6 per cent. 30-year debentures, A. E. Ames' bid of \$45,187 was accepted. The following were the other bids: Wood, Gundy and Company, \$45,104.74; Canada Bond Corporation, \$45,081.81.

Winnipeg, Man.—The Greater Winnipeg Water District's issue of \$3,000,000 5 per cent. 5-year debentures has been disposed of through a Canadian bond house syndicate. Sales will be extended to the amount of \$4,000,000. The sale of this sum will not only finance the district until next spring but will also pay off the overdraft now being carried by the Bank of Montreal.

Shawinigan Falls, Que.—Messrs. A. E. Ames and Company have purchased \$25,000 6 per cent. 10-instalment bonds at 96.829. Other tenders received were:—

Dominion Securities	96.03
Rene T. Leclerc	95.55
Notary Couture	95.50
Royal Securities Corporation	95.273
Hanson Brothers	95.02

Halton County, Ont.—The following bids were received for \$74,000 5 per cent. 20-year good roads bonds:—

Macdonald, Bullock & Company (accepted)	\$69,242
Canada Bond Corporation	68,839.24
Dominion Securities Corporation	92.35
W. A. Mackenzie & Company	99,235
Macneill & Young	93.02
Wood, Gundy & Company	68,951
C. H. Burgess & Company	92.71
Brent, Noxon & Company	68,586
A. H. Martens & Company	69,221
Geo. A. Stimson & Company	68,131.80
A. E. Ames & Company	69,221

Mr. Wm. Parton is county clerk, Milton, Ont.

Halifax, N.S.—An offer had been received from the Canada Bond Corporation, Toronto, for acceptance of either a serial bond or straight bond issue, sufficient to net the city \$133,500. The serial bond issue would be 5 per cent. for 30-years, at 90.50, and the straight issue would be for 34-years, at 92.34. The city treasurer reported in favor of the serial bond issue, stating that the city would make a net saving of \$28,000 compared with the straight bond issue for 34 years, at a price of 92.34. It was decided to wire the company and ask if they would accept a serial bond issue to net the city 199,500. The city would have to give nearly \$217,000 of their bonds to receive this amount. If the loan can be put through, the proposed temporary loan from the Royal Bank will not be made. Later, the offer of the Canada Bond Corporation was withdrawn owing to changed conditions, though the company intimated that if the city wishes to dispose of part of the issue they might purchase the first 20 maturities. The offer was refused by the city.

Regina, Sask.—Adequate provision has been made by the city as required by the city act for sinking fund purposes; the amount of \$131,556 shown on the balance sheet as due the fund by the city, represents the portion of the 1916 sinking

fund levy not yet collected from the taxpayers. These facts are noted in the report of the sinking fund trustees, Messrs. L. A. Thornton, G. F. Blair, G. H. Barr and Jno. E. Snowball. The report continues: "Full cash deposits required for sinking fund for the years prior to 1916 have been duly made. Under the present system of tax enforcement the 1916 arrears due the fund should be collected by the time of the tax sale. We would point out that as a result of negotiations instituted a year ago, legislation has been made which provides that any real surplus earned by the sinking fund investments may, subject to the consent of the local government board, be used in alleviation of the current year's taxes. The surplus \$4,620 shown by the statement was earned largely by the investments made by the trustees since their appointment. It should be remembered that these investments were made during the latter half of the year 1916; and that the full extent of the earnings from investments will become evident during 1917."

Saskatchewan.—The following is a list of bond applications granted by the local government board from July 9th to July 13th, 1917:—

School Districts.—Strawberry, \$2,000 10-years not ex. 8 per cent. annuity. B. Carney, Young; Butterton, \$1,600 10-years not ex. 8 per cent. annuity. M. H. Hall, Butterton; Bapaume Park, \$1,800 10-years not ex. 8 per cent. annuity. E. B. Flower, Hoosier; Process, \$2,000 10-years not ex. 8 per cent. annuity. E. M. Bader, Hilda, Alta.; Windsor, \$1,800 10-years not ex. 8 per cent. instalment. J. E. Muth, Spring-side; Allan Hills, \$1,800 10-years not ex. 8 per cent. annuity. J. F. Reeves, Hanley; *Salt Lake, \$1,600 10-years not ex. 8 per cent. instalment. C. Heidebrecht, Rush Lake; *Colmer, \$2,000 10-years not ex. 8 per cent. annuity. E. M. Wurts, Duff; *Shaunavon, \$15,000 20-years not ex. 7 per cent. annuity. E. G. Stedman, Shaunavon; Dowandville, \$2,100 10-years not ex. 8 per cent. annuity. J. W. Rowand, Nokomis.

Rural Telephone Companies.—Narrow Lake, \$6,500 15-years not ex. 8 per cent. annuity. F. Ketcheson, Wilkie; Lynne, \$5,600 15-years not ex. 8 per cent. annuity. H. A. McInnes, Langham; Doyton, \$8,000 15-years not ex. 8 per cent. annuity. G. E. Brown, Brock; Bromhead South, \$9,600 15-years 7 per cent. annuity. H. McAlpine, Bromhead; Fielding, \$4,800 15-years 7 per cent. annuity. B. Ireland, Fielding; Bresaylor, \$10,500 15-years not ex. 8 per cent. annuity. E. E. Mack, Bresaylor; Vanguard East, \$10,200 15-years not ex. 8 per cent. annuity. W. J. Hanley, Vanguard; Rockhaven, \$2,000 15-years not ex. 8 per cent. annuity. L. T. Mickle, Rockhaven; Kenaston, \$7,000 15-years not ex. 8 per cent. annuity. E. B. Hamre, Kenaston; Coleville, \$1,000 15-years not ex. 8 per cent. annuity. A. G. Bridger, Coleville; Eddy, \$5,500 15-years not ex. 8 per cent. annuity. E. G. Stoner, Bulyea; North Brock, \$8,700 15-years not ex. 8 per cent. annuity. H. L. Coule, Brock; Meadowdale, \$10,000 15-years 7¼ per cent. annuity. D. C. Ross, Canora.

Village.—Herschel, \$1,500 10-years instalment 8 per cent. J. M. Ballentine.

The following is a list of bonds reported sold:—

School Districts.—Luce, \$1,000. Nay and James, Regina; Prussia, \$12,500. Nay and James, Regina; Tessier, \$7,500. Nay and James, Regina; Novar, \$6,500. Great-West Life Assurance Company, Winnipeg; Diamond Coulee, \$1,800. Canada Landed and National Investment Company, Winnipeg.

Rural Telephone Companies.—St. Boswells, \$8,800. W. L. McKinnon and Company, Regina; Ernfold, \$15,200. W. L. McKinnon and Company, Regina; City View, \$3,000. Regina Public School Sinking Fund; Radville, \$8,000. W. L. McKinnon and Company, Regina; Pinto Creek, \$18,000. H. O'Hara and Company, Regina; Bothwell, \$5,800. Goldman and Company, Regina; Ettington, \$7,500. W. L. McKinnon and Company, Regina; Druid, \$7,900. Nay and James, Regina; Arlington, \$11,500. H. O'Hara and Company, Regina.

*Being sold by the local government board.

NO MORE COPIES ARE WANTED

In response to the advertisement printed in these columns two weeks ago asking for copies of *The Monetary Times* of June 22nd, sufficient copies have now been received.

The Dominion Bank
HEAD OFFICE .. TORONTO
 Sir EDMUND B. OSLER, M.P., President
 W. D. MATTHEWS, Vice-President
 C. A. BOGERT, GENERAL MANAGER

The London, England, Branch
 Of the Dominion Bank at 78 Cornhill, E.C.

Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada.

— THE —
Royal Bank of Canada
 INCORPORATED 1869

Capital Authorized\$ 25,000,000
 Capital Paid-up..... 12,911,700
 Reserve and Undivided Profits.... 14,324,000
 Total Assets 295,000,000

HEAD OFFICE, MONTREAL
 Sir H. S. HOLT, Pres. E. L. PEASE, V. Pres. and Man. Dir.
 C. E. NEILL, General Manager.

365 Branches in Canada and Newfoundland.
 Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau
 BARBADOS—Bridgetown; DOMINICA—Roseau;
 GRENADA—St. George's; JAMAICA—Kingston;
 ST. KITTS—Basseterre

TRINIDAD—Port of Spain and San Fernando.
 BRITISH HONDURAS—Belize.

BRITISH GUIANA—Georgetown, New Amsterdam, and Rose Hall (Corentyne).

LONDON, ENGLAND
 Bank Bldgs.,
 Princes Street, E.C.

NEW YORK CITY
 Cor. William and
 Cedar Streets.

**Business Accounts carried upon favorable terms.
 Savings Department at all Branches.**

The Standard Bank of Canada
 Quarterly Dividend Notice No. 107

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending July 31st, 1917, and that the same will be payable at the Head Office in this City and its Branches on and after WEDNESDAY, the 1st day of August, 1917, to Shareholders of record of the 21st of July, 1917.

By order of the Board,
 C. H. EASSON,
 General Manager

Toronto, July 25th, 1917.

AUSTRALIA and NEW ZEALAND
BANK OF NEW SOUTH WALES
 (ESTABLISHED 1817)
 AUSTRALIA

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



J. RUSSELL FRBNCH, General Manager

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

HEAD OFFICE: GEORGE STREET, SYDNEY. LONDON OFFICE: 29 THREADNEEDLE STREET, E.C.

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

Keep Informed

Our new Booklet of investment Securities contains, among other valuable information, latest available earnings, financial position, etc., of some of Canada's most prominent industrial enterprises.

A copy will be sent on request.

**ROYAL SECURITIES CORPORATION
 LIMITED**
 164 St. James Street, MONTREAL

— THE —
Weyburn Security Bank
 Chartered by Act of The Dominion Parliament

HEAD OFFICE, WEYBURN, SASKATCHEWAN

BRANCHES IN SASKATCHEWAN AT

Weyburn, Yellow Grass, McTaggart, Halbrite, Midale, Griffin, Colgate, Pangman, Radville, Assiniboia, Benson, Verwood, Readlyn, Tribune, Expanse, Mossbank, Vantage, Goodwater, and Osage.

A GENERAL BANKING BUSINESS TRANSACTED
 H. O. POWELL, General Manager

WILL FLOAT \$100,000,000 IN STATES

Canada's Next Loan to be Offered There to Investors
at 6 Per Cent.

Messrs. J. P. Morgan and Company announced on Wednesday that arrangements had been perfected for the flotation of a \$100,000,000 loan of the government of the Dominion of Canada, which will be offered to the United States public upon a basis to yield approximately 6 per cent. The loan will be unsecured, and it will run for two years.

The loan to Canada will be the first foreign government transaction that has been undertaken since the United States' entrance into the European war. It was first thought that the United States might make advances to Canada just as it has given credits to Great Britain, France and other enemies of Germany, but when it was found that the government at Washington was not disposed to lend money to Canada, New York bankers were asked to do the financing. They readily consented, but pointed out that in the circumstances it would be necessary to obtain Secretary McAdoo's consent. Sir Thomas White, the Canadian minister of finance, called on the secretary to discuss the matter, and upon the announcement by Mr. McAdoo that he had given permission, the Morgan firm issued the following statement:—

Statement of Morgans.

"We are authorized to state that the Dominion of Canada will shortly offer to American investors, upon approximately a 6 per cent. basis, \$100,000,000 of its two-year notes, adopting this method of offsetting in part the trade balance in excess of \$300,000,000 now existing against Canada and in favor of the United States. The comprehensive statement issued by Secretary McAdoo at Washington indicates clearly the attitude of the Federal treasury in this matter."

The proposed loan is the third to be raised in the United States by the Dominion of Canada since the outbreak of the war. The first loan was for \$45,000,000, consisting of \$25,000,000 of one-year 5 per cent. notes, which matured in August, 1916, and \$20,000,000 of two-year 5 per cent. notes, which become due next Wednesday. The Dominion government has made preparations for meeting the maturity, irrespective of the new transaction. The second Canadian loan was for \$75,000,000, and it was placed in April, 1916. It was in the form of 5 per cent. notes, \$25,000,000 maturing in five years, \$25,000,000 in ten years and \$25,000,000 in 15 years.

The price at which the new loan will be offered to the public is higher than that of the earlier issues, none of which was sold on a basis higher than 5½ per cent.

J. P. Morgan and Company sent out letters on Wednesday inviting participation in the syndicate that is being formed. While all the names have not been made public, it is understood that the list will include the National City Company, Harris, Forbes and Company, Brown Brothers and Company, Lee, Higginson and Company, the Guaranty Trust Company and the Bankers' Trust Company.

United States Government Agreeable.

United States Secretary of the Treasury McAdoo issued the following statement:—

"Sir Thomas White, minister of finance of the Dominion of Canada, called on me recently to ascertain if there would be any objection on the part of our government to Canada's seeking a short-time credit of \$100,000,000 in the American market.

"I stated to Sir Thomas that in view of the fact that the balance of trade between the United States and Canada was running strongly in favor of the United States, I realized that it was desirable for Canada to establish credits in our markets to meet these adverse balances. Therefore, there would be no objection on the part of this government to the proposed offering, but that we should, of course, have to keep control over our own situation by determining each foreign offering on its own merits and with reference to the financial condition prevailing at the time.

"It is important that our commercial and financial relations with Canada shall be conserved in every reasonable way. The proposed transaction is intended for that purpose."

BOND ISSUES AWARDED

Messrs. Mulholland, Bird and Graham, Toronto, have purchased \$12,000 5½ per cent. 20-year and \$2,000 5½ per cent. 5-year local improvement bonds of East View, Ont.

MONEY MARKETS

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

	Buyers.	Sellers.	Counter.
N.Y. funds	3-16 pm	¼ pm	¾ to ½
Mont. funds	par	par	¾ to ¼
Sterling—			
Demand	\$4.76.50	\$4.76.75	\$4.79
Cable transfers	\$4.77.50	\$4.77.75	\$4.80
Rate in New York for sterling demand, \$4.75½.			
Bank of England rate, 5 per cent.			

JUNE BANK STATEMENT

The following statement shows the principal items of the June bank report, with the changes which occurred during the month:—

	June, 1917.	Changes during June, 1917.
Note circulation	\$ 156,627,701	+ \$13,974,105
Reserve fund	113,494,533	+ 1,500
Demand deposits	449,689,670	+ 5,849,823
Notice deposits	900,510,552	+ 7,947,895
Total deposits in Canada	1,350,200,222	+ 13,797,718
Deposits elsewhere	177,974,187	— 28,708,189
Current coin	77,052,527	+ 5,121,480
Dominion notes	122,617,160	— 3,621,745
Deposits, central gold reserve.	43,450,000	+ 3,950,000
Call loans in Canada	76,085,220	+ 2,429,578
Call loans outside	159,409,133	— 9,283,542
Current loans in Canada	839,355,782	— 5,534,807
Current loans outside	93,150,083	— 5,843,114
Total liabilities	1,790,434,357	— 32,525,354
Total assets	2,033,622,950	— 33,079,640

The statement in detail and the usual analysis will be printed in these columns next week.

NORTHERN ASSURANCE COMPANY

The Northern Assurance Company, of Aberdeen, is one of the veterans in the underwriting field, having completed its 81st year of business. In Canada it has transacted only fire insurance and in that line has built up an excellent business, having established its branch and organization in this country in 1867. Mr. G. E. Moberly is manager of the Canadian branch at Montreal and has proved a very capable officer. He has well maintained the company's reputation for sound business methods and fair dealing with the insuring public. The company has \$814,208 assets in Canada, \$673,000 of which is represented by high-class bonds and debentures. There is also a sum of \$43,428 cash on hand and in banks in this country. At the end of last year the Northern had a net amount at risk of \$91,895,000, a large and well-selected volume of business. The net cash received for premiums in 1916 was \$762,029. The net amount of losses incurred during the year was \$584,822.

According to the statement of the company presented at the recent annual meeting held in Aberdeen the company's total funds are \$39,589,945, made up as follows: Capital (subscribed \$15,000,000) paid up, \$1,500,000; fire reserve fund and unearned premium reserve, \$9,588,800; life and annuity funds, \$24,708,435; endowment and capital redemption fund, \$627,490; employers' liability and accident fund, \$1,081,610; staff funds, \$927,375 and profit and loss balance, \$1,156,235.

In its fire department the company received premiums last year of \$7,177,600, showing an increase of \$568,455 in comparison with those of the previous year. The losses amounted to \$3,607,045, or 50.3 per cent. of the premiums. The expenses of management (including commission to agents and charges of every kind) came to \$2,682,285, or 37.4 per cent. of the premiums. This is an excellent record.

THE MOLSONS BANK

Capital Paid-Up, \$4,000,000 Reserve Fund, \$4,900,000
 Incorporated by Act of Parliament 1855.

HEAD OFFICE ... MONTREAL

BOARD OF DIRECTORS

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

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 Camrose
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 Revelstoke
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MANITOBA

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 " Portage Av.

ONTARIO

Alvinston
 Amherstburg
 Aylmer
 Belleville
 Brockville
 Brucefield
 Chesterville
 Clinton | Delhi
 Dutton | Drumbo
 Exeter | Forest
 Formosa
 Frankford

BRANCHES

Hamilton
 " Market
 " James & Barton
 Hensall
 Highgate
 Iroquois
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 Lambton Mills
 London
 Lucknow
 Meaford
 Merlin
 Morrisburg
 Norwich
 Ottawa
 Owen Sound
 Port Arthur
 Ridgetown
 Simcoe
 Smith's Falls
 St. Mary's
 St. Thomas
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Toronto
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 " West Toronto
 Trenton
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 Cowansville
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 Foster
 Fraserville
 and Riviere du
 Loup Station
 Knowlton
 Lachine
 Lachute | Matane
 Mont Joli
 Montreal
 " St. James St.
 " St. Catherine
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 " St. Lawrence
 " Boulevard
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 Blainville
 " Trois Pistoles
 " Three Rivers
 " Victoriaville
 " St. Pierre
 " Waterloo

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

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Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825

Capital Subscribed.....	£5,000,000	\$25,000,000
Paid up	1,000,000	5,000,000
Uncalled	4,000,000	20,000,000
Reserve Fund	700,000	3,500,000

Head Office

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

JOHN FERGUSON, Manager. DUGALD SMITH, Assistant Manager.

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THE STERLING BANK OF CANADA

Our steadily increasing clientele is evidence of the efficiency of the services we render.

Head Office

King and Bay Streets, Toronto

30

ESTABLISHED 1865

Union Bank of Canada

Head Office - WINNIPEG

Paid-up Capital	\$ 5,000,000
Reserve	3,400,000
Total Assets (Over)	109,000,000

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

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39

BANK OF HAMILTON

HEAD OFFICE, HAMILTON

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

DIRECTORS

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

MANITOBA

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

SASKATCHEWAN

Aberdeen	Caron	Mawer	Redvers
Abernethy	Dundurn	Melfort	Rouleau
Battleford	Estevan	Meota	Saskatoon
Brownlee	Francis	Moose Jaw	Stoney Beach
Cariavale	Loreburn	Mortlach	Tuxford

ALBERTA

Brant	Nanton
Calgary	Stavely
Cayley	Taber
Champion	Vulcan
Granum	

BRITISH COLUMBIA

Armstrong	Vancouver E.
Kamloops	N. Vancouver
Port Hammond	S. Vancouver
Salmon Arm	(Cedar Cottage
Vancouver	P.O.)

LOCOMOTIVE DIVIDEND A GOOD SIGN

Shareholders Read It That Way—Story of the \$105,000 Payment

While an active campaign for proxies is in progress in connection with the annual meeting of the Canadian Locomotive Company in September, new developments did not occur last week. The letter sent to shareholders by the present management and directorate is understood to have been very favorably received. It was deemed a frank, businesslike statement of the company's position, its directorial policy and of its future prospects. Sir Henry Pellatt has not issued any statement regarding his position in the proxy campaign, although he has been asked for such a statement. Mr. M. J. Haney is not in Toronto at present and his office reports that he will be away for some time.

Significance of Dividend.

The declaration of an initial dividend at the rate of 6 per cent. per annum is taken by the market to mean that the company is in excellent condition. Mr. Æmilus Jarvis, president, stated in an interview with *The Monetary Times* last week that the directors felt that before paying dividends on common, the bonds and preferred stock should be made an absolute security. This point was also emphasized in the letter sent to shareholders. The dividend declaration, therefore, means that, in the opinion of the directorate, the company has reached that desirable position.

An article in the Montreal Mail this week, discussing the company's affairs, ventured the opinion that the Haney-Pellatt interests had already secured control of the company with proxies already in hand. This is not generally believed and the Jarvis interests are quite confident that it is not the case. Their view is that the only way for Mr. Haney and Sir Henry to obtain control is to buy 51 per cent. of the stock. The Montreal report that the Harty interests would go over to the Haney-Pellatt camp is not given any credence in Kingston (the home of the company's plant and of the Hartys) or in Toronto.

Mention has been made in the discussion of the company's affairs, of the placing of \$105,000 into its treasury by President Jarvis in 1912. This incident is described in the company's annual report for that year. Here is the reference:—

"You will recollect that in December last an open letter was addressed to the shareholders in respect to a matter that arose just after the new company had taken over the business from the old. It is usual only to make explanations of company's affairs at an annual meeting and we now think that some further explanation is advisable in connection with this matter, as a portion of the profits of the company as shown in the balance sheet was not derived from the ordinary business operations of the company.

"When negotiations were going on for the purchase of the stock and bonds of this company and before the public offering of the stock was made in July, and of the bonds in September, 1911, Messrs. Price, Waterhouse and Company, were employed to make an audit of the affairs of the old company for the four years preceding the 31st of December, 1910.

Was Unprofitable Contract.

"In June, 1911, they gave the certificate which appeared in the public offering in July and at the same time conveyed the information to the issuing financial firm that among the contracts in hand there was one upon which a profit of \$105,000 was expected. In September, 1911, and after the preferred stock had been sold to the public the auditors reported that it had developed that the contract referred to would be unprofitable, and that our plant would be engaged in working out this unprofitable contract well on into November. As this company had taken over the works from the old company on the 1st of July, 1911, the operations of the company for the months of July, August, September and October and part of November, were unprofitable, for the reason above mentioned. In other words, one-third of our working year had been lost. The discovery of this situation naturally caused a good deal of irritation, and those financial firms associated with the public offering of the preferred stock and bonds felt keenly their position, as it was quite impossible for the company, in the remaining part of the working year, to make the profits they had been led to expect, so they voluntarily put into the company \$105,000 cash, the amount of profits they had been led to expect would result from this particular contract, there-

fore, you must understand that the figures of \$326,380.43, shown you in to-day's statement as the result of this year's operations include this amount of \$105,000. It must also be borne in mind, however, that had the company had its entire year free to work on its own contracts the amount that would have been earned during the period above mentioned would have considerably exceeded this \$105,000."

Company's Earning Record.

The company's earning record to date, taking the net revenue from manufacturing and investments, the balance available for preferred dividends after all charges and depreciation allowances, and the surplus carried forward is as follows:—

	Profits.	Net after charges.	Surplus.
1916	\$574,211	\$267,520	\$161,520
1915	134,613	*55,499	*160,499
1914	342,057	197,890	92,890
1913	396,886	219,262	114,262
1912	†326,380	201,148	96,148

*Deficit.

†Including \$105,000 donated to treasury.

OF NEWSPRINT PRODUCTION, 89% EXPORTED

How Canadian Paper Producers are Grouped—Five Companies Only Supplying General Market

Only 11 per cent. of the total present production of newsprint paper in Canada is used in Canada; the remaining 89 per cent. is exported. The returns of the manufacturers to Commissioner Pringle and the evidence taken before him at the investigation at Ottawa, showed that Canada's total production of newsprint paper in 1916 amounted to 584,789 tons.*

Since the beginning of 1917 the St. Maurice Paper Company, Limited, of Cap Madeleine, Que., has commenced operations and the annual production of its present plant will be about 30,000 tons. There have been also increases of about 15,000 tons in the annual capacity of the Ontario Paper Company, Limited, and of about 11,000 tons in the annual capacity of the Spanish River Pulp and Paper Mills, Limited. These two additions make the present annual production of the newsprint paper mills of Canada 640,789 tons.* This production is distributed as follows:—

Group No. 1—Companies selling their entire product through George H. Mead and Company, of Dayton, Ohio, which is practically controlled by Geo. H. Mead, president of Spanish River Pulp and Paper Mills, Limited.

	No. of tons.	No. of tons.	Percentage of total production.
Abitibi Power and Paper Company, Limited	61,787		
Spanish River Pulp and Paper Mills, Limited	131,474		
		193,261	30.15

Group No. 2—Companies comprising the Canadian Export Paper Company, Limited, of Montreal.

	No. of tons.	No. of tons.	Percentage of total production.
Belgo-Canadian Pulp & Paper Company, Limited	50,517		
Brompton Pulp & Paper Company, Limited	16,669		
Laurentide Company, Limited	63,307		
Price Brothers & Company, Limited	49,468		
Plus the St. Maurice Paper Company, Limited, which sells its entire output through Canadian Export Paper Company, Limited	30,000		
		209,961	32.76

THE Merchants Bank

OF CANADA
ESTABLISHED IN 1864

Capital Paid-up - - - - \$7,000,000
Reserve Fund and Undivided Profits 7,421,292

Head Office, MONTREAL

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F. HOWARD WILSON	LT.-COL. J. R. MOODIE

E. F. HEBDEN, Managing Director
D. C. MACAROW, General Manager
T. E. MERRETT, Supt. of Branches and Chief Inspector

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Montreal, Head Office: St James St.	Huntingdon	Rigaud
" 1255 St. Catherine St. E.	Lachine	Shawville
" 320 St. Catherine St. W.	" Notre Dame	Sherbrooke
" 2215 St. Denis St.	St.	St. Agathe des
" 1319 St. Lawrence Blvd.	Maisonneuve	Monts
" 1866 St. Lawrence Blvd.	Napierville	St. Jerome
" 672 Centre St.	Ormstown	St. Johns
Notre Dame de Grace	Quebec	St. Jovite
Beauharnois	Chateauguay Bsn.	St. Sauveur
Bury	Grand Mere	Verdun
	Quyon	

ONTARIO

Acton | Almonte	Gananoque	Manitowaning	Tara
Alvinston	Georgetown	Markdale	Thamesville
Athens	Glencoe	Meaford	Thorold
Barry's Bay	Gore Bay	Mildmay	Tilbury
Belleville	Granton	Mitchell	Toronto
Bothwell	Guelph	Napanee	" Wellington St.
Brampton	Hamilton	Newbury	" Parl't St.
Brantford	" East End	New Toronto	" Dundas St.
Bronte	Hanover	Niagara Falls	" Dupont and
Chatham	Hespeler	Oakville	Christie Sts.
Chatsworth	Ingersoll	Orillia | Ottawa	Wallaceburg
Chesley	Kincardine	Owen Sound	Walkerton
Clarkson	Kingston	Parkdale	Walkerville
Collingwood	Kitchener	Pembroke | Perth	Waterford
Creemore | Delta	Lancaster	Prescott	Watford
Douglas	Lansdowne	Preston	West Lorne
Eganville	Leamington	Renfrew | Sarnia	Westport
Elgin | Elora	Little Current	Stratford	Wheatley
Finch | Ford	London	St. Eugene	Williamstown
Fort William	London East	St. George	Windsor
Galt	Lucan | Lyn	St. Thomas	Yarker

MANITOBA

Brandon	Macgregor	Oak Lake	Starbuck
Carberry	Morris	Petit Cote	Winnipeg
Gladstone	Napinka	Portage la Prairie	" Banner-
Hartney	Neepawa	Russell | Souris	man Av.

SASKATCHEWAN

Antler | Arcola	Humboldt	Melville	Regina
Carnduff	Kisbey	Moose Jaw	Saskatoon
Frobisher	Limerick	Oxbow	Shaunavon
Gainsborough	Maple Creek	Prelate	Unity
Gull Lake	Meacham	Prussia	Whitewood

ALBERTA

Acme	Daysland	Lacombe	Red Deer
Alliance	Delburne	Leduc	Rimby
Brooks	Donalda	Lethbridge	Sedgewick
Calgary	Edgerton	Mannville	Stettler | Strome
Camrose	Edmonton	Medicine Hat	Tofeld
Carstairs	" Namayo Av.	Monarch	Trochu
Castor | Chauvin	Forestburg	Munson	Vegreville
Chipman	Hughenden	Nobleford	Viking
Coronation	Irma | Islay	Okotoks | Olds	Wainwright
Czar	Killam	Ponoka	Wetaskiwin

BRITISH COLUMBIA

Chilliwack	New Westminster	Sidney	Victoria
Nanaimo	Oak Bay	Vancouver	" Hastings St.

NEW BRUNSWICK

St. John

NOVA SCOTIA

Halifax Sydney

SUB-AGENCIES—*Ontario*—Beachville, Breslau, Calabogie, Coatsworth, Frankville, London South, Mimico, Mount Pleasant, Muirkirk, Newington, Pelee Island. *Manitoba*—Austin, Griswold, Lauder, Sidney. *Alberta*—Galahad, Grainger, Millicent, Minburn, Penhold, Rumsey, Heisler, Huxley. *Saskatchewan*—Senlac.

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Capital (authorized) \$6,000,000 Capital (paid up) \$1,431,200
Rest and Undivided Profits \$848,554

A general banking business transacted at all branches

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A. McTavish Campbell	E. F. H. Hutchings
	John Stovel

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ALBERTA	Miniota	Borden	Macoun
Calgary	Pierson	Brook	Manor
Edmonton	Pipestone	Cadillac	Manrengo
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Red Deer	St. Boniface	Dubuc	Moose Jaw
	St. Rose du Lac	Dunblane	Nokomis
B. COLUMBIA	Somerset	Dundurn	Plato
Ashcroft	Sperling	Duval	Ponteix
Marpole	Steinbach	Earl Grey	Portreeve
Quesnel	Stonewall	Fiske	Prelate
Steveston	WINNIPEG	Fleming	Qu'Appelle
VANCOUVER	Portage Ave.	Foam Lake	Quill Lake
Hastings St.	and Fort St.	Glen Ewen	Regina
Mt. Pleasant	Portage and	Govan	Rockhaven
Victoria	Sherbrooke	Hanley	Rush Lake
	Main & Selkirk	Harris	Saltcoats
	William and	Holdfast	Saskatoon
	Sherbrooke	Imperial	Scotsguard
MANITOBA		Kenaston	Sedley
Arden	SASKAT-	Kinley	Sheho
Beausejour	CHEWAN	Lancer	Stornoway Stn.
Binscarth	Alameda	Langham	Swift Current
Brandon	Allan	Laura	Venn
Crandall	Aneroid	Liberty	Viscount
Glenboro	Balcarres	Lloydminster	Waldeck
La Riviere	Bladworth	Lockwood	Wymark
Melita			

BRANCHES IN EASTERN CANADA

ONTARIO	Enterprise	Odessa	Seely's Bay
Bath	Florence	OTTAWA	TORONTO
Bracebridge	Inglewood	Sparks St.	King St.
Brockville	Inwood	Rideau St.	Agnes St.
Burford	Kingston	Wellington St.	Spadina Ave.
Cheltenham	Mallorytown	Port Dover	Woodbridge
Comber	Napanee	Scotland	Woodstock

OFFICERS OF THE BANK
R. Campbell, General Manager J. P. Roberts, Supt. B.C. Branches
V. F. Cronyn, Supt. Eastern Branches

Group No. 3.—Companies supplying only one or two newspapers.

	No. of tons.	No. of tons.	Percentage of total production.
Donnacona Paper Company, Limited (supplying only New York Times)	18,130		
News Pulp & Paper Company, Limited (in which Baron Graham is largely interested and which supplies only Montreal Star and Montreal Herald)	9,330		
Ontario Paper Company, Limited (owned by Chicago Tribune and supplying only that paper)	49,031		
		76,491	11.93

Group No. 4.—Other companies.

	No. of tons.	No. of tons.	Percentage of total production.
Booth, J. R.	37,821		
Canada Paper Company, Limited	11,311		
Eddy, E. B. Company, Limited	15,534		
Fort Frances Pulp & Paper Company, Limited	39,410		
Powell River Company, Limited	57,000		
		161,076	25.13

*These figures do not include the production of the Crabtree mill, which is being changed to a book paper mill and by August will not be producing any newsprint paper.

Five Companies for General Market.

There are thus only five companies that are supplying the general market and are not included in either the Geo. H. Mead and Company, or the Canadian Export Paper Company, Limited, groups. The combined annual production of these five companies is only 161,075 tons, or one-quarter of the total Canadian production. The Geo. H. Mead and Company and the Canadian Export Paper Company, Limited, groups represent between them an annual production of 403,222 tons, or 62.81 per cent. of the total Canadian production.

Evidence of Combination.

It was suggested by Mr. W. N. Tilley, K.C., counsel for the newspapers, at the government investigation, that perhaps the companies interested in the Canadian Export Paper Company, Limited, allowed to that company an exorbitant selling commission that was included in their statements of cost, but was returned in part in dividends from the Canadian Export Paper Company, Limited. This was one of the reasons why Mr. Tilley wished to probe the affairs of that company. As the enquiry was "into and concerning the manufacture, sale, price and supply of newsprint paper within the Dominion of Canada," he claimed the right to bring out all the facts in regard to the Canadian Export Paper Company, Limited, which is a Canadian company incorporated under Canadian laws, composed of Canadian paper manufacturers, and dealing only in Canadian-made paper. Notwithstanding these facts and the production of a letter from a Canadian paper manufacturer to a Canadian publisher, in which the latter was told his enquiry for paper had been referred to the Canadian Export Paper Company, Limited, Mr. Tilley's question to the vice-president of that company as to the nature of the business in which it was engaged, was ruled out by Commissioner Pringle as irrelevant. In his ruling he said: "Any evidence that tends in the direction of showing that there was a combination will be excluded."

Mr. H. R. S. McCabe, managing director of the Northwestern Life Assurance Company, Winnipeg, Man., has informed *The Monetary Times* that for the half-year ending July 1st, 1917, the company's subscribed capital had increased by \$46,000 over the figures at the first of the year, a gain of slightly over 13 per cent. During the same period the company's cash investments increased by 19 per cent. Its total resources now exceed \$400,000.

FIGHTING LINE AND FINANCIAL LINE

Housewives throughout the United States are to be enrolled by the government to aid in food conservation. The enrolment took place between July 1st and 15th, according to plans announced by Herbert C. Hoover, America's food controller. Every woman in the country was asked to sign a pledge to aid the government by household sacrifices. Hundreds of millions of dollars will be saved by such national effort in the opinion of American authorities. Millions can be saved in Canada by the same means. Household economy, industrial economy, commercial economy—all these are required if the Dominion is to practice that measure of thrift which is required if the national resources of the country are to bear the increasing war burden. The National Service Board is urging investment in war savings certificates. By buying these certificates you are giving your money directly for war purposes. The fighting line must be supported by the financial line.

CONCERNING WAR BONDS

An order-in-council has been passed at Ottawa to the effect that holders of bonds of the war loan issues of \$100,000,000, maturing October 1st, 1931, holders of bonds of the war loan issue of \$150,000,000 maturing March 1st, 1937, be granted the right to surrender their bonds at the issue prices, namely, 97½ in the case of the issue maturing on October 1st, 1931, and 96 in the case of the issue maturing on March 1st, 1937, plus accrued interest in each case, as the equivalent of cash in payment of any allotment made under the terms of the prospectus of any future Canadian war loan issue, other than issues made abroad, of bonds of a maturity of 20 years or more.

Members of the Montreal Stock Exchange were notified last week that on and after Friday, July 20th, scrip certificates for the Dominion war loan bonds of the 1937 maturity would not be considered good delivery when the last instalment was paid outside of Montreal "unless the Department of Finance has agreed to deliver the bonds in Montreal."

PALATINE INSURANCE COMPANY

The Palatine Insurance Company is an English corporation, which has its Canadian head office in Montreal. Mr. James McGregor, of Montreal, is manager for Canada, Mr. W. S. Jopling being assistant manager. Both are experienced underwriters and favorably known in insurance circles. The company's fire premium income in Canada last year amounted to \$276,444, an increase of nearly \$30,000 over the preceding year, and net losses incurred to \$210,883.

The company's balance sheet for 1916 shows a premium income of \$2,566,135, an increase of \$66,000 over the premiums of 1915. Losses were heavier than in 1915, and absorbed \$1,626,850. At the end of the year, the company's fire fund totalled \$2,670,875, which with the balance on profit and loss account of \$144,100 makes a total of \$2,814,975 available for the protection of the company's policyholders—a ratio to premium income of about 110 per cent.

The total assets of the Palatine are \$4,833,625, chiefly invested in the highest grade of securities. The balance sheet tabulates assets as follows:—Investments, British government securities, \$239,185; colonial government securities, \$110,390; colonial municipal securities, \$69,975; foreign government securities, \$216,345; foreign municipal securities, \$538,470; railway and other debentures and debenture stocks—home and foreign, \$1,679,055; railway and other preference and guaranteed stocks, \$91,450; ordinary stocks, \$1,925; branch and agency balances, \$605,525; bills receivable, \$4,730; outstanding interest, \$8,485; due by Commercial Union Assurance Company, Limited, \$75,005; amounts due by other companies for re-insurances and losses, \$227,090; cash in hand and on current account, \$965,905; total, \$4,833,625.

The Palatine therefore gives ample security to its policyholders, who are further protected by the guarantee of the Commercial Union Assurance Company, Limited, with its excellent reputation and assets exceeding \$151,600,000.

Real Estate Management

Owners of property who feel that the burden of management is irksome will find this Corporation qualified by thirty-five years' experience to manage their real estate for them, no matter where it may be located. We solicit an interview or correspondence.

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Your Estate may be Small, But—

whether it involves one or one hundred thousand, it is equally entitled to the advantages of Trust Company administration.

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

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The Union Trust Company, Limited

Toronto

HENRY F. GOODERHAM,
President

J. M. McWHINNEY,
General Manager.

Canadian Guaranty Trust Company

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LT.-COL. A. L. YOUNG,
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Acts as Executor, Administrator, Trustee, Liquidator, and in any other fiduciary capacity.

THE ROYAL TRUST COMPANY

EXECUTORS AND TRUSTEES

HEAD OFFICE, MONTREAL

Capital Fully Paid - \$1,000,000 Reserve Fund - \$1,000,000

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President.

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Vice-President.

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SAMPLE MARKET FOR HEAD OF LAKES

Some Arguments in Favor of Its Establishment at Port Arthur and Fort William

The national grain sample market to serve the farmers, the railways and the nation, should be at the nation's grain outlet at the head of the Great Lakes. This is the opinion of Port Arthur and Fort William people and it is shared by many others. Some convincing arguments in favor of the proposal have been prepared by Mr. Joseph Redden, vice-president of the Port Arthur board of trade and a well-known writer on the grain handling problems of Western Canada. He contends that the Canadian lake town ports offer the greatest advantages as a location for the market and blending headquarters. From a national standpoint Mr. Redden demonstrates that the market located there would provide the development of Canadian shipping and other kindred industries.

Without Any Delay.

"With the chief sample market located at Fort William and Port Arthur," he says, "samples could be taken for sample market purposes at Winnipeg with no greater delay than exists to-day in taking samples for grading purposes and the cars sent on their route to the lake front. These samples could be sent on by express on all of the three railways leading to the twin ports, and on which trains leave at different periods during the day, so that within 24 or 30 hours from the time the samples were taken in Winnipeg, they would not only have been received there, but also placed on the market and disposed of and orders for cars' final destination in the hands of the railway officials awaiting the arrival of cars.

"At the lake front is also the ideal location for the blending houses, which will be the real, active competitive bidders for all low-grade and super-grade cars of grain. When the cars reach the head of the Great Lakes they have reached, during the season of navigation, their terminal; have accomplished their contract, and would be immediately released for further service. This uninterrupted car service would be impossible if blending houses were located elsewhere en route to the final unloading terminal point of the grain.

Must Handle the Cars Rapidly.

"With freight cars now costing approximately twice the amount for construction than a few years ago, rapid handling of cars is absolutely essential in order to keep down cost of transportation. As a blending or hospital elevator site which will render to the farmer maximum results in making his grain of the highest commercial value without impeding or increasing cost of traffic, which is equally essential to his prosperity, the Great Lakes ports is the only site possible.

"If we look at the locations at which the sample markets are possible from the viewpoint of possible intense competition, which competition is also absolutely essential for real tangible results to the farmer from the operation of sample markets, the lake ports promises such a development in that line that no other point can possibly equal. Here we are directly tributary, and most adjacent to, the densely populated districts of the United States, and also connecting with their long border line by a direct water route, the cheapest of all modes of transportation; also on the direct route to European markets by a great many channels both rail and water or a combination of both to the ocean; a route which will always maintain its supremacy over the prospective Hudson's Bay and Panama routes as to cheapness of haul, efficiency and quickness in arranging tonnage for shipment, no matter what are the demands of the purchaser. Thus, from the site at the Canadian head of the great lakes, can be served the milling centres not only of the United States, east and south-east, equally as well as Minneapolis and Duluth, but also the European markets, the real, permanent markets for western grain growers, for they are the real grain importers, not a competitive grain exporter, as is the United States.

Good from National Standpoint.

"From a national standpoint the twin ports of Canada are also without a competitor as a site for sample market purposes if the upbuilding of Canadian railways, of Canadian shipping and all the other industries which those great factors in the handling of the nation's commerce brings into being are to be considered.

"With the main sample market instituted and developed at Winnipeg (made only a national asset there by the erection of necessary blending houses to retain to Canada the real value of her grain) with double handling of cars—unloading and loading—and the unprofitable sequence of delays on the railways in transportation while waiting sale on the market and blending at elevators, the American southern routes to the markets of the Eastern States and Europe will undoubtedly be stimulated and encouraged in antagonism to the Canadian routes. The location of a main market there favors American railways, American outlets and American exporters who would route their grain secured for blending purposes, not by the Canadian route to Canadian blending houses and the seaboard, but by the route to their own blending houses in Duluth, Minneapolis or elsewhere, and thence on to the seaboard by American railways.

"A sample market is an absolute necessity to Western Canada in order to deal justly with certain low-grade and super-grade cars of grain which the grading system alone is not elastic enough to do. It is imperative that the market should be located at a point which will make possible the perfect working of such an institution, giving the desired results to the farmer and at the same time retaining national assets and the high efficiency of our railways. And that site is at the Canadian head of the great lakes. The locating of the main sample market at Winnipeg would be, besides impeding traffic, simply propitiating a further leakage in the main artery of Canada's transportation system without any greater benefits to the Canadian farmer than could be obtained at the lake front.

United States Competition.

"With a full developed sample market located at the lake ports, interior sample markets, for all grain destined eastward, will be even unnecessary to securing greater results for the farmer. They would be just facilitating United States blending houses and exporters in securing their grain with the least possible trouble and expense to themselves at the expense of the western farmer and Canadian railways for the upkeep and transportation delay caused by such markets. These markets would simply facilitate the blending of vast quantities of super-grade wheat with the low-grade wheats of the United States, in order to make a first-class grade of wheat or flour to compete in the world's market with the high-grade Canadian product. A fully developed sample market at Fort William and Port Arthur will be the only lever required to enhance the price of all western grain and without disability or hindrance to the United States buyer. If the United States exporters or millers do not desire to secure and route their grain from the lakes' ports market, they can secure it by paying the necessary premium, which the operation of the sample market at the lake ports will make possible to the farmer, at the point of shipment, and route to their own blending houses in Duluth, Minneapolis or elsewhere. This also applies to Canadian millers. Thus it can be readily seen that the absence of interior sample markets to handle grain destined east will be of no detriment to the farmer and of incalculable benefits to railway efficiency."

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The special grade of enamel which they are using is particularly adapted for chemical work, and will successfully resist any kind of strong acids.

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Capital Subscribed	\$2,000,000.00
Capital Paid-up	1,200,000.00
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Debentures of this Society are a legal investment for Trust Funds and carry highest current rate of interest.

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Where Should Our Next War Loan Be Sold?

If United States Government is Willing, Liberty Loan Funds Provide Easiest and Most Economical Way — Strain on Bank Resources Needs Relief — Fourth Domestic Loan Should not be Made Until 1918, Say Some Bankers—Other Authorities Think it Unpardonable to Increase Already Large Foreign Debt for Expenditures Here—We Should Have 280,000 Subscribers to a Domestic Loan—Are Our Flotation Methods Good Enough?

(See also Page 16.)

WHILE the prospects for the next Canadian war loan are being discussed here, Wall Street bankers have pretty well decided that our fourth war loan will be obtained in the United States and that no further domestic issue will be made here until early in 1918. The general opinion is that one of the next loans which the United States government will make to the Allies will be extended to Canada. Sir Thomas White, finance minister, was in Washington last week in close consultation with the United States Treasury Department. In New York banking circles a loan of \$100,000,000 or \$150,000,000 is being mentioned. Anything smaller than this would not satisfy Canada's needs just now. This would be the first loan Canada has obtained direct from the United States government since the war. If \$100,000,000 is advanced, it will bring the total loans made by the United States government to the Allies up to \$1,488,000,000.

On August 1st Canada has \$20,000,000 of two-year notes falling due in New York. These could probably be paid off out of the proceeds of the suggested United States loan. These two-year notes were part of an issue

of \$45,000,000 five per cent. notes placed by the Dominion government in the summer of 1915. The remaining \$25,000,000 were one-year notes, and fell due August 1st, 1916. Both principal and interest were made payable at the agency of the Bank of Montreal in New York, in United States gold coin, or, at the option of the holder, at the head office of the bank in Montreal. Nearly all of the maturing notes will be presented in New York for payment, because they are mostly held there, and because the exchange rate between New York and Canada favors such a course. The privilege of conversion to twenty-five-year five per cent. Canadian bonds was exercised to only a negligible extent.

A number of bankers and bond house representatives have been interviewed by *The Monetary Times* with a view of ascertaining the general opinion as to the possibility and desirability of obtaining our war loan requirements this fall in the United States, leaving the next domestic war loan until the spring of 1918. The following articles have been based on these interviews and other statements received by *The Monetary Times*:—

CANADIAN FUNDS FROM LIBERTY LOAN

That Would Be Easiest and Most Economical Way, Says
J. B. Forgan, Chicago

Should the fourth Canadian war loan be raised in Canada or in the United States? This question has been put by *The Monetary Times* to many leading bankers and bond brokers of both countries. The replies received are practically unanimous in favor of our war financing this autumn being negotiated in some way in the United States. Interviewed by *The Monetary Times* at his summer home, Harbor Point, Michigan, Mr. J. B. Forgan, president of the First National Bank, Chicago, stated that even under ordinary conditions, the question as to the advisability of Canada making an effort to finance her next war loan in the United States, was one on which he could not give advice that would be reliable. "Such a loan," said Mr. Forgan, "could only be placed through some strong firm of bankers in New York, who could first have it underwritten and then offer it for public subscription. I have no doubt this could be done successfully. It would only be a question of terms.

"As to whether Liberty loan funds could be made available or not, could only be ascertained by application to the administration in Washington, through the secretary of the treasury. If this could be accomplished it would afford Canada by far the easiest and most economical method of financing."

Our Case is Good One.

In a statement to *The Monetary Times*, Mr. A. E. Ames, of A. E. Ames and Company, investment bankers, Toronto, was strongly of opinion that the United States should be the market for our next loan. "It is my opinion," he said, "that, if practicable, it is desirable that the next Canadian government loan should be procured from the United States, either out of proceeds of the Liberty loan or through New York bankers, according as may prove the more desirable from the American standpoint. It is conceivable that the Washington

authorities, having their next Liberty loan in view, might prefer not to have a direct issue to the public of Canadian government bonds on a considerably better yield basis than will be offered on their own loan, keeping their own market without distraction for their own government issue.

"The case for Canada getting a loan, now or a little later, in the States is that we have, ourselves, already financed very heavily, for so young a country and within so short a period, with our Dominion government domestic loans totaling \$350,000,000, and advances of a similar amount for munition purchases on Imperial government account, together with our being, year in and year out, one of the biggest customers of the United States and having at present a heavy adverse balance with them. We have no right, of course, to demand a loan from them, but, on the other hand, we have an excellent case to ask them for it—as a solvent and valuable customer. Their granting a loan to Canada would provide and preserve a normal exchange position between us and make possible further trade with them on a greater scale than would be possible without it.

Would Curtail Output.

"Should such a loan not be available, it would mean that Canadian investors must provide for the government another very heavy sum of money to recoup the banks for advances which they have made. This could be accomplished, but it would mean curtailment both in the manufacture of munitions in Canada and in the importation of raw material and other commodities from the United States."

Here is the opinion of another investment banker:—

"I am strongly of the opinion that our next loan should be floated in the United States, and no attempt made to negotiate a domestic loan until after the turn of the year. There are many reasons indicating this to be the proper course. In the first place, I feel it is quite possible to float a loan in the United States, and there is every indication at the present that this will be done. The money could be obtained either from the Liberty loan funds or from a flotation made in New York with the consent of the secretary of the treasury of the United States."



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Turn Your Luxuries Into Comforts
For Those Who Have Sacrificed Most.

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Is it nothing to you that their wives and families tremblingly scan each casualty list, and pale at the step of the postman or telegraph messenger?

Can you see others giving their dearest, without feeling that you *must do something* yourself? Do you wonder what to do?

You can at least save—and lend your savings to the nation. Canada needs every dollar her loyal sons and daughters can spare, to meet the growing expenses of the struggle.

Every dollar you invest in Canadian War Savings Certificates helps the nation to deal generously with those who are defending you.

Certificates in denominations of \$25, \$50 and \$100, repayable in three years, may be purchased at any Bank or Money Order Post Office at \$21.50, \$43 and \$86 respectively. This means over 5% interest—making them a profitable as well as a patriotic investment.



The National Service Board of Canada,
OTTAWA.

WAR LOANS AND BANK RESOURCES

There is a Heavy Strain on Banks—Government Should Clarify Atmosphere

That the war loan absorptive power of this country is nearly exhausted for the time being, and that further government financial arrangements growing out of the war must of necessity now be made with the Washington authorities, is the opinion expressed by a prominent Montreal banker in a statement to *The Monetary Times*. "It would appear to me," he said, "that Canada must—and logically should—for the immediate future at any rate, be included in any broad general scheme of imperial financing with the American government."

"A fact that should be borne in mind is that while ours is a country of great wealth in natural resources, it is yet far from being rich in a monetary sense, and having in view this consideration, it would seem as if we had thus far done, while not as much as we would like, yet not badly in the matter of financing imperial purchases in this country."

"Another point of paramount importance which should not be lost sight of is that in addition to financing to a very substantial amount munitions plants and the like throughout the Dominion, the resources of the banks are now fully employed in supporting the essential commercial and industrial business of the country, a fabric which must be maintained. In consequence, at the moment, bank resources are under a heavy strain, which shows no sign of diminution and further assistance from that quarter can hardly be expected in reason."

"It would, therefore, appear that the only course open is the establishment of an outside credit, sufficient not only for immediate requirements but of an amount large enough to provide against the necessity of a further domestic flotation until the coming spring, at the earliest."

Washington not Unsympathetic.

"In so far as I can judge from the somewhat limited opportunities I have had of forming an opinion, the authorities at Washington would not, as they should not, be unsympathetically disposed towards a proposal of this nature, and if we in this country could be relieved for a comparatively extended period from the over-hanging possibility of a fresh domestic loan, it would have, I doubt not, a distinctly beneficial effect upon the financial and industrial situation generally."

"As the second largest customer of the United States, it is but businesslike and reasonable that we should receive special consideration at the hands of the American Government, and I venture to think it is realized there, as it is here, that our present rate of imports from that country cannot be maintained at existing figures unless financial assistance at this juncture is extended to us from thence."

The report of a Canadian bond house, with exceptionally strong United States connections, expressed the opinion to *The Monetary Times* that the United States is the logical market for our next loan. "Canada," he said, "was debtor to the United States on a balance of trade last year in the amount of approximately \$350,000,000. The last Canadian loan has not as yet been entirely absorbed by the ultimate investor, in fact, it is fair to suppose, judging from the market, that there is quite a large amount of this loan still to be put away in its final resting place."

Government Should Clarify Atmosphere.

"The entire Dominion is waiting in a more or less nervous state the outcome of the political situation at Ottawa. The present government's policy as to taxation has not yet been fully outlined and yet intimations have come or rumors have been circulated to a sufficient extent to alarm some of the larger corporate interests and some of the big investors. Until the above mentioned items are fully cleared up it is doubtful if the large corporations and the big investors will be as eager to subscribe for a new loan as they have been in the past."

"On the other hand, there are two courses open to Canada in the United States. The first would be a direct loan by the government of the United States to the government of the Dominion of Canada, which would, of course, be at the same rate of interest that the United States government was obliged to pay on its own security, as has been the case with advances made to England and France. The second would be a loan sold by the government of the Dominion of Canada to the bankers of the United States, to be distributed by them among

the investors. Either one of these courses should be clearly open to Canada for the American people are aware that their big neighbor to the north is their second best customer, and in times like these the seller of commodities must be willing to advance to the purchaser reasonable credits to cover trade balances for extended periods. The Canadian and American people are so closely united in the great struggle for liberty and humanity that the American mind can be easily moulded to the idea that Canada, by right of past performances, is entitled to an extended credit of this kind.

"The only question that arises is what the attitude of the United States government will be toward Canadian borrowing in their territory. No fair-minded man, however, could suppose that they would refuse Canada, their near neighbor and large customer, what they have granted England and France so recently by means of advances to them from money accumulated through the sale of Liberty bonds."

Direct Loan and Interest Rate.

"Of course if the advance is made by the United States government, the rate of interest would be much more favorable to Canada than it would be, either through the means of an internal loan or an external loan floated in the United States."

"Furthermore, if the contemplated financing is done in the States, Canada would allow her own capital to accumulate again and the success of a future loan in this country would be more readily assured, as it is fair to suppose that the questions enumerated in the first part of this letter will have been solved to the more or less complete satisfaction of all parties."

NEXT WAR LOAN SHOULD ISSUE HERE

Unpardonable to Increase Large Foreign Debt for Expenditures in Canada, Says R. D. Bell

"To postpone another Canadian war loan would be dodging the issue," said Mr. R. D. Bell, of Greenshields and Company, investment bankers, Montreal, in a statement to *The Monetary Times*. Mr. Bell is a close student of and a well-known writer on financial and economic subjects. "To the extent that our imports from the United States exceed our exports to that country, it is desirable that we secure credits in the United States. Having a favorable balance with Great Britain which will amply cover the balance against us in the United States, it is legitimate enough finance to increase our indebtedness in the United States to cover our purchase there."

"But, presumably, the government requires considerably more than enough to cover our balance with the United States. The government requires large sums representing expenditure in Canada. At a time when this country is well able to subscribe the necessary funds it would be unpardonable to increase our already enormous foreign indebtedness for such a purpose. I believe that with the necessary effort, via the proper avenue of approach, ample funds can be secured without any disturbance to our financial system. Borrowing money abroad to spend here cannot possibly be justified."

Improve Flotation Methods.

"It may be said to this that Canada is not able to subscribe further war loans and the discount at which the last loan is selling and the many evidences that this loan was poorly distributed may be pointed to in support of such a claim. But, because the last loan was not properly distributed, is no reason why the next should not be. In spite of repeated warnings from those familiar with the mechanics of bond merchandising, the government, encouraged no doubt by the ease with which the first loan was floated, did not take the necessary steps to insure a widespread distribution of the last loan."

"Ever since the first loan, we have again and again pointed out (and *The Monetary Times* has been good enough on several occasions to publish our remarks) that Canadian war loans were not being floated in such a manner as to insure the best results. The first two loans were successful in spite of this and the third loan was only successful superficially. Too much of it was taken by large institutions and wealthy individuals. Too much was subscribed for advertising purposes with the idea of reselling at a profit. Failure was bound to be the ultimate fate of war loans which were offered at a complicated price in a technical prospectus, un-

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supported by any widespread propaganda in modern result-getting advertising and salesmanship. War loans are bound to go begging if you continue to force them into the same hands and neglect to get them out in small lots throughout the mass of the people.

Raise War Loans from Current Income.

"Under such circumstances, subscriptions naturally came mainly from the regular investing class. They came for the most part out of the capital of those investing and not out of income. Sources such as these are soon dried up; also subscriptions from such sources, coming out of capital largely tend to reduce bank deposits. The method of war finance endorsed by economists is that of raising money as far as possible out of the current income of the people. Such a method gives bond issues a wide distribution, does not affect seriously the banking position, encourages thrift and that part which comes out of current income can be tapped again and again.

"This is the method England has striven for ever since the war started and we have often had occasion to refer to the manner in which Great Britain, which is the most conservative financial community in the world, called in the aid of the most modern methods of publicity and merchandising to insure the success of their war loans and get real distribution among the people generally. A council of expert advertising men were secured and Great Britain actually sold its bonds in the same way that our big manufacturing companies have found it necessary to adopt in order to sell anything—the way Pears sell their soap and Heinze his pickles. As a result, eight million people participated in the last British war loan.

Should Have 280,000 Subscribers.

"Let me make an odious comparison. The United States sold \$2,000,000,000 of 3½ per cent. bonds to 4,000,000 people. That was the very first war loan and paid a rate of interest 1½ per cent. less than the Canadian loan and at least that much less than the average man could get on his funds, with a reasonable amount of safety. In other words, without any previous education in domestic war loans and at a rate of interest which was far below normal for the ordinary American, the government reached 4 per cent. of the population.

"To have secured equally wide distribution the last Canadian war loan should have been sold to 280,000 people. How many did the last war loan actually reach? The official government figures were, approximately, 40,000.

"Anyone that was in the United States while the Liberty loan subscriptions were open, can easily tell you how the Americans did it. In every newspaper, on every bill board, in every window, at the movies, in the theatres, on the street corners, throughout the length and breadth of the land, the appeal to patriotic necessity and self-interest was proclaimed. No man, whether he was a capitalist or a laborer, could go through a day's work without having the Liberty loan impressed upon him, not once, but twenty times.

Experience of Canadian Loans.

"Every inducement was offered to the people at large to subscribe. The facilities of the periodical payment plan, whereby the bonds could be paid for on easy payments out of income were advertised energetically by practically every bank and security house in the United States. In Canada only those who habitually read the financial page of the newspapers came in contact with the war loan advertising; in fact we know of one firm which had great difficulty in persuading one of our leading newspapers to allow them the use of the first page. The only house which actively brought to the attention of the public the fact that they could buy the war loan on easy payments out of income, was the firm with which the writer is connected. The security houses did most of the work of actually distributing the loan, but the work was confined largely to the restricted clientele that always buys bonds.

"In war, which entails so much misery, and will leave us with such an enormous debt, it behoves us to secure as many benefits as we can from it. In an economic way the best single effect of war should be an awakened responsibility on the part of the individual to the obligations of citizenship; the thrift that this should inspire along with a general participation of the public in war loan finance.

Investment Rather than Expenditure.

"War helped to make the French a nation of bondholders, a fact that has constituted France's greatest economic asset. So far in this war we have lost a splendid opportunity to make this country a nation of bondholders. Certainly our

war loans are attractive enough and our people are prosperous enough.

"It is only necessary to glance at the figures representing the savings of the people in our chartered banks, to scan the totals representing the imports of unnecessary articles of semi-luxury and comfort, and to see the prosperity of the thousand and one trades which depend on free spending for their existence to realize that not only is there an ample margin to spare from the people's income to subscribe to many war loans, but that a war loan with a popular appeal is highly desirable in order that these funds may be absorbed by investment rather than by expenditure."

WAR LOAN EARLY IN 1918

That is Best Time for Our Next Issue, Says Financier—Consolidated Loan

In discussing with *The Monetary Times* the next domestic war loan, bankers and brokers are practically unanimous in their opinion that much hard work is necessary to prepare the way for the issue.

"The next loan will have to be a very popular issue, in small, as well as large, denominations," said the head of a bond house, "and everybody will be expected to participate. At the present time there is a great scarcity of investment funds in Canada, and it would be very difficult to place any considerable amount of new securities. On the other hand, if the loan is deferred until after the turn of the year, and until after the 1917 harvest has been marketed, there will have accumulated a large amount of funds for investment purposes. After the turn of the year, I think it would be quite possible to float a large loan, consolidating the three previous loans, and making the new issue in such denominations as would appeal to the small, as well as the large investor.

Would be Success in 1918.

"With everybody assisting and the country properly organized a loan early in 1918 could be made a big success, and not only then provide the government with the funds they require, but I think that steps could be taken that would place us in a position to provide the government with such funds as may be required during the balance of the war, if peace has not been concluded before that time.

"Our manufacturing industries are using a great deal of capital at the present time, and a large amount of funds will be required to handle this year's crop. It is quite evident the banks have all they can attend to for the balance of this year without any attempt being made to undertake any government financing, which would only increase the burden, and not in any way relieve the strain on the banks. Then, again, if the fourth loan is postponed until after the end of the year, the unabsorbed balance of the third loan will be, by that time, properly distributed, and the road will be clear for a new issue.

"Taking all things into consideration I am of the opinion that there is every reason why the present financing should be arranged in the United States, and our fourth domestic loan postponed until after the turn of the year. This course would mean sound financing, and guarantee the success of the next domestic issue."

Money Difficult to Get.

Mr. C. Meredith, of C. Meredith and Company, bankers and stock brokers, Montreal, in a statement to *The Monetary Times*, said: "If the minister of finance purposes issuing a further war loan in this country this autumn, it will require a great deal of canvassing to make it a success, and the small investors in particular will require to be brought in as subscribers.

"The finance minister will no doubt want money this autumn. Whether or not he can get it in New York I cannot say, or it may be he does not want to avail himself of any credit there, leaving that for possible necessary requirements later.

"In any case, there will be much more difficulty in getting money here, either for war loans or for the Patriotic Fund, than there has been in the past, and I look for a higher return being offered the investor by the finance minister if a further war loan is necessary here this autumn."

Here is a banker's view of the position: "Unless the minister of finance is able to borrow from the United States,

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I think he will have to issue a domestic loan. The only alternative is to see the business of the country come to a standstill by the stoppage of the purchase of munitions and supplies by Great Britain. We all surely realize that she cannot be expected to pay cash in these times, and what is the use of our stating that we have probably done as much as can be expected from us by loans that have already been made. It seems to me that it is on the same plane with the statement that we have sent all the men that can be expected of us. The result of such a policy, carried to its logical conclusion, would be that we are prepared to become a German colony.

"I think that all the financial papers and business men should make a united effort to find the money if a domestic loan is decided upon. There has really been very little sacrifice so far in subscribing, and I think we should hold up the hands of the minister of finance in the policies that he finds it necessary to adopt. For one, I would like to see him pay a larger portion of the daily bill by increased taxes, and by the formation of savings societies all over the country, to obtain more of the money required out of the pockets of the people. We have really not yet begun to feel the pinch in Canada, and I am surprised at the attitude taken by some financial papers."

(See also Page 16).

DOMINION BANK'S HALF-YEARLY REPORT

The profits of the Dominion Bank for the six months ended June 30th, according to the statement just issued, were \$559,281, after making the usual deductions. Dominion and provincial government war and other taxes accounted for the substantial sum of \$52,415 of the profits, leaving net profits of \$506,866. This, together with the balance of \$363,442 brought forward from December last, gave \$870,308 for distribution. To the patriotic fund, \$25,000 was contributed, and dividends at the rate of 12 per cent. per annum absorbed the sum of \$360,000 for the half-year. A balance of \$485,308 was carried forward. This balance is \$122,000 greater than six months ago. Mr. C. A. Bogert is general manager of the Dominion Bank.

CANADIAN TRADE AFTER THE WAR

Some interesting information regarding the steel industry was given by Senator Frederic Nicholls, in speaking to his resolution to appoint a trade committee. Referring to the steel bounties, he said: "The government, though opposed to the policy, saw that if this country was ever to develop it was necessary to assist in the development of the fundamental basis of industry, the iron and steel industries. Relatively speaking, not very much was paid out; but what is the result of that assistance to-day? As I pointed out, the Dominion has received orders for upwards of one billion dollars worth of steel, \$600,000,000 of which has already been manufactured and paid for. Without government aid we could not have done that; we could not have got that steel outside of our own boundaries. Steel has been produced on the Atlantic coast and as far west as the Soo, and we have been able to tide over what after the commencement of the war, threatened to be the greatest period of depression that this country had ever experienced, and to make Canada a prosperous country which, during the war, has increased its per capita wealth at a greater rate than at any other period of its existence. Wise government assistance helped to produce the steel which enabled us to secure orders for munitions. But steel was not sufficient: we needed lead; we needed zinc. We have turned out hundreds of thousands of tons of lead, in bullets for shrapnel, which were shipped to the Allies when they were badly needed, and when, without them, not only would they have been unable to advance, but the enemy might have broken through."

Senator Nicholls' resolution, which was agreed to by the senate, was as follows: "That, in the opinion of this honorable house, it is expedient to appoint a committee to inquire into and report upon the best method or methods of conserving and increasing our domestic and overseas trade to the end that our present prosperity may not unduly suffer when the stimulus resulting from orders for munitions and other war supplies is removed; and that the said committee be composed of the Honorable Messieurs Beaubien, Edwards, McLennan, Dandurand, Gillmor and the mover."

TWO-THIRDS OF CANADA FOR TIMBER CROPS

One of the surprises to those visiting Europe in peace times is the method by which all lands are carefully examined and put to work according to their capacity. No farmer is permitted to locate on non-agricultural soil, and at the same time, good farming soil cannot be retained under such a crop as timber. Canada has only made a beginning at applying such a policy of business efficiency in the use of the nation's natural resources. Thousands of farmers are to-day tied to farms that produce only a few dollars an acre, their efforts and ambitions practically wasted in a time when man-power is at a high premium. Taking the whole of Canada's area, more than two-thirds will never produce field crops, and the bulk of the two-thirds will prove profitable under only one crop, namely, timber.

All efforts for the protection of the forests against fire and other forms of needless waste aim to keep in a productive condition those millions of acres that can never grow field crops. Canada holds a tremendous national advantage in her forests, but from the beginning of the last century about two-thirds of the original inheritance has been destroyed by fires. Nearly all modern countries have put an end to forest fires by carefully organized protective systems.

GRESHAM LIFE'S CREDITABLE REPORT

"This being the first year since the presentation of our last valuation," said Mr. Chas. A. Hanson, M.P., chairman, presiding at the recent annual meeting, "it will not be expected by any of you that the year's record will present any very startling or striking features. In the first place I call your attention to the fact that during the year 2,800 policies have been issued, as compared with 2,751 policies during the year 1915, assuring a sum of £1,254,066, as compared with £1,228,952 in 1915. The increase is not large, but still it is quite appreciable, and, having regard to the conditions which prevailed here and abroad, throughout the Dominions and in Allied countries, I think you will agree with me that the figures cannot but be regarded as gratifying, especially when I tell you that of the very large number of British offices transacting life business there are but eight transacting ordinary business whose volume of new assurances during 1916 was greater than ours. Having regard to the conditions which prevail and the markets from which we have been rigidly excluded, to have secured a volume of new business exceeding 1¼ millions is, I think, on the whole, a creditable result.

"Another point I want to refer to is in regard to our investments in British government securities," said Mr. Hanson. "We have done our best to support his Majesty's government, from a financial standpoint, in this tragic war. At December 31st, 1915, our investments in war loan and treasury bills amounted to a sum of £146,128, but at the end of December, 1916, they amounted to £506,006 4s. 2d., to which must be added our investments in colonial war loans—the Dominion of Canada and one or two other similar loans—amounting to a sum of £178,200, so that the society's investment for the purpose of assisting the Imperial government in carrying on the war amounted to £684,226. In addition to that £684,000 we have deposited with the treasury under their scheme 'B' the sum of £319,000, so that, including that deposit, at the end of 1916 our assistance ran up to the total of one million sterling."

The Gresham Life has an excellent connection in Canada with headquarters at Montreal, the manager being Mr. Arch. R. Howell, a capable and energetic underwriter. The premiums in Canada for 1916 were \$84,664. The number of policies in force at the end of the year was 1,344, the net amount in force being \$2,837,234.

The British Columbia government has made another interest payment on the Pacific Great Eastern Railway account. The amount paid was \$423,000, consisting of \$315,000 interest to debenture-holders in England and \$108,000 to the Union Bank of Canada on the company's loan of \$4,800,000.

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TRADE UNIONS IN CANADA

They Have Membership of 160,400—Report of Labor Department

Figures are printed in the sixth annual report on labor organization in Canada, containing statistics, etc., for 1916, and issued by the department of labor, showing the extent to which the trade unionists of the Dominion have contributed to the Canadian expeditionary forces since the outbreak of the war in August, 1914. Enlistment of one or more members has been reported by 1,284 local branch unions, the recruits numbering 21,599 and reservists 593, a total of 22,192 trade unionists in the ranks.

Of the 1,842 local trade union branches in Canada, 828 of them are located in 18 cities, and 589 reported a membership of 69,225, representing over 40 per cent. of the entire trade union membership in the Dominion. Montreal occupies first place as to number of local branches, while Toronto, Winnipeg and Vancouver follow in the order named. The following summary gives the names of the cities, number of branches in locality, number of branches reporting membership and the membership reported:—

Cities.	Number of unions reporting in locality.	Number of unions membership.	Number of members reported.
Montreal	127	74	13,337
Toronto	111	81	13,025
Winnipeg	75	47	7,121
Vancouver	56	43	3,788
Hamilton	50	38	3,539
Ottawa	46	38	3,714
Edmonton	42	33	2,059
London	40	33	2,411
Quebec	38	33	5,382
Calgary	36	30	2,184
Victoria	35	21	1,618
Fort William	30	19	926
Regina	27	21	905
Halifax	27	17	2,435
St. John	24	16	4,067
Saskatoon	23	15	796
Moose Jaw	21	15	1,254
Lethbridge	20	15	664
Totals	828	589	69,225

The loss in trade union membership recorded in the two previous years has been partially overcome by the increase of 17,064 reported for 1916, the total numerical strength at the close of the year being 160,407. In all there are 1,842 local branch unions in Canada, 1,626 comprising 129,123 members, being affiliated with international organizations, 189 with 22,884 members are connected with non-international bodies and 27 having 8,400 members are independent units. There was a loss of 35 international local branches during the year, but the membership was increased by 14,401; the non-international bodies lost two branches and 780 members, and the independent units were decreased by four, but the reported membership shows a gain of 3,443. The membership of all classes of organized labor in Canada as reported to the department for the past six years has been as follows: 1911, 133,132; 1912, 160,120; 1913, 175,799; 1914, 166,163; 1915, 143,343; and 1916, 160,407.

Benefits Paid by Central Labor Bodies.

Nearly all of the central labor organizations operating in Canada have benefit features on a varying scale. A table is furnished showing the expenditure made on this account by the various organizations, the disbursements for 1916 being \$12,502,128, a decrease of \$2,063,237, as compared with the payments made in 1915. The expenditure for each class of benefit was as follows: Death benefits, \$7,808,225; strike benefits, \$2,811,426; sick and accident benefits, \$1,120,186; old-age pensions, \$461,780; and unemployed and travelling benefits, \$106,458. Four of the non-international bodies reported having made payments on account of benefits, the total expenditure amounting to \$11,933.

A statement is also published showing the amount paid in benefits for the year 1916 by local branch unions in Can-

ada to their own members, the disbursements aggregating \$248,180, an increase of \$119,509, as compared with the expenditure for 1915. The payments made on account of each class of benefit was: Death benefits, \$56,646; unemployed benefits, \$2,121; strike benefits, \$15,542; sick benefits, \$146,592; other benefits, \$27,279.

A chapter gives details of restrictive measures which have been adopted by certain labor organizations against members joining the military forces, and the action of central labor bodies in Canada on registration is also recorded.

The report follows closely along the lines of former reports on labor organization in Canada, the various phases of the scheme of organization which have been developed being given due consideration.

The report serves as a directory of trade unions for the Dominion for 1917, including as it does particulars not only of every known local trade union in Canada, but also a list of all international and non-international central organizing bodies, together with the names and addresses of the chief executive officers.

CONDITIONS IN SASKATOON DISTRICT

A Saskatoon correspondent of *The Monetary Times* writes:—"Things here are very good. Business from the country forms a large percentage of what is passing. This, since the general advent of the farm auto, is very important. Every afternoon, our streets are literally lined with cars—country cars. During wet weather when the roads are bad, business in this city is quiet.

"The crops are rather spotty. Talk of a bumper crop is no longer justified. There is some very good crop almost everywhere; but, there is much that is disappointing. We have had far too little rain. Our average moisture precipitation for May runs about 1.75 inches, or about 204 tons of water per acre. This year, we got about 17 tons per acre during May. We started the season with lots of water in the land; but, the water that makes things grow is the water that comes from the sky. Good rains now would help wonderfully; but, there is much crop that is hopeless. Some sections of the country are worse than others. We will do well if Saskatchewan averages 12 bushels per acre, wheat, for this season."

NEW ERA IN CANADA.

A collection of valuable essays dealing with the upbuilding of the Canadian Commonwealth has been gathered by Dr. J. O. Miller, principal of Ridley College, and published by J. M. Dent and Sons, Toronto, in a handsome volume, "The New Era in Canada." Contributions to the volume are made by the following writers:—Stephen Leacock, Sir Clifford Sifton, Sir Edmund Walker, Archbishop McNeil, Professor F. D. Adams, G. Frank Beer, Sir John Willison, Professor G. M. Wrong, John W. Daffoe, A. J. Glazebrook, Miss Marjory MacMurchy, Mrs. H. P. Plumtre, Dr. Herbert Symonds, J. O. Miller and Peter McArthur.

In his introduction, Dr. Miller, who has edited the volume says, the purpose of the book is two-fold:—1. To awaken the interest of Canadians in problems which confront us as we emerge from the adolescence of past years into the full manhood of national life. 2. To urge that the test of national greatness lies in the willing service to the state by its citizens and to point out, so far as possible, opportunities for service.

The 16 essays are as follow:—Democracy and Social Progress; The Foundations of the New Era; Our National Heritage; Immigration and Settlement; East and West; National Ideals in Industry; Canadian National Unity; Women and the Nation; The Bi-Lingual Question; Our Future in the Empire; Central Authority; Our Future in the Empire; Alliance Under the Crown; Some Thoughts on the Suffrage in Canada; Public Opinion and Political Life; The Better Government of our Cities; The Outlook for Religious Faith, and Our National Organization for the War. The volume is opportune and should be read by those who take an interest in our national problems. All profits from the sale of the book are to go to the Canadian Red Cross Society.

INCOME TAX INTRODUCED

**Sir Thomas White Takes Measures to Conscript Wealth
—How the New Tax Works**

A graduated income tax was introduced in the Commons by Sir Thomas White, minister of finance, on Wednesday. Tabulated, the tax works in this way:—

Four per cent. upon incomes exceeding \$2,000 per annum in the case of unmarried men or widowers without children.

The same tax on incomes exceeding \$3,000 in the case of other persons.

In addition the following super-tax is to be imposed:—

Where income exceeds \$6,000 and does not exceed \$10,000, 2 per cent.

Where income exceeds \$10,000 and does not exceed \$20,000, 5 per cent.

Where income exceeds \$20,000 and does not exceed \$30,000, 8 per cent.

Where income exceeds \$30,000 and does not exceed \$50,000, 10 per cent.

Where income exceeds

\$50,000 and does not exceed \$100,000, 15 per cent.

Where income exceeds \$100,000, 25 per cent.

A tax of 4 per cent. on incomes exceeding \$3,000 in the case of corporations or joint stock companies.

Income. Unmarried.		Married.	
\$	80	\$	40
4,000	80	4,000	80
5,000	120	5,000	80
7,000	220	7,000	180
10,000	400	10,000	360
12,000	550	12,000	540
15,000	850	15,000	810
20,000	1,300	20,000	1,260
30,000	2,500	30,000	2,460
50,000	5,300	50,000	5,260
75,000	10,050	75,000	10,010
100,000	14,800	100,000	14,760
150,000	29,300	150,000	29,260
200,000	43,800	200,000	43,760

Equal Division of Burden.

"In a measure of income taxation," said Sir Thomas White, "we should consider first what amount of exemption should fairly be allowed. On the one hand we must be careful that the entire burden of the taxation is not borne by a particular class, and on the other hand we must see to it that our taxation is not oppressive to those whose incomes are barely sufficient to enable them to sustain the burden of the cost of living as it is to-day. It has appeared to us that it would be proper to fix the limit of exemption to \$3,000 in the case of married persons and \$2,000 in the case of unmarried persons and in the case of widowers without dependent children, so that, so far as this measure is concerned, a married man who has an income of \$3,000 or less will not be subject to its provisions; an unmarried man or a widower without dependent children, having an income of \$2,000 or under, will not be subject to its provisions. In brief, the bill provides for exemptions of all incomes up to \$2,000 per year in the case of unmarried men or widowers without children, and \$3,000 per year in the case of married men. After that, up to \$6,000 per year, the tax is 4 per cent per annum; between \$6,000 and \$10,000 per year, 6 per cent.; between \$10,000 and \$20,000, 9 per cent.; between \$20,000 and \$30,000, 12 per cent.; between \$30,000 and \$50,000, 14 per cent.; between \$50,000 and \$100,000, 19 per cent. and over \$100,000, 29 per cent.

"In addition, all business firms and corporations, where the profits are in excess of \$3,000 per year, are liable to a tax of 4 per cent. per annum, but if the business tax now in force exceeds the amount which would be taken under the income tax, the higher amount only is taken. By income is meant net income, excepting all contributions to patriotic funds, and income for investment in Canadian war bonds. The tax is applicable to all incomes for the present calendar year, and the first returns are to be in before February 28 of next year."

Concrete Cases to Illustrate.

Illustrating his proposals by concrete cases, the minister explained that on an income of \$4,000, an unmarried man or a widower without children would pay \$80, and all other persons would pay \$40. On an income of \$5,000, an unmarried man will pay \$120, and all other persons \$80. On an income of \$7,000, an unmarried man will pay \$220, and all other persons \$180. On an income of \$10,000, an unmarried man will pay \$400, and all other persons \$360. On an income of \$12,000, an unmarried man will pay \$580, and all other persons \$540. On an income of \$15,000, an unmarried man will pay \$1,050, and all other persons \$810. On an income of \$20,000, an unmarried man will pay \$1,300, and all others \$1,260. On an income of \$30,000, an unmarried man will pay \$2,500, and all other persons \$2,460. On an income of \$50,-

**To a
Salesman who pre-
fers the Coast:**

This is an invitation to communicate with the Canada Life Assurance Company, Vancouver, for information as to general conditions and possibilities in the interesting Province of British Columbia.

000, an unmarried man will pay \$5,300, and all other persons \$5,260. On an income of \$75,000, an unmarried man will pay \$10,050 and all other persons will pay \$10,010. On an income of \$100,000, an unmarried man will pay \$14,800, and all other persons will pay \$14,760. On an income of \$150,000, if there are any such incomes, an unmarried man will pay \$29,300, and all other persons will pay \$29,260. On an income of \$200,000, an unmarried man will pay \$43,800, and all other persons will pay \$43,760.

RAILROAD EARNINGS

The following are the earnings of Canada's transcontinental lines during the first three weeks in July:—

Canadian Pacific Railway.			
	1916.	1917.	Increase.
July 7	\$2,616,000	\$3,101,000	+ \$485,000
July 14	2,738,000	2,867,000	+ 129,000
July 21	2,641,000	2,950,000	+ 309,000
Grand Trunk Railway.			
July 7	\$1,145,029	\$1,297,003	+ \$141,974
July 14	1,211,393	1,379,293	+ 167,900
July 21	1,140,226	1,358,019	+ 217,793
Canadian Northern Railway.			
July 7	\$ 885,100	\$ 902,300	+ \$ 17,200
July 14	874,900	935,600	+ 60,700
July 21	866,900	872,100	+ 5,200

WAR EXPENDITURE \$850,000 DAILY

Canada's war expenditure, both in the Dominion and overseas, now amounts to over \$850,000 a day. The finance minister gave the figures to the House Wednesday in explaining the necessity for the new income taxation. From the beginning of April to July 20th war expenditure in Canada amounted to \$39,700,000, and estimated expenditure elsewhere, including France, during the same period, was \$52,600,000, or a total of \$92,600,000. Taking that total as a rough basis, Sir Thomas estimated the daily war outlay now at \$850,000 to \$900,000.

Sir Thomas White proceeded to give a careful statement showing the exact position of affairs. From April 1st to July 20th this year, he said, the revenue had been \$78,276,000, and the total expenditure during the same period, ordinary, capital and special was \$40,821,000, leaving a balance of \$37,000,000 for war expenditures. The war expenditure in Canada, from April 1st to July 20th this year was \$39,702,000.

Proceeding, Sir Thomas said that the total Canada had borrowed from Great Britain to July 20th, 1917, was \$317,000,000, including everything. On the other hand we had advanced to Great Britain up to July 20, \$302,000,000. The amounts thus were about equal, subject to the fact that Canada had repaid Great Britain \$107,000,000 liabilities owing her by an issue of securities pledged in New York. The balance due from Great Britain on July 17 last was about \$95,000,000.

DIVIDENDS AND NOTICES

PENMANS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and one-half per cent. has been declared on the Preferred Shares of the capital stock of this Company for the quarter ending July 31st, 1917, payable August 1st, 1917, to shareholders of record of July 21st, 1917; also a Dividend of one per cent. on the Common Shares for the quarter ending July 31st, 1917, payable August 15th, 1917, to shareholders of record of August 4th, 1917.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, July 13th, 1917.

ILLINOIS TRACTION COMPANY

NOTICE OF DIVIDEND No. 18.

A Quarterly Dividend at the rate of Three per cent. (3%) per annum on the Common Stock of the Illinois Traction Company has been declared for the Quarter ending July 30th, 1917, payable August 15th, 1917, to Shareholders of record, July 30th, 1917.

By Order of the Board.

GEO. M. MATTIS,
Treasurer.

Champaign, Ill.

BANK OF MONTREAL

Notice is hereby given that a **Dividend of Two-and-one-Half** per cent., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Saturday, the **First Day of September** next, to Shareholders of record of 31st July, 1917.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 20th July, 1917.

THE MERCHANTS BANK OF CANADA

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of **Two and one-half** per cent. for the current quarter, being at the rate of **Ten** per cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches on and after the 1st day of August next to Shareholders of record at the close of business on the 14th day of July.

By order of the Board.

D. C. MACAROW,
General Manager.

Montreal, 26th June, 1917.

CANADA CEMENT COMPANY, LIMITED

PREFERRED SHAREHOLDERS, DIVIDEND No. 30.

Notice is hereby given that a dividend of 1 $\frac{3}{4}$ % for the three months ending July 31st, 1917, being at the rate of seven per cent. per annum on the paid-up preference stock of this Company has been declared and that the same will be paid on the 16th day of August next, to Preference Shareholders of record at the close of business, July 31st, 1917.

The Transfer books of the Company will be closed from August 1st to 10th, both days inclusive.

H. L. DOBLE,
Secretary.

Montreal, July 23rd, 1917.

UNION BANK OF CANADA

DIVIDEND No. 122.

Notice is hereby given that a Dividend at the rate of eight per cent. per annum, upon the Paid-up Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its Branches, on and after Saturday, the 1st day of September, 1917, to Shareholders of record at the close of business on the 16th day of August, 1917.

The Transfer Books will be closed from the 17th to the 31st day of August, 1917, both days inclusive.

By Order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, July 17th, 1917.

CONDENSED ADVERTISEMENTS

"Positions Wanted," 2c. per word; "Positions Vacant," "Agents or Agencies Wanted," 3c. per word; other condensed advertisements, 3c. per word. Minimum charge for any condensed advertisement, 50c. per insertion. All condensed advertisements must conform to usual style. Condensed advertisements, on account of the very low rates charged for them, are payable in advance.

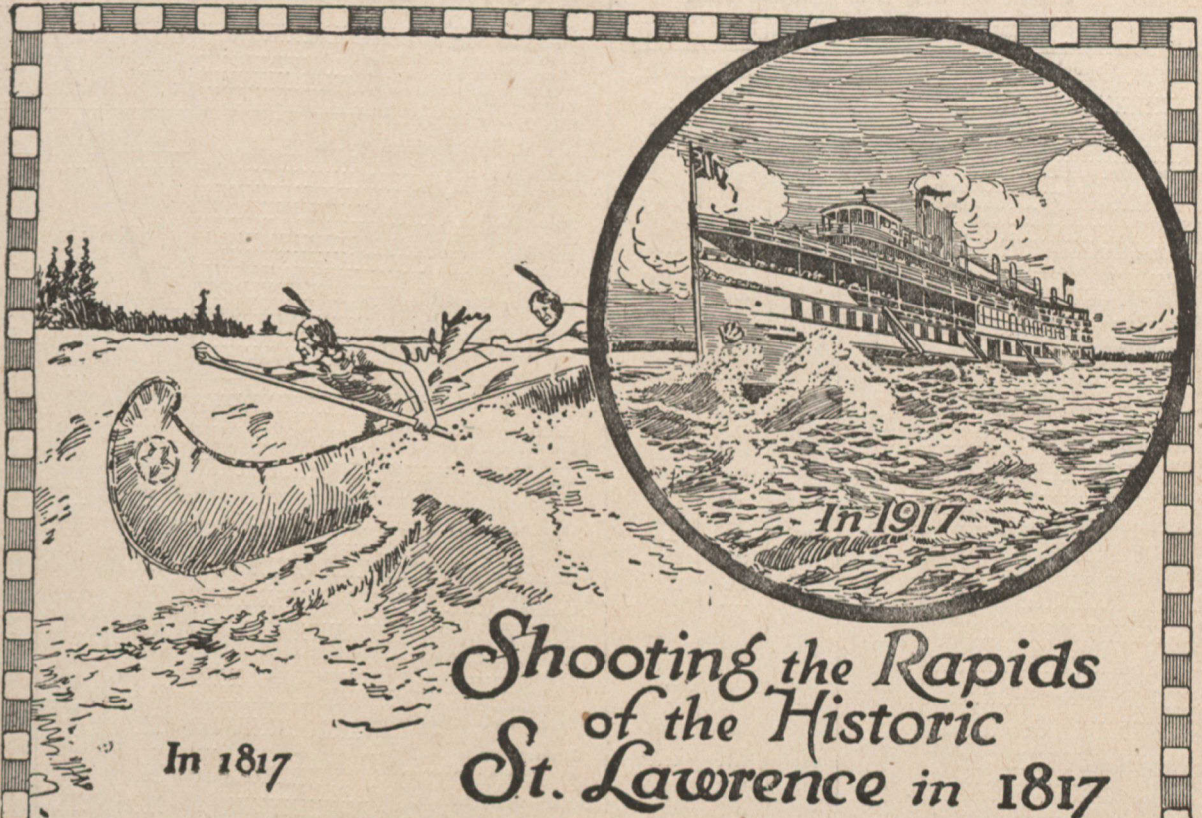
THE STORY OF A YOUNG FINANCIAL MAN'S SUCCESS.—A financial man, thirty-three years of age, came to our office four years ago to take up a new line of business—a line against which he had been prejudiced, but which he knew carried great rewards for the successful. His average commissions this year will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

EXPERIENCED ACCOUNTANT, married, in chartered accountant's office, Toronto, wishes position of office manager or executive, with financial, mercantile or manufacturing firm in Toronto. Reorganization and systemizing a specialty. Active interest and connection with firm in future desired. Apply Box 93, *The Monetary Times*, Toronto.

EXPERIENCED ACCOUNTANT and Auditor is open for engagement in any capacity where ability and energy are required. Chartered Secretary of Joint Stock Companies, good organizer and capable manager, credits, etc., ineligible military service. Box 91, *The Monetary Times*, 62 Church St., Toronto.

I OFFER for sale the Canadian Patent Rights to an exceedingly valuable invention in the auto tire accessory line. The article is now being profitably manufactured in the States. It has been a demonstrated success from the start and the factory is now behind on orders. Is easily sold, as every car owner is a prospective customer. The article is easily manufactured. Only a small amount of inexpensive and easily secured machinery required. Nothing but standard materials used.

R. M. MACNISH, Pres.,
ARMORED TIRE CO.,
143-145 West Austin Ave.,
CHICAGO, ILL.



There is no country in the world that can offer so many fine water trips. Spend your vacation in Canada. Take advantage of our wonderful trips that people travel thousands of miles to enjoy.

Niagara-to-the-Sea

The traveller will find many points of interest in this trip that is *all* interesting. There's the Thousand Islands, the Venice of America, with its ever-changing, ever-glorious scenery. Then the thrill of shooting the Rapids near Montreal, which the Red Men used formerly to shoot in their birch-bark canoes.

Quebec, the city quaint and beautiful, re-

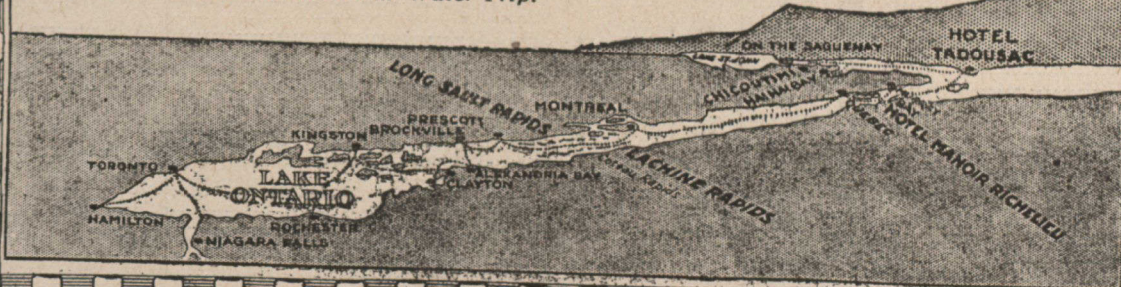
minds the traveller of Old France. The miracle-working shrine of Ste. Anne-de-Beaupre. The modern hotels of the Canada Steamship Lines at Murray Bay and Tadousac. Finally, the River Saguenay with its towering promontories, Capes Trinity and Eternity, higher than Gibraltar—beautiful beyond description. This is the trip we call "Niagara to the Sea."

Send two cents for *Booklet, Map and Guide*

CANADA STEAMSHIP LINES LIMITED

46 Yonge Street, Toronto, Ont.

This is the year for an Inland Water Trip.



Montreal and Toronto Stock Transactions

Stock Prices for Week ended July 25th, 1917, and Sales.

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

Montreal Stocks	—	Asked	Bid	Sales
Ames-Holden	com.	15	...	...
Ames-Holden	pref.	49	...	...
Bell Telephone	...	48	136½	68
Brompton	...	48	47½	290
Brazilian	...	39½	39	952
B. C. Fishing & Packing	...	45	...	10
Canada Car	com.	32	30½	100
Canada Car	pref.	70	304	304
Canadian Converters	...	42½	40	3
Canada Cement	com.	60½	60½	415
Canadian Consolidated Rubber	pref.	...	...	...
Canada Cottons	...	55	50	...
Canadian General Electric	...	102	101	135
Canadian Locomotive	...	64	62	70
Canadian Pacific Railway	...	...	...	280
Canada Steamship Lines	com.	2½	41½	20
" " " (Voting Trust)	pref.	...	78½	126
" " " (Deb. stock)	...	...	...	...
Civic Investment	...	75½	75½	612
Cons. Mining and Smelting	...	27½	26½	975
Detroit Railway	...	109½	109	887
Dominion Bridge	...	135	125	40
Dominion Canners	...	...	20	...
Dominion Iron	pref.	91½	91½	69
Dominion Steel Corporation	com.	5½	59½	1230
Dominion Textile	...	86	84	...
Gould Manufacturing	pref.	...	100	...
Goodwins	pref.	...	100	...
Illinois Traction	pref.	45	...	...
Laurentide Co.	pref.	171	170	290
Lyall Construction Co.	...	...	...	...
Macdonald	...	14½	14½	...
Mackay	com.	...	...	...
Maple Leaf	...	...	...	...
Montreal Cottons	com.	75	52	45
Montreal Cottons	pref.	100	...	15
Montreal Loan & Mortgage	...	164	...	...
Montreal Telegraph	...	135	...	4
Montreal Tram Debenture	...	74	73	1200
Nova Scotia Steel	...	97½	97	1185
" " " (rights)	pref.	2	...	2345
Ogilvie Flour Mills	...	4	118	45
Ontario Steel	pref.	155	148	100
Ottawa Light, Heat and Power	...	24	...	...
Penmans	...	80	...	...
Penmans	pref.	71	...	56
Price Bros.	...	134½	133½	140
Riordan Paper	...	121	119	40
Quebec Railway, Light, Heat & Power	...	...	92	5
Shawinigan Water & Power	...	17	16	120
Sherwin-Williams	...	121	118	193
Smart Woods	pref.	58	56	...
Spanish River	com.	44	...	...
Spanish River	com.	15	13	210
Spanish River	pref.	...	...	...
Steel Co. of Canada	...	53½	53½	997
Steel Co. of Canada	pref.	91½	...	65
Toolke	...	75	74	131
Toronto Railway	...	80	...	...
Tucketts	pref.	80	...	...
Winnipeg Railway	...	45	...	...
Wayagamack	...	65	63	...
Bank of British North America	...	...	...	...
Bank of Commerce	...	186	...	54
Bank of Montreal	...	...	113	...
Bank of Ottawa	...	202½	...	10
Bank of Toronto	...	...	...	...
Bank d' Hochelaga	...	143	...	1
Banque Nationale	...	150	148	...
Bank of Nova Scotia	...	253	...	...
Dominion Bank	...	...	...	...
Merchants Bank	...	169½	...	2
Molsons Bank	...	184	180	...
Quebec Bank	...	...	210½	30
Royal Bank	...	34	...	...
Standard Bank	com.	...	...	...
Union Bank	...	...	141	...
Montreal Bonds				
Asbestos	Last Sale	72½	72	...
Bell Telephone	...	98½	97	94½
Canada Cement	...	96½	97	...
Canadian Cottons	...	83	80	...
Canadian Converters	...	42½	40	1000
Cedars Rapids	...	90	88	...
Dominion Canners	...	90	...	...
Dominion Coal	...	94½	...	1500
Dominion Cotton	...	90	...	...
Dominion Iron and Steel	...	97	87	86½
Dominion Textile	A	97½	...	2900
" " " B	...	97	...	...
" " " C	...	97	...	...
" " " D	...	96½	...	...
Lake of Woods Milling	...	103	102	...
Laurentide	...	101	101	...
Lyall Construction Co.	...	83½	88	...
Montreal Light, Heat & Power	...	101	...	10000
Montreal Tramways	...	91½	...	...
National Breweries	...	90	...	...
Nova Scotia Steel	...	90	95	...
Ogilvie	A	10	102	2000
" " " B	...	103	102	...
" " " C	...	103	102	...
Penmans	...	84½	86	...
Price Bros.	...	93	...	2200

Montreal Bonds (Continued)

	—	Asked	Bid	Sales
Quebec Railway, Light and Power	67	65	55	2000
Riordan	96½	98	...	...
Steel Co. of Canada	99½	96½	...	...
First Dominion War Loan	98½	97½	97½	56900
Second Dominion War Loan	98½	95½	96½	10700
Third Dominion War Loan	...	...	...	...
Winnipeg Street Railway	85	90	...	...
Wayagamack	84	85	...	1700

Toronto Stocks

	—	Asked	Bid	Sales
Ames-Holden	pref.	...	24	20
American Cynamid	pref.	...	57	50
Barcelona	...	11½	10½	114
Bell Telephone	...	39½	39½	920
Brazilian	...	15	...	...
Canada Bread	...	85	80	...
Canadian Car & Foundry	pref.	31½	30	...
Canadian Canners	pref.	70	69	...
Canadian General Electric	...	102	101	135
Canada Landed & National Investment	cum div. pref.	...	...	...
Canadian Locomotive	...	62½	61	340
Canadian Locomotive	pref.	90	88	25
Canadian Pacific Railway	...	...	...	...
Canada Permanent	...	133	128	144
Canadian Salt	...	41½	40½	540
Canada Steamship	...	78½	77½	112
" " (new)	pref.	...	...	...
Cement	com.	60½	60	...
" " (new)	pref.	92	91	...
City Dairy	...	...	30	...
Colonial Loan	...	...	...	...
Confederation Life	...	375	...	...
Coniagas	...	380	325	...
Consumers Gas	...	150	...	42
Crown Reserve	...	...	...	...
Crow's Nest Pass	...	110½	109½	...
Detroit	...	1050	975	...
Dome	...	22	21	...
Dominion Canners	...	59½	59	275
Dominion Steel Company	pref.	...	...	...
Duluth Sup.	...	43½	42	30
F. N. Burt	pref.	80	88½	2
Hamilton Provident	...	90	...	...
" (20% paid)	...	...	...	...
Huron & Erie	...	...	...	10
" (20% paid)	...	...	...	...
Lake of the Woods	2	...	...	...
Landed B. & L.	...	81½	80½	123
Mackay Companies	...	64½	64	91
Mackay Companies	pref.	103	98	125
Maple Leaf Milling	...	94	92	16
Mexican Light & Power	...	...	...	...
Monarch	...	38	35	...
Nat. S. Car.	...	10½	...	...
National Trust	...	...	27½	55
Nipissing	...	775	725	...
Nova Scotia Steel	rights	98	97	...
Pacific Burt	com.	15	...	...
Pacific Burt	com.	36	...	10
Pacific Burt	pref.	81	80½	...
Petroleum	...	1400	1325	100
Quebec Light & Power	...	17½	16	...
Riordan	...	119	117	...
Rogers	pref.	...	40	15
Rogers	com.	90	...	...
Russell Motor	pref.	75	...	...
Sawyer-Massey	...	110	...	...
Shredded Wheat	...	...	10	25
Spanish River	...	14	12½	18
Spanish River	pref.	...	...	...
Cons. Smelters	...	26½	26½	501
Standard Chemical	...	55	...	...
Steel Company of Canada	pref.	53½	53½	150
Steel Company of Canada	pref.	91	90½	110
Toronto General Trust	...	...	...	...
Toronto Mortgage	...	...	...	...
Toronto Paper	...	81	75	...
Toronto Railway	...	74½	74	12
Trethewey	...	...	...	...
Tucketts	pref.	1½	...	...
Winnipeg Electric	...	55	...	110
Twin City	...	...	85	100
Bank of Commerce	...	186	...	21
Bank of Ottawa	...	202	...	...
Bank of Hamilton	...	...	190	...
Bank of Montreal	...	...	...	...
Bank of Nova Scotia	...	...	...	...
Bank of Toronto	...	210	206½	...
Dominion Bank	...	...	191	15
Imperial Bank	...	182	...	...
Molsons Bank	...	211	...	25
Royal Bank	...	...	202½	5
Standard Bank	...	...	140	...
Union Bank	...	...	...	...
Toronto Bonds				
Canada Bread	Last Sale	92½	...	...
Canada Cement	...	95	...	...
Canada Locomotive	...	89	86½	...
Penmans	...	84	80	1000
Sao Paulo, 1929	...	96½	97	...
Steel Company of Canada	...	98	97½	10700
First War Loan	...	98½	95½	27700
Second War Loan	...	94½	95	87800
Third War Loan	...	...	...	...

CANADIAN SECURITIES IN LONDON

The following record of transactions on the London Stock Exchange in Canadian securities during the week ended July 5th, is compiled by the Canadian Gazette from the Official Lists, and consists of the first and last "markings" and the highest and lowest intervening "markings" unless there is a repetition. The asterisk implies the last recorded transaction where no business has taken place during the week.

GOVERNMENT SECURITIES.

Table with 2 columns: Description (Dominion) and Price. Includes entries for Canada, 1909-34, 3 1/2% and various years from 1938 to 1920-5.

Provincial

Table with 2 columns: Description (Provincial) and Price. Lists securities for Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan.

Municipal

Table with 2 columns: Description (Municipal) and Price. Lists securities for various cities including Burnaby, Calgary, Edmonton, Fort William, Greater Winnipeg, Hamilton, Lethbridge, Medicine Hat, Montreal, Moose Jaw, New Westminster, North Battleford, North Vancouver, Ottawa, Point Grey, Port Arthur, Prince Albert, Quebec, Regina, St. Catharines, St. John N.B., Saskatoon, Sherbrooke, South Vancouver, Toronto, and Vancouver.

MUNICIPAL (Continued)

Table with 2 columns: Description (Municipal) and Price. Continuation of municipal securities for Vancouver, Victoria, Westmount, and Winnipeg.

CANADIAN BANKS

Table with 2 columns: Description (Canadian Banks) and Price. Lists securities for British North America, Canadian Bank of Commerce, Royal of Canada, and Union of Canada.

RAILWAYS

Table with 2 columns: Description (Railways) and Price. Lists securities for Alberta & Gt. Waterways, Atlantic & Quebec, Algoma Cent., Algonia Cent. Terminals, Atlantic & North-West, Atlantic & St. Lawrence, Buffalo & Lake Huron, Calgary & Edmonton, Canada Atlantic, Canadian Northern, Canadian Northern Alberta, Can. Nthn. Ontario, Canadian Pacific, Canadian Northern Quebec, Canadian Nthn. Westn., Canadian Pacific shares, Canadian Northern Pacific, Canadian Northern Quebec, Canadian Nthn. Westn., Canadian Pacific, Central Counties, Central Ontario, Detroit, Grand Haven, Dominion Atlantic, Duluth, Edmon, Grand Trunk Pacific, Grand Trunk, Grand Trunk Western, Manitoba Dollar, Min. St. Paul & Sault Ste. Marie, Ontario, Pacific Gt. Eastern, Qu'Appelle and Long Lake, Quebec & Lake St. John, Quebec Central, and various other railway securities.

RAILWAYS (Continued)

Table with 2 columns: Description (Railways) and Price. Continuation of railway securities for St. Lawrence & Ottawa, Temiscouata, Toronto, Grey & Bruce, White Pass & Yukon, and Wisconsin Central.

MISCELLANEOUS

Table with 2 columns: Description (Miscellaneous) and Price. Lists securities for Ames-Holden-McCreedy, Asbestos Corporation, Belding Paul & Corticelli, Bell Telephone, British Columbia Breweries, British Columbia Electric, Canadian Car and Foundry, Canadian Cement, Canadian Collieries, Canadian Cotton, Canadian Explosives, Canadian General Electric, Canada Iron, Canadian Marconi, Canadian Min. Rubber, Canadian Pacific Lumber, Canada Steamship, Canadian Steel Foundries, Canadian Vickers, Canadian Western Lumber, Can. Wes. Natural Gas, Cascade Water, Cedar Rapids, Cockshutt Plow, Columbia Wes. Lumber, Dominion Cannery, Dominion Iron & Steel, Dominion Steel, Electrical Develop. of Ontario, Forest Mills of B. Columbia, Imperial Tobacco, Kaministiquia Power, Lake Superior Paper, Lake Superior, Le Roi, Moline Plow, Mond Nickel, Montreal Light & Power, Montreal Street Railway, Montreal Water, Nova Scotia Steel, Ogilvie Flour Mills, Penman's, Price Bros., Riordon Pulp, Robert Simpson, Shawinigan Power, Spanish River Pulp, Standard Chemical of Canada, Steel of Canada, Toronto Power, Toronto Railway, Vancouver Power, West Canadian Collieries, West Canadian Flour, West Canadian Power, West Kootenay Power, and Winnipeg Electric.

way, it is to increase, not a my limit—its capacity.

BUSINESS AND SENTIMENT

PERHAPS in no other purchase which a man can make are business and sentiment combined so essentially as in the taking out of a life insurance policy. There are instances—and in growing number—where insurance is taken out for strictly business reasons. There are others—and these are greatly in the majority—where sentiment is the compelling motive. But more and more it is coming to be recognized that these too are “good business” for the insured himself as well as exceedingly necessary from the viewpoint of his dependents.

The business instincts that prompted a multi-millionaire like J. P. Morgan to secure for his estate \$2,500,000 of ready funds, or which led a Winnipeg railroad contractor the other day to take out a \$250,000 policy, are no different in kind from those which should prompt, say, the Western farmer to make sure of a substantial nest egg in cash for those who must carry on his business in the event of death.

From "Canadian Finance."

The Canada Life issued a policy to J. Pierpont Morgan for \$200,000.

The other policy mentioned (\$250,000) was also issued by The Canada Life.

CANADA LIFE ASSURANCE CO.
Head Office, Toronto
Established 1847

New Records

Results secured during the past year re-affirm the position of the Sun Life of Canada as the leading life assurance organization of the Dominion.

It leads all Canadian Companies in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Premium Income, Total Income and Payments to Policyholders.

Fair-dealing and progressive business methods are the foundations for the Company's phenomenal growth.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
Portland, Maine

ARTHUR L. BATES, PRESIDENT. HENRI E. MORIN, SUPERVISOR

For Agencies in the Western Division, Province of Quebec and Eastern Ontario, apply to WALTER I. JOSEPH, Manager, 502 McGill Building, Montreal.

For Agencies in Western Ontario, apply to E. J. ATKINSON, Manager, 107 Manning Chambers, 72 Queen St. West, Toronto

J. A. THOMPSON

Government and Municipal Securities

Western Municipal, School and Saskatchewan Rural Telephone Co. debentures specialized in.

CORRESPONDENCE INVITED

Union Bank Building - WINNIPEG

BRITISH AMERICA ASSURANCE COMPANY
FIRE, HAIL, OCEAN MARINE and INLAND MARINE INSURANCE

INCORPORATED 1833

HEAD OFFICES: TORONTO

W. R. BROCK, President. W. B. MEIKLE, Vice-Pres. and Gen. Mgr.
JOHN SIME, Asst. Gen. Mgr. E. F. GARROW, Secretary.

Assets, Over \$2,500,000.00

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

(FIRE)

BRITISH CROWN ASSURANCE Corporation, Limited OF GLASGOW, SCOTLAND

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

CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Fire Office

Head Office for Canada MONTREAL

J. G. BORTHWICK, Manager

MUNTZ & BEATTY, Resident Agents

Temple Bldg., Bay St., TORONTO

Telephone Main 66 & 67

Ask the Subscription Department about our Special Book Offer

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

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

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

DEBENTURES FOR SALE

TENDERS WANTED

The Executors of the estate of James Dodds Traynor, late of Regina in the Province of Saskatchewan, Deceased, invite offers for the purchase of all or any of the following shares belonging to the estate, namely:—

- 108 shares, par value, one dollar each, in Alberta Petroleum Consolidated, Limited;
- 180 shares, par value, one hundred dollars each, in Saskatchewan Land & Cattle Company, Limited;
- 62,330 shares, par value, twenty-five cents each, in Lincoln Gold Mining Company;
- 823 shares, par value, fifty dollars each, in Prairie Coal Company, Limited.

All shares are fully paid up. Offers will be received up to August 15th, 1917. Terms Cash. Highest or any offer not necessarily accepted. Address offers to Executors of J. D. Traynor in care of the undersigned, from whom also further information may be obtained.

BROWN, THOMSON & COMPANY

Barristers and Solicitors
REGINA SASK.

LEGAL NOTICE

THE THOMAS WARREN KNITTING COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 21st day of June, 1917, incorporating Alfred Geoffrey Edwards, Theophilus James Macnamara, Thomas Paterson Geggie, John Smith Masson and William Fostus Alexander Hill, all of the City of Toronto, in the Province of Ontario, accountants, for the following purposes, viz.:—(a) To buy, sell, manufacture and deal in woollen and other fibres and yarns and the products thereof throughout the Dominion of Canada; (b) To acquire the business and good-will of Thomas Warren, manufacturer of knitted goods doing business in the City of Toronto. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Thomas Warren Knitting Company, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 21st day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

52-2

The Guardian Fire Insurance Company, of Salt Lake City, Utah, has been licensed to transact in British Columbia, the business of fire insurance. Mr. A. S. Matthew, 414 Pender Street West, Vancouver, is the attorney of the company.

The biggest land deal in southern Alberta this year was completed at Lethbridge recently, when C. S. Noble, of the Noble Foundation, purchased 15,000 acres of the Cameron ranch, east of the city, from the Cameron estate, New York, at an average price of about \$10 an acre. This is raw land and will be put under cultivation soon.

CANADA STEAMSHIPS PAYS DIVIDEND

The Canada Steamships Lines makes an announcement respecting the declaration of dividends on preferred stocks. The entire declaration consists of 7.58 and 1/8 per cent., and is divided as follows: 2 1/2 per cent. payable August 1st to shareholders of record of July 15th, 1 3/4 per cent. payable November 1st to shareholders of record of October 15th, 3 1/2 per cent. payable January 2nd, 1918, to shareholders of record of December 15th, 1917. The uneven payment of 2 1/2 per cent. is explained by the decision of the directors to clear up the payments for one month dividends, regarding which there has been some discussion. This was settled by allowing .58 3/8 per cent. for last December.

The declaration also introduces the new policy of making payments quarterly hereafter, instead of annually, as announced a couple of years ago. The change is due to the fact that the company is now operating all the year round, instead of only during the summer months, as formerly.

The declaration of the dividends on the preferred stock for the balance of the year was made for the purpose of disposing of the matter finally, and clearing up all outstanding obligations on the preferred stock, together with those which would accrue during the balance of the year. The company will then start the new year with a clean sheet and make its declarations quarterly hereafter.

CANADA'S BANK CLEARINGS

The following are the bank clearings for the weeks of July 20, 1916, and July 23, 1917, respectively, with changes:—

	Week ended July 23, '17.	Week ended July 20, '16.	Changes.
Montreal	\$ 86,687,492	\$ 78,408,200	+ \$ 8,279,292
Toronto	62,922,518	46,252,618	+ 16,669,900
Winnipeg	37,724,425	39,702,256	- 1,977,831
Vancouver	8,690,141	6,335,843	+ 2,354,298
Ottawa	5,957,267	5,360,642	+ 596,625
Calgary	5,790,725	4,348,529	+ 1,442,196
Hamilton	4,649,099	4,665,251	- 16,152
Quebec	4,725,145	4,054,899	+ 670,246
Edmonton	2,660,791	1,906,228	+ 754,563
Halifax	2,995,842	2,684,497	+ 311,345
London	2,409,619	1,905,806	+ 503,813
Regina	3,184,144	1,980,887	+ 1,203,257
St. John	2,116,198	1,792,169	+ 324,029
Victoria	1,587,240	1,538,485	+ 48,755
Saskatoon	1,543,010	1,023,187	+ 519,823
Moose Jaw	1,118,336	993,425	+ 124,911
Brandon	526,308	669,005	- 142,697
Brantford	865,255	599,087	+ 266,168
Fort William	690,965	566,600	+ 124,365
Lethbridge	888,611	583,512	+ 305,099
Medicine Hat	557,080	358,238	+ 198,842
New Westminster	366,315	315,357	+ 50,958
Peterboro	672,504	495,142	+ 177,362
Sherbrooke	714,174	495,516	+ 218,658
Kitchener	570,120	478,098	+ 92,022
Totals	\$240,613,333	\$207,513,477	+ \$33,099,856

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto (Week ended July 25th, 1917.)

	Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Pulp.....com.	48	.....	Carter Crume.....pref.	65	72	Goody'r Tire & Rub...com.	.....	195
Alberta Pac. Grain...pref.	90	95	Chapman Ball Bearings.	30	.....	Home Bank.....	64	66.50
Amer. Sales Book...pref.	.....	94	Continental Life.....	20.50	25	Imper. Steel & Wire.pref.	.....	4.50
Arena (Toronto) bonds...	.....	93	Cockshutt Plow Co.pref.	65	.....	International Milling, 6's	.....	97
Brandram Hend's'n com.	.....	50	Collingw'd Ship Bdg...6's	.....	96	Imperial Oil.....	355	390
Canada Paper.....com.	.....	95	.....com.	.....	75	London Loan & Savings.	96	110
Canada Machinery 6's...pref.	43.50	42	Dominion Linseed Oil...	70	.....	M'Donald.....pref.	78	81
Can. Salt, 6's.....	95	.....	D. Po'er & Trans...pref.	94	.....	Lambton Golf Club.....	400	.....
Canadian Mortgage.....	85	93	Dom. Permanent Loan	67	.....	Monarch Life Insurance	16	22
Can. Furniture.....pref.	90	100	Dom. Steel, 6%.....pref.	92	95.50	Mutual Steamships, 6's	95	.....
Canadian Oil.....pref.	90	100	Dunlop Tire.....pref.	92	25	Mexican Mahogany.com.	.....	14
Carriage Factories...pref.	82	.....	Dominion Glass.....com.	.....	85	.....bonds	60	60
Crown Life.....	1.50	3	Dom. Po'er & Trans.com.	.....	45	National Brick Bonds...	30	36
Canadian Marconi.....	90	96	Dom. Manfg.....pref.	.....	63	National Telephone, 5's...	.....	83
Crown Trust (Montreal)...	90	96	Eastern Car.....pref.	.....	.....	National Drug, pref., 7%	90	.....
						Niagara Lock & Ont. 5's.	.....	94
						North Ont. L. & P. 6's...	.....	85
						Steel & Radiation...com.	.....	32
						Otis-Fenson Elev...pref.	.....	90
						Standard Reliance Loan	45.50	50
						Steel & Radiation, bonds	.....	67
						Trust & Guarantee.....	84	.....
						Tooke Bros.....pref.	.....	77
						Univ. Steel & Tool...com.	.....	27
						Wabasso Cotton...com.	20	26
						Western Assurance.....	.....	7
						Western Can. Flour.com.	105	.....
						Imper. Steel & Wire.com.	.....	1
						Temple (Allen) Thea.com.	30	.....
						.....pref.	95	100

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

THE NORTHERN ASSURANCE COMPANY

ESTABLISHED 1836 LIMITED

THE EIGHTY-FIRST ANNUAL GENERAL MEETING of the Northern Assurance Company, Limited, was held in the Offices of the Company at Aberdeen on Wednesday, May 2, 1917, when the Directors' Report was presented.

FIRE DEPARTMENT

THE PREMIUMS received last year amounted to \$7,177,600 showing an increase of \$568,455 in comparison with those of the previous year. THE LOSSES amounted to \$3,607,045, or 50.3 per cent. of the premiums. THE EXPENSES OF MANAGEMENT (including commission to agents and charges of every kind) came to \$2,682,285, or 37.4 per cent. of the premiums.

FIRE REVENUE ACCOUNT

Amount of Fire Insurance Fund at the beginning of the year, viz.:-		Claims under Policies paid and outstanding	\$3,607,045
Reserve for unexpired Risks	\$3,297,890	Commission	1,054,600
Additional Reserve	6,000,000	Expenses of Management	1,610,650
		Contributions to Fire Brigades	17,035
Premiums	\$9,297,890	Transferred to Profit and Loss account:-	
Interest, dividends and rents	7,177,600	Profit for the year	\$597,360
Less Income Tax thereon	42,670	Interest	398,555
	398,555		995,915
		Amount of Fire Insurance Fund at the end of the year, viz.:-	
		Reserve for unexpired Risks, being 50 per	
		cent. of Premium Income for the year	\$3,588,800
		Additional Reserve	6,000,000
			\$9,588,800
			<u>\$16,874,045</u>
			<u>\$16,874,045</u>

TOTAL FUNDS OF THE COMPANY

After carrying out the proposals of the Directors, the Funds of the Company, as at 31st December last, will stand as follows:-

Capital (subscribed \$15,000,000) paid up	\$1,500,000
Fire Reserve Fund and Unearned Premium Reserve	9,588,800
Life and Annuity Funds	24,708,435
Endowment and Capital Redemption Fund	627,490
Employers' Liability and Accident Fund	1,081,610
Staff Funds	927,375
Profit and Loss Balance	1,156,235

(\$5 taken as equivalent of £1 sterling.)

\$39,589,945

HEAD OFFICE FOR CANADA

G. E. MOBERLY, Manager.

MONTREAL

NEW WOOLEN FACTORY OPENED

A new textile mill has been opened at London, Ont., by Penmans', Limited, with 75 employees, to be increased to 175. The work in this mill consists in finishing the underwear which is made in Paris and elsewhere and also in knitting hosiery. The firm thus relieves the strain upon its other mills, where labor has decreased. The opening of the new mill secures labor that could not have been obtained at the various centres where the mills are located, and in this way enables the company to increase its output by exactly the amount of work done at the London mill.

INSURANCE FIRM IN LIQUIDATION

Regarding the winding up of the Ontario Fire Insurance Company, the following report has been made by the Trusts and Guarantee Company, liquidators of the insurance company:-

The claims for losses amounted to \$111,361.31, of which claims of \$108,484.54 have been admitted, \$4,238.57 barred by order of the court and there are yet to be dealt with claims of \$637.20. Agents' claims of \$10,666.27 have been admitted, and the accounts of quite a number have still to be dealt with. Another dividend cannot be paid until the accounts of all the agents have been properly determined, some having reinsured their business without instructions from, or knowledge of, the company. There were about 15,000 policies outstanding at the date of the winding-up order, the liability being \$80,363.84. This liability, however, will be materially reduced through the adjustments which are being made with the agents, though there will be a corresponding reduction in the balances owing by the agents to the company.

The par value of the securities held by the minister of finance was \$50,500, for which the sum of \$48,276.06 was realized—\$44,947.80 from sales and \$3,328.26 as interest. These proceeds are earmarked for the policyholders, who will

rank as ordinary creditors for the balance of their claims against the proceeds of the company's other assets, together with the other creditors, whose claims may amount to \$20,000. We have approximately \$53,000 cash in bank, but another dividend cannot be paid until the total liability to the policyholders is determined. The claim of the Ontario of \$40,000 against the Western Canada Fire Insurance Company was admitted and we have recently been appointed liquidator of the Western Canada.

ASBESTOS CORPORATION'S PROFITS

Net profits of the Asbestos Corporation of Canada for the six months ending June 30th last, amount to \$224,560, which was sufficient to take care of \$75,000 bond interest, and the two quarterly dividends of one per cent. on the preferred stock, calling for \$80,000 and leave \$69,560 to add to balance at credit of profit and loss. This balance stood at \$500,102 at the end of 1916.

Earnings as shown are given as "net profits from operations." As no mention is made of the company's usual provision out of earnings for renewals and betterments, presumably the appropriation under that head is deferred until the end of the year. Charging up only bond interest against the profits shown, the surplus for the half-year was \$149,560, equivalent to earnings at the rate of 7.5 per cent. per annum on the \$4,000,000 preferred stock.

The Lumber Products, Limited, a new concern at New Westminster, B.C., has taken over the premises of the Iowa Lumber Company, and will manufacture boxes and operate a sawmill. The new company will log their own timber, operate their own mills, utilize the by-products in various ways, and toys will also be manufactured. The company have taken over the North Vancouver toy factory.

RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Burleigh Falls, Ont.—July 18—Mr. W. Windsor's farm totally destroyed. Loss partly covered by insurance.

Burnaby, B.C.—July 18—Mr. John Wilson's bungalow destroyed.

Cooking Lake, Ont.—July 14—Mr. Harvey Fraub's summer residence and contents burned to the ground. Estimated loss to building, \$8,800; to contents, \$1,000. Partly covered by insurance.

Enniskillen, Ont.—July 1—Mr. J. Simmon's frame barn and contents. Partly covered by insurance.

Fort William, Ont.—July 17—Mr. Youman's farm stable and barn destroyed, also three pigs burned alive and 75 bushels of oats, a double set of harness, disc harrow, wagon and seed drill consumed. Fire started in pile of straw.

Haileybury, Ont.—July 19—Mrs. T. Poppleton's residence completely destroyed; covered by insurance. Probable cause, lightning.

Hamilton, Ont.—July 21—Bastien's boathouse partially destroyed, two rowboats and a canoe completely. Owners of boats, Mr. G. Burlinghoff, Mr. H. Smart, and Mr. W. S. Campbell. Total loss, \$400.

Hudson, Que.—July 21—Canadian Ice Company's ice house damaged, also two cottages and some buildings destroyed. Company's losses amount to \$20,000. Total loss estimated at \$50,000. Cause, thunder bolt.

Macklin, Sask.—July 20—Warin's furniture store, four others adjoining and many buildings destroyed. Total loss estimated at \$75,000; partly covered by insurance.

Merritt, B.C.—July 16—Inland Coal and Coke Company's boarding house.

Nashwaak Village, N.B.—July 21—Mr. Bank's cow stable and three barns containing machinery, the property of Mr. Cameron, destroyed. Loss to barn \$1,000, partly covered by insurance. Loss to machinery \$500. Cause, lightning.

Owen Sound, Ont.—July 22—North American Bent Chair Company's factory; large section of roof and third floor destroyed.

Ridgetown, Ont.—July 23—Mr. W. Squire's store. Estimated loss some hundreds. Cause, burning match.

Salmo, B.C.—July 11—Kootenay Shingle Company's plant and office buildings. Loss runs into thousands of dollars, partly covered by insurance.

Vancouver, B.C.—July 14—Mr. Victor Eckstein's house damaged. Loss covered by insurance.

ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

Ingersoll, Ont.—July 16—Recent information received with reference to Mr. Edwin Marshall's dwelling house show estimated damage to contents, \$800; to building, \$200. Insurance was carried in Liverpool and London and Globe insurance companies to the extent of \$200. Total insurance, \$300. Cause, defective chimney.

Lethbridge, Alta.—July 7—Barn and cow stables, property of S. Trew. Estimated damage to buildings, \$300. No insurance carried. Cause, children playing with matches.

PUBLICATIONS RECEIVED

Municipal Handbook.—A compact and useful guide to Toronto's civic and political history, combining street railway, building and school statistics, with detailed description of National Exhibition. Issued by the city of Toronto. Publishers, The Carswell Company, Limited, Toronto.

Canada at War.—A pamphlet containing speeches with reference to the war delivered by Right Hon. Sir Robert Laird Borden both in the British Isles and Canada. Issued by the Premier, Ottawa.

INVESTMENTS AND THE MARKET

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

National Portland Cement Company.—Under the recent reorganization the following is the directorate of the company, according to information received by *The Monetary Times* from Mr. R. H. McWilliams, manager: Hon. Dr. David Jamieson, president, Durham, Ont.; Gilbert McKechnie, secretary-treasurer, Durham, Ont.; R. H. McWilliams, manager, Durham, Ont.; John E. Russell, Toronto; R. E. Hamilton, Grand Valley; N. Colville, Orono; E. A. Smith, St. Thomas; Wm. Calder, Durham.

Brompton Pulp and Paper Company.—At a meeting of the directors a dividend of 1¼ per cent. for quarter was declared, payable August 7 to shareholders of record July 31, placing the stock on a straight 5 per cent. basis instead of the 4 per cent. with a bonus of 1 per cent. The company's figures show for the half-year ending April 30, a surplus of \$326,274, after providing \$150,000 for contingencies and taxes. Legal expenses and salaries amounted to \$49,274 and bond interest to \$45,989.

Canadian Car and Foundry Company.—New York shareholders who have been canvassing for the election of A. Hicks Lawrence, of New York, to the board of directors, state that they have already secured the support of \$1,000,000 stock, and make a further appeal for support. A new circular signed by William A. Shakman, of Julius Kayser and Company, and H. R. Hilliard, of William E. Peck and Company, asks for additional proxies, stating that "we believe that if the American stockholders would name Mr. Lawrence as their proxy it would strengthen his position as an independent director." The circular states that a large number of stockholders apparently have failed to send in their proxy in response to the company's own circular, or to the circular of the American shareholders.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station, for the week ended July 20th, 1917:—Aladdin Cobalt Mines, 83,100; Dominion Reduction Co., 88,000; National Mines, 40,000; Penn Canadian Mines, 60,861; Mc Kinley-Darragh-Savage Mines, 87,119; Kerr Lake Mining Co., 58,072; Nipissing Mining Company, 195,995; total, 614,048 pounds, or 307 tons.

The total shipments since January 1st, 1917, now amount to 15,647,750 pounds, or 78,233.7 tons.

NEW BRUNSWICK SELLS \$500,000 BONDS

The New Brunswick provincial government have sold \$500,000 bonds authorized by legislation last session. The issue has been taken by Messrs. J. M. Robinson and Sons, investment and stock brokers, St. John and Fredericton. The bonds bear 5 per cent. interest and have twenty years to run. The sale was made at 95. The bonds now offered to the public are bringing 98. The proceeds are to be applied to road work, bridge construction and repairs.

The work for the past year of the Institute of Chartered Accountants was reviewed by the retiring president, Mr. Arthur C. Neff, and showed continued progress. The election of officers for the ensuing year resulted as follows:—President, T. Watson Sime, Toronto; first vice-president, Wilfred R. Morris, Peterboro; second vice-president, R. J. Dilworth, Toronto; secretary-treasurer, Arnold Morphy; council—A. K. Bunnell, R. Easton Burns, R. J. Dilworth, J. Wyndham Eddis, George Edwards, Edmond Gunn, G. F. G. Jewell, James F. Lawson, Arnold Morphy, W. R. Morris, Arthur C. Neff, Bryan Pontifex, Malcolm H. Robinson, T. Watson Sime, Rutherford Williamson; representatives on council of the Dominion Association—R. J. Dilworth, Arthur C. Neff, Bryan Pontifex; auditors—Frank G. Short, James Turner; registrar, W. J. Valleau.

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

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

BOARD OF DIRECTORS:

SIR JOHN AIRD	JOHN HOSKIN, K.C., LL.D.
ROBT. BICKERDIKE, M.P.	Z. A. LASH, K.C., LL.D.
W. R. BROCK, President	W. B. MEIKLE, Vice-President
ALFRED COOPER (London, Eng.)	GEO. A. MORROW
H. C. COX	Lt. Col. the HON. FREDERIC NICHOLS
D. B. HANNA	BRIG. GEN. SIR HENRY PELLATT, C.V.O.
E. HAY	E. A. ROBERT (Montreal)
	E. R. WOOD

Head Office: TORONTO, Ont.

W. R. BROCK, President	W. B. MEIKLE, Vice-President and General Manager	C. C. FOSTER, Secretary
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ESTO PERPETUA.

THE CONTINENTAL INSURANCE CO.
OF NEW YORK
 "THE BIG COMPANY."
 ASSETS EXCEED - \$34,000,000
Fire. Rent. Tornado.
 HEAD OFFICE FOR CANADA
 17 ST. JOHN STREET, MONTREAL

W. E. BALDWIN,
 Manager

Special Agent
 A. R. STELL,
 31 Scott St., Toronto

Commercial Union Assurance Co.
 LIMITED, OF LONDON, ENGLAND

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

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

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

ATLAS
Assurance Company Limited
OF LONDON, ENGLAND

The Company commenced business in the REIGN OF GEORGE III. and the following figures show its record:—

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

In addition the Company has a Subscribed Capital of Eleven Million Dollars (of which \$1,320,000 is paid up).

Agents wanted in unrepresented districts.
Head Office for Canada, 260 St. James St., MONTREAL
 MATTHEW C. HINSHAW, Branch Manager

THE DOMINION OF CANADA
GUARANTEE & ACCIDENT INS. CO.

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

The Oldest and Strongest Canadian Accident Insurance Company

Toronto Montreal Winnipeg Calgary Vancouver

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

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

North-West Branch Winnipeg
 THOS. BRUCE, Branch Manager

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

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

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

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

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

Assets exceed \$48,000,000.00 Over \$12,500,000.00 invested in Canada
 FIRE and ACCIDENT RISKS Accepted

Canadian Head Office: 57 Beaver Hall, Montreal
 Agents wanted in unrepresented towns in Canada.

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

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

Canadian Branch Toronto
 LYMAN ROOT, Manager

Economical Mutual Fire Ins. Co.
HEAD OFFICE KITCHENER, ONTARIO

CASH AND MUTUAL SYSTEMS
 TOTAL ASSETS, \$800,000 AMOUNT OF RISK, \$28,000,000
 GOVERNMENT DEPOSIT, \$50,000

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

The LONDON ASSURANCE
 Head Office, Canada Branch, MONTREAL

Total Funds \$20,000,000

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

COLD STORAGE REPORT HINTS GOVERNMENT CONTROL

(Continued from page 8.)

companies somewhat decreased, yet the total amount of cheese exported from Canada, according to the Trade and Commerce returns, during the 1913-1916 period increased from approximately 155,000,000 pounds to 169,000,000 pounds. This has, of course, directly affected the price of cheese to the cold storage companies. The export of eggs by cold storage companies has increased during the same period from less than 1 per cent. to 23 per cent. The export of bacon has increased from 24 per cent. to 91 per cent. The commodities which have been exported in the greatest quantities show the greatest increase in prices and in margin. It has been already claimed herein that the export demand has been responsible for most of the advances in domestic prices."

It is pointed out that the margin which the cold storage companies put on food products varies on butter from 1.74 cents per pound to 2.58 cents per pound in 1915, and 1.9 cents per pound in 1916; on cheese from .43 cents per pound in 1913 to 1.15 cents per pound in 1914, and .78 cents per pound in 1916; on eggs from 2.35 cents per dozen in 1913, on a steady rise, to 4.31 cents per dozen in 1916; that the margin on beef shows a decline from 1.06 cents per pound in 1913 to .7 cents per pound in 1916; on pork from 1.9 cents per pound to .36 cents per pound in 1914 and to 1.85 cents per pound in 1916; on bacon a rise from 2.33 cents per pound in 1913 to 4.58 cents per pound in 1916; on ham a decline from 4.86 cents per pound in 1913 to 2.12 cents per pound in 1916; and on mutton and lamb a decline from 1.38 cents per pound in 1913 to .61 cents per pound in 1916. In spite of these fluctuations, which in eggs and bacon particularly are abnormal, it is the price paid to farmers which has shown the original and most important ascent. Because of the varying distances of the farmers from the markets which they supply, it is not possible to say with accuracy the charge on the produce from the time it leaves the farmer's hands until it reaches the cold storage warehouses. Throughout southern Ontario, however, and as far east as Montreal, the charges are as follows: The buyer for the cold storage companies is paid 1 cent per dozen for buying eggs, $\frac{1}{4}$ cent per pound for cheese, and $\frac{1}{2}$ cent per pound for butter. The freight on eggs is 25 cents to 30 cents per case of 30 dozen; on cheese it is $\frac{1}{4}$ cent to $\frac{3}{4}$ cent per pound, and it is $\frac{1}{4}$ cent to $\frac{3}{4}$ cent per pound on butter. But subtracting these items from the cost price shown by the cold storage companies we arrive at the price paid the farmers. It would, however, be misleading to use this as a basis of calculating the average price paid to farmers in Canada. Conditions vary with the localities. But as these charges are fixed, and have not appreciably increased since the war, the increase in the price received by the farmer from the cold storage buyer can be calculated. The table in the next column compares the increase in the cost and the increase in the selling prices since 1913.

The decrease in the margin on ham is not very significant as affecting the total profits of cold storage companies, as only about fourteen million pounds of ham out of an approximate total of four hundred and sixty million pounds of meat were sold by cold storage companies in 1916, and comparison with the records of previous years shows that the quantity sold from cold storage has very slightly increased. The same statement applies to mutton and lamb. Table I. shows that about twelve and a half

million pounds of mutton and lamb were sold in 1916, and Table V. shows that the proportion of mutton and lamb sold in 1916 as compared with 1913 has actually decreased. The margin on beef has decreased, while the output since 1913 has increased. This decreased margin is, however, offset by the soaring prices which the by-products have been bringing. But the public has derived the benefit from this; the price of beef has increased less than that of any other meat since the beginning of the war. In the result, therefore, the only wide divergence shown between the increased revenues derived by producers and cold storage companies respectively applies to eggs and bacon. The disproportionate increase received by the cold storage companies as respects these commodities would be justified if storage costs had correspondingly increased, but the figures submitted by the various companies for the last four years do not evidence a sufficient rise in storage costs to bridge this gap, so the cause must be looked for elsewhere, and found. The rise in the price of bacon in 1916 was clearly a result of a practical monopoly brought about by a huge and unprecedented export trade demand.

Discussing the volume of the companies' business, the commissioner says: "The aggregate business of the large companies whose operations have been already analyzed, exclusive of those of Company No. VII., whose records are not complete for the four years, has been greatly expanded in the period 1913-1916. The total business done by these nine companies has increased during the years mentioned by the following percentages: Butter, 46 per cent.; eggs, 32 per cent.; cheese, 14 per cent.; beef, 30 per cent.; pork, 80 per cent.; ham, 150 per cent.; bacon, 1,450 per cent. Sales of mutton and lamb have slightly decreased.

"In view of the tendency towards monopoly, it is most important that the growth in the business of individual companies be carefully considered. All the companies whose operations are reported have not profited equally by the general expansion of trade. The method adopted for calculating the increased trade of each company has been to compare the total receipts from the sales of all the commodities reported on in the years 1913 and 1916. A table showing the approximate increase

Increase of Margins of Farmers and Cold Storage Companies.

Commodities	Cost per lb., 1913 to companies	Increase in cost per lb., 1913, to 1916 to companies	Selling price per lb.	Increase in selling price per lb., 1913, to 1916	Difference in profit to companies 1913 and 1916
	Cents	Cents	Cents	Cents	Cents
Butter.....	25.38	5.47	27.12	5.61	0.14 plus
Cheese.....	12.78	5.33	13.21	5.68	0.35 plus
Eggs.....	22.58	3.47	24.93	5.43	1.96 plus ¹
Beef.....	8.96	1.79	10.02	1.43	0.36 minus
Pork.....	12.5	2.34	14.47	2.38	0.04 plus
Bacon.....	14.75	1.01	17.08	2.25	1.25 plus ²
Ham.....	14.43	4.77	19.29	2.03	2.40 minus ²
Mutton and Lamb.....	11.97	4.83	13.35	4.06	0.77 minus ²

NOTE 1.—In partial justification of cold storage companies generally it is necessary to state that the war time advance in average profits on eggs, shown in the preceding table, has been greatly influenced by excessive profits derived by two particular companies, one a very large operator, the other a smaller. Particulars will appear later, herein. The average advance in the profits of cold storage companies between 1913 and 1916, exclusive of these two companies is 1.2 cents per dozen. While some allowance must be made for the greater expense of doing business even this general advance in profits seems high.

NOTE 2.—The proportion of ham dealt in, as compared with bacon, is small. See Table I. Sales of ham by cold storage companies approximated 14,000,000 pounds in 1916 and sales of bacon 150,000,000 pounds. Since the war the energies of the various companies seems to have been directed to the increase of production of bacon, the figures show in 1913 an average margin (seemingly excessive) of between four and five cents per pound derived by the various companies from ham. In 1916 the average margin in that commodity dropped to a more reasonable figure and a higher, and in my judgment, unjustifiable profit is being derived from bacon, the sales of which, by cold storage companies have, since 1913, increased more than twelve fold. This tremendous increase of turnover ought to have resulted, notwithstanding increased costs of doing business, in a reduction of gross profit instead of an increase, and I venture to predict that the expert examination of the books of the companies whose names I shall supply for the purpose will so establish.



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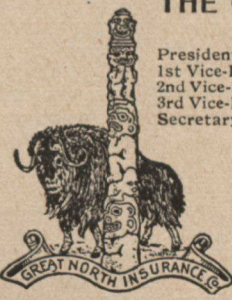
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of the year's receipts of the different companies is given. It discloses a marked variation in the proportion in which the trade of the various companies has grown. The increase in that of Companies No. V. and No. IX. is disproportionate to the general increase. This is largely due to sales of pork and bacon. The volume of the business of Company No. IX. is at the present time (July, 1917) about ten times that of 1913. Company I. is one of the largest beef dealers in the West. Its total sales in beef in 1916 have nearly trebled since 1913. Those of Company No. IV., a Canadian branch of an American firm, are still nearly double that of its largest competitor but have increased only by approximately 20 per cent. Company No. XII. in 1916 sold approximately thirty million pounds of beef. In 1913 its sales were little more than one-third of this. The general margins for all the cold storage companies of Canada have decreased from 1.06 cents per pound in 1913 to .7 cents per pound in 1916. This illustrates the effect of active competition. The very reverse process has been exemplified in regard to bacon and the resulting higher margin. These are the two most striking examples shown in the records of the effect of competition in the one case and of practical monopoly in the other. Particulars are yet to appear herein of the business of the months of March and April, 1917. These will be supplied to illustrate the perseverance of the tendency towards centralization of export trade especially in a few hands, and also to evidence the character of the information which is now supplied to the undersigned, monthly, concerning food stocks, costs, and prices. The April returns disclose that Company No. IX. on April 1, had on hand 7,500,000 pounds of bacon alone, that it purchased during April about 10,500,000 pounds more of the same commodity and sold during the same month about 7,500,000 pounds. The company's month's sales of bacon alone at 24 cents per pound would approximate

\$1,800,000. This is certainly 'big business,'—just how big may be best appreciated by considering that a clear profit of one-quarter of one per cent. per pound on such a monthly turnover for twelve months would yield \$225,000 for distribution among the fortunate shareholders of the company as their profits upon bacon alone. The business done by this same company in May, which month's figures are not yet sufficiently analyzed to enable their inclusion within this report, amounted to \$3,600,000, as respects the commodities included within this report. But the company deals in other commodities, such as hides, lard, and other by-products. It ought not to be surprising, therefore, if at the end of the year 1917 the gross business of this company would be found to have amounted to not less than \$60,000,000 for the year.

The table previously mentioned follows:—

Comparison of Growth of Different Companies—Their Total Annual Receipts from Sales of Commodities Covered by This Report. (Note (a.))

Company.	1913.	1914.	1915.	1916.
No. I.	3,300,000	4,600,000	7,200,000	8,800,000
" II.	4,600,000	4,600,000	7,000,000	9,000,300
" III.	570,000	550,000	600,000	980,000
" IV.	12,630,000	14,000,000	14,000,000	16,215,000
" V.	2,500,000	3,500,000	7,000,000	11,900,000
" VIII.	2,700,000	2,700,000	3,600,000	3,600,000
" IX.	4,300,000	8,000,000	18,500,000	28,100,000
" X.	5,300,000	5,600,000	6,700,000	8,100,000
" XI.	900,000	1,100,000	1,300,000	2,500,000
" XII. ....	.....	.....	.....	6,400,064 ¹

¹The operations of Company No. XII. for which records for 1913 are not available is added here, because there exists at least a partial interlocking directorate between this Company and Company No. IX. Perhaps the association is closer. The inquiry has not yet been fully followed out.

NOTE a.—The specified receipts are exclusive of those from by-products such as hides, lard, etc.

APPOINT COLD STORAGE COMMISSION

An order-in-council has been passed at Ottawa appointing a commission of three to investigate more fully the conditions with respect to the operations and dealings of the packing and cold-storage companies referred to in the report of Mr. W. F. O'Connor, the acting commissioner on the cost of living.

The chairman of the commission is G. F. Henderson, K.C., Ottawa, one of the best-known lawyers of the capital, with considerable judicial experience as a drainage referee for the province. Mr. Henderson was brought prominently before the public last year as counsel for J. Wesley Allison in the Meredith-Duff investigation. Associated with him are A. B. Brodie, of the firm of Price, Waterhouse & Company, chartered accountants of Montreal, and Geoffrey Clarkson of Toronto, one of the leading chartered accountants of Canada.

They are instructed "to examine the books, records and papers of the William Davies Company and the Matthews-Blackwell, Limited, and to take all other necessary steps in that behalf as provided in the regulations and especially to take evidence under oath or affirmation of any person who such examiners may believe has knowledge relating to such matters as would be included in a complete return by each of such companies concerning butter, eggs, cheese, beef, pork, bacon, ham, mutton and lamb, and to report in writing to the minister of labor the results of their said investigations and examinations, particularly showing, by unit values or prices (that is by pounds or dozens as the case may be), as respects the dealings of each of said companies in each of said commodities:

"(a) The amount of margin between the first cost to each of said dealers and the price ultimately realized on sale or disposal by each of said dealers;

"(b) The net profit;

"(c) The specific elements or factors which have conduced towards or which have operated to produce the dif-

ference found between such margin and such net profit, indicating the extent of the operation of such element or fact."

Further, the board is called upon "to recommend in writing a standardized system of cost accounting applicable to the business of cold storage, from the operation of which system the net profits of cold storage companies within Canada may, from time to time, be readily ascertained."

Mr. H. C. Hoover, head of the United States Food Commission, has telegraphed Mr. Henderson that he is sending Mr. T. J. O'Connor, of Chicago, to Ottawa, to assist in the inquiry.

UNION OF PARIS FIRE INSURANCE COMPANY

Mr. W. A. Wilson, superintendent of agencies of the Canadian branch of the Union of Paris Fire Insurance Company, informs *The Monetary Times* that 27 of the employees from the head-office staff, in Paris, have been killed, 61 wounded, 4 missing and 33 have been mentioned in despatches, three have received the Military Medal for bravery, and another the Cross of the Legion of Honor. The company's Canadian manager, Mr. Ferrand, is now in New York in connection with the purchasing commission of the French military authorities, and has been on active service for nearly two years.

The company's chief accounts now stand as follows:—Capital fully subscribed, 25 per cent. paid up, \$2,000,000; fire reserve funds, \$5,539,000; available balance from profit and loss account, \$111,521; total losses paid to 31st December, 1916, \$100,942,000; net premium income in 1916, \$5,630,376.

These figures have improved the company's position materially, notwithstanding the war. The fire reserve fund has been increased by \$627,000. There is also a substantial growth in the premium income over that of 1915 of \$350,257.



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