

# The Monetary Times

Trade Review and Insurance Chronicle  
OF CANADA

ESTABLISHED  
1867

TORONTO, JANUARY 17, 1919

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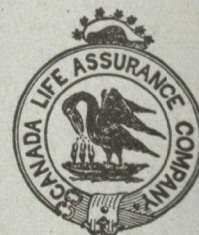
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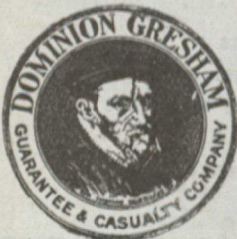
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# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND  
President and General Manager

A. E. JENNINGS  
Assistant General Manager

JOSEPH BLACK  
Secretary

W. A. MCKAGUE  
Editor

## CANADIAN FIRE INSURANCE IN 1918\*

Heavy Losses of the Year—Comparison With Premiums—Fire Prevention by the Companies, and by the Government—Relation of Labor Events to Fire Loss—Halifax Claims—Investigation of Premium Rates by Ontario Government.

By C. S. WAINWRIGHT

Assistant Secretary, Western Assurance Company, and Secretary, Executive Committee,  
British America Assurance Company.

THE space available within which to prepare this review of the events of the year 1918, in so far as they relate more particularly to the business of fire insurance in Canada, is too short to allow for more than a cursory résumé of some of them.

The excessive and inexcusable destruction of property by fire (so fittingly termed the "fire waste") goes on apace in the Dominion; so much so that the Canadian Government has recognized the seriousness of this condition of affairs and is trying to devise some plan to remedy it. It is estimated that the total value of the property destroyed in Canada during the year will reach no less a sum than the huge total of \$35,000,000 as compared with \$20,000,000 for the previous year. A considerable portion of the former amount represents uninsured property. The Province of Ontario has the unenviable distinction of having a fire waste record for the ten months ending 31st October, 1918, of \$13,000,000, as against \$8,000,000 for the corresponding months of 1917. The heaviest loss of the year was the fire in October which destroyed part of the plant of the British Chemical Company at Trenton, Ontario. This plant consisted of about one hundred buildings and was constructed at a cost of ten million dollars for the manufacture of explosives. The damage has been estimated as high as \$2,500,000. No insurance was carried on it.

To enumerate the fires of \$100,000 and over (as has been usual in some of the previous annual reviews) would, it is regrettable to state, take up too much space. Those amounting to \$200,000 and over (using the perhaps inflated estimates of the newspapers in cases where other figures are not procurable) are as follows:—

January	
Winnipeg, Man., mercantile block . . . . .	\$ 400,000
Peterborough, Ont., business block . . . . .	400,000
February	
Winnipeg, Man., business block . . . . .	400,000
April	
Saskatoon, Sask., hardware store, etc. . . . .	300,000
Toronto, Ont., shipbuilding yards . . . . .	300,000
Toronto, Ont., oil storage, etc. . . . .	200,000
Toronto, Ont., abattoir . . . . .	750,000
May	
Vancouver, B.C., shipbuilding yards . . . . .	200,000
June	
Shaunavon, Sask., hotel and shops . . . . .	250,000
Pembroke, Ont., large portion of business district . . . . .	750,000

\*From the New York Journal of Commerce.

July	
Pembroke, Ont., munition plant, etc. . . . .	300,000
October	
Trenton, Ont., explosives factory . . . . .	2,500,000
Winnipeg, Man., mercantile building . . . . .	300,000
November	
Toronto, Ont., munition plant . . . . .	200,000

### Estimated Year's Results

It is not likely that the companies will show more than a small margin of profit on the year's Canadian business because of the heavy increase in the "fire waste" above referred to, coupled with the large increases in expenses as a result of the onerous advancement in taxes (both war and ordinary) and the increasing totals of fixed charges of various kinds.

### Premiums and Losses for 48 Years

In this connection it is interesting to note that the total premiums received and losses paid in Canada for the 48 years from 1869-1917 (the period covered by the Dominion Insurance Department's reports) are as follows:—

Premiums received . . . . .	\$481,986,090
Losses paid . . . . .	288,621,047

These represent a loss ratio of 59.88%, and after allowing for a moderate average expense ratio during all these years and making provision for increase in unearned premium liability, the results are certainly such as to constitute a conclusive answer to any charge of excessive profits by the companies.

### Fire Prevention and the Public

The most important event of the year bearing upon the business (or rather progression of events) has been the growing interest referred to in the beginning of this article on the part of the Dominion government and of the public generally in the question of fire prevention. For years the insurance companies have spent large sums of money in the inspections of towns, their fire brigades, waterworks and police departments. Their recommendations for an improvement in these important civic departments and for a betterment in building laws, have, however, only too frequently been received by the municipal authorities with scant courtesy and often with the unfair comment that the reason for these recommendations was that the fire insurance companies did not wish to run any risk but wanted the municipalities to spend their money to protect the companies' interests. Gradually, however, the public seems to be arriving at a realization of the truth that this work which has been carried on by the companies at their own expense, and the carrying out of their recommendations for improved conditions, are as much to the benefit and ad-

vantage of the public as they are in the interests of the companies—if not more so. The companies, however, are perhaps to a certain extent to blame for the lack of appreciation by the public of the real and useful functions of a fire insurance company, inasmuch as they might have done a great deal towards informing the public on these points and removing the prejudice which seems to exist in the minds of a considerable portion of the public towards the companies.

#### A "Publicity Bureau" Desirable

These erroneous prejudices might have been averted by the establishment of some kind of a "publicity bureau" having the above objects in view and also for the purpose of refuting or correcting through the daily press the misleading articles regarding fire insurance which appear in its columns from time to time. While these items are generally inserted through ignorance, their effect upon the public mind is none the less effective and unfortunate. One of the most common forms of misleading information is that contained in articles which show merely the "premiums received" and "losses paid" by fire insurance companies in various provinces, leaving it to be inferred—if indeed the article does not specifically state—that the difference represents net profits to the companies. In some cases the figures given have actually merely been those of the "amounts insured" and the "losses paid." We should follow the lead of our confreres in the life insurance business and start a campaign through the public press along the lines of the excellent editorials published in fire insurance journals, but which latter unfortunately do not meet the eye of the general public.

One of the leading insurance journals in the United States, in its issue of a few days ago, refers scathingly to the lack of vision which the companies possess as evidenced by the fact that at the great Reconstruction Congress held a few days ago at Atlantic City, no one was present to speak on behalf of the huge interests represented by fire insurance companies and to remind the important bodies represented at that meeting how large a part these companies play in the everyday business welfare and progress of the country. This same charge of shortsightedness may, it is feared, very properly be applied to fire companies in Canada and other countries.

#### Governmental Interest in "Fire Prevention"

However, a few days ago a most important meeting was held in Ottawa at the instance of the acting Prime Minister, Sir Thomas White, who is also the Minister of Finance for the Dominion and as such has immediate supervision over the Canadian Insurance Department. The meeting followed as a result of answers received to a list of "questionnaires" sent out by the Insurance Department a few weeks ago, soliciting suggestions as to the best means of dealing with questions of fire prevention, etc. The meeting was attended by representatives of such important bodies as the Canadian Bankers' Association, Canadian Fire Underwriters' Association, non-Tariff Companies, Canadian Manufacturers' Association, Canadian Credit Men's Trust Association, Retail Merchants' Association, United Farmers of Alberta and also of Ontario, Wholesale Grocers' Association, the Government's Commission of Conservation and the Dominion Insurance Superintendent, as well as by Sir Thomas White and the President of the Privy Council. At this meeting resolutions were adopted favoring amongst other things:—

- (a) A public campaign of education by the government along the line of fire prevention.
- (b) The introduction into the Canadian school curriculum of instruction on this point.
- (c) The inspection by the government of buildings.
- (d) The filing of an application before, or shortly after a policy is issued.
- (e) The compelling of the removal of objectionable and dangerous conditions.
- (f) The enactment of legislation fixing some measure of responsibility for fires occurring after a failure to comply with requirements for improvements.
- (g) The enactment of better municipal by-laws.

(h) The compulsory "sprinklering" of risks in excess of a certain value and area.

(i) The restriction as far as possible of shingle roofs.

(j) The adoption of uniform hose couplings or adapters.

The ball having been started rolling by such powerful influences will surely not be allowed to stop until at least some of the most desirable of the objects sought to be attained are reached.

#### Taxation

The heavy burden of taxation upon the fire insurance companies continues to be added to, and while no patriotic company is unwilling to assume its proper share of the cost of carrying on the affairs of the country, it would seem that the time has come, in view of the part which the companies perform in the financial and industrial welfare of the Dominion, when they and their agents should endeavor to obtain some measure of relief in this respect.

#### Legislation

No legislation of a drastic nature adversely affecting the interests of the companies has been enacted during the year. In the House of Commons at Ottawa a bill was introduced at the last session to amend the Insurance Act of 1917.

Some of the provisions of this bill as originally drawn were strongly objected to by some of the companies and their representations were received sympathetically by the Minister of Finance and the Superintendent of Insurance. As a result the provisions of the bill were modified considerably. In view of the lateness of the session it was withdrawn finally but it will probably be re-introduced in its modified form during the coming session.

#### Companies Licensed in Canada

These are divided into three classes—known as "Canadian," "British" and "Foreign," respectively,—and it is interesting to note the increase in the number of these licensees since 31st December, 1914 (the first year of the war), and also since the end of last year.

	Canadian	British	Foreign	Total
December, 1914 ...	24	24	34	82
December, 1917 ...	24	30	42	96
December, 1918 ...	23	37	48	108

An interesting feature connected with the publication in the "Canada Gazette" of notices from the Dominion Insurance Department is the fact that some of these now give notice that the Department has issued a license to the licensee to do business in a *single province*. Formerly such notices were to the effect that the company had received a license from the Dominion Insurance Department to transact business *throughout Canada*. The change is a result of the re-enactment in 1917 of the Dominion Insurance Act following upon the Privy Council's (England) decision on the question of Dominion and provincial regulation of companies.

#### Unrest and Unionism in Police and Fire Brigades

Three regrettable incidents occurred during the year. The first was the strike of the Winnipeg fire brigade which occurred in May and lasted for about a fortnight. It was participated in sympathetically by a large number of union men. Two or three serious fires occurred during its continuance but there were no disorders. The second was the strike on December 12th of the Montreal police and fire brigades and of the waterworks engineers. This strike lasted for thirty-three hours and during that time lawlessness was rampant in some parts of the city, and considerable damage was done through robberies and hoodlumism. Moreover, some of the volunteer firemen (including amongst them a number of the younger fire insurance men) were "man-handled" when answering alarms. A large number of false alarms were turned in and one or two rather serious fires occurred. The principal cause of the strike was the revolt of the men against three of the chief officials. The latter were retired by the municipal authorities and the strike ended, much to the relief of the citizens generally and

of the fire underwriters in particular. The consequences of a prolongation of the strike are too appalling to contemplate, when one thinks of the immense values in the city being without police or fire protection either from robbers or firebugs, and thus subject to a disastrous conflagration from fires started either accidentally or malevolently.

The other regrettable incident occurred in Toronto. On the 18th of December the Toronto Police Force went out on strike. They had formed a union and obtained a charter from the Trades and Labor Council and had made several demands upon the Police Commissioners, amongst them being an increase in pay and a better distribution of the hours of work. The Police Commissioners were prepared to meet them on most of the important points, including permission to form a union amongst themselves, but absolutely declined to countenance any recognition of a charter from the Trades and Labor Council, contending that an affiliation of this nature might be fraught with grave danger in the event of labor strikes. A compromise settlement was arrived at after four days by an agreement that the charter should be retained pending a decision by a Royal Commission to be appointed by the government. If the Commission decides against the retention of the charter, the men must give it up. It is pleasing to note that during the period of the strike no serious fires or disorders occurred in the city.

Authority has been given the chief to take on sufficient new men to enable the Toronto fire brigade to be run on a "double-platoon" system, and the new system comes into effect at once.

#### Toronto Commission Rules

The settlement of the long-drawn-out and contentious question of the rates of commission which shall be paid in Toronto to chief agents, general agents, city agents and brokers is still pending. It will come up for further discussion at the semi-annual meeting of the Canadian Fire Underwriters' Association which will be held next month.

#### Ontario's Investigation of the C.F.U.A.

It is expected that the report of the commissioner (the Hon. Mr. Justice Masten) appointed some time ago by the Ontario Government to investigate complaints lodged against the Canadian Fire Underwriters' Association will be presented to the Government at the forthcoming session of the House. The investigation has broadened out to a much greater extent than was at first contemplated. The feeling of the companies generally is that this should result to their advantage, as they are desirous of giving the fullest information regarding their methods of rating, etc. If one may be permitted to say so, the evidence given before the commissioner fully absolves the companies of any "arbitrariness" in their methods such as was alleged by the complainants.

#### Standardization of Policy Forms

Efforts by various interests to secure a standard policy form for use throughout all the provinces of the Dominion have recently been supplemented by the action of the Ontario Bar Association, which body has, of its own accord, actively taken up this question and is lending its influence and advice towards this desirable end.

#### Report of Conservation Commission

The Committee of Conservation appointed by the Dominion government issued a voluminous report during the year in which amongst other matters is dealt with some fire insurance conditions in Canada. No doubt this report has had a good deal to do with the Dominion government calling the meeting above mentioned for the purpose of discussing ways and means of reducing the fire waste throughout the Dominion.

#### Halifax Fire Claims

The matter of claims against the fire insurance companies arising out of the terrible explosion in Halifax harbor on 6th December, 1917, has practically now been settled, the companies and the Halifax Relief Commission (appointed by the Dominion Government) having agreed upon a contribu-

tion by the companies to the commission of an amount representing the actual fire damage done—the commission to look after the question of reimbursement out of the relief funds for explosion damages.

#### Increasing Values and Co-Insurances

The effect of the co-insurance clause upon the settlement of losses in view of the heavy increases in values and the latter's effect upon the "cost of replacement" has been very marked since the beginning of the war; so much so that the attention of the public has in various ways been directed to the necessity of a revision of their insurance prior to the occurrence of a loss. Similar conditions are likely to prevail for some time to come.

#### Munition Factories

The question of the insurance upon munition factories and other "war-time" risks is giving the companies much concern. The interval that has elapsed between the signing of the armistice and the present date has been too short to enable one to know what action the companies generally will decide upon in regard to such risks, but the fact that even the government's own factory in Toronto (British Forgings, Ashbridge's Bay) sustained a serious loss by fire seventeen days after the signing of the armistice is enough to seriously disturb underwriters.

#### The War

No review of the year 1918 would be complete without a reference to the part taken in the war by men connected with the fire insurance business in Canada. They have a record to be proud of in the matter of voluntary enlistments and of honors won upon the field.

#### Effects of Peace

The annual reports issued by the Canadian Banks so far this year show stupendous increases over last year in assets and in deposits and at the present time Canada is enjoying an era of prosperity unprecedented in her history. There are those who prophesy that the signing of peace will result in a widespread business depression in the Dominion. There are others who predict the direct opposite. The "optimist-prophets" seem to be in the majority. But no matter which prediction turns out to be the correct one it means little relief from worry to the fire underwriter, who must ever exercise unceasing vigilance no matter what business conditions prevail, as experience has proved that the conditions which accompany great national prosperity call for as careful scrutiny as those which attend upon periods of financial depression.

#### MANITOBA STOCK MEN MEET AT BRANDON

The first meeting of what was essentially the farmers' week in Brandon, was held on January 6th, constituting a joint mass meeting of the horse, cattle, sheep and swine breeders' associations of Manitoba. Stock men from all parts of the province were in attendance.

John Crawford, reeve of Elton, presided over the initial gathering. W. C. McKillican, superintendent of the Dominion Experimental Farm in Brandon, was the first speaker. "Corn and Roots as Feed," was the subject. "Anything that will work out for the feeding of stock is well worth considering in view of the difficulties farmers have continually to face in the winter months," said Mr. McKillican. "The problem of stocking was one of the big difficulties. Many new beginners become discouraged, when trying to grow corn. This last year was successful in growing roots, and the question arose as to which is the best crop to grow. Livestock must have feed of a succulent nature. The plentiful supply of succulent roots made livestock such a successful industry in Great Britain. The main difficulty was in the matter of storage. It was an easy matter for farmers, who had a silo. When succulent roots were provided, cows produced equally as well in the winter as in the summer months."

## BANK OF COMMERCE SUCCESS

At the annual meeting of the Canadian Bank of Commerce, held in Toronto on January 14th, it was announced that the dividend which, for some years past has been on a 10 per cent. basis, with a bonus of 2 per cent. per annum, would be placed on a regular 12 per cent. basis. Another important action was the enlargement of the board of directors from 19 to 22, with power to increase to 25 in the judgment of the directors, pending an annual meeting. The three new directors elected are well-known Canadians, as follows: Thomas Findley, Toronto, president and general manager of the Massey-Harris Company; W. W. Hutchison, Montreal, vice-president of the Lake of the Woods Milling Company and a recognized authority in his field of business; and H. R. Silver, Halifax, president of H. R. Silver, Limited, merchants and traders with the West Indies.

There was a large and very influential gathering at the meeting, representing banking and finance generally from all over Canada. Sir Edmund Walker, the president, was in the chair, and near him were Z. A. Lash, K.C., vice-president; Sir John Aird, general manager; H. V. F. Jones, assistant general manager, and other officers of the bank. Among others present were: Sir Joseph Flavelle, E. R. Wood, William Moffat, Hon. W. J. Hanna, C. A. Bogert, T. A. Russell, Joseph Henderson, Edward Hay, Herbert C. Cox, Dr. John Hoskin, G. Frank Beer, Mark Irish, M.P.P., J. Murray Clark, K.C., Frank Darling, Alexander Bruce, K.C. (Hamilton), Hon. George G. Foster (Montreal), H. R. Silver (Halifax), W. W. Hutchison (Montreal), and J. S. Mitchell (Sherbrooke).

Matters bearing on the bank's commercial welfare were discussed. The president, Sir Edmund Walker, referred with pride to what Canada has done in prosecuting the war and paid to Britain a tribute which well expresses Canadian opinion. The general manager, Sir John Aird, dealt more fully with the part the Canadian Bank of Commerce had taken in raising funds enabling Canada to take the part she did, in which connection some striking facts were presented to the shareholders.

As is customary with Sir Edmund, he indicated the scale of industrial events by reference to the figures of our foreign trade. For the fiscal year ended March, the surplus of \$623,000,000 was due to an increase in exports of \$407,000,000, while imports increased only \$98,000,000. The increase in pastoral and agricultural products was \$241,000,000 and in manufactures \$174,000,000. "Such a surplus of exports over imports would, if we were paid in international money, make us financially rich beyond imagination, and it would put New York exchange, the real test of our international position, at a discount. As a matter of fact, New York exchange has lately been at a high premium, because with all our exports we cannot command enough international money to keep the balance even."

Sir Edmund explained that the cause of our money being at a discount in New York was that we purchase very largely from the United States and have to settle for our purchases there in cash and at the same time we sell to Great Britain and receive in payment only long-term obligations. Light upon this very important financial problem, which so vitally concerns Canada, is shed by the facts which are assembled and so luminously explained.

Sir John Aird's address will interest the shareholders. Pride is expressed in the ability of the bank to retain the bank's position in the matter of earnings—a position that has not been maintained without effort. The same effort has undoubtedly been required for the building up of the bank's rest, which by this year's distribution of accumulated profits, was brought up to \$15,000,000 equalling the paid-up capital. The shareholders were reminded that in 1915 the sum of \$100,000,000 was written off as loss on account of the depreciation of security values. The hope was however expressed that upon the termination of the war, the sum might be recovered, and this hope is now realized. After bringing up the reserve to an amount equalling the capital, the balance of profit and loss remaining is substantial.

## TORONTO'S CREDIT HIGH

## Financial Affairs Now on a Sound Basis—City's Bonds Wanted

"There should be no large capital expenditures, except such as are absolutely necessary, until the city takes over the Toronto Street Railway in 1921," said Mayor Church, in his address at the first meeting of the Toronto council on January 13.

"The financial position of the city," the mayor continued, now rests on a thoroughly sound basis, for at the close of the year, not only were there no bank overdrafts or temporary loans outstanding, but on the contrary the city had to its credit at its bankers in London, New York and Toronto, substantial balances.

"During the past year the city's bonds commanded the highest current market price, and the last sale, being that of the bonds guaranteed by the city on behalf of the Toronto Harbor Commissioners, brought a higher price in the markets, than even the premier security—namely, the bonds of the Dominion government. There were no unnegotiated bonds at the close of the year, with the exception of one issue, and it is, therefore, a source of great satisfaction to the citizens and ratepayers of the city, that notwithstanding all the stress and strain which has been experienced in the last four years, the city's credit has not only remained unimpaired, but perhaps has never before stood so high as it does to-day.

## Sinking Fund Grows

"While the permanent debt of the city now amounts to \$104,000,000, the sinking fund has accumulated to no less than \$26,000,000 to meet this debt, while in addition, the value of the property owned by the city, in its own right, including its civic car lines, hydro-electric, waterworks, schools, etc., aggregates approximately \$100,000,000.

"During the recent elections, no subject was more frequently referred to, or more earnestly debated than the tax rate," said the mayor. "In view of the doing away with the necessity of the city continuing its heavy war expenditures, it is confidently expected that the tax rate for 1919 will be lower than that experienced in 1918."

## Soldiers' Insurance

In connection with the question of soldiers' insurance, the mayor said: "During the past year much consideration has been given to the subject of insurance payable upon the death of our citizen soldiers, and a solution was reached, which it is expected will deal justly and fairly with every legitimate case. The number of deaths which come under the city's insurance scheme is 4,168, and, therefore, the city's direct contribution to the families of these heroes has been approximately \$4,168,000. There will be still some additions to make to this number."

The mayor also advocated more playgrounds and recreation areas. The sewage disposal problem should be taken up and settled at once. The water front improvement, including the viaduct, should be proceeded with at as early a date as possible. With the completion of the harbor improvements, viaduct, radial extensions and the deepening of the Welland Canal, unparalleled prosperity lay before the city.

The soldiers were now returning home, and a series of grand receptions were being arranged. Some suitable memorial should be erected.

## RAILROAD EARNINGS

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

		1918.	1919.	Inc. or dec.
Canadian Pacific Railway				
January 7	.....	\$2,343,000	\$2,856,000	+ \$513,000
Grand Trunk Railway				
January 7	.....	\$ 773,848	\$1,003,631	+ \$229,783
Canadian Northern Railway				
January 7	.....	\$ 565,800	\$ 779,400	+ \$213,600



# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.  
Telephone: Main 7404, Branch Exchange connecting all departments.  
Cable Address: "Montimes, Toronto."  
Winnipeg Office: 1208 McArthur Building. Telephone Main 2663.  
C. W. Goodall, Western Manager.

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\$3.00	\$1.75	\$1.00	10 Cents

## ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

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All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

## INTERNAL AND EXTERNAL BANK EXPANSION

A pronounced, and to some extent, an unexpected development of the past weeks has been the changes brought about in banking circles with a view to enlarging business. Similar developments on the part of several of the banks are due in part to competition, but nevertheless, the improvements illustrate how banks have been forced through financial conditions and the shortage of competent help, to restrain such growth as has been warranted by the increase in banking business.

Three new capital issues have been announced. These are as follows, the authorized and paid up capital of the respective banks being also included:—

	Authorized	Paid Up	New Issue
Bank of Hamilton	\$ 5,000,000	\$ 3,000,000	\$1,000,000
Royal Bank	25,000,000	14,000,000	2,000,000
Union	8,000,000	5,000,000	3,000,000

These new issues totalling \$6,000,000 altogether will require over \$9,000,000 of new funds in the business. As the shares in each case are to be sold at a premium they over-balance all previous issues made since 1914. These previous issues were made for the purpose of bringing about bank amalgamations. The purchase of the Metropolitan by the Bank of Nova Scotia in November, 1914; of the Quebec Bank by the Royal in January, 1917; of the Northern Crown by the Royal in March, 1918; and of the Bank of British North America by the Bank of Montreal in September, 1918; were all facilitated by the issue of additional stock. The present issues are being made purely for the expansion of normal business. In fact they are overdue in the opinion of most bankers as to the proportions that should exist between capital stock and deposits.

A further development which aims to link the banking business more closely with Canadian industry, has been the appointment by some banks, including the Commerce and the Union, of additional directors and by other banks, including the Bank of Montreal and the Union, of assistant general managers with large discretionary powers over the business in the respective geographical sections where they are located.

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The Canadian banks are also expanding in the foreign field. The Royal, which has always been a pioneer in the movement to the West Indies and South America, has just announced that a number of new branches will be opened there. The Union, which in the past has been particularly active in the Canadian West, and which moved its head office to to Winnipeg a few years ago, has taken a further step westward by the formation along with the National Park Bank of New York of a subsidiary company to conduct operations in the Orient.

The annual speeches of Canadian bank officials are commonly looked forward to as accurate surveys of industrial and financial conditions here. Addresses such as those of Sir Frederick Williams-Taylor, of the Bank of Montreal, and Sir Edmund Walker, of the Bank of Commerce, are mines of information regarding the year's progress, and have profound influence upon the determination of business policy throughout the country.

## RECENT FINANCIAL DEVELOPMENTS

Several events have taken place during the past few days which are encouraging to those who have at heart the financial welfare of Canada, its provinces and municipalities. Probably of all the leading improvements is the removal from the Department of Finance of the ban upon the issue of securities. This was removed some weeks ago in so far as issues of public securities are concerned, but it has now been extended to all classes. Those who criticize the setting free of all sorts of speculative issues must be prepared to submit constructive proposals such as will bring about a better application of our financial resources.

A second has been the decision of British Columbia to refund its loan secured from the Dominion Government last summer by the issue of \$3,000,000 of its own bonds. When this arrangement was made *The Monetary Times* severely criticized the tendency for the provinces to lean upon the Dominion Government for financial support, and these criticisms were favorably commented upon by English journals who have been following Canadian events.

**THE POLITICAL UNDERWORLD**

Beneath the effective current of political life in all civilized countries, there lies a vast body of inarticulate thought, which when organized and endowed with motive force, may become a powerful factor in development. Suppressed in Russia and Germany, it rose up in Russia, and disrupted in a few days the vast German machine of government, which four years of allied war effort failed to destroy. All Europe now trembles at the echo of these events and its effects have been felt in the six continents. Like a giant octopus, it has arms to evade every engine of state authority.

Fortunately, the Russian solution is not the only one. Socialism, Bolshevism and Minshevism can all make a positive contribution to political life; even anarchy has a negative value. As practical programmes for the present day they are, of course, quite impracticable and lead, we already see, to disaster in political and economic life. As radical elements in the thought of a self-governing country, however, they become constructive factors in history. Diluted by a sane and conservative regard for those magnificent institutions which have been evolved by centuries of political struggle, these sentiments may find a healthy and natural expression; suppressed by the antagonism of existing authority, however, they break forth in violence.

Canada and the United States have a social structure which is fundamentally different than that of European nations. Where there the lower class everywhere predominates, we have in a vast majority a middle class which votes, engages in business and owns property. In other words, the class which has most to gain by a political upheaval is in a majority in European countries, but here is in a decided minority. During the past few decades, there has been an increasing number of this class scattered in the larger cities, as the figures regarding the number living in rented houses as compared with owned houses in our cities, show. This is, however, still a mere fraction of our total population.

In the control of political thought and discussion in Canada we have followed the practice of Great Britain, in suppressing only that which aims to bring about a social change by other than constitutional methods. Even in these cases it is only steps in the direction of actual violence or in the distribution of literature encouraging such violence that are prosecuted. There should be no penalty attached to the possession of such literature because those engaged in the study of political and economic topics must of necessity and in fairness include all material dealing with their subject. The possessor of a book entitled "History of Canadian Wealth," has recently been prosecuted. This is a book which was issued in 1914, was read by many Canadians and in fact found a place in at least one public library. It is socialistic and attacks the methods by which wealth has been acquired in Canada, and has become centralized in the hands of large corporations and wealthy individuals. References, however, are quite authentic and some of the authorities are documents which are well known to investigators in Canadian historical and economic subjects. To confiscate every book which is written with a motive or from the point of view of an accepted theory, would be to reduce most Canadian libraries to a mere fraction of their former size. Canadian citizens are not prone to radical thought, and anarchism should not be stimulated and advertised by over-zealous repression.

**CHANGE IN BOILER REGULATIONS**

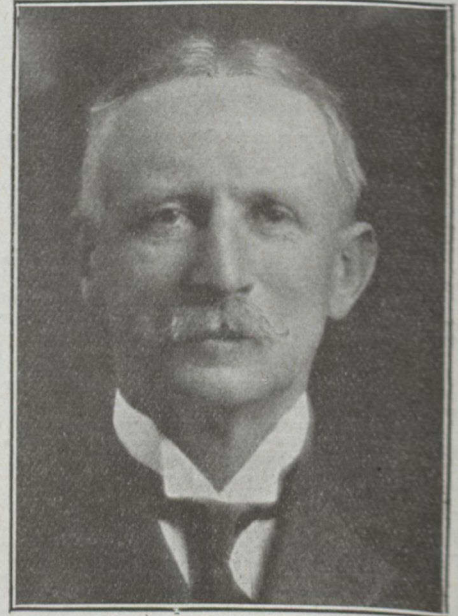
An amendment to the Ontario Factory Act, which became effective on January 1st, 1919, includes a section to the effect that no boiler shall be used in factories, shops, office buildings, etc., unless it has been insured in some boiler insurance company registered in the department of insurance, or has been inspected within one year by some person authorized in writing by the superintendent of the Trades and Labor branch. The new regulations also call for more careful inspection.

**NEW PRESIDENT FOR BRIDGE COMPANY**

The new board of directors of the Dominion Bridge Company have appointed Mr. G. H. Duggan to the presidency, to fill the vacancy created by the resignation of Mr. Phelps Johnson, the former president. Mr. Duggan, who has long been connected with the company, has acted in the capacity of vice president and managing director for several years past.

Mr. Phelps Johnson, the retiring president, had requested to be relieved from his duties as soon as was convenient after the completion of the Quebec Bridge, as he was desirous of enjoying a prolonged holiday. He will remain on the board of directors and will also serve on the executive committee.

Discussion at the annual meeting of shareholders of the company, held in Montreal on January 10th, brought out the fact that of the profits of \$2,477,009 for the year ended October 31st last, \$1,100,000 came from the Quebec Bridge contract. It also appeared in replies to other questions that a sum of about \$770,000 had been received



G. H. DUGGAN  
(Photo by British and Colonial Press)

from the Quebec Bridge contract since the company's books were closed for the last fiscal year, and that a further balance would be coming to the company in the final settlement.

Comparisons of profit and loss figures for three years follow:

	1918.	1917.	1916.
Profits .....	\$2,477,009	\$1,360,533	\$2,776,390
Less:—			
Directors .....	14,460	14,110	14,100
Interest .....	41,344	30,330	.....
Bad debts .....	151,015	6,555	.....
Depreciation .....	404,472	123,101	.....
Total deductions ....	\$ 611,291	\$ 174,097	\$ 14,100
Net earnings .....	1,865,717	1,186,436	2,762,280
Dividends .....	520,000	747,500	1,300,000
Balance .....	\$1,345,717	\$ 438,936	\$1,462,280
Reserves .....	.....	382,620	588,107
Balance .....	\$1,345,717	\$ 56,316	\$ 874,073
Previous balance ...	1,679,590	1,623,274	749,100
Profit and loss .....	\$3,025,307	\$1,679,590	\$1,623,274

At the first dividend meeting held on January 15th, it was announced that the regular quarterly dividend of 2 per cent. had been declared.

**TORONTO TO RAISE \$17,000,000**

By-laws were passed authorizing the city treasurer to raise a temporary loan of \$17,000,000 to meet liabilities shortly maturing and to provide funds for carrying on the business of the city pending the passing of the estimates and the collection of taxes.

# BANK OF MONTREAL

Established Over 100 Years

Capital Paid up - - - - \$16,000,000  
 Rest - - - - \$16,000,000  
 Undivided Profits, \$1,901,613  
 Total Assets - - - - \$558,413,546

## SAFETY DEPOSIT BOXES

For the safe-keeping of Victory Bonds, securities and other valuable papers **SAFETY DEPOSIT BOXES** are conveniently located at the **YONGE AND QUEEN STREETS BRANCH**, and also at the **WEST TORONTO BRANCH**.

Branches } Throughout Canada and Newfoundland  
 And Agencies } Also at London, England  
 } New York, Chicago and Spokane in  
 } the United States and Mexico City.

A GENERAL BANKING BUSINESS TRANSACTED

# BANKING SERVICE

With branches in every important city and town in Canada as well as in Great Britain, the United States, Newfoundland and Mexico, this Bank is in a position to afford you a banking service that is second to none.

## THE CANADIAN BANK OF COMMERCE

Head Office - Toronto

Capital, \$15,000,000 Reserve Fund, \$15,000,000

Total Assets over \$440,000,000

INCORPORATED  
1855

# THE BANK OF TORONTO

HEAD OFFICE, TORONTO, CANADA

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

### Directors

W. G. GOODERHAM, President. J. HENDERSON, Vice-President  
 WILLIAM STONE, JOHN MACDONALD, L. ENGLEHART  
 Lt.-COL. A. E. GOODERHAM, BRIG.-GEN. F. S. MEIGHEN,  
 WM. I. GEAR, PAUL J. MYLER, A. H. CAMPBELL.  
 THOS. F. HOW, JOHN R. LAMB,  
 General Manager. Assistant General Manager.  
 D. C. GRANT, Chief Inspector.

Business men are offered in this Bank the satisfactory banking service provided by our complete facilities and extensive connections.

### Bankers

LONDON, ENGLAND—LONDON JOINT CITY AND MIDLAND BANK, LTD.  
 NEW YORK—NATIONAL BANK OF COMMERCE  
 CHICAGO—FIRST NATIONAL BANK.

ESTABLISHED 1875

# IMPERIAL BANK OF CANADA

CAPITAL PAID UP - \$7,000,000

RESERVE FUND - 7,000,000

PELEG HOWLAND,  
President.

E. HAY,  
General Manager.

HEAD OFFICE . . . TORONTO

GOVERNMENT, MUNICIPAL and other  
HIGH-CLASS SECURITIES  
BOUGHT and SOLD

Correspondence invited

ADDRESS:

THE MANAGER, BOND DEPARTMENT,  
TORONTO

## PERSONAL NOTES

MR. ROBERT ADAIR, of the Hartt & Adair Coal Co., has been elected to the directorate of the Montreal Trust Co.

MR. T. B. MACAULAY, president of the Sun Life Assurance Co of Canada, has been elected to the directorate of the Barcelona Traction, Light and Power Company.

MR. W. G. YULE has taken up his duties as manager of the Royal Bank's Regina branch. He was formerly manager of the Northern Crown's Winnipeg main office.

MR. GEORGE N. JACKSON, who has completed forty years with the firm of Walter Woods and Co., has announced his retirement from the active management of the firm's Winnipeg house.

MR. H. STOCKWELL DAY, who was connected with the municipal bond department of N. B. Stark & Co. before the war, has become associated with the bond department of Greenshields & Co., members of the Montreal Stock Exchange. Mr. Day went overseas in May, 1915.

MR. L. B. BEALE, head of the trade extension branch of the forestry branch of the department of lands, and at present in England as a special lumber commissioner, has been appointed British trade commissioner for Western Canada, with the territory extending from Winnipeg to the coast under his jurisdiction.

MR. A. H. BALDWIN, formerly United States commercial attache in London, and recently commercial adviser to the War Trade Board, has become assistant to Allen Walker, manager of the Foreign Trade Bureau of the Guaranty Trust Company of New York, according to an announcement made by the company on January 13th. Mr. Baldwin has already taken up his new duties. As chief of the bureau of foreign and domestic commerce in Washington, D.C., during the period from 1910 to 1914, Mr. Baldwin saw the first great expansion of the bureau, and was able to direct its energies largely into the present fields. From 1914 to 1918 he served in London, and during the last months of the war was attached to the War Trade Board.

## OBITUARIES

MR. JULIUS E. WATEROUS, one of Brantford's industrial leaders, died at his home, Bonnythorpe, on January 12th. He was one of the founders of what is now the Waterous Engine Works, one of the city's largest industrial plants, with which he was connected as mechanical manager and vice-president until he organized the Waterous Works, which he successfully conducted until he retired from active business in 1910.

MR. ARCHIBALD MACNIDER, who had been in the service of the Bank of Montreal since 1851, died in Edinburgh, Scotland, on January 11th. Mr. Macnider was 85 years of age, and had been steadily connected with the bank throughout a long and active career. When he retired in 1915 from the post of chief inspector and superintendent of branches, a post which he had filled for 25 years, he went to London to live and was there named a member of the Bank of Montreal London Advisory Committee, continuing on the committee until his death in Edinburgh.

## CANADIAN NORTHERN CHANGES

Mr. C. E. Friend, comptroller of Canadian Northern Railway System, announces the following appointments in connection with the auditing department of the Canadian Northern Railway System:—

Mr. A. C. Egan has been appointed assistant to the comptroller, Mr. Friend, with office at Toronto. Mr. W. D. Waddell becomes chief accountant, with office at Toronto. Mr. W. L. Brown is to be auditor of agencies, with office at Toronto.

## BANKERS ELECT OFFICERS

At a recent meeting of the Quebec Clearing House Association, the following officers were elected for the ensuing year:—

President, Mr. G. F. C. Love, manager, Imperial Bank of Canada; vice-president, L. des Rivieres, manager, La Banque Provinciale. Board of management: A. J. Welch, manager, Royal Bank of Canada; Eugene G. Audet, manager, La Banque Nationale; J. MacLoughlin, manager, Canadian Bank of Commerce. Secretary and manager, C. P. Liebick, Molsons Bank.

## INDUSTRIAL ACCIDENTS IN 1918

The number of accidents, and the amount of compensation awarded by the Workmen's Compensation Board of Ontario during 1918, considerably exceeded the figures for 1917.

The number of accidents reported during 1918 was 47,848. The amount of compensation awarded was \$3,514,648.47.

The number of accidents reported during 1917 was 36,514. The amount of compensation awarded was \$2,913,085.81. The average number of accidents per day reported during 1918 was 158.

The highest number of accidents reported during any month in the year was in August, the number for that month being 5,021.

Of the total 47,848 accidents, 440 were fatal. The number of fatal accidents reported during 1917 was 454.

The highest award of compensation made during the year amounted to \$13,428.71, consisting of bi-weekly payments and pension for life. The largest award that could be made under the law of New York in a similar case would be \$3,500; Ohio, \$3,750; Michigan, \$3,000; under the law of Quebec no compensation would be awarded because of the salary exceeding \$1,200 per year.

The amount paid for medical aid in schedule 1 industries during 1918 was \$369,346.37, being about 14 per cent. of the amount awarded for compensation in these industries.

## NATIONAL LIFE ASSURANCE COMPANY

Conservatism in investment policy characterizes the National Life Assurance Company, which is one of the younger Canadian life organizations. Of its total assets of \$4,228,406, as at December 31st, about 75 per cent. was invested in government and municipal bonds. The remaining million included bank and other stocks to the amount of less than \$200,000, policy loans of about \$400,000 and the head office building valued at \$250,000. As a result of this investment policy, the earnings, of course, are not high, the average being 5.61 per cent. A similar policy is pursued in the valuation of assets. The head office building in Toronto has been reduced in valuation and the item of supplies and office furniture has been eliminated.

The mortality experience for the year was 110 per cent. of the expected mortality, but one-half of this is accounted for by losses from influenza. The National Life is still a comparatively young company and its loss ratio should, therefore, be low. New business written for the year was approximately \$4,500,000.

The premium income was \$1,014,938, as compared with \$942,427 last year. Total payments to policyholders were \$267,915 as compared with \$245,212 last year. General expenses also increased to some extent but the usual dividend of 8 per cent. was maintained and a balance of \$436,325 carried forward, or about \$60,000 more than last year.

ESTABLISHED 1865

# Union Bank of Canada

Head Office - WINNIPEG

Paid-up Capital - - - - \$ 5,000,000  
 Reserve - - - - 3,400,000  
 Total Assets (Over) - - - - 153,000,000

BOARD OF DIRECTORS

Hon. Pres., SIR WILLIAM PRICE President, JOHN GALT, Esq.  
 Vice-Presidents, R. T. RILEY, Esq.; G. H. THOMSON, Esq.  
 W. R. Allan, Esq. B. B. Cronyn, Esq. J. S. Hough, Esq., K.C.  
 G. H. Balfour, Esq. E. L. Drewry, Esq. F. E. Kenaston, Esq.  
 Hume Blake, Esq., K.C. S. E. Elkin, Esq., M.P. W. H. Malkin, Esq.  
 M. Bull, Esq. S. Haas, Esq. R. O. McCulloch, Esq.  
 Major-General Sir John A. Hitchcock, Esq. Wm. Shaw, Esq.  
 W. Carson.

H. B. SHAW, Gen. Manager

J. W. HAMILTON, Assistant General Manager

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 New York Agency, 49 Wall Street, New York City.  
 GEO. WILSON, Agent.

This Bank, having 299 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. Collections made in all parts of the Dominion and returns promptly remitted at lowest rates of exchange. Letters of Credit and Travellers' Cheques issued available in all parts of the world.

199



# THE BANK OF NOVA SCOTIA

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

HEAD OFFICE - HALIFAX, N.S.

BOARD OF DIRECTORS

CHARLES ARCHIBALD, President  
 G. S. CAMPBELL and J. WALTER ALLISON  
 Vice-Presidents

JOHN Y. PAYZANT HECTOR McINNES  
 HON N. CURRY JAMES MANCHESTER  
 W. W. WHITE, M.D. S. J. MOORE  
 W. D. ROSS HON. M. C. GRANT

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 9 in Quebec  
 62 in Ontario 14 in Western Provinces

IN NEWFOUNDLAND

Bay Roberts	Burgeo	Fogo	Old Perlican
Bell Island	Burin	Grand Bank	St. John's
Bonavista	Carbonear	Harbor Grace	" East End
Bonne Bay	Catalina	Little Bay	Twillingate
Brigus	Channel	Islands	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**—The London Joint City and Midland Bank, Limited; 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; The American National Bank, San Francisco; First and Security National Bank, Minneapolis; First National Bank, Seattle.

# The Molsons Bank

Capital Paid-Up, \$4,000,000 Reserve Fund, \$4,800,000  
 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

BRANCHES

<b>ALBERTA</b>	Hamilton	Toronto	Montreal—Cont.
Calgary	Market	Queen St. W.	Market & Harbor
Camrose	James & Barton	West Toronto	St. Henri
Edmonton		Trenton	Maisonneuve
Lethbridge	Hensall	Wales   Waterloo	Cote des Neiges
<b>BRITISH COL.</b>	Highgate	Williamsburg	St. Lawrence
<b>UMBIA</b>	Iroquois	Woodstock	Boulevard
Revelstoke	Kingsville	Zurich	Cote St. Paul
Vancouver	Kirkton	QUEBEC	Park & Bernard
" East End	Kitchener	Arthabaska	Montreal, West
<b>MANITOBA</b>	Lambton Mills	Bedford	Pierreville
Winnipeg	London	Chicoutimi	Quebec
" Portage Av.	Lucknow	Cowansville	Upper Town
<b>ONTARIO</b>	Meaford	Drummondville	Richmond
Alvinston	Merlin	Foster	Roberval
Amherstburg	Morrisburg	Fraserville	Sorel
Aylmer	Norwich	and Riviere du	Sutton
Belleville	Ottawa	Loup Station	St. Cesaire
Brockville	Owen Sound	Knowlton	St. Ours
Brucefield	Port Arthur	Lachine	St. Therese de
Chesterville	Ridgetown	Lachute   Matane	Blainville
Clinton   Delhi	Simcoe	Mont Joli	Trois Pistoles
Dutton   Drumbo	Smith's Falls	Montreal	Three Rivers
Exeter   Forest	St. Mary's	" St. James St.	Victoriaville
Formosa	St. Thomas	" St. Catherine	Ville St. Pierre
Frankford	" East End	St.	Waterloo
	Teeswater		

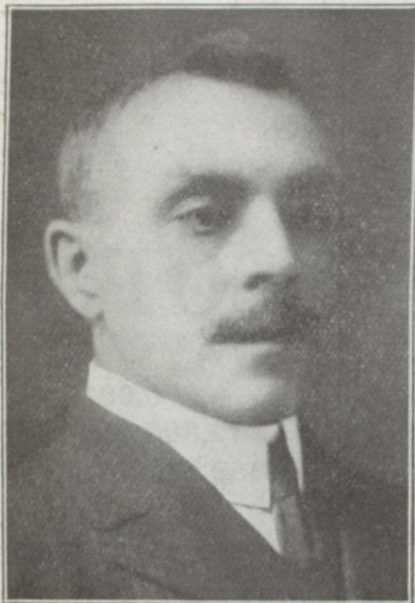
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FOREIGN AGENTS—France—Societe Generale. Belgium—Antwerp—La Banque d'Anvers. China and Japan—Hong Kong and Shanghai Banking Corporation. Cuba—Banco Nacional de Cuba.

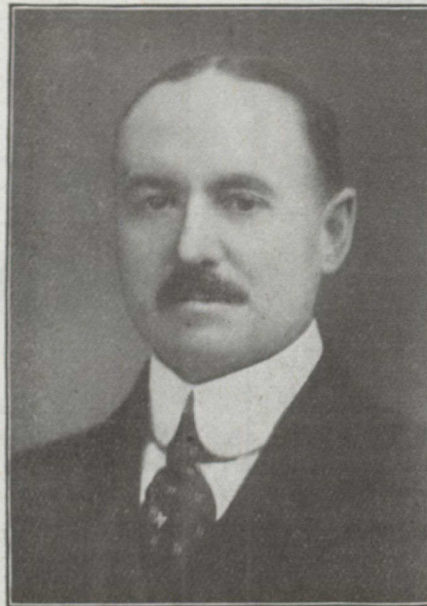
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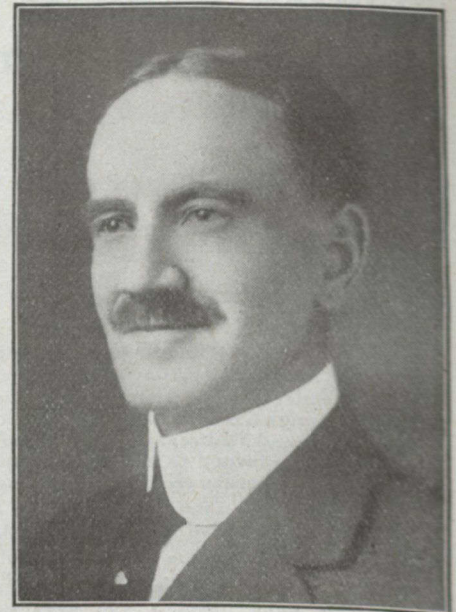
# NEW OFFICERS OF UNION BANK



F. W. S. CRISPO  
*Assistant General Manager, Union Bank of Canada*  
 (Monetary Times Photo)



F. W. ASHE  
*Assistant General Manager, Union Bank of Canada*  
 (Monetary Times Photo)



J. S. HIAM  
*Superintendent of Branches, Union Bank of Canada*  
 (Monetary Times Photo)

The profits reported by the Union Bank of Canada in the statement submitted at the annual meeting held in Winnipeg on January 8th, are substantially higher than those of the previous year. The following are the principal figures for the financial year ended November 30th:—

	1917	1918
Balance at credit of profit and loss .....	\$ 93,160	\$106,624
Net profit for the year .....	763,463	824,174
<b>Total receipts .....</b>	<b>\$856,624</b>	<b>\$930,798</b>
Dividends and bonuses .....	\$450,000	\$450,000
Transferred to contingent account .....	150,000	.....
Transferred to rest account .....	.....	200,000
Written off bank premises account .....	75,000	75,000
Contributions to officers' pension fund, and patriotic organizations .....	25,000	29,500
War tax on bank note circulation .....	50,000	50,000
Balance carried forward .....	106,624	126,298
	<b>\$856,624</b>	<b>\$930,798</b>

The bank's statement of assets and liabilities shows an increase on business even greater than the increase in profits. The experience of practically all Canadian banks has been that the increase in profits is not at all proportional to the

increase in business. The current deposits are \$58,805,207 as compared with \$44,368,804 at the end of the previous year. Savings deposits are, of course, somewhat lower owing to the fact that heavy withdrawals were made in November on account of the Victory Loan. Notes of the bank in circulation amount to \$12,134,649 whereas last year they were \$12,779,662. Total assets are about \$10,000,000 greater than last year. Liquid assets represent approximately 51% of the public liabilities.

As was mentioned in *The Monetary Times* last week, the dividend was raised at the annual meeting to 10% per annum in place of 9%. It has also been decided to issue the remaining \$3,000,000 of authorized capital and to secure authority to increase the capital stock from \$8,000,000 to \$15,000,000.

Recent additions were made to the directorate to secure a wider representation of different interests in Canada. The bank has also prepared for expansion to the Orient by the creation, along with the National Park Bank of New York, of the Park Union Overseas Banking Corporation. Three new assistant general managers have also been appointed in the persons of Mr. F. W. Ashe, who will have his office as hitherto in London; Mr. F. W. S. Crispo, who will have his office in Winnipeg along with the present assistant general manager, Mr. J. W. Hamilton; and Mr. George Wilson, in Toronto.

## ASK POWER TO BUY UTILITIES

A deputation from the Ontario Municipal Association, which waited on the provincial secretary, Hon. W. D. McPherson, at Toronto, on January 9th, presented 18 resolutions touching on a number of important matters which are occupying much attention in municipal circles, and asked that the Ontario Municipal Act be amended.

The deputation comprised the executive of the Ontario Manufacturers' Association, and included City Clerk Sam Baker, of London, and Miss Mary M. Grant, clerk of London Township, besides the following: George K. Dewey, Brockville; E. M. Young, Picton; Rev. Ben H. Spence, Toronto; I. F. Vance, Hamilton; W. B. Doherty, St. Thomas; Martin H. Heuhnergard, Kitchener; H. F. Leonard, Brantford; S.

Watt, St. Catharines; T. H. Manley, Sarnia; H. B. Holmes, Athens; A. K. Bunnell, Brantford; S. H. Kent, Hamilton; and F. R. Waddell, Hamilton.

Among the amendments asked in the resolutions were requests that power be given the municipality to expropriate any public utility maintained within such municipality; that authority be given municipalities to provide for an optional system of municipal government; that a standard width for sleighs be fixed at four feet, each runner being two inches wide; that certain fire apparatus be endorsed for use for the prevention of fires and that certain other dangerous apparatus be forbidden; that telephone companies be made to pay for the use of streets; that the alien statute labor tax be increased to \$25; and that provision be made for the standardization and erection of danger signals on roadways.

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J-3

## The Standard Bank of Canada

Quarterly Dividend Notice No. 113

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 31st of January 1919, and that the same will be payable at Head Office in this City and at its Branches on and after Saturday, the 1st day of February, to Shareholders of record of the 23rd of January, 1919.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 26th of February next, at 12 o'clock noon.

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

Toronto, December 20th, 1918.



# THE MERCHANTS BANK

Head Office : Montreal. **OF CANADA** Established 1864.

**Paid-up Capital, \$7,000,000    Total Deposits (Dec. 1917), \$103,000,000**

**Reserve Funds, 7,421,292    Total Assets (Dec. 1917), 136,000,000**



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## BELL TELEPHONE CASE RESUMED

## Company's Evidence Concluded—Municipalities to be Heard Later

Evidence in support of the Bell Telephone Company's application for an increase of 20% in rates was received before the Dominion Board of Railway Commissioners, sitting in Ottawa, on January 8th.

Mr. Lawrence MacFarlane, K.C., opened the case for the Bell Telephone Company, and Mr. C. F. Sise, vice-president and general manager, was the first witness called. In addition to Mr. MacFarlane, the company was represented by Mr. Glyn Osler, K.C., and Mr. B. P. Fitzpatrick. Officials of the company present were E. Palm, controller; P. A. McFarlane, engineer; H. E. Scott, general superintendent traffic department; W. H. Winter, general plant superintendent; O. E. Stanton, divisional plant superintendent, and J. E. MacPherson, local manager at Ottawa.

## Evidence of Higher Costs

Mr. Sise stated that the application was based upon the advance in operating costs due to higher wages, more expensive materials, and a general increase in everything that contributed to the running of a telephone system. He tabled a number of statements comparing operating costs prevailing at present with those prevailing before the war and a year ago. The statement covering costs of material showed that there had been an increase of \$872,469 in the price of the principal materials used in the construction and maintenance of the plant, based upon the quantities used in 1917, when compared with 1913. The percentage increase, according to the statement, was more than 82. The gross operating revenue of the company in 1913 was \$8,397,463, and in 1917 it had grown to \$11,179,162. The operating expenses increased from \$3,214,564 in 1913 to \$4,545,328 in 1917, and the annual cost of maintenance from \$1,549,978 to 1,595,366. Taxes increased from \$190,648 in 1913 to \$422,427 in 1917. The increase in total expenses, comparing the year 1913 with 1917, was \$2,397,930, the figures being \$9,033,121 in 1917 and \$6,635,191 in 1913. The net operating revenue in 1913 according to the statement, was \$1,762,272 and in 1917 \$2,146,040.

Mr. Sise, in submitting his figures, emphasized the point that the company was merely asking for such increases in tolls as would re-establish a fair rate of return, taking into account the increased cost of furnishing service to the public.

An increase of more than 50 per cent. in the wages of all employees was a great factor in the increased cost of operation, said Mr. Sise. In some classes of labor the increase ran as high as seventy per cent. Costs of materials had also advanced tremendously in the five war years. With regard to the increased cost of labor, Mr. Sise explained that the McAdoo award had greatly affected labor conditions among telephone employees. The company had to pay more wages.

Mr. Sise produced statements covering increases in taxes and embracing a large number of cities and towns of Ontario and Quebec. All cities, he said, had been forced to increase their tax rates.

"But," said Sir Henry Drayton in looking over the statement, "this merely shows the increase in tax rates. Your assessment is not shown. It may have dropped even though the tax rate advanced."

Lawrence MacFarlane, K.C., representing the Bell Telephone Company, said he would have a statement of assessment on the company's property prepared and submitted to the board.

Comparative figures of telephone expenses and revenue in November, 1917, and in the same month of 1918, which counsel stated had been verified by Price, Waterhouse & Co., were submitted by Mr. Sise.

An increase of 20 per cent. in exchange revenue, Mr. Sise said, was expected to yield \$1,200,000 in the new revenue. He emphasized that in the reconstruction period there would be a comparative diminution in telephone business. A great many private exchanges were being taken out, owing to the cessation of munitions work and of military activities.

## New Moving Charges

As a basis for calculation of the proposed new moving charges, 17,979 moves of telephones were studied at irregular periods during 1917. New revenue from the proposed moving charges was estimated at:—

Inside moves .....	\$ 44,980
Outside moves .....	158,673
Total .....	\$203,653

From this 10 per cent. would have to be deducted for expected reduction in moves owing to the new rates.

With the exception of a charge for the installation of a long-distance transmitter, Bell Telephone rates had not been changed for thirty years.

The stated book value of the company's property was based on actual cost. There had since been no revaluation. In regard to assertions of over-capitalization, he said that the company has issued \$18,000,000 of stock and \$11,000,000 of bonds, while its assets were worth over \$50,000,000.

"Telephone users and not the shareholders have reaped the profits," Mr. Sise declared. Had the company capitalized its property at its real value, the shareholders would have been entitled to a large bonus. Part of the common stock was issued at 125, and Mr. Sise did not know of any other company in Canada except the C.P.R. which had issued common stock at a premium.

The need for additional revenue was urgent. Otherwise the company would not be able to meet its dividends, or even its expenses.

E. Palm, comptroller of the Bell Telephone Company, stated that, although the par value of the company's stock had increased, the book value had not. He explained how the figures given in the printed statements filed had been arrived at.

W. H. Winter, general plant superintendent for the Bell Telephone Company, was called at the afternoon session. He said that 600 of the company's best men had enlisted for the war, with the result that the plant had not been maintained in the condition the company would have liked. It had, however, been maintained in a fairly creditable manner.

## Municipalities Oppose

I. S. Fairty, representing Toronto and Hamilton, argued that the company's application for increased rates should be rejected, or at least held over for a year. On the company's own statement, the application, he thought, would not be justified. He emphasized that the company had set aside extraordinarily large amounts for depreciation. In 1918, he said, after paying bond interest, 8 per cent. on common stock, and meeting all charges, the company had an undivided profit of about a quarter of a million dollars. During the war period, on its own showing, the company had heaped up \$1,200,000 of undivided profit. During the same period depreciation reserves had increased from upwards of \$4,000,000 to upwards of \$12,000,000.

The company, before the war, never made any voluntary attempt to reduce its rates, although it had so much money that it "found a half million dollars accidentally."

Mr. Fairty argued that with the close of war prices of materials and labor would fall. Further, the company's common stock was regarded by the stock market as a gilt-edged security and was quoted around 130.

Sir Henry Drayton remarked that the price at which a stock was quoted on the market might also mean that interested people were able to maintain it at a certain level.

## Should Surplus be Used?

Mr. Fairty said that the company had heaped up a surplus during the war years and this should be used, if necessary, to offset increased expenses, before rates were raised.

"In other words," said Mr. MacFarlane, "you think we should wait until we are ruined before we ask for an increase in rates."

(Continued on page 56.)



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	19,524,300.00
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Chesley   Delhi	" North End	Oakville	" Ossington
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## MONTREAL BUDGET STRENGTHENS FINANCES

### Administrative Commission has Cut Expenditure—Realty Tax not to be Increased

On December 27th, 1918, the Montreal Administrative Commission submitted its 1919 budget to the city council; the estimates and recommendations were adopted on the 30th, as submitted.

The estimates for 1919 are divided as follows: Interest, \$6,158,359; sinking fund, \$763,450; school tax, \$3,981,191; reserve fund, \$568,354; salaries and wages, \$4,194,933; general administration, \$3,043,672; probable loss of revenue, \$150,000; pensions and annuities, \$85,000, making a total of \$18,944,850.

The sources of revenue for this year are stated to be as follows: Assessments, \$13,594,724; water rates, \$1,586,891; business taxes, \$1,233,523; and other sources of revenue, including \$500,000 from the Montreal Tramways, make up the grand total.

In an accompanying statement the administrative commission give certain details of their own work during the time they have been in office. They say, among other things, that they made a saving of \$452,000 since last June by the retrenchments they put into effect in the administration of the city. They further state that while the revenue available for 1919 amounts to \$18,944,850, which is a million more than for 1918, the city has actually \$206,000 less revenue for administrative purposes for 1919. The additional revenue is derived from an increase of the school tax, and it goes to the cause of primary education.

In spite of the fact that the revenue for 1918 decreased by \$456,000 owing to depreciation of property, and cost of labor and material increased by \$205,000, there will be no deficit. Taxation will be about the same as in 1918, the reduction in revenue being met by cutting expenses.

### Last Year's Taxes Retained

During 1918 the commissioners were empowered by the legislature to levy new taxes, which power they will retain for 1919, as the city cannot be governed without this new revenue. This new taxing power was created by the legislature for the express purpose of wiping out future deficits. It consists of increasing the realty tax from \$1 to \$1.35, the water rates from 4 to 6 per cent., the business tax from 7½ to 8½ per cent., and the bachelors' tax, which has been a mixed success. The commissioners may, if they choose, levy a rate of \$1.50 on real estate, that being the maximum figure authorized by Quebec. It is explained that even with the new taxes the commissioners have \$456,000 less revenue than they had in 1918 and they are also obliged to pay out another \$200,000 more on account of the increased cost of labor and material. They are meeting this situation by cutting down the cost of administration, instead of raising the realty tax.

The actual revenue in 1918 after deducting the school tax, was \$15,169,382, while for 1919, after subtracting the school tax the revenue left is but \$14,963,659.

When the budget report was received by the city council several amendments were suggested. The tax of \$1.35 per hundred dollars of realty was at the same time renewed for 1919. Many motions were put forward for the reduction of expenses, but these were lost when it came to a vote in the council.

### Taxation of Public Utilities

The special surtax authorized by the legislature last winter to be levied on public utility companies making use of the public streets, produced a revenue last year of about \$250,000. While two companies are contesting the city's valuation of their property, consisting of wires, cables, conduits and the like, this has nothing to do with the principle of the surtax, which was authorized for the years 1918-19-20.

The clause in the city charter authorizing the surtax states that the city is empowered to impose it during the years specified, on the property situated in the streets, lanes and public places of the city, belonging to any telephone,

telegraph, lighting, gas, electric power or waterworks company, or to any company operating public utility services of any kind, and making use of the city streets, lanes or public places for its operations. Such surtax shall not exceed 1 per cent. per annum in the case of waterworks companies, or 5 per cent. per annum in all other cases of the value of the property, as entered on the valuation roll in force, and shall be shown every year on the valuation and assessment rolls. The Montreal Tramways Company shall be exempt from such tax, concludes the clause.

### Valuations are Protested

The highest tax is on the property of the Montreal Light, Heat and Power Company. It amounts to \$125,030, which has not yet been paid, as the company is contesting the city's valuation on which the tax is levied.

The Bell Telephone Company comes next with a tax of \$107,472. The tax on the company is levied on its poles, wires, overhead cables, underground conduits, telephone instruments, etc., on which the city placed a valuation of \$2,149,450.

The valuation of the pipes, special hydrants and water services of the Montreal Water and Power Company was estimated by the city to be \$1,849,500, but as the rate is only 1 per cent. on companies supplying water, the tax amounts to only \$18,495, which sum was later reduced by the city, as the company contested the valuation.

The valuation of the poles, wires and cables of the Great Northwestern Telegraph Company being \$23,050, the amount of the tax was \$1,152. The Canadian Pacific Railway Company's valuation within the prescribed limits being \$35,000, the tax amounts to \$1,750.

The surtax on the property of the Shawinigan Water and Power Company amounts to \$1,875, on a valuation of \$37,500. This matter is under contestation.

The by-law begins by declaring that a special assessment shall be levied from May 1, 1919, to April 30th, 1920, on taxable immovables within the city, with the exception of territory of the former municipality of Maisonneuve. Proceeding, the by-law specifies what are immovables, such as lands, buildings, pipes, poles, wires, rails, etc., and then states the rate of taxation as well as the surtax on public utility companies which make use of the public streets as follows:—

"Such assessment shall be one dollar and thirty-five cents (\$1.35) per each one hundred dollars (\$100) of the value of such property, as entered on the valuation roll, and shall constitute a charge upon the said immovable property, and the owners thereof shall be personally liable therefor.

"A special real estate surtax is hereby imposed and shall be levied, for the year beginning on the 1st of May, 1919, and ending on the 30th of April, 1920, on the property situate in the streets, lanes and public places of the city, belonging to any telephone, telegraph, lighting, gas, electric power or waterworks company, operating public utility services of any kind whatsoever and making use of the city's streets, lanes or public places for its operations.

"Such surtax to be 1 per cent. of the value of the property belonging to waterworks companies, as entered on the valuation roll in force, and 5 per cent. of the value of the property as entered on the valuation roll in force belonging to other companies than waterworks companies.

"Such surtax shall constitute a charge upon said property and the owners thereof shall be personally liable therefor. The Montreal Tramways Company shall be exempt from such tax."

### Exemptions Should be Cut

A proposal was also submitted to the city council by Alderman Dixon to the effect that exemptions should be cut down. His interpellation read:—

"Alderman Dixon is of opinion that, for the next four or five years, the city should collect all taxes on exempt property, with the exception of churches, schools, hospitals and benevolent institutions. It must be remembered that, for a time at least, the city requires all surplus revenue it can get from all sources. Inasmuch as it is a well-known fact that the real estate is already overburdened, and that

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We have one or two choice vacancies for **District Managers** in Western Ontario. If you are ambitious to improve your position, and grow with a strong, progressive Canadian Life Insurance Co. write in confidence.  
H. A. KENTY, Superintendent of Agencies  
**THE CONTINENTAL LIFE INSURANCE CO.**  
TORONTO, ONTARIO

the property owners cannot hold their properties if the heavy taxes they presently have to pay are not reduced. Alderman Dixon is of opinion that, until such time as we can make both ends meet, certain exemptions should be abolished, such as:—

Dominion government properties .....	\$ 13,417,190
Provincial government properties .....	4,917,500
Harbor Commissioners' properties ...	24,153,250
Other properties .....	27,391,195
Land exempted .....	40,962,775
<b>Total .....</b>	<b>\$110,841,910</b>

and that, before giving away revenues which it needs to pay its debts, the city should take all possible means to increase its revenue, and the city charter should be amended so that taxes might be imposed on the above-mentioned properties, just as on ordinary real estate.

By the decision of the city council the water rates in Montreal for 1919 will remain the same as for 1918. The rate is 6 per cent. on house rentals. The vote taken on amending the clause was lost by 11 to 10. A motion to reduce the license fees for junk dealers from \$200 to \$100 was likewise lost.

The revenue by-law as approved contains the special taxation, applicable to the former municipality of Maisonneuve, which is 2½ per cent. on immovables, being a little over 1 per cent. higher than in other sections of Montreal.

#### TO RECOVER FISH WASTE

The problem of securing the commercial utilization of the enormous quantities of fish waste on both the Atlantic and the Pacific coasts has been engaging the attention of the Council for Scientific and Industrial Research for some months past, and, as a result of investigations conducted under the auspices of a committee headed by Dr. R. F. Rutan, of McGill University, indications now point to the creation this year of important new industries for the recovery of fish waste on both coasts.

The data secured by the research council as to the extent of this fish waste would indicate that at present there are annually about 240,000 tons of fish offal and non-marketed fish allowed to go to waste on the Atlantic coast, and about 60,000 tons on the Pacific coast. The fish oil thus wasted is estimated to be worth about six million dollars at current market prices, while the value of the other potential by-products of the fishing industry, such as fertilizer and stock and poultry foods amounts to hundreds of thousands of dollars more.

#### UNITED STATES RAILROAD LOSSES

The government's loss in operating the railroads in 1918 is calculated by railroad administration officials at less than \$150,000,000. This represents the difference between the aggregate amount the government will be compelled to pay railroad companies as rental for the use of their properties—the so-called guaranteed return—and the net income which the government will receive from the railroads.

It will take six months more of receipts from the increased freight rates to permit the government to recoup its losses, officials believe. If Congress does not approve the proposed five years' extension of federal control, and as a consequence President Wilson carries out his announced intention of returning the roads to private management at an early date, the government's loss will not be made up.

This deficit does not include the big sums—between \$150,000,000 and \$200,000,000—which have been loaned to railroads to help them pay for the extensive programme of improvements and purchase of new cars and locomotives. These loans will be repaid eventually.

#### WELLAND CANAL WORK TO BE RESUMED

Work on the Welland Canal is to be continued for the time being on a "cost plus" basis. The basis is fixed at cost plus 8 per cent. On the four sections of the canal, expenditure during 1919, on which percentage will be paid, will not exceed \$2,000,000. Following the declaration of war, contracts for the construction work on the canal were cancelled, and it is not deemed advisable to call for tenders at the present time, in view of conditions. Work will, therefore, continue on the cost plus basis until not later than the end of the year. The old contractors will have the work in hand.

The Minister of Railways and Canals has been authorized to call for public tenders before the end of the present year, if he considers such a course advisable in the public interest.

#### GOLD PRODUCTION IN BRITISH COLUMBIA

In spite of war conditions, the scarcity of labor and the low purchasing power of gold the production in British Columbia for 1918 and 1917 increased very largely, according to the annual report of the Dominion of Canada assay office, Vancouver.

The value of gold bullion deposited in the Dominion of Canada assay office for the past three years was as follows:—

1916 .....	\$2,828,239.65
1917 .....	3,257,220.71
1918 .....	4,080,184.79

The increase for 1918 over 1917 was \$822,964.08, and the increase for 1918 over 1916 was \$1,251,945.14. The value of gold bullion deposited during last month was \$213,420.19, and in December, 1917, \$129,671.45, an increase of \$83,748.74. During the latter part of the season 189 assays of platinum-bearing ores and sands were made and 77 deposits of platinum received. The purchase of platinum metals has been discontinued, but assays of platinum-bearing ores and sands will continue to be made.

#### OWEN SOUND PUBLIC UTILITIES

The following figures summarize the results of the municipal public utilities of Owen Sound for the period from January 1, 1918, to December 15th, 1918:—

##### Gas department:

Receipts .....	\$35,168
Expenditures .....	33,802

An overdraft of \$18,514 was brought forward from 1917 and an overdraft of \$17,528 is carried forward from December 15th. There is also a small balance on hand of \$380.

##### Waterworks department:

Receipts (including \$2,104 brought forward)	\$26,969
Expenditures .....	20,371

Balance carried forward .....

##### Electric department:

Receipts (including \$21,099 brought forward)	\$87,536
Expenditures .....	72,453

Balance carried forward .....

There is, it will be seen, a deficit on account of the gas department and surpluses on account of the electric light and water departments which make altogether a small net surplus on account of all public utility operations of the town.

The 1918 fire loss in Victoria was a small one, aggregating \$12,500, according to the figures compiled up to December 31st.

## Resolve—Now—To Make Your Will

Accidents, or worse, frequently occur without giving the sufferer time to make his WILL. Such an event defeats the wishes of those who leave property. "Make Your Will NOW," is a good resolution, for unless a WILL is made while you are in sound health, it may be disputed. Booklets and full information about choosing and appointing an Executor supplied on request. Interviews solicited.

### THE TORONTO GENERAL TRUSTS CORPORATION

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

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When you name an Executor for your Will you have done one of the most important acts of your life. To ensure that your estate will be properly administered your choice for that position should be

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WINNIPEG, Man.

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are two guiding principles in all business intrusted to us as Executor, Administrator, Trustee, Guardian, etc. We offer a service that is established and directed with the idea of practical assistance.

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

To insure the proper distribution and administration of your estate, you should have your will drawn by a lawyer, and appoint a trust company your executor.

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Capital paid-up, \$1,500,000 Reserve, \$1,500,000

18-22 KING STREET EAST, TORONTO

## MANITOBA GRAIN GROWERS CONVENE

Farmers from all Parts of Province Attend Convention at Brandon During "Farmers' Week"

The Manitoba Grain Growers' Association opened its annual convention on January 8th, at Brandon, Man., R. C. Henders, M.P., president of the association, who was to read the presidential address, but who took suddenly ill and was unable to appear, was to urge the farmers to form a political party in conjunction with the labor interests, and to place an effective political organization in every federal constituency.

There was a good attendance at the convention, which officers of the Manitoba Grain Growers' Association look upon as being the most important in the history of the organized farmers' movement. Grain growers' local associations from all parts of the province were well represented.

A resolution was introduced advocating a change in the Canada Grain Act, so as to limit dockages to a much lower percentage than at present. The resolution was prepared and handed in for the consideration of the resolutions committee of the convention.

### Political Topics

Another important subject dealt with was the proposed organization of a political party, represented in every federal constituency in Canada, for the president, in his initial address to the convention, stated that the convention should not conclude without some action being taken to ensure the economic policy of the farmers being given effect.

The question of the returned soldier and the land came in for discussion, and the convention placed itself on record in regard to definite lines of policy which in the opinion of the grain growers should be pursued. To this end, a meeting was held on January 7th, with all the farmers' interests represented in force.

### Unrestricted Reciprocity with U.S.

On January 9th the farmers' platform, drawn up several weeks ago by the Canadian Council of Agriculture, was accepted. Every plank was carried practically without discussion, with the exception of the clauses dealing with taxation. Unrestricted reciprocity with the United States was freely advocated, and met little opposition. President Henders' remark that this would eventually come was greeted with enthusiasm. J. R. Murray, of the United Grain Growers' Company, said the Canadian manufacturers should and would go into competition and hold their own with any manufacturers in the world.

R. C. Henders was re-elected president without opposition. J. L. Bram was re-elected vice-president. Mr. Henders said in his acceptance speech that one war for democracy had been won, but that autocracy was not dead yet. Its head was coming to the surface here and there all over the country. The grain growers, he said, would go on with the fight for democracy.

Regarding land taxation, the plan to let each man fix his own price for taxation purposes, was approved, this to constitute the selling price within a period to be specified.

### Government Ownership of Transportation

In reopening discussion on January 10th, the delegates took up a plank for "public ownership and control of railway, water and aerial transportation and express systems, all projects in the development of natural power, and of the coal mining industry."

G. F. Chipman, editor of the "Grain Growers' Guide," said that aerial transportation had been mentioned because companies had already been formed and were seeking franchises from the government, franchises which might later prove as embarrassing to Canada as the railway charters had proved in the past.

George Kerr, of Franklin, opposed government ownership of railways any further than at present. We would not

take over the Grand Trunk Pacific without taking the Grand Trunk. The government had never managed anything decently. It had overmanned and bungled the Intercolonial. For his own part, he had experienced the present government's mismanagement of the Canadian Northern Railway, so far as car service to the farmers was concerned. He had not been able to get cars himself all fall. It was up to the government to show good management of the Canadian Northern Railway before taking over any other road. The government control of all railroads would put the government absolutely at the mercy of organized labor, which would stage strikes just at the time that the farmer wanted to ship his wheat.

### Additional Resolutions

The following resolutions were also adopted: "The immediate repeal of the War Time Elections Act. The discontinuance of the practice of conferring titles upon citizens of Canada. Abolition of the Senate. An immediate check upon the growth of government by order-in-council and increased responsibility of individual members of parliament in all legislation. The complete abolition of the patronage system. The publication of contributions and expenditure both before and after election campaign. The removal of press censorship upon the restoration of peace, and the immediate restoration of the rights of free speech. The setting forth by daily newspapers and periodical publications of the facts of their ownership and control. Proportional representation. The establishment of measures of direct legislation through the initiative referendum and recall. The opening of seats in parliament to women on the same terms as men."

### Oppose Fixing Wheat Price.

It was decided to appoint a strong committee to confer with the Dominion Labor party and returned soldier organizations to discuss the possibilities of reapproachment between the three elements in joint political party organization. The decision was reached after an address by W. Ivens, editor of the "Labor News," of Winnipeg, inviting the union.

A resolution opposing the fixing of a price on 1919 wheat crop was also passed. The convention went on the record that the fixing of a minimum price would be a form of protection, and that the farmers were entirely opposed to any form of protection.

### Farmers' Party Failed

The declared intention of the agrarian interests announced through the Canadian Council of Agriculture last November, to form a political party in allegiance with organized labor, failed to materialize in practical political action. After much dispute a compromise policy was adopted.

A resolution was introduced at the session on January 10th binding district units, representing federal constituencies, to immediately obtain a pledge from their respective parliamentary members that they would vote and work for the enactment of the principles of the farmers' platform at the forthcoming session of the House of Commons; that should the sitting members refuse to give the pledge, or fail to support the platform during the coming parliamentary session, district associations should immediately call open convention in the constituency of the member or members thus refusing, and should nominate a candidate of their own, being prepared to finance and elect him. In the resulting debate, R. C. Henders, Unionist M.P. for MacDonald, together with a number of the older men of the association, were defied by the younger element of the convention, led by C. H. Burnell, assistant secretary. Mr. Henders declared that he would not sign the pledge were it put to him. The coming session of parliament might bring forth important matters connected with the war and peace and might set up issues which would necessitate the attention of the members of parliament to the exclusion of the farmers' platform, however important that might be. In such a case he would not be free to put the country before the farmers should such a dominant issue arise, were he bound by any such pledge as was sought.

**"Profits from Savings"**

is the subject of a little booklet that we want to place in the hands of every reader of this paper who is anxious to save, and to invest his or her savings where they will earn 5½% with safety of principal and regularity of interest.

Many of the people to whom we have sent this book, as a result of receiving it, have invested their funds in

**Standard Reliance 5½% Mortgage Corporation Debentures**

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Capital Subscribed .. ..	\$2,000,000.00
Capital Paid-up .. ..	1,200,000.00
Reserve and Surplus Funds ..	1,163,994.20
Total Assets .. ..	4,697,757.31

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

**Savings Department** Deposits received, and interest allowed on daily balance. Withdrawable by cheque.

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

*MONEY TO LOAN.*

Head Office, King Street, HAMILTON, Ont.

GEORGE HOPE, President D. M. CAMERON, Treasurer

**CONSERVATIVE INVESTMENTS**

This corporation held at the close of its last fiscal year 4,378 mortgages.

The amount invested represented over \$10,500,000.

The average loan was less than \$2,500.

**THE HURON & ERIE MORTGAGE CORPORATION**

"OLDER THAN THE DOMINION OF CANADA."  
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Capital Paid Up \$2,500,000. Reserve \$3,100,000

**Canada Permanent Mortgage Corporation**

TORONTO STREET - TORONTO

Established 1855

Paid-up Capital .....	\$ 6,000,000.00
Reserve Fund (earned) .....	5,250,000.00
Unappropriated Profits .....	197,977.41
Capital and Surplus .....	\$11,447,977.41
Investments .....	31,557,661.82

**A Trustee Investment**

THE Bonds issued by this Corporation are a high-class security in which Executors and Trustees are authorized by law to invest Trust Funds. They bear an attractive rate of interest and may be had for any sum desired from one hundred dollars upwards. Both interest and principal may be made to become due at such dates as best suit the convenience of the investor.

**THE Ontario Loan & Debenture Co.**

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CAPITAL AND UNDIVIDED PROFITS .. \$3,750,000

**5½%** SHORT TERM (3 TO 5 YEARS) **5½%**  
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Interest at 4 per cent. payable half-yearly on Debentures

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Capital Account, \$724,550.00 Reserve Fund, \$590,000.00  
Total Assets, \$3,141,401.68

President, WELLINGTON FRANCIS, Esq., K.C.

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Debentures issued to pay 5% a Legal Investment for Trust Funds.

Deposits received at 4% interest, withdrawable by cheque.

Loans made on improved Real Estate on favorable terms.

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Manufacturers of Loft dried, Air dried, Tub sized Bond, Ledger and Linen Papers. S. C. and M. F. Writing, Envelope and Coloured Flats. Extra grade S. C., M. F. and Antique Book, Lithograph and Off-set Papers. Linen Finishing a specialty.

— Ask your dealer for samples and prices. —

AGRICULTURE IN THE WEST

Grain, Livestock and Dairying Report of the Western Provinces in 1918

The following is a synopsis of the annual agricultural report of the "Manitoba Free Press," of Winnipeg:—

The returns from the grain crops for the four months of the crop year of 1918-1919 are much less complete than usual and represent less fully the actual value of grain sold. The report on movement and value month by month has been compiled from the monthly inspection sheets and now when the full and final inspection returns are available the monthly returns seem not to have represented the total movement. This is probably due to the fact that to a greater extent than ever before there has been interior movement from point to point, large quantities of both wheat and oats being sold in the interior for both seed and milling.

This much can be said for the figures on grain, and that is the country has had that amount of money for crop this season and probably a good deal more. However, nearly \$225,000,000 from grain in four months is not a bad showing in a year when more disasters overtook the western crop than in any year of its past history. The estimate, made as early as September 4, was: 150,000,000 bushels of wheat, 183,000,000 of oats, 41,000,000 barley, 1,700,000 rye, 5,000,000 flax, with an approximate value of the entire crop of something over \$500,000,000. At the expiration of four months, if the estimate was again to be made, it would certainly show a material increase in the value of the crop in Alberta and this would raise the general average not only of quantity but of money also. The returns already in and conditions viewed in the light of the exceptionally slow forward movement of the crop, would lead to the belief that the early estimate of the value of the crop was very conservative and the final returns of the year in August next may show a value of not far from \$600,000,000. It has been an exceedingly trying crop to produce, a most difficult one to estimate and a slow one to sell, but when the final balance is struck it will be found that it was a profitable crop to the country as a whole, and not an unprofitable one to the individual, except in the instance where there was a total loss from either drought or frost. The only very disappointing feature of the crop has been that after an honest and determined effort to come to the aid of the Allies with a splendid supply of wheat there will not be, all told, more than 100,000,000 bushels for export, whereas if the ordinary yield had been obtained from the whole area seeded there should have been fully 300,000,000 bushels. Fortunately, while the disappointment to Canada is great, the failure will not seriously affect the Allies, as it would have done had the war continued for another six months or a year.

Prepared Land

Next to the returns from the crop of 1918, the most interesting thing to those dealing in grain is the question of land prepared for the crop for the coming year, and in this respect the western provinces are particularly well situated this year; there being a total of 15,586,578 acres ready for the harrows as soon as the snow is off the ground. This is made up roughly: 2,700,000 acres of breaking, over 7,000,000 acres of summerfallow and 5,700,000 acres of fall ploughing. It is distributed as follows:—

	Breaking.	Fallow.	Fall ploughed.
	Acres.	Acres.	Acres.
Alberta .....	2,000,000	1,600,000	2,200,000
Saskatchewan ....	614,980	4,060,800	1,164,444
Manitoba .....	121,781	1,450,373	2,375,000
	2,736,761	7,110,373	5,739,444

These figures show that the Canadian west is prepared to go forward with renewed vigor in 1919 and while the amount of wheat seeded will to some extent be modified by the prospect of the world need, the area will be very large. Another controlling factor will be the supply of moisture.

Many districts are still dry and the kind and quantity of crop seeded will be affected by the snowfall of the latter part of the winter and the outlook for moisture in the spring.

The West has had two very short crops of coarse grains and there are absolutely no reserves. Returns from livestock during 1918 have been fairly satisfactory; they would have been greater had there been more feed available for finishing, and it may be that with the prospect of excellent markets abroad for all livestock products, that more area will be seeded to coarse grain than in the past. The quantity of land ready for seed is large and it has been well prepared. Given sufficient moisture it is in a condition to produce as large a return as the bumper crop of 1915.

TORONTO TAX COLLECTIONS GOOD

Mr. Thomas Bradshaw, finance commissioner of the city of Toronto, reports that tax payments were better in 1918 than ever before. The first instalment was due on June 14th, 1918. The proportion paid is now 84.64 per cent., as compared with 82.56 per cent. in 1917, the first payment of which was not due until June 29th, and in 1916 and 1915, it was due on July 21st and July 23rd, respectively. The percentage paid as at December 27th in each year, from 1915 to 1918 was, respectively, 77.81, 79.38, 82.56 and 84.64. The total levied for the year 1918 was \$20,267,727. There are, therefore, a little over \$3,000,000 of the 1918 taxes in arrears; the 1917 arrears are over \$1,000,000, and those for 1916 and previous years amount to over \$300,000. This makes a total in arrears of \$4,566,866.

PULP EXPORTS CONTINUE TO GROW

Exports of Canadian pulp and paper products and unmanufactured pulpwood for the month of October reached a total value of \$7,280,315, as compared with \$6,096,399 in October, 1917, a gain of \$1,183,916. The notable feature of the month's trade was the sudden and surprising jump in exports of groundwood which for several months have been falling behind the record of 1917. In October, exports of groundwood amounted to 325,521 cwt., valued at \$396,189, as against 247,508 cwt., valued at \$383,762 in 1917. In September the exports of groundwood had shown a loss of \$936,905, as compared with the previous September. The details for October, 1918, follow:—

	October.	1917.	1918.
Paper and manufactures of .....	\$2,838,237		\$3,317,237
Pulp, chemically prepared .....	1,962,286		2,914,255
Pulp, mechanically ground .....	383,762		396,189
		\$5,184,285	\$6,627,681
Pulpwood, unmanufactured .....	912,114		652,634
		\$6,096,399	\$7,280,315
			6,096,399
Increase .....			\$1,183,916

Figures for the first seven months of the current fiscal year show a total of \$57,245,135, a gain of \$14,873,782 over the corresponding period in 1917, and of \$28,864,533 over 1916 or more than double. Following are the figures for the seven months' period:—

	1916.	1917.	1918.
Paper and manufactures of .....	\$13,272,977	\$20,912,832	\$25,538,881
Pulp, chemically prepared .....	7,264,142	11,455,040	18,817,444
Pulp, mechanically ground .....	3,219,440	4,524,581	2,908,275
	\$23,756,559	\$36,892,453	\$47,264,600
Pulpwood, unmanufactured .....	4,624,033	5,478,900	9,980,535
	\$28,380,592	\$42,371,353	\$57,245,135



*We Own and Offer*

**\$1,625,000**

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**PROVINCE OF QUEBEC**

**4½% COUPON GOLD BONDS**

Dated June 1st, 1916.

Due June 1st, 1946.

Principal and half-yearly interest (1st June and December) payable at Bank of Montreal, Montreal or Quebec, at the holder's option.

Denomination: \$1,000.

These Bonds are not subject to the duties imposed by the Province of Quebec Succession Duties Act.

Subject to Legal Opinion,—Smith, Markey, Skinner & Hyde.

These bonds and the interest thereon are a direct and primary obligation of the Province of Quebec.

**FINANCIAL STATEMENT**

Population—(1911 Census)—2,003,232	Estimated Present—2,305,754
Assessed Value of Taxable Real Estate .....	\$1,285,516,644
Total Funded Debt .....	39,462,996
Less: Sinking Fund .....	\$1,645,058
Other Assets (Net) .....	5,312,922
	6,957,980
Net Debt .....	\$ 32,505,016
Assets of Province .....	518,221,000

**STATEMENT OF PRIMARY PRODUCTION, ETC.**

Annual Value of Field Crops .....	\$ 102,937,000
Dairy Products .....	22,875,000
Lumber, Pulp, etc. ....	27,500,000
Minerals .....	13,287,000
Manufactures .....	387,900,000
Total .....	\$ 554,499,000

Area of Province—450,337,761 acres or 703,653 square miles.

The Province of Quebec is the largest province of the Dominion of Canada. It is rich in natural resources, producing 80% of the world's asbestos supply. There are 111,000,000 acres of forest areas valued at \$500,000,000, and from which the Government receives a revenue of about \$1,500,000 per annum. There are numerous rivers and streams giving abundant water power.

The manufactures of the Province are very extensive, there being about 7,000 industrial establishments with a yearly pay roll of over \$70,000,000.

The Province includes the Cities of Montreal and Quebec, the former the largest and the principal commercial city of Canada.

**Price: 85.91 and Interest, yielding 5.50%**

Engraved bonds will be ready for delivery on or about January 20th.  
Orders may be telegraphed or telephoned at our expense.

*Investment Securities* **A. E. AMES & CO.** *Established 1889*  
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# The Canadian Bank of Commerce

## Report of the Annual Meeting of Shareholders

The Fifty-second Annual Meeting of the Shareholders of the Canadian Bank of Commerce took place on the 14th instant at the Head Office of the Bank. The report submitted, which has recently been made public, was of an unusually satisfactory character. The President, Sir Edmund Walker, took the chair, and after the report had been read he requested the General Manager, Sir John Aird, to address the Shareholders. The General Manager then said:—

For the first time since January, 1914, we meet without the sinister shadow of the great war upon us. Difficult as is the outlook before many of the warring nations' and perplexing as are the problems for which a solution has to be found before a satisfactory peace can be concluded, hostilities have ceased and cannot be renewed on the same colossal scale. We rejoice that the sacrifice of life has come to an end and that those members of our staff at the front who have survived the conflict, and others who are near and dear to many of us, can now look forward with assurance to the welcome that awaits them at their home-coming.

### Fifty Years' Service.

The past year has been pleurably marked by the jubilees of both our President and Vice-President in their respective callings. On July 24th our honored President, Sir Edmund Walker, celebrated the fiftieth anniversary of the day on which he entered the service of this Bank, and the occasion was marked by a dinner tendered to him by the Board of Directors. An account of this has been printed, and copies of the pamphlet are available for any of you who may desire them. The addresses of the evening, and the extracts from the many letters and telegrams of congratulation which came from all over the country upon the happy event becoming known, tell more eloquently than any words of mine could do, the esteem in which he is held by all classes of the community.

### Rest Equals Capital.

The day was further commemorated by our making it the occasion upon which the five and ten dollar notes of the new issue of this Bank, to which I referred at the last annual meeting, were first paid out. The artistic quality of the designs of these notes, for which Sir Edmund is personally responsible, and his well-known interest in matters of art, seemed to make this a fitting compliment to him. Just a few weeks earlier, on May 19th, Mr. Z. A. Lash, our esteemed Vice-President, and trusted legal adviser during so many years, had celebrated the fiftieth anniversary of his call to the Bar of Ontario. The close coincidence of these two events, so unusual in themselves, with the fiftieth anniversary of the Bank itself, and with the consummation of our long-deferred wish to see the rest equal to the paid-up capital, was very remarkable; and being followed so closely by the close of the great war, make the past year a very notable one in the history of the institution.

### An Excellent Statement.

We have, therefore, many reasons for a feeling of jubilation on this occasion, and this is added to by the excellence of the statement which we have pleasure in presenting to you. The earnings of the Bank have been good, and the profits have again reached a new high level, amounting to \$2,850,000, or \$212,000 more than a year ago. We confess to a feeling of pride that we have been able to maintain the premier place among Canadian banks in this, to you, im-

portant item. Notwithstanding the apparent size of the figures, however, it must not be forgotten that the rate of earnings of this Bank, as of Canadian banks in general, is steadily decreasing, when measured by the services rendered and the extent of the effort put forth by our staff. On the average of our total assets during the year we have earned only seven-tenths of one per cent. as compared with 1.27 per cent. in 1913, the last year prior to the war, and 1.37 per cent. ten years ago.

### Increased Services.

The main causes of this, as I have pointed out in previous years, are, on the one hand the enormous increase in the volume of those banking services which are performed for the public without remuneration, and the fact that banking is one of the few businesses in which charges are sometimes lowered but seldom increased, in spite of the general increase in the cost of everything else; and on the other, the increase in salaries and wages which are inevitable to enable our men to meet the great increase in the cost of living. It must not be forgotten that salaries and wages constitute the most formidable item of expense in the budget of a bank, and it will readily be understood that the responsibilities and the difficulties of dealing fairly with the members of our staff, in view of the high level of the cost of living, are not small.

### Depreciation Unnecessary.

An unusual item in our Profit and Loss account this year, which affords us much gratification, is the recovery of the appropriation of \$1,000,000 set aside in the year 1915 to provide for the depreciation of securities. We then expressed the hope of saving this, or at least a part of it, at the end of the war, and it is a source of satisfaction to find our prediction fulfilled.

On the other side of the account, our disbursements in the way of dividends and bonuses to shareholders, and the amounts required to pay the special war tax on bank-note circulation and for the officers' Pension Fund, are the same as a year ago. Subscriptions to various funds of a patriotic nature, almost all of them the direct outcome of the war, have called for \$102,550.

### A War Memorial.

We have set aside \$100,000 to defray the cost of a memorial we propose to raise in honor of the officers of the Bank who served in the great war and for the cost of the history of the Bank to which I referred a year ago. The form of the memorial is not yet decided, but it will probably take shape when we come to erect a new building on our site here, an undertaking which cannot long be delayed if the natural development of the business of the Bank is not to be hindered by cramped and unsuitable quarters. After doing all this we have been able to transfer \$1,500,000 to Rest Account, which thus becomes equal to the paid-up capital, a goal which we have aimed to reach for many a day, but which has called for long years of tireless striving before we could consider it as fairly won. We might perhaps have made a better showing on the surface and have seemed to reach our goal in a shorter period of time, but our wish has been to build surely and carefully upon a firm foundation, and in the meantime to provide beyond peradventure for every weak spot in our loans and securities. We carry forward into the new financial year an undivided

balance of profits amounting to \$1,444,842, or \$112,000 more than a year ago.

#### Note Circulation.

Turning now to the General Statement, the first item of our liabilities is notes in circulation. These amount to the very large sum of \$31,583,000, or \$7,588,000 more than a year ago. This increase is not far from double the large increase reported last year, but we think that the reasons advanced for it then still hold good, although it is possible that in addition there may be a certain amount of hoarding by a class of munition-workers who adhere to old habits and hide their savings rather than entrust them to the care of a bank. If so, this cause should soon cease to operate, and we shall watch with much interest the course of the note circulation during the next few months, in which the greatest amount of contraction always takes place each year.

#### Increased Deposits.

The increase in our total deposits is \$76,733,000, or 27.7 per cent., and the greater part of this is under the heading of deposits not bearing interest, which account for \$64,552,000. Deposits bearing interest show an increase of \$12,181,000, an amount which would have been much greater had it not been for the Victory Loan of 1918. If we turn to the monthly statements to the Government we shall find that deposits payable after notice dropped \$18,853,000 during November, which is solely due to the Victory Loan. On the other hand, it must be remembered that under the arrangements made by the Government for the deposit of the proceeds of the Victory Loan with the banks from which the money was withdrawn, a large part of this money is still at the credit of the Dominion Government, subject to its requirements.

#### How to Save.

Once again the Minister of Finance and the organization which controlled the Victory Loan campaigns have won an outstanding success. The Victory Loan of 1918 was oversubscribed many times, and without the use of any compulsion save the mere breath of public opinion the Government has been provided with more than the sum which it required. Yet, as I pointed out last year, the lesson in how to save, so strongly impressed upon the community by these campaigns, is their great result from the national point of view. Who may venture to predict what the knowledge thus acquired of how to invest savings wisely may mean to Canada in the years to come? Except for the increase in the productive capacity of the country, this is perhaps the greatest material benefit derived from the war. Alongside is a very small matter, which, if the lesson is thoroughly learnt, will require only a short period of time to remedy itself.

#### Bank Helped Loan.

Our efforts to assist the Minister of Finance in obtaining subscriptions to the Loan have resulted in our securing through this Bank the large sum of \$104,543,000, represented by 150,773 individual subscriptions. This amount included \$100,000,000 of new money, and represents 15 per cent. of the total. It is gratifying to know that we have far exceeded the proportion which might be reasonably expected from us. This result has not been obtained without very strenuous efforts on the part of our staff, and also the expenditure of a large amount of money by the Bank. Unfortunately the heavy task came upon our staff just at the moment when their ranks were depleted by the ravages of influenza. In connection with this, as well as previous loans, we shall also be required to perform for the Government special services, such as the payment of coupons and interest during the term of the loans, the last of which does not mature until the year 1937. The Canadian banks were also called upon during the year to assist in the Dominion Government financing to a large amount, and we assumed our full share of these advances. In addition we participat-

ed in a loan of \$100,000,000 to the Imperial Government against Treasury Bills and renewed the advances made against similar security to the Imperial Munitions Board.

#### Finance Food Supplies.

Acceptances under Letters of Credit, offset in our balance sheet by the corresponding liability of our customers which appears among the assets, show a large increase, represented by advances in Canada and the United States, secured in nearly every case by food supplies purchased for account of the Allies. Cash on hand, consisting of gold and silver coin and Dominion notes, amounts to \$61,971,000, as compared with \$54,652,000 a year ago, an increase of \$7,319,000. Of this we had \$17,500,000 in the Central Gold Reserves to provide cover for our excess note circulation. Our total holdings of gold and silver coin—principally gold, but including the necessary silver for the tills of the branches—are slightly lower than a year ago. We hold, however, a much larger amount in Canada, in the carrying out of the views I expressed last year in referring to this subject.

#### Maintain Gold Standard.

This was not accomplished without difficulty, owing to the embargo placed on exports of gold by the United States Government and to the demands of that Government; and the effort to increase our holdings has been further hampered by the decline in the output of the Canadian mines caused by the present high cost of production. It is gratifying to find a substantial agreement with our views on this subject in the report of the Imperial "Committee on Currency and Foreign Exchanges After the War," of which Lord Cunliffe, Governor of the Bank of England, was Chairman. In its first interim report this committee has emphasized the imperative need that the gold standard should be effectively maintained in Great Britain, and that the necessary measures to this end should be taken without delay. Similar measures are being urged in the United States by a not unimportant section of the press, and it is disquieting to hear a discordant note sounded in certain influential circles in this country. We think that the Government could well afford to pay a small royalty to encourage an increase in the production of the gold mines of Canada. The conditions of the last two years have very adversely affected the mining of gold, especially as compared with silver, and in the interests of the country we believe that the Government should seriously consider some plan for placing this industry on a profitable footing.

#### Large Volume of Transactions.

The next item of the assets, consisting of notes and cheques and balances due by other banks, shows an increase of \$3,830,000, almost all of which is made up of larger holdings of cheques on other banks, which constitute the daily exchanges. This increase is due solely to an increased volume of current banking transactions. Securities of various kinds have increased \$16,183,000, represented principally by larger holdings of British and Canadian Government securities. On the other hand, railway and miscellaneous securities have decreased slightly. Call and short loans show an increase of \$8,324,000, of which the greater part is in loans outside Canada, and immediately available assets are \$35,682,000 greater, standing at about 50 per cent. of our liabilities to the public. Commercial loans show an increase of \$52,621,000, nearly all of which is lent in Canada. While there is no doubt a good deal of activity in such manufacturing as can be carried on under the circumstances of the past few months, a large part of this increase is due to high prices and to delay in realizing on our wheat and other produce, which has been reserved by the Government. The delay in this connection, while no doubt largely inevitable under existing conditions, has a prejudicial effect on those immediately concerned. With the passing of the era of high prices, especially those of farm produce, and a return of wages to a more normal level than that of munition-making, we must expect to see decreases in the volume of both our loans and deposits. Indeed, it will not be surprising if the figures of the present balance sheet are not exceeded for several years to come.

### Total Assets Increase.

The principal change in the item of Real Estate other than Bank Premises is occasioned by our having paid off a mortgage on the Eastern Townships Bank building in Montreal. We also paid at maturity the mortgage on part of the property adjoining the site of this building, acquired some years ago for the extension of our Head Office premises; this, and the purchase and remodelling of a building for the use of our Three Rivers branch, are the principal items accounting for the net increase of \$254,000 in Bank Premises account. Total assets have increased \$95,935,000, and now amount to the very large sum of \$440,310,000. This increase is 27.8 per cent. over the figures of last year, a remarkable showing when it is recalled that we have been marking time in the opening of new branches, and that we have not taken over the business of any other bank.

### Mexico Branch.

We have continued to keep our office open in Mexico in the expectation that general conditions in that unhappy country would so improve that it would enable us to operate at some profit. We hope, now that the great European War is over, that the Mexican authorities will see their way to guard the interests of foreign corporations, so that we shall not be compelled to withdraw from what would be, under ordinary conditions, a profitable field for banking. Should we be disappointed in our expectations, however, we should not be exposed to any undue loss, as we have from time to time continued to make appropriations against our investments there.

### Reinstate Returned Men.

With regard to the staff, it is our desire to reinstate all officers who wish to come back to our service from military duty, and at the same time to avoid any hardship which might be created by dispensing with the services of the members of the temporary staff, who have filled the breach so acceptably during the past four years.

With sorrow we record the death in action of eighty-five additional members of our staff during the past year, making a total of 226 who have been killed in action, or have died of wounds, since the outbreak of the war. The number of wounded men reported to us has now reached 294; 7 are still recorded as missing and 23 as in the prison camps. Under the terms of the armistice we trust that these prisoners have now been successful in reaching allied or neutral countries.

### Increase Export Trade.

A year ago I urged the importance to Canada of stimulating the production and export of food, the need of organization for the purpose, and the attractiveness of the outlook for this branch of commerce. The ending of the war has in no wise dimmed the prospect. The last number of *The Agricultural Gazette*, the official publication of the Dominion Department of Agriculture, contains an appeal from the Dominion Government along similar lines, and particularly emphasizes the bright prospects of the meat export trade. Speaking of the outlook before this country now that the war has ended, the Minister of Finance, Sir Thomas White, writes: "There would seem no reason to apprehend any failure of markets for all the food that Canada can produce. Our grain, live stock and their products, with those of our fisheries, should all be in keen demand at high prices. . . . Increase in our agricultural production will not only help to furnish food for a hungry Europe, but will be a chief factor in maintaining our favorable international trade balance as well." All countries are seeking to increase their export trade; all are hoping to be sellers, and to limit their purchases. Under such conditions the successful ones will be those which have special natural advantages for a certain line of production and which can find a market for the same line of goods. Is there any country better fitted than Canada for the production of food, or any branch of commerce in which an ample market is more assured!

### Sane Spending.

Any number of plans are afloat for the carrying on of large public works after the war. These are advocated on

all sides in the hope that the era of free spending may tide over that of falling prices. Few of the promoters, however, appear to have considered where the money is to come from. By all means let a wise and statesmanlike view of the matter prevail, and all public works be undertaken which are in the best interests of the community, having regard to all aspects of the question. But let it not be forgotten that such works have to be paid for sooner or later out of the taxes, and the hope of every citizen at the present moment, I may safely say, is to see his tax bills reduced, rather than largely increased. Even public borrowing cannot indefinitely postpone the evil day of payment.

### Reconstruct with Savings.

Some of our municipalities are already hampered by the load of debt incurred in former eras of prosperity, and no one would advocate any considerable increase at this time in the national debt of the Dominion. The safe course is wisely set out in the Cunliffe report to which I have already referred. After speaking of the pressure that is sure to be brought to bear upon the State for capital expenditure in many forms for reconstruction purposes, it points out that all money expended on reconstruction work should come out of savings and not be obtained by the creation of new credit. The burden of prevailing high interest rates in the case of such works has also to be considered, and although the outlook as to the value of money after the war is uncertain, it seems probable that current rates in England are held below the natural level at present by war-time regulations, and that when these restrictions are removed, rates may tend upward rather than downward. It is clear that the importance of saving and economy in personal expenditures as a public duty will not be lessened by the ending of the war, but, if possible, increased.

### Trade Problems.

The task of dealing with the trade problems of Canada has already been taken up in earnest by a number of associations, and some good preparatory work has been done. Attention is also being devoted in various quarters to scientific research into the problems of business and manufacturing, which proved such a valuable feature of the German methods. The value of co-operation among exporters in the development of export trade has been recognized by law in the United States, and it is in the field of foreign trade that banking credit has also a part to play. Is not this one direction in which we have an advantage over the United States, through the existence of banking institutions experienced in the granting of the necessary credit, whereas much of the machinery for this purpose in the United States has been called into existence solely for the occasion, and is forced to work along unfamiliar lines? On the other hand, we must not forget the energy with which our neighbors carry out any task they undertake, lest we should ultimately discover that the new broom has swept the field bare. It is interesting to note in this connection that the *London Statist* is of the opinion that after the war Canada will prove more attractive to emigrants than the United States, and that thus the drain upon the manpower of this country made by the war will be more than remedied.

### The Future.

As to the future, we feel that we can look forward with quiet confidence. The multifarious restrictions which have necessarily been placed on business during the war will doubtless disappear before long, and they should be removed by the Government as speedily as possible. This will aid in lessening unemployment at home, and enable our exporters to resume their operations in other countries before the field is occupied. Attention should also be given to the prompt settlement of all outstanding contracts and obligations of the Government, and to the claims arising out of the cancellation of contracts. These are sometimes allowed to drag, causing great injustice to individuals and corporations, and preventing them from resuming their accustomed place in the peace activities of the nation. By prompt attention to such matters, the Government can assist materially in the restoration of a normal state of affairs in the business world. We have been fortunate in this country

in that our participation in the war has not involved material damage at home. Our efforts have entailed no exhaustion on our part, and while the problems before us are many and difficult, we believe that a satisfactory solution will be found for all of them.

The President then said:—

#### PRESIDENT'S ADDRESS.

The war is over and we are struggling with the terms which we intend to impose on Germany. One turn of the kaleidoscope has changed the aspect of almost everything in our daily life and in our mental horizon. Only yesterday we were bending every faculty as a nation and as individuals to the thousand different kinds of effort necessary to win the war. We had completely disrupted the co-operation of individuals in the various pursuits of life which are necessary to the happiness of society in times of peace, and men and women were drawn either into military and munitions work, or into the production of food, almost to the limit of our powers. Now the work in munitions factories has stopped, our armies will return, and from 500,000 to 600,000 men and women, an enormous proportion of our small population, will have to find new kinds of employment. The enlistment of soldiers, and the withdrawal of others from peaceful occupations to the making of munitions, took four years to reach a climax, but the reverse process comes upon us in an instant. We shall in the end have work for all, but much that could have been started at once in spring or summer is impossible in winter. The troops will come home gradually, and as six months' pay is to be given to some of them, and smaller allowances to others, our anxiety regarding them is partly removed. The munition workers, however, cannot be shifted to new employment fast enough to prevent there being a considerable number out of work during this winter.

#### Our Foreign Trade.

In order to appreciate the scale of industrial events we turn as usual to the figures of our foreign trade. Disregarding coin and bullion, which have fallen to inconsiderable figures, the excess of exports, for the fiscal year ending 31st March, amounted to \$623,647,000. The excess for the two previous years, large as it was when compared with the past, was \$563,795,000, or considerably less than for the one year under consideration. Our total foreign trade was \$2,548,691,000, as against a total of \$1,129,610,000 in the year ending 31st March, 1914, but we had passed the crest of the wave before the war ended. The year ending in September, 1918, consisting of the halves of two fiscal years, shows a smaller volume of trade and surplus exports of \$504,242,000. Now that the war is over, we shall study with intense interest the figures of our foreign trade in the immediate future.

The decline in foreign trade for the year ending in September was partly due to smaller exports of manufactures, but mainly to smaller exports of wheat. The enormous surplus of \$623,647,000 during the fiscal year ending in March was due to an increase in exports of \$406,958,000, while imports increased only \$98,017,000. The increase in pastoral and agricultural products was \$241,442,000, and in manufactures \$173,527,000. This would seem to be very satisfactory indeed, were it not that for the bulk of our exports we give long credit to Great Britain, while for our imports we must pay in international money; so that this surplus in exports, much as it adds to our prosperity, carries with it difficult financial problems. It is interesting, therefore, to turn to our imports and to consider how far we ought to be able to produce them ourselves.

#### Unnecessary Imports.

For iron and steel, in forms used as raw material for manufacturing, we spent abroad over seventy-five millions; for carriages of all sorts, including motor carriages, waggons, railroad cars, horse carriages, and for rubber tires, etc., we spent twenty-five millions; for gasoline, steam and other engines and for electrical apparatus, we spent twenty-five millions; for petroleum, twenty millions, and for paper in various forms seven millions. I mention these particular items because we already produce

part, and we expect eventually to produce the whole, of our requirements in all of them. If we could do so now we could face the future with complete assurance as to our financial position as a nation, and with the best possible market for our farm products—that at home. We cannot avoid the purchase of coal for some parts of Canada, great as our supply is in other parts, but an expenditure abroad of eighty-two millions for coal and coke raises sharply the question of whether we are doing the best that is possible under the circumstances. Our import figures, as in other war years, are swollen by an item of \$130,773,000, covering military stores, munitions of war, etc., "imported and remaining the property of the Imperial Government," and we can judge of the sudden change that peace will bring by an item among our exports: cartridges—gun, rifle and pistol—\$351,539,000.

The field crops of Canada for 1918, the figures of last month being only an estimate, are valued at \$1,383,000,000, as against \$1,145,000,000 for 1917, the actual value that year being larger than the estimate. The total production from our mines is estimated at \$220,000,000, as compared with \$189,646,000 in 1917 and \$177,201,000 in 1916.

#### International Balance.

Such a surplus of exports over imports as \$623,000,000 would, if we were paid in international money, make us financially rich beyond imagination, and it would put New York exchange, the real test of our international position, at a discount. As a matter of fact New York exchange has lately been at a high premium, because with all our exports we cannot command enough international money to keep the balance even. At the moment, because of transportation difficulties, we are carrying a very large amount of wheat sold to the British Government. If in settlement we received even a moderate payment in cash we could keep the rate for New York exchange fairly low, but there is no assurance that any part of what is due will be paid in money useful for international settlements. We have pointed out before the extent to which we make purchases from the United States which must be settled in cash, and for which, directly or indirectly, we receive from Great Britain only long-term obligations. This year conditions are not improved, despite large orders for munitions given by the United States to Canada. Comparing the year ending 31st March, 1918, with the previous one, we imported from the United States goods to the value of \$792,000,000, as against \$678,000,000, and we exported to them \$418,000,000, as against \$290,000,000, so that we owed them on balance \$374,000,000 instead of \$388,000,000. During the six months ending September, 1918, matters did not improve; the scale of imports and exports was larger, but the resulting difference against us was proportionately about the same.

#### Cost of the War.

The cost of the war to Canada as at 30th November, with all outstanding items carefully computed, was about \$1,125,000,000, as compared with \$685,000,000 up to the corresponding date a year ago. The balance due to Canada by Great Britain, in the open accounts between the two countries, is about \$170,000,000. If we desire to consider the extent to which Great Britain's debt to Canada on war account may help our finances by its liquidation at a future time, we have to add to this \$200,000,000 due to the Canadian banks by the Imperial Government.

#### The Victory Loans.

In November, 1917, the first Victory Loan (the fourth Canadian War Loan) was offered. The sum asked was \$150,000,000, and 875,000 people subscribed \$421,000,000. The figures we quoted a year ago were largely exceeded when the returns were completed. This issue was made at 98.67, and if it had followed the fate of most war loans, it would have declined in price somewhat before the next loan appeared, but the organization which made the issue so successful took care of the market so well that, while a very considerable percentage of the loan was turned over from day to day, the issue price was not merely maintained, but was raised to par by July, 1918. As a consequence, when

the second Victory Loan came out in October last, the Finance Minister was able to make the issue price par with accrued interest. The latest figures for this loan show that, while \$300,000,000 was asked, 1,080,000 people have subscribed for \$690,000,000. We were very proud that the subscriptions to the loan of 1917 reached a total of \$53.37 per head of our population, but the amount subscribed to the 1918 loan was \$88.10 per head. In 1917 one citizen in every 9.02 bought a bond, and in 1918, one in every 7.25. The largest amount subscribed per head was in Ontario, where the average was \$128.75, and where one in every 4.94 bought bonds. The smallest was in Prince Edward Island, where the average was \$32.13, and one in every 17.33 bought bonds. In these calculations the population is estimated at 7,821,200. This is not an official estimate, but it was made with great care.

#### Canadian Securities.

Sales of Canadian securities were only a trifle larger than for the calendar year 1917, but the table below will show that they were almost entirely absorbed in Canada:

Securities.	Total Sold.	In Canada.
*Government .....	\$704,632,729	\$675,869,396
Municipal .....	45,805,720	43,099,820
Railway .....	5,000,000	.....
Public Service Corporation ....	2,375,000	1,375,000
Miscellaneous .....	5,155,000	3,505,000
<b>Total 1918 .....</b>	<b>\$763,968,449</b>	<b>\$724,849,216</b>
Percentage .....	100%	94.87%
	<b>In United</b>	<b>In Great</b>
	<b>States.</b>	<b>Britain.</b>
*Government .....	\$ 25,600,000	\$ 3,163,333
Municipal .....	2,705,900	.....
Railway .....	5,000,000	.....
Public Service Corporation ....	1,000,000	.....
Miscellaneous .....	1,650,000	.....
<b>Total 1918 .....</b>	<b>\$ 35,955,900</b>	<b>\$ 3,163,333</b>
Percentage .....	4.70%	.43%

\*Government issues include \$3,500,000 Government of Newfoundland Bonds and \$2,000,000 of the French Republic Bond issue, which were absorbed by the Canadian market.

This, as compared with anything in our past, is very surprising. Not only are both of our huge Victory Loans at a premium, but the general course of our bond market has shown a corresponding improvement. While it opened in 1918 at the lowest level of prices, and therefore at the highest yield in interest that we have seen for years, it has improved so that the yield is now from one-quarter to one-half of one per cent. less than at the beginning of the year. Not only have we taken care of all new requirements, but we have paid off loans maturing in the United States to the amount of about \$40,000,000. Now that the war is ended, we must expect large issues of Provincial and municipal bonds, and these should find a ready market either in Canada or in the United States.

#### American Finance.

The financial and trade situation in the latter country is very fully set forth by our New York agent, and the history of American finance during the war is dealt with at length. It is difficult to realize that, in spite of their coming into the war so late, their industries were apparently almost as completely diverted to war purposes as those of other allied countries, the expansion in particular directions, and in foreign trade generally, being without example and beyond our imagination of what was possible. One or two items from his report give us some idea of the scale of their operations. The disbursements of the Government for the fiscal year ending June, 1918, were about \$13,000,000,000, of which \$4,738,000,000 were loans to allies. The estimated expenditure for the year ending June, 1919, was \$24,000,000,000, but it is thought that in view of the armistice this will be reduced to \$18,000,000,000. The total loans to allies in November last were stated to be \$8,185,000,000. Nothing is

more impressive than the fact that of these colossal expenditures one-third is raised by taxation. It has been frequently said that without the Federal Reserve System of banking the United States could probably not have financed the war without more or less collapse of her financial system. It is equally true that the System has permitted an expansion of credit which, notwithstanding the importation of over \$1,000,000,000 in gold since the war began, has gone far enough to require a very conservative course for the immediate future.

#### Great Britain's Task.

This may be a good point at which to consider the position of Great Britain. The report of our London manager should be read by everyone who desires to realize the part that country has played in the war. Unprepared—except as to that navy which by blockading Germany really won the war—she raised a vast army, which, like none of the other armies, fought in all the widely separated areas of the conflict. For two years, while we awaited the entry of the United States, she bore the heavy part of the whole war, lending money, supplying munitions, coal, food, sympathy and advice to her allies. In resourcefulness, invention, daring and unyielding courage, whether in the trenches, at sea, or especially in the air, she astonished her own children, and she amazed that part of the world which has never understood her, unless it be now that the war is won. When the war began she had a debt of three and a half billion dollars. If we deduct what she has lent to her allies, and certain other recoverable items, she will probably owe twenty-two billions of dollars, at a rough estimate. From the first report of the Committee on Currency and Foreign Exchanges After the War, it is clear that the mind of the British banker is steadily bent, not upon further possibilities of inflation, but upon recovering the gold position of Great Britain as soon as possible.

#### Gold Reserves.

The Bank of England has the largest quantity of gold in its history, but its ratio of reserve is low, and the new Government issues of £1 and 10-shilling notes have reached the large total of £293,790,000. Great Britain controls a large percentage of the new gold produced throughout the world, and in the scramble for gold which we shall doubtless see for many years to come she will have the best position. In raising money for the prosecution of the war she has shown a wonderful confidence in her people, as to their power, as well as to their willingness, to provide whatever was necessary, week by week, and she has latterly avoided the large issues at particular moments which have so disturbed finance elsewhere. She at first alarmed some of us by the vast amount of Treasury bills which she kept afloat, but later in 1917 she seemed to have "found herself," and sold National War Bonds and War Savings Certificates in a steady stream through banks and post-offices, to a sufficient extent to meet her needs of £25,000,000 per week.

#### War Finance.

What she was not able to pay was her indebtedness to the United States and Canada for munitions supplied, as this required international money, that is, gold or balances due by foreign countries. She had shipped to the United States, either directly or through other countries, over \$1,000,000,000 in gold, as well as a large amount of securities, and had closed down her manufactures for export in order to produce munitions, and thus, after making huge loans to the allies, she began to require those outside loans which are now roughly estimated at about \$5,000,000,000. Her loans to the allies are supposed to balance the loans she obtained abroad, and we need have little fear that she will not very soon re-establish her supremacy in the field of finance throughout the world, great as are the difficulties surrounding her position. Committees are discussing every phase of her industrial and financial future, and it is realized by her, as we wish it were in some other countries, that uncertainty as to the conditions which will surround her industries is the greatest of all enemies to progress. She will doubtless relax

only slowly the regulation of trade and finance made necessary by the war, perhaps still rationing raw materials, recognizing the priority of essential industries, supervising new issues of securities and checking the export of capital.

#### War Production.

We have endeavored during the war to give some idea, even if the information were fragmentary, of the scope of munition-making in Canada, especially the work of the Imperial Munitions Board. This year we have been anticipated by the excellent Government publication entitled "Canada's War Effort 1914-1918," published not as a final record but as an inspiration for the "fifth year of the war," "the prelude of a greater effort still to come." That the work being done was beyond all expectation we felt to be our excuse for special reference to it, but few of us were prepared for the unstinted praise given by the Premier, Mr. Lloyd George, and by Mr. Churchill, shortly after hostilities ceased. Mr. Churchill telegraphed to Sir Joseph Flavelle as follows:—

"As an armistice with Germany has now been concluded, I wish, as Minister of Munitions, to congratulate you, and through you all your staff, on the splendid work of the Imperial Munitions Board during the last three years. You have carried through a work of the greatest magnitude with uniform success and efficiency, and I wish to pay my personal tribute to the great ability, energy and organizing power you, as Chairman, have shown. Canada's remarkable output of munitions has played a large part in the munitioning of the British armies, and will remain a testimony to the high value of the work of the board in this great struggle. . . . Before August, 1914, no Canadian manufacturer had ever made a shell or a cartridge case or a fuse, but already in the second half of 1917 it was producing 55 per cent. of the shrapnel shells, 42 per cent. of the 4.5 shells, 27 per cent. of the 6-inch, 15 per cent. of the 8-inch, and 16 per cent. of the 9.2-inch shells used by the British armies. The Imperial Munitions Board, created in November, 1915, is an integral part of the British Ministry of Munitions, directly responsible to the Minister, and the British Government was financially responsible for all its expenditure."

#### Vast Orders.

We have already been told that the value of the orders placed in Canada on British account exceeded \$1,200,000,000, covering munitions, ships, airplane timber and sundry war supplies, but it is more interesting to hear that actual cash disbursements have been made down to two months ago, amounting to \$1,075,000,000. Some of the material represented in these purchases is as follows:—

Steel Forgings .....	\$75,600,000
Shells .....	68,300,000
In the production of these forgings and shells upwards of 2,100,000 tons of steel have been used, of which 1,600,000 tons were produced in Canada.	
Copper Bands .....	73,600,000
of which 23,000,000 were produced in Canada.	
Fuses .....	29,000,000
of which 19,000,000 were produced in Canada.	
Powder .....	81,000,000 lb.
High explosives .....	75,000,000 lb.
Steamships built, under construction and under contract:	
Wooden .....	46
Steel .....	44
with an aggregate of 340,100 tons dead-weight and an aggregate value of .....	\$64,500,000
Aeroplanes built .....	3,000

In addition to this seven national plants were built at a cost of over 15 millions, the capital being largely written off already as part of the cost of manufacture. Acetic acid was being made in a plant costing over a million and ferrosilicon in two plants. Carbide was being shipped at the rate of 700 tons monthly. The Board arranged the purchase of timber in Canada for all purposes in Great Britain, private as well as Government. Of the special timber used in constructing aeroplanes in Great Britain, Canada supplied 40 per cent. How important this was may be gathered from the following statement telegraphed by the Controller of Timber:

"It is a notable performance. To have increased production to this extent is a great achievement. This increase should enable us to look forward with some confidence to being able to meet the requirements of the Aircraft Production Department during the year."

Some idea of the work of the Transportation Department of the Board may be gathered from the fact that the volume of inland traffic to and from machinery plants in 1917 was 1,600,000 tons, while 785,000 tons were shipped overseas.

It is interesting to record that, to the mutual advantage of both countries, as our equipment and organization had been released from the production of ammunition for Great Britain, orders were placed in Canada by the United States Ordnance Department.

#### Agricultural Supplies.

The expenditures for war supplies apart from those of the Imperial Munitions Board are more difficult to trace than last year. During the period of the war the Department of Agriculture bought for the British Government oats, hay and flour to the value of a little less than 100 million dollars, and before the war ended they had already begun to buy hay for the United States Government. The War Purchasing Commission recently undertook to supervise the expenditures of other departments, in addition to war disbursements, and these two cannot be readily separated, but altogether we can trace expenditures on war account of from 70 to 80 millions during the past year.

Except in this part of Canada few people realize what the work of the Royal Air Force in its six camps has meant in the successful prosecution of the war. Upwards of 20 millions have been spent on equipment and maintenance, and although it is a branch of the British service and not of the Canadian, we have the proud satisfaction of knowing that among those trained in these camps were 3,500 Canadian officers and 6,000 Canadian mechanics.

#### War Accomplishment.

It may be well to recall what we have accomplished during the period of the war in matters which have a bearing on our industrial and financial future. We have increased the deposits by the public in our banks, from July, 1914, to November, 1918, by 587 millions, of which 268 millions is of the interest-bearing or savings class. We have purchased securities issued by the Dominion Government and others amounting roughly to one billion four hundred millions, having regard to the securities issued in Canada but since sold abroad, and securities bought back from foreign holders. The Dominion Government and the banks have lent to the Imperial Government at least 370 million dollars. We are also carrying on behalf of the Imperial Government a large part of the wheat crop of 1918. The circulation of bank notes has increased by 140 millions, of which, however, 127 millions is covered by deposits of gold or legal tenders in the Central Gold Reserve.

#### Balance Our Borrowings.

The issue of legal tender notes by the Dominion Government, not covered by gold, was at 30th November 221 millions; but while some of this is an addition to the national debt, a considerable part of it is issued under the Finance Act to facilitate the movement of products and should thus in time disappear. In the early years of the war we sold securities in the United States, and if in winding up our

war accounts we find that Great Britain owes us about as much as we have borrowed abroad since August, 1914, we shall have the proud satisfaction of having paid our share of the cost of the war out of our own pockets. On the one hand we shall know that in the greatest emergency in the history of the world we did our part; on the other that we now have a sort of great national ledger in which vast sums stand at the credit of some of our people, to be paid by our people as a whole over a series of years.

#### New Activities.

So far as tangible objects of wealth are concerned we are hardly better off than when the war began. We have created many new factories and plants to make instruments of war, and acquired much skill in working these plants; we have large additions to steel and other plants immediately available for works of peace, and we have new shipyards, but because of four years of concentration on war, we are in need of supplies in many directions. In addition to the resumption of activities in every form of production existing before the war and the beginning of many new activities, we need large expenditures to make our country roads fit for modern systems of transportation, and, frankly, we have waited long enough for this. Anyone acquainted with the traffic on the Toronto and Hamilton Highway will need no further argument as to the business utility of such improvements. We need dwelling houses by the thousand in many districts, and other buildings only await a reasonable adjustment of the present high cost of erection. Our farmers are richer than ever before and will doubtless require farm improvements on a very large scale. We need large expenditures on railways in every direction, greater mileage, more engines, more cars, and better terminals. We need ocean ships to help us compete for the trade of the world.

#### Finance Reconstruction.

There will doubtless be considerable foreign trade open to those who can compete for it, but it will not be obtained without a struggle which leaves no room for lack of skill in manufacturing, of the knowledge of costs, of the power of finance, and of the facilities for transportation. If we can finance part of the reconstruction of Europe as we have financed the making of munitions for Great Britain we shall probably get a fair share of the business now that we have a Trade Mission in existence for this purpose. For a time there will apparently be a market for all foodstuffs, and the demand for agricultural implements should keep our factories very fully employed. Lumber mills should readily sell their product, and doubtless many industries which attained success under our rather difficult pre-war conditions will battle successfully for a share of foreign trade. The recent announcement that orders for lumber valued at forty millions of dollars will be placed in Canada, and will be financed by the Dominion Government, is the first result of our Trade Mission.

#### Cattle Market Abroad.

There is such a scarcity of cattle throughout Europe, and the work of building up reserves is so slow, that we may expect a good market for some years to come. An admirable report by the Canada Food Board shows that, based on the number of animals to every hundred acres of farm lands, we are still at the bottom of the list as producers of cattle, sheep and hogs. That we should have only about one-fourth as many cattle per hundred acres as Holland or Denmark, and only about one-half as many as Great Britain or France, is not so strange as that we have not as many as the United States. Of Great Britain's immense requirements we supply only about 3 per cent. We do not count at all so far as sheep raising is concerned, and if, as is estimated, the world's supply of wool will not be normal for six years, the opportunity is evident.

#### Hog Production.

It is, however, our relative standing as a producer of hogs that is most surprising. We raise only three hogs per hundred acres of farm lands, against every 8 in the United

States, 19 in Holland, and 22 in Denmark, and we supply England with only 10 per cent. of her requirements. To repeat the words of this report "the enormous possibility for development of the Canadian live stock industry is apparent." Our farmers have much more capital than ever before, and we hope that not only a large annual supply of animals for the market will result, but much larger herds as the basis of supply.

#### Finance Purchasing Countries.

If we are to secure the increased production necessary to pay our debts and to prosper, we must recognize certain main points as essential to success. We must be able to lend money to many of the purchasing countries, a condition never present in our export trade before the war. We can readily sell at good prices the products of our farms and pastoral areas, and of our forests and mines. We can find good markets for the manufactured goods which appeared in our exports before the war; agricultural, traction and electrical machinery, paper, pulp, and other articles. For the time being, and we hope permanently, we can build ships, railroad cars and engines, for other countries as well as for ourselves. But we can only keep export trade permanently by a superiority over other manufacturing nations in at least some respects.

#### Water Power Asset.

We have at least one asset of great significance. We are possibly better supplied with water powers of great future possibilities than any other country in the world. Except in the Maritime Provinces and in one Prairie Province, we can provide almost every important industrial centre with Hydro-Electric power. In many countries possessing water powers their value as a national asset is prized so highly, that we may be left in the background if the problem of gradual development at the minimum of cost is not soon solved. This must be worked out on terms of equity both as to the proper distribution of such a priceless asset, and as to the rights of the private capital invested therein, with full assurance as to the sacredness of contract. We have more than once drawn attention to the necessity for industrial bureaus where some of the troubles of the manufacturers can be solved, and for such investigations as those carried on by the Honorary Advisory Council for Scientific and Industrial Research at Ottawa. We are told that we have not in Canada a sufficient number of students available for research work, and this is no doubt quite true. It unfortunately reflects the inability of our universities, because of quite inadequate incomes, to afford the opportunities for training and study which the conditions of our country demand.

#### Peace Problems.

We can now start afresh with the problems of peace, conscious that greater effort is necessary for the future, but that we are able to do many things thought impossible before the war; that our war burden, heavy as it is, is lighter than that of several of the leading nations, and that with our small population and vast country we should be able to attract immigration more successfully than ever in the past. Our war debt, at least that part of it which is held at home, will not seriously interfere with our power of production. Our heaviest burden will still be the annual sum we must pay for interest on our debts to other countries. Because of securities floated in the United States during the war, this is now about 185 millions. If, therefore, living in our comfortable way, we could provide for our public and private improvements by loans at home, and export more than we import to a sufficient extent to enable us to pay this foreign interest, we should prosper and not feel the cost of the war too much. I am aware, however, that we have a small population and a great country to develop, that immigrants may come in large numbers, that railway building is far from being at an end, and that our credit will be good in all markets where money can be obtained. So that although our Victory Loans have taught our people to invest their savings in securities, and have made manifest an ability to absorb securities which has amazed us, we shall doubtless, as in the



past, borrow abroad for our larger schemes of development and thus still further mortgage the future of this country. The wisdom of borrowing depends in each case upon the resulting gain in productive power, but as a rule we shall do well in the near future to look with suspicion upon loans obtained abroad, and to remember that the interest and amortization of such loans is, like the farmer's mortgage, the shadow over every working day.

#### A Development.

I must not close my remarks without a reference to the very marked change which has come about in the banking institutions of the world. Before the war modern transportation and the cable were so increasing the transactions between the various nations, that bankers in Great Britain and the United States not hitherto dealing in foreign exchange, were beginning to discuss the establishment of foreign branches. The war, by its huge demands on finance, accentuated by high prices, has had the effect of causing amalgamations of banks on a large scale, in order that adequate support to business might be possible under the new conditions. Several of these amalgamations have, however, been mainly for the purpose of joining British banks of deposit and discount of the ordinary type, to banks established for foreign business. One great American bank which has lately gone into foreign fields has already established 39 foreign branches, and announces that it will before long have

one hundred such establishments; so that we, who have always been more or less in the foreign banking business, must look to our laurels. In the meantime, without any recent amalgamations, our own figures have reached a total which would have been most noticeable in any financial centre twenty years ago. We have not, however, even in connection with the several amalgamations in past years, asked you to reconsider the remuneration of your directors, and a resolution in that connection will be proposed later by the Vice-President.

The report was then adopted unanimously. Some amendments were made to the by-laws of the Bank, one of which increases the number of directors to twenty-two and eventually to twenty-five. The retiring auditors were re-elected and the usual votes of thanks to directors and staff were passed. The new board consists of the following gentlemen:

Sir Edmund Walker, C.V.O., Z. A. Lash, K.C., John Hoskin, K.C., Sir Joseph Flavelle, Bart., A. Kingman, Hon. W. C. Edwards, E. R. Wood, Sir John Morison Gibson, K.C. M.G., Robert Stuart, George F. Galt, A. C. Flumerfelt, Hon. George G. Foster, K.C., Charles Colby, George W. Allan, K.C., M.P., H. J. Fuller, F. P. Jones, H. C. Cox, Charles N. Candee, J. S. Mitchell, Thomas Findley, W. W. Hutchison and H. R. Silver.

Sir Edmund Walker was subsequently re-elected President and Mr. Lash Vice-President.

#### CANALIZATION OF FRENCH RIVER

A large delegation, chiefly representatives of North Bay and Northern Ontario municipalities and boards of trade, urged on the government, on January 10th, the canalization of the French River, between Georgian Bay and Lake Nipissing. The delegation was received by Hon. Frank Carvell in the absence of Sir Thomas White. With Mr. Carvell were Major-General Mewburn, Hon. Senator Robertson and Hon. Frank Cochrane. John Ferguson, of North Bay, acted as chairman of the delegation.

J. B. McDougall, the principal speaker, representing the North Bay Board of Trade, said that the proposed canalization would cost in the neighborhood of \$16,000,000, or annual interest charges of \$720,000 at 4½ per cent. These interest charges, he claimed, would be met by an estimated revenue of \$750,000 per annum from waterpower.

Further, the total cost of canalization would be liquidated in 18 years by additional customs receipts due to increased traffic. The saving in freight rates by the shorter route available would, in four years, Mr. McDougall claimed, meet the cost of construction.

Received business of the North American Life Assurance Co. of Toronto for December, 1918, amounted to over \$1,700,000, the largest in the history of the company; while the total amount of the applications received during 1918 amounted to over \$14,700,000, an increase of 16% over last year.

## INVESTMENT OPPORTUNITY

**Extensive Western Pine Timber Holdings and Mill on Favorable Terms.**

FOR business reasons Eastern associates offer their Western soft pine timber holdings and mill for sale. Mill has annual capacity of thirty million feet and is now in operation with extensive market already established. Property includes 32,000 acres Western Soft Pine Timber with 500 million feet tributary to mill. Entire property is offered on favorable terms with moderate cash payment. Full particulars to principals only.

Address 13F. Box 215 Monetary Times.

#### MONTREAL CLEARING HOUSE HOLDS ANNUAL

At the annual meeting of the Montreal Clearing House, the chairman, B. H. Waud, stated that during the year there were only two changes in the membership, the Bank of British North America retiring and the Bank of Hamilton being admitted. Speaking of the growth of clearings now that the country is gradually returning to a peace basis, he said that the course of clearings during the next few years will be interesting to follow. Clearings for the year amounted to \$4,833,924,288, which is an increase of \$645,669,078, or 15.41 per cent. over 1917, and over double the amount they were in 1911, which was the previous high record to that date.

The following officers were elected for the coming year: H. B. Henwood, manager of the Bank of Toronto, chairman; J. D. G. Kippen, manager of the Merchants Bank, vice-chairman; C. W. Dean, manager of the Bank of Montreal; H. B. Walker, manager of the Canadian Bank of Commerce; M. S. Bogert, manager of the Dominion Bank; T. C. Leduc, manager of the Banque d'Hochelaga; and B. H. Waud, manager of the Molsons Bank.

The Oxford Securities Corporation Ltd., Toronto, who have several branches in the Province of Ontario, are moving into much larger quarters in the Royal Bank Building, on the 1st of February. They are also opening an office in Montreal, and have appointed Mr. S. G. Faulkner, general manager.

## Safe and Profitable Investments

Sound securities can now be purchased to yield

**5½% to 8½%**

Lists sent free on application.

Orders placed with us for Victory Bonds are filled at official prices, and the bonds delivered at purchaser's local bank free of charges and subject to inspection before payment.

**GRAHAM, SANSON & CO.**  
INVESTMENT BANKERS\*

Members Toronto Stock Exchange

Toronto General Trusts Building. Main 388 Toronto

## VALUATION OF INSURANCE COMPANIES' SECURITIES

The January meeting of the Insurance Institute of Toronto, held on Friday evening, January 16th, was addressed by Mr. D. E. Kilgour, actuary of the North American Life Assurance Company, Toronto. Mr. Kilgour, who was to address the institute in February, but consented to do so in January owing to the inability of the scheduled speaker to be present, spoke on methods of valuating securities.

He compared the relative advantages of market value, amortization value and average market value. The first, he said, is objected to owing to the frequent fluctuations in value or rather in price. It affects fire companies more than life companies because the former are subject to greater disturbances and frequently are required to liquidate at a moment's notice. In both cases, however, changes in market value affect the surplus, and in the case of life companies, it also affects the scale of profits to a policyholder. This method may discriminate among various classes of securities, because some, such as bonds and debentures, may vary to a greater extent than mortgages which have not such a responsive market. Periodically, and at crises, the Insurance Department is obliged to fix a purely artificial standard for bonds and debentures.

Regarding amortization, he pointed out that it avoided many of the evils attending the market value method. On the other hand, he said, conditions may arise which make it extremely probable that the principal will be paid in full at

maturity. The public estimate as to the possibility of the payments of principal and interest being made in full is reflected in the market value, but is not taken into consideration in the amortization value. For this and other reasons the latter has not received the sanction of the Dominion Insurance Department.

In the averaging method the valuation is based on an average of market values over a period of time such as one year or five years. This method avoids to some extent some of the features of the first mentioned. He also mentioned a method which had recently been proposed by Mr. Johnson, of the Prudential of Newark, of taking the market value at a fixed period and amortizing from that date.

The speaker concluded by expressing the opinion that different methods should be adopted according to the purpose for which they were made. He did not wish to be regarded as prejudiced on such a controversial subject, but on the whole, he favored a market value averaged over a period of, say, three years. In the subsequent discussion which took place, Mr. L. K. File, of the Canada Life, asked for views as to a valuation arrived at by deducting a fixed amount, say, 2 per cent., from the earnings of each company. Thus a company earning 5½ per cent., would be required to value its securities on a 3½ per cent. basis. Mr. Kilgour submitted that this was too flexible, and the general opinion was that such a method would be injurious in diverting investments into high yielding securities.

# UNION BANK

## OF CANADA

### 54th Annual Statement—30th November, 1918

The Fifty-fourth Annual Meeting of the Shareholders of the Union Bank of Canada was held at the Head Office of the Bank, in the City of Winnipeg, at twelve noon, on Wednesday, the 8th instant.

The President, MR. JOHN GALT, in the chair.

#### DIRECTORS' REPORT.

The Directors have pleasure in presenting their report showing the result of the business of the Bank for the year ending November 30th, 1918.

During the year, owing to the depletion of the staff caused by enlistment for military service, the following offices were closed:—Coatsworth, Eastons Corners and Toledo in the Province of Ontario; Adanac, Guernsey, Jansen, Major, Netherhill and Salvador in the Province of Saskatchewan; of which all except Adanac have since been reopened.

The number of Branches and Agencies in operation on November 30th, 1918, was 299.

The usual inspection of all Branches and Agencies has been made.

Mr. S. E. Elkin, M.P., of St. John, N.B., has been elected to fill a vacancy on the Board of Directors.

JOHN GALT, President.

#### PROFIT AND LOSS ACCOUNT

Balance at credit of account, 30th November, 1917	\$106,624.34
Net profits, for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to	824,174.56
	<b>\$930,798.90</b>

Which has been applied as follows:—

Dividend No. 124, 2¼ per cent., paid 1st March, 1918	\$112,500.00
Dividend No. 125, 2¼ per cent., paid 1st June, 1918	112,500.00
Dividend No. 126, 2¼ per cent., paid 3rd September, 1918	112,500.00
Dividend No. 127, 2¼ per cent., payable 2nd December, 1918	112,500.00
Transferred to Rest Account	200,000.00
Written off Bank Premises Account	75,000.00
Contribution to Officers' Pension Fund	10,000.00
Contribution to Halifax Relief Fund	5,000.00
Contribution to Canadian Red Cross, Manitoba Branch	5,000.00
Contribution to Young Men's Christian Association Overseas	3,000.00
Contribution to Salvation Army Overseas	2,000.00
Contribution to Belgian Relief Fund	1,000.00
Contribution to Knights of Columbus, Army Hut Appeal	1,000.00
Contribution to Navy League of Canada, Sailors' Week	2,500.00
War Tax on Bank Note Circulation to 30th November, 1918	50,000.00
Balance of Profits carried forward	126,298.90
	<b>\$930,798.90</b>

## General Statement of Liabilities and Assets

AS ON 30th NOVEMBER, 1918

## LIABILITIES

Capital Stock .....		\$ 5,000,000.00
Rest Account .....	\$ 3,600,000.00	
Balance of Profit and Loss Account carried forward .....	126,298.90	
	\$ 3,726,298.90	
Unclaimed Dividends .....	10,261.43	
Dividend No. 127, payable 2nd December, 1918 .....	112,500.00	
		3,849,060.33
		\$ 8,849,060.33
Notes of the Bank in circulation .....	\$12,134,649.00	
Deposits not bearing interest .....	58,805,207.86	
Deposits bearing interest .....	68,437,490.47	
Balances due to other Banks in Canada .....	424,601.94	
Balances due to Banks and Banking Correspondents elsewhere than in Canada .....	1,751,177.75	
		141,553,127.02
Acceptances under Letters of Credit .....		2,706,467.06
Liabilities not included in the foregoing .....		72,797.11
		\$153,181,451.52

## ASSETS

Gold and Silver Coin .....	\$ 940,446.58	
Dominion Government Notes .....	15,113,307.00	
		\$ 16,053,753.58
Deposit with the Minister of Finance for the purposes of the Circulation Fund .....		260,000.00
Deposit in the Central Gold Reserves .....		7,800,000.00
Notes of other Banks .....		763,793.00
Cheques on other Banks .....		3,817,392.16
Balances due by other Banks in Canada .....		92,051.67
Balances due by Banks and Banking Correspondents elsewhere than in Canada .....		2,933,356.72
Dominion and Provincial Government Securities not exceeding market value .....		12,527,937.82
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian .....		15,720,338.76
Railway and other Bonds, Debentures and Stocks not exceeding market value .....		2,501,824.71
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks .....		6,508,728.64
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada .....		3,389,150.00
		\$ 72,368,327.06
Other Current Loans and Discounts in Canada (less rebate of interest) .....		74,021,028.40
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) ..		1,944,112.28
Real Estate other than Bank Premises .....		268,152.80
Mortgages on Real Estate sold by the Bank .....		141,656.39
Overdue Debts, estimated loss provided for .....		327,941.58
Bank Premises, at not more than cost, less amounts written off .....		1,237,606.70
Liabilities of customers under Letters of Credit, as per contra .....		2,706,467.06
Other Assets not included in the foregoing .....		166,159.25
		\$153,181,451.52

JOHN GALT, President.

H. B. SHAW, General Manager.

## Report of the Auditors to the Shareholders of the Union Bank of Canada.

In accordance with the provisions of subsections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:—

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information, and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, E. S. READ, C. R. HEGAN,  
Auditors, of the firm of  
WEBB, READ, HEGAN & CO.,  
Chartered Accountants.

Winnipeg, 20th December, 1918.

# TWENTY-FIRST ANNUAL REPORT OF THE MERCHANTS FIRE INSURANCE COMPANY

Head Office, Merchants Fire Building, 86 Adelaide Street East

TORONTO - - - CANADA

RALPH E. GIBSON, President.  
SURGEON-GENERAL G. S. RYERSON,  
1st Vice-President.

JOHN H. C. DURHAM,  
2nd Vice-President.

## DIRECTORS

R. H. GREENE,  
Toronto.  
N. H. STEVENS,  
Chatham.

J. W. SCOTT,  
Listowel.  
W. S. DINGMAN,  
Toronto.

WILLIAM PRENDERGAST,  
Toronto.

B. P. COREY,  
Petrolia.  
DR. J. R. DURHAM,  
Warren, Pa.

JOHN H. C. DURHAM,  
General Manager.

FREDERIC P. WYTHE,  
Assistant Manager.

A. J. WALKER, C.A., AND R. WILLIAMSON, C.A.  
Auditors.

## REPORT OF DIRECTORS

To the Shareholders:—

Your Directors beg to present the Twenty-first Annual Report covering the year ending December 31st, 1918, together with the usual Cash Statement and Balance Sheet of Assets and Liabilities, duly certified by the Auditors and passed for publication by the Superintendent for Ontario. You will be particularly pleased to learn therefrom that the operations of the Company were very successful, and that the net earnings were without exception, the largest in the history of the Company.

The Premium Income, Interest Receipts, Building Rentals, Commission on Re-Insurance, Re-Insurance on Fire Claims and Endorsement Fees were respectively, \$370,185.78; \$19,265.95; \$4,350.00; \$1,329.77; \$6,078.27 and \$225.85.

The Net Profit on the year's operations was \$95,171.09. A Dividend of ten per cent. (10%) on the paid-in Capital Stock was declared therefrom, and the Balance carried to Profit and Loss Account.

The Amount at Risk now stands at \$56,701,263.00. The number of Policies in force is 49,647; an increase of 5,461. The average risk per policy is \$1,162.23. The Expense Ratio for 1918 was 33.94%, which is inclusive of all Government Taxes. The Fire Loss Ratio was 39.29%, and the Profit, 26.77% of the Net Premium Income.

The Fund deposited with the Ontario Insurance Department is \$111,500.00, and is the largest Government Deposit made by any Canadian Fire Insurance Company. Furthermore, it is greatly in excess of Statutory requirements.

When your Directors reported upon the results for 1917, they ventured to predict that the splendid organization possessed by the Company would produce even greater results during 1918, and I am now happy to say that the hopes then expressed have been abundantly realized. The amount of business written shows a splendid increase, and at the same time was kept up to the high standard set in the past. The Fire Losses and Expenses of Management, despite the heavy general increase experienced throughout Canada, were practically the same as for the preceding year. The affairs of the Company are in a sound, healthy and a very satisfactory condition, and the shareholders are to be congratulated upon the efficiency of the management. The Books, Vouchers and Securities of the Company are continuously and efficiently audited and examined and there is not a doubtful Asset or account of any kind that is carried on the Books.

All of which is respectfully submitted.

RALPH E. GIBSON, President.

## CASH STATEMENT

For Year Ending December 31st, 1918

### RECEIPTS.

Premiums received in Cash .....	\$335,338.14
Interest on Investments .....	18,353.72
Building Rentals .....	4,350.00
Commission on Re-Insurance .....	1,329.77
Re-Insurance on Claims .....	6,078.27
Endorsement Fees .....	225.85
	<hr/>
	\$365,675.65
Received on Investments .....	17,900.00
Cash on Hand, December 31st, 1917.....	1,084.29
Cash in Canada Permanent, December 31st, 1917	5,503.56
Cash in Union Bank, December 31st, 1917 .....	4,036.13
Cash in Royal Bank, December 31st, 1917 .....	22,317.13
	<hr/>
	\$416,516.86

### EXPENDITURES.

Agency Commissions .....	\$ 75,551.51
Salaries, Directors' and Auditors' Fees .....	20,435.65
Postage and Express .....	881.49
Interest and Exchange .....	1,206.90
Printing, Stationery and Advertising .....	7,638.84
Legal Expenses .....	125.00
Light Account .....	62.42
Rent of Offices .....	2,760.00
Travelling Expenses .....	385.00
Building Expenses .....	3,087.55
Office Furniture and Plans .....	1,529.00
Federal War Tax .....	3,258.97
Provincial Taxes and Fees .....	3,881.80
Adjustment of Claims .....	2,389.29
Sundry Expenses .....	1,478.63
	<hr/>
Expenses of Management .....	\$124,672.05
Fire Claims, 1918 .....	146,650.94
Re-Insurance .....	6,729.56
Rebates and Cancellations .....	6,213.07
Dividend on Capital Stock .....	7,500.00
	<hr/>
Invested during 1918 .....	\$291,765.65
Cash on hand, December 31st, 1918.....	98,129.56
Cash in Canada Permanent, December 31st, 1918.	399.35
Cash in Union Bank, December 31st, 1918.....	5,369.35
Cash in Royal Bank, December 31st, 1918 .....	1,111.97
	<hr/>
	19,741.01
	<hr/>
	\$416,516.86

**BALANCE SHEET, December 31st, 1918**

**ASSETS.**

Capital Stock, uncalled .....\$150,000.00

**Bonds and Debentures.**

<b>Dominion of Canada War Loan—</b>	
1st Loan .....	\$10,000.00
2nd Loan .....	10,000.00
3rd Loan .....	10,000.00
4th Loan .....	10,000.00
5th Loan .....	20,000.00
City of Toronto .....	24,386.66
Province of Alberta .....	20,000.00
Township of York .....	10,462.03
Province of Ontario .....	5,000.00
Province of Ontario (Hydro) .....	5,000.00
City of Belleville .....	5,000.00
City of Brantford .....	5,000.00
City of Chatham .....	5,000.00
City of Ottawa .....	5,000.00
City of Stratford .....	5,000.00
City of London .....	5,000.00
City of Hamilton .....	5,460.00
City of Windsor .....	5,056.85
City of St. Catharines .....	5,000.00
City of Kingston .....	3,832.35
City of Victoria .....	2,931.32
City of Peterboro .....	2,000.00
City of Owen Sound .....	2,000.00
City of Port Arthur .....	3,000.00
Town of Walkerville .....	5,000.00
Town of Brampton .....	4,314.23
Town of St. Marys .....	2,721.89
Town of Weyburn .....	500.00
Village of Acton .....	2,000.00
Town of Kenora .....	3,000.00
Canada Permanent Mortgage Corporation .....	10,000.00
London Loan and Savings Company...	10,000.00
Huron and Erie Mortgage Company...	6,000.00
Standard Reliance .....	5,000.00
Toronto Mortgage Corporation .....	5,000.00
Crown Savings and Loan Company...	2,500.00
Ontario Loan and Debenture Company	2,500.00
Victoria Loan and Savings Company..	2,500.00
Southern Loan and Savings Company.	2,500.00
London and Western Trust Company.	2,500.00
British Mortgage Loan Company ....	2,500.00
Midland Loan and Savings Company..	2,500.13

Real Estate (Head Office Building) .....	\$255,165.46
Mortgages on Real Estate .....	50,000.00
Accrued Interest in Investments .....	136,850.00
Agency Balances (Net) .....	4,341.43
Cash on Hand .....	11,751.42
Cash, Union Bank of Canada .....	\$ 399.35
Cash, Royal Bank of Canada .....	1,111.97
Cash, Canada Permanent .....	19,741.01
	5,367.55
	26,621.68

\$634,729.99

**LIABILITIES.**

Capital Stock (Subscribed) .....	\$150,000.00
Re-Insurance Reserve (Full Ontario Government Standard, being 50% of Premiums on all business in force as at December, 1st, 1918) ....	251,083.40
Provision for unpaid Fire Claims .....	500.00
Surplus over and above all Liabilities, including Capital Stock .....	83,146.59

\$634,729.99

Having maintained a continuous monthly audit of the books of the Merchants Fire Insurance Company; examined the Securities at Head Office; verified the Bank Balances; counted the cash on hand and obtained a certificate from the Insurance Department as to the Government Deposit, we certify that this Balance Sheet is true and correct; the books conforming thereto.

(Signed) ALBERT J. WALKER, C.A.  
(Signed) RUTHERFORD WILLIAMSON, C.A.  
Toronto, January 11th, 1919.

The policy issued by the Merchants Fire Insurance Company is the only Fire Insurance contract on the market today that provides for payment of all Fire Losses within Five Days after receipt of proofs of loss. Behind it is our record of twenty-one years of service—promptness and satisfactory treatment of Policyholders, together with expert advice and liberal rates. It is the desirable policy for your protection and full particulars can be had by application to

MITCHELL & RYERSON, -- TORONTO GENERAL AGENTS  
86 East Adelaide Street, Toronto.  
Telephones Main 7054-7046-6211.

**MINIMUM PRICES STAND IN MONTREAL**

Following a meeting of the members of Montreal Stock Exchange on January 14th, it was announced that the minimum prices in force on the stock exchange at the present time would stand until peace is signed. This decision was arrived at after the voicing of considerable opposition on the part of some members. The first vote was on an amendment to the proposal that all minimums be removed, proposing that the minimum price only on stocks now selling above the minimum be removed. After this was defeated, voting on the second amendment—namely, that minimums should be removed, but only after peace had been signed, carried it by an overwhelming majority. Among the reasons for the holding of the minimum price was the fact that it was not operating to any extent to the detriment of trading, and that although call money was becoming freer, the banks were still restricting unnecessary borrowing.

**MUNICIPAL BOND NEWS**

Messrs. A. E. Ames and Co., of Toronto, have purchased \$16,500 bonds of the township of Sandwich. They are 6 per cent. debentures, payable in 20 instalments.

Messrs. Kerr, Fleming and Co., of Toronto, have purchased a block of bonds of \$13,500 of the township of Whitby. Their tender was for \$13,677. Six other bond houses also bid. The debentures bear 6 per cent., and are payable in 20 instalments.

The town of Collingwood has sold to Messrs. C. H. Burgess and Co., of Toronto, an issue of \$13,000 10-year 6 per cent. bonds, and an issue of \$8,400 6 per cent. 10-instalment bonds.

The township of York is calling for tenders on three by-laws amounting to \$75,515. They are to bear 6½ per cent., payable in 10 instalments.

The town of Hanover is sending out a notice asking for tenders for \$18,000 for hydro-electric debentures.

The Royal Bank has opened a branch at Mount Stewart, Prince Edward Island.

Mr. F. G. Morley, secretary of the Toronto Board of Trade and secretary-treasurer of the Ontario Associated Board of Trade, is calling a general conference of the various bodies at Toronto on March 27th and 28th. Owing to the war there has not been a general conference since 1916.

# THE ROYAL BANK OF CANADA

## *Fiftieth Annual Meeting*

SIR HERBERT HOLT, PRESIDENT, PAYS GRACEFUL TRIBUTE TO  
VALOUR OF CANADIAN SOLDIERS

Edson L. Pease, Vice-President and Managing Director, Deals With the Policy of the Bank in Foreign  
Fields and Announces Important Extensions

C. E. Neill, General Manager, Refers to Features of Growth and Expansion of Past Year

The Fiftieth Annual General Meeting of the Shareholders of the Royal Bank of Canada held at the Head Office was marked by interesting references to the principal problems with which Canada is confronted at the present time.

As one of the most important undertakings is to secure to the Dominion a larger amount of the foreign trade of the world, special references were made to the policy of the Royal Bank in foreign fields and the co-operation the Bank is prepared to give in order to help bring a larger volume of foreign trade in this country.

The General Manager, Mr. C. E. Neill, in submitting the Annual Statement, said:—

The statement before you to-day is the best that has been submitted to the shareholders of this bank.

Total assets are \$427,512,982.91 as against \$335,574,186.52 last year. A portion of the increase—\$27,819,291.82—arises from the purchase of the Northern Crown Bank.

Total deposits are \$332,591,717.92, the growth for the year being approximately \$80,000,000. The relatively large increase in free deposits as compared with interest bearing deposits is due to the transfer of funds to the Dominion Government during the month of November on account of payments on the last Victory Loan. There were heavy withdrawals from the Savings Department in connection with previous Victory Loan issues, but the decrease in interest bearing deposits was temporary, and it may be expected that the withdrawals in connection with the present loan will be made up in due course.

It is interesting to note that subscriptions to the last Victory Loan made through this bank aggregated \$104,507,400 of which amount \$14,774,564 was due to conversions, the number of our subscribers was no less than 127,085.

The expansion in our circulation continues, the increase for the year being over \$11,000,000. The excess is covered by the deposit in the Central Gold Reserve—\$26,000,000.

Current loans show a substantial expansion, indicating that we are doing our share in taking care of the commercial requirements of the country.

The liquid position of the bank is more favorable than it was last year, the percentage of liquid assets to liabilities to the public having increased from 53.9% to 56.59%.

From the standpoint of cash reserves we are also stronger, the percentage of cash to liabilities to the public being 17.13% as against 16.36% the previous year.

Our additional investments are chiefly in securities of the Imperial Government and Canadian Government issued for war purposes.

The substantial growth in the bank's assets has resulted in a pronounced increase in earnings. Net profits for the year were \$2,809,846.24 being 10.19% on the combined capital and reserve as compared with \$2,327,979.51, 8.82% on capital and reserve the previous year. The marked growth in the bank's general business is due to the activities in all branches of trade and increased value of agricultural production.

We must now grapple with the problems of a period of deflation and reconstruction, and we do so with the strong conviction that no serious difficulty will be encountered in surmounting them.

### PRESIDENT'S ADDRESS.

In moving the adoption of the Directors' Report, Sir Herbert S. Holt, President, said:—

I am sure I am giving expression to the thoughts of all present in saying that uppermost in our minds at this time are feelings of relief and thankfulness for the end of the terrible war with which the world has been afflicted for four and a quarter years—an ending of triumphant success to the Allies, without which any relief or thankfulness would be inconceivable. With the relatives of those who have given their lives in our cause, we deeply sympathize. The valor and achievements of Canada's soldiers on the battlefield fill us with pride, and gratitude for their heroic service

should be shown in tangible form. The country is their debtor. Satisfactory employment should be found for every returning soldier who is fit to work, and relief extended to the maimed and crippled. In this Bank, unless there is some good reason to the contrary, every officer who enlisted and who applies for reinstatement within a reasonable time after his return will be re-engaged on the salary to which he would have been entitled had he continued in the service, subject to reasonable adjustments, where necessary.

The sudden collapse of Germany and her allies has brought us face to face with the grave economic problems which had been foreseen. Not only must several hundred thousand fighting men be re-absorbed into civil life, but an industrial army must be transferred from the manufacture of war materials to other lines of production. Moreover, before the war financing is completed, it is estimated that our national debt will exceed \$1,800,000,000, and in addition we must provide for an annual pension load of approximately \$30,000,000.

Such an outlook would have been viewed four years ago with widespread pessimism. To-day it is met with confidence, well founded upon abundant natural resources, demonstration of ability to adapt ourselves to unusual conditions, and wonders performed during the times of war through organization and skilful leadership. In spite of the drain on our man power, industrial efficiency is higher than in 1914, and capacity for production has increased; while many enterprises which were then feeling the stress of hard times are now firmly established. Our exports since 1914 have enabled us to regain the balance of trade which for many years previous had been against us. Our general prosperity is evidenced by the striking increase in bank deposits, and by the success of the Victory Loans, particularly the most recent. In that case the subscription per capita was greater than for any other loan made by the warring nations with the exception of the third British issue.

#### ADVISES POLICY OF THRIFT.

As all our trade enterprises both at home and abroad must be financed by Canadian capital, their success will be measured by the extent of our national capacity for self-denial. To encourage the habit of thrift among all classes, the Government has inaugurated a War Savings Stamp campaign similar to that which proved so popular in Great Britain and the United States. It is unnecessary to enlarge on the value of individual and national thrift. In England the War Savings Committee have recently announced that the organization built up by it throughout the country will be continued as a permanent part of the national machinery. The development of the habit of saving in England has met with marked results, the number of holders of Government securities increasing from 345,000 at the beginning of the war to over 17,000,000 to-day. The success of the movement in England would seem to justify its permanent retention in this country.

#### CAPITAL MUST NOT BE HAMPERED.

The Business Profits War Tax Act ceased to apply on the 31st day of December, 1918, except in the case of any company or person who had failed to make returns. The Minister of Finance has wisely made the provisions of this Act practically co-terminous with the period of earning of

large profits incidental to special business during the war. If labor is to be given its full opportunity, the capital which finds employment for it must not be hampered.

Since the signing of the armistice a marked tendency has been evident on the part of those in authority in England and the United States to extend the system of paternalism, which was only approved as a war measure. Organizations which have attained maximum efficiency through individual enterprise and experience will now likely pass under the control of inexperienced political executives and unenterprising officials. At this time, when the need for national economy was never greater, it seems imperative that administration should be left in the hands of the most capable, with Governmental assistance whenever it can be usefully extended, and Governmental regulation wherever public interest demands.

#### THE VICE-PRESIDENT.

In seconding the motion for the adoption of the Directors' Report, Mr. E. L. Pease, Vice-President and Managing Director, said:—

The President in his address has referred at length to the salient features of the post-war position, and the General Manager has reviewed the course of the Bank's business during the past year. I shall refer more particularly to the extension of the bank's operations in foreign fields and our policy in that direction.

In June last we established a branch in Barcelona, Spain, in order to participate in the large trade between that country and her former colonies, where we have many branches, and I am pleased to say the results have greatly exceeded our expectations.

We are now preparing to open in Paris, France, in order to secure a share of the commerce which is expected to develop with Canada in the rehabilitation of northern France and Belgium.

In consideration of the Commission sent to Siberia by the Dominion Government and the developments to follow, officers have been sent to Vladivostock, Siberia, to open a branch there. This action was taken with the commendation of the Government. The Commission, which comprises representatives of agricultural, mining, transportation and financial interests, was sent to aid in supplying the pressing needs of Russia, and assist in stabilizing conditions there. The organization of a Siberian Supply Commission will follow, and through it goods will be purchased in Canada for shipment to Russia. Siberia needs many commodities which Canada can supply, such as agricultural implements, shoes and clothing.

If Canadian industries are to flourish and increase in the face of the world's competition, our manufacturing processes must be improved, all waste eliminated, by-products utilized, and research encouraged. In the new order of things there is no room for antiquated or unscientific methods. A step in the right direction is the formation of groups of Trade Guilds with the object of applying scientific knowledge to the problems of various industries. These guilds follow the plan developed with such rapidity and success in the United States and in Great Britain, where more than thirty are now in operation. The determining factor in our success will be progress in scientific research, through which a new impetus will be afforded to industrial activity.

### EXTENSION OF EXPORT TRADE NECESSARY.

The extension of Canada's export trade is vital to her commercial self-preservation and future economic welfare. Only by creating a large favorable balance of trade can we hope to meet the interest of our foreign debt. A great opportunity lies in the speedy development of all the possibilities of our live stock industry, which during the past five years has experienced a phenomenal growth. It is capable of far greater expansion, and as the world's production of animal food stuffs will not be equal to the demand for many years to come, high prices and good markets are assured. A special trade and commerce committee has been sent to London with a view to securing special business from the Allies during the period of reconstruction, which would mean genuine prosperity for several years, but beyond this we need to promote permanent trade relations with South America, the Orient and other portions of the Empire. Other countries are making great preparations to exploit these fields, and there is no reason why Canada should not play an important part in the competition. Our manufacturers demonstrated their technical skill and efficiency in producing munitions and other commodities during the war at a lower cost than the United States. We possess an important advantage in our cheap lumber and paper. The vigorous ship-building policy of the Government will provide in the course of the next eighteen months forty-five vessels of a total dead weight tonnage of 246,000, and thus afford direct communication with foreign countries. Of our large imports of tropical products from the West Indies and South America, only about one-fifth reaches us directly. Four-fifths are discharged at United States ports for trans-shipment to Canada, and the steamers which bring them are laden on the return voyage with American goods.

### CANADIAN BANKS CAN HELP.

The Canadian banks can effectively aid our export trade by establishing branches in foreign countries and supplying information to the Canadian exporter to enable him to judge of trading possibilities, such information to include statistics relative to the demand for our manufactured and raw products, methods of transacting business, rules and regu-

lations to which business interests must conform, and the standing and credit of business houses. British banks exist in almost every foreign country, and have proved a powerful factor in the development of Great Britain's world wide trade. Lloyd's Bank recently purchased the assets of the London and River Plate Bank, the largest bank in South America. Germany's trade was promoted by her banks, and American banks are rapidly establishing foreign branches.

Are we going to accept the crumbs of foreign trade without serious competition on our part? It does not follow that Canadian deposits would be diverted to foreign fields—the experience of this Bank has proved the contrary. Our foreign deposits have always exceeded our foreign commercial loans, as the Government returns show. The present excess is over \$15,000,000. We have now had twenty years' experience of banking in Cuba, the West Indies and Central America. During this period our losses have been infinitesimal—much under the percentage incurred in Canada, because the business represents chiefly the movement of staples, accommodation paper being inconsiderable. That Canada's trade is benefited by these branches is shown by the numerous business enquiries received. At the same time it cannot be said that we have neglected home interests. The number of our branches in Canada exceeds that of any other bank. With a view to the extension of Canada's foreign trade and encouraged by our past success in this field of banking, for which we are well equipped, we have decided after long consideration and carefully studying the situation, to open three branches in South America, at Rio de Janeiro, Brazil; Montevideo, Uruguay; and Buenos Aires, Argentine. Members of the staff for these branches have already been selected, and are about to leave for South America.

I cannot close without some reference to the achievements of the men who have so splendidly represented our country abroad. They have made the name of Canada great in war—it is for us to keep it great in peace. With thrift, co-operation, organization and wise leadership, we may hope to build up a nation strong in its own strength and a worthy partner in the Empire.

### MERCHANTS FIRE HAD SUCCESSFUL YEAR

The figures to be presented at the annual meeting of the Merchants Fire Insurance Company next month, illustrate a healthy and conservative growth. The amount at risk now stands at \$56,701,263, as compared with \$49,670,297 last year. The following comparative figures illustrate its position at the end of 1918, as compared with the previous year:—

	1917.	1918.
Number of policies in force .....	44,186	49,647
Average risk per policy .....	\$ 1,124	\$ 1,162
Expense ratio (including government tax) .....	33.93%	33.94%
Fire loss ratio .....	39.01%	39.29%
Profit .....	27.04%	26.77%
Fund deposited with Ontario government .....	\$106,500	\$111,500
Cash premiums .....	281,989	335,338
Interest on investments .....	14,409	18,353
Agency commissions .....	64,116	75,551
Salaries, directors' and auditor's fees ....	16,171	20,435
Total management expenses .....	103,258	124,672
Fire claims .....	129,605	146,650

Seventy-three per cent. of the company's business is on residential property and it has, therefore, to some extent,

avoided the heavy losses which have been incurred on industrial properties during the past year. Its agency organization touches 700 different points in Ontario, at some of which it has several agencies. It has frequently cancelled all its policies at certain points where fire losses were unusually severe.

The company's investments are shown in detail elsewhere in this issue. Government and municipal bonds constitute the largest single item and the list is carefully selected.

### RIGHT TO ISSUE BONDS AND STOCKS

The order-in-council prohibiting the issue in Canada of bonds, debentures and other securities and shares of stock, without the consent of the Minister of Finance, has been wholly repealed and issues may now be made without war-time restriction.

The composite plot reproduced in *The Monetary Times Annual*, page 44, was prepared by Babson's Statistical Organization, Wellesley Hills, Mass.



**Baldwin, Dow & Bowman**  
 Chartered Accountants  
 OFFICES AT  
**Edmonton, Alberta. Toronto, Ont.**

ESTABLISHED 1882.  
**HENDERSON, REID AND COMPANY**  
 CHARTERED ACCOUNTANTS  
 WINNIPEG, Manitoba MEDICINE HAT, Alberta  
**HENDERSON, REID AND PATERSON**  
 CHARTERED ACCOUNTANTS  
 ACADIA BLOCK, LETHBRIDGE, Alberta  
 W. A. Henderson J. D. Reid R. J. Ritchie Paterson

**CLARKSON, GORDON & DILWORTH**  
 CHARTERED ACCOUNTANTS, TRUSTEES, RECEIVERS, LIQUIDATORS  
 Merchants Bank Building, 15 Wellington Street West, TORONTO  
 E. R. C. Clarkson, G. T. Clarkson.  
 H. D. Lockhart Gordon R. J. Dilworth.  
 Established 1864

**BERT. R. MASECAR**  
 Chartered Accountant  
 Auditor Accountant Liquidator Trustee  
**SASKATOON, Sask.**

**Charles D. Corbould**  
 CHARTERED ACCOUNTANT AND AUDITOR  
**ONTARIO AND MANITOBA**  
 902 Paris Bldg. . . . . Winnipeg  
 Correspondents at Toronto, London, Eng., Vancouver

**D. A. Pender, Slasor & Co.**  
 CHARTERED ACCOUNTANTS  
 805 CONFEDERATION LIFE BUILDING  
 WINNIPEG

**CREHAN, MOUAT & CO.**  
 CHARTERED ACCOUNTANTS  
 Board of Trade Building - VANCOUVER, B.C

**RONALD, GRIGGS & CO.**  
 AND  
**RONALD, MERRETT, GRIGGS & CO.**  
 Chartered Accountants Auditors Trustees Liquidators  
 Winnipeg, Toronto, Saskatoon, Moose Jaw, London, Eng.

**A. A. M. DALE**  
 CHARTERED ACCOUNTANT  
**WEYBURN SASK.**

F. C. S. TURNER WILLIAM GRAY JAMES GRANT  
**F. C. S. TURNER & CO.**  
 CHARTERED ACCOUNTANTS  
 Trust & Loan Building - WINNIPEG

GEORGE EDWARDS, F.C.A. ARTHUR H. EDWARDS, F.C.A.  
 H. PERCIVAL EDWARDS W. POMEROY MORGAN W. H. THOMPSON  
 CHAS. E. WHITE T. J. MACNAMARA A. G. EDWARDS  
 O. N. EDWARDS J. C. McNAB THOS. P. GEGGIE  
 A. L. STEVENS  
**EDWARDS, MORGAN & CO.**  
 CHARTERED ACCOUNTANTS  
**OFFICES**  
 TORONTO .. CANADIAN MORTGAGE BUILDING  
 CALGARY .. HERALD BUILDING  
 VANCOUVER .. LONDON BUILDING  
 WINNIPEG .. ELECTRIC RAILWAY CHAMBERS  
 MONTREAL .. MCGILL BUILDING  
**CORRESPONDENTS**  
 HALIFAX, N.S. ST. JOHN, N.B. COBALT, ONT.  
 LONDON, ENG. NEW YORK, U.S.A.

R. WILLIAMSON, C.A. J. D. WALLACE, C.A. A. J. WALKER, C.A.  
**RUTHERFORD WILLIAMSON & CO.**  
 Chartered Accountants Trustees and Liquidators  
 86 Adelaide Street East 604 McGill Building  
 TORONTO MONTREAL  
 Cable Address—"WILLCO."  
 Represented at Halifax, St. John, Winnipeg, Vancouver

Orders for the new issue of H. M. P. Eckardt's  
**Manual of Canadian Banking**  
 are now being received - \$2.50  
 Postpaid anywhere  
 The Monetary Times Printing Company, Toronto, Ont.

The Alberta Returned Soldiers' Committee at the closing session of the conference at the Parliament Buildings, on January 4th, adopted a resolution calling upon the Dominion government to forthwith settle its policy of providing returned soldiers with suitable lands to enable men to acquire the same for production purposes in 1919.

Proceedings are now being taken in the Exchequer Court to definitely declare the Hamilton Radial Company insolvent. This marked the latest stage in the battle between Burlington, Hamilton and other interested municipalities, against the company, over the cessation of electric service between Hamilton, Burlington and Oakville.

## CANADA'S WAR SAVINGS STAMPS

### Explanation of Plans for Promoting Thrift in Canada— Description of Stamps

The Canadian War Savings plan is an effort on the part of the Dominion government to provide a means for collecting the surplus money of all classes of the population and placing it at the service of the country. It aims at making all persons, no matter how small may be their earning power, direct shareholders and profit-sharers in the financial operations of Canada. By this method it is hoped that \$50,000,000 may be gathered in between now and the end of 1919.

This it is proposed to do through the sale of War Savings Stamps, which may be bought during the month of January for \$4.00, and for which the government promises to pay \$5.00 in January, 1924. The rate of interest is thus a little over  $4\frac{1}{2}$  per cent, compounded half-yearly. The sale, which has recently opened, will continue throughout 1919, one cent being added to the price of the stamps, for each month in the year. The price in February is \$4.01, March \$4.02, April \$4.03, and so on, the December price being \$4.11. The price is thus increased monthly, because, during all this time, the stamps are bearing interest. Stamps may be purchased at any bank, money order post office, and at the principal railway ticket offices. Fully 9,200 offices are now selling them.

### War Savings Certificates

With each War Savings Stamp goes a War Savings Certificate, on the back in which are 10 spaces on which the stamps are to be affixed as they are purchased. It is expected that when stamps are purchased they will be registered by the purchaser. There are spaces also for the name and address of the owner, and another space for registration particulars. By folding, the certificate is reduced to a 4 by 9 inches size, and forms a very convenient shape for the carrying of stamps.

In January, 1924, \$5.00 will be paid for the stamps at the finance department, Ottawa; or at any money order post office, after 10 days' notice has been given. If lost, the name and address affords a ready means for identification and recovery. If the owner of War Savings Stamps desires to get his money before 1924 he may do so by applying to a money order post office.

### Thrift Stamps for Small Sums

As a means of enabling persons who cannot pay \$4.00 down, to buy War Savings Stamps, Thrift Stamps and Thrift Cards are provided. Thrift Stamps are sold at 25 cents each, and, with the first of these, goes a Thrift Card, containing 16 spaces on which the stamps are to be affixed when purchased. When all spaces on the card are filled, it is exchanged for a War Savings Stamp. The possessor then buys another Thrift Stamp, gets a Thrift Card and thus begins saving again to buy another War Savings Stamp.

It is evident that if from now on Canadians are not a saving people it will not be through lack of opportunity, or inducement, to save. Under the War Savings Plan there is hardly a person earning money in Canada who cannot buy War Savings Stamps. If a person only puts by 25 cents a week, then, within a year, he will have become the possessor of three stamps, and will have gone one-fourth of the way towards getting a fourth. He will also have put his money into the soundest investment in Canada and one that pays well.

### Issue of Fifty Million

The success of this and similar methods to promote saving in the United States and other countries has given rise to the hope that the present issue of \$50,000,000 worth of War Savings Stamps may be disposed of within the coming year. In the neighboring Republic, through a vigorous campaign, over \$1,000,000,000 worth of War Savings Certificates have already been sold, the number of war savers being now over 45,000,000. In Ohio alone \$100,000,000 worth of War Savings Certificates have been sold to 5,200,000 people.

The public is fairly familiar with the reasons that have given rise to the introduction of War Savings Stamps. The war has brought burdens that call for the exercise of rigid economy, in order that the financial resources of the country may be carefully husbanded. During the war period many important and expensive public undertakings, some of which were under way and others on the eve of being launched, had to be suspended. These will now have to be undertaken, and an attempt made to catch up with the development that has been so long delayed. Then there is the work of reconstruction generally which will make exceedingly heavy demands on the country.

### Source of the Money

The question is—where is all this money to come from? Before the war one would have replied—it will be borrowed abroad. But this door is, for the present, closed tightly against Canada, and, for ordinary purposes, will remain closed for some time. Henceforth Canada must bear her own financial burdens. She must obtain from her own people for the money necessary for her own development. Fortunately, the two Victory Loans issued within the last year have demonstrated that Canadians are both able and willing to provide the necessary capital.

The second Victory Loan was taken up by 1,068,000 persons, which shows that there is a very large field for the sale of War Savings Stamps. It is hoped that the number of war savers may reach 4,000,000, nor, considering what has been done in the United States, is this hope unwarranted. It may also be pointed out that the War Savings Stamps provide a means of investment for those who have felt that they could not very well afford to buy a Victory Bond.

### Savings Greatly Needed

From present indications Canada, within the next decade, will require every dollar that her people can save. In the work of development the United States is sure to set a pace so fast that this country may find it difficult to equal, but to lag behind in the race will not do. It is realized that much of the money subscribed to the Victory Loans came from the savings of years, which will not be available for other issues. But the need of money will continue, which means that it must be met through continued saving. Nothing should be wasted, and least of all money. The War Savings Plan has been launched to make saving easy.

The second Victory Loan campaign demonstrated what Canada can do in the raising of money for national purposes, and with this splendid achievement in mind, this new campaign has been undertaken in order that the surplus money of Canadians may be mobilized for new work that lies ahead.

The literature issued in connection with the War Savings and Thrift Stamps campaign indicates that Canada is a land of many nationalities. Already pamphlets have been printed in English, French, Italian, Swedish, Norwegian, Icelandic, Ruthenian, Polish and Yiddish.

### SUN LIFE MAKES NEW HIGH RECORD

Preliminary figures issued from the head office of the Sun Life Assurance Company of Canada, show new high records in the amount of new business written by the company as a whole, and by the Montreal agency.

New business written by the company as a whole for the year ended December 23rd, the date on which the books are closed to new business, amounted to \$57,806,966, an increase of \$2,642,498 over 1917, and of close to \$10,000,000 over 1916. This is believed to establish a new high record in life insurance written by a Canadian company.

The Montreal city agency of the company, under the management of J. C. Stanton, Jr., again contributed substantially to the good showing, reporting a new high record of \$4,642,151, an increase of \$145,901 over 1917, and of \$504,241 over 1916.

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The Home Bank of Canada has opened a branch at Skackleton, Sask.

Branches of the Bank of Nova Scotia have been opened at Emerald, P.E.I., Kingston, Ont., and St. Peters, P.E.I. The bank has also reopened the branch formerly operated at Jasper, Ont.

Reports showing a prosperous year's business were presented on January 3rd at the annual meeting of the lumbermen's section of the Toronto Board of Trade, when the following officers were elected: Chairman, A. C. Manbert; vice-chairman, W. J. Lovering; secretary-treasurer, Horace Boulton; executive, A. E. Clark, A. K. Johnson, W. F. Oliver, H. J. Terry and Hugh A. Rose.

### \$40,000,000 OF TIMBER FOR BRITAIN

The 1,000,000 square feet of timber which the British timber controller will buy in Canada, is to be of all grades, and will be bought through British brokerage houses and Canadian timber agents in London, who will deal direct with the Canadian lumber producers.

It is understood that every Canadian producer who is registered on the lists of the trade board at Ottawa will be given an equal opportunity to sell. There is also to be an allocation of purchases upon a territorial basis thus ensuring a fair proportion of purchases to Western Canada. All the British Columbia lumbermen are represented in London by L. C. Beale, timber commissioner for the province, who is attached to the staff of F. C. Wade, K.C., agent-general for the province in Great Britain, and he will deal directly with the timber controller. This lumber is to be bought within the next 12 months. It will represent a total transaction in money value of about \$40,000,000.

### CANADA'S MINERAL OUTPUT FOR 1918

The Department of Mines estimates the production of coal during 1918 at about 15,180,000 short tons, as compared with a production of 14,046,759 short tons during 1917.

The production of the more important metals during 1918 is estimated as follows: Gold, \$14,750,000 in value; silver, 20,800,000 ounces; copper, 117,000,000 pounds; nickel, 91,500,000 pounds; zinc, 36,000,000 pounds; pig-iron, 1,182,000 short tons; steel ingots and castings, 1,010,000 short tons.

The production of these metals in 1917 was: Gold, \$15,272,992 in value; silver, 22,221,276 ounces; copper, 109,227,332 pounds; nickel, 82,330,280 pounds; zinc, 29,668,764 pounds; lead, 32,576,281 pounds; pig-iron, 1,170,480 short tons; steel ingots and castings, 1,745,734 short tons.

The total value of the mineral production in Canada during 1918 was probably not less than \$220,000,000. The total value of the production in 1917 was \$189,646,821.

### UKRAINIANS AND AGRICULTURAL PROBLEMS

Ukrainian delegates from all parts of Canada gathered at their third educational convention in Saskatoon on December 26th. Prominent leaders of the race addressed the meeting and Prof. W. W. Swanson, of the University of Saskatchewan, spoke on "Economic and Social Conditions of Agriculture after the War." He emphasized very strongly the importance of raising the material standards of living, to make cultural and social progress possible. He spoke at some length of the standard of living being very low in the countries from which Ukrainians had emigrated, and compared it with the much higher standard in Canada.

Professor Swanson declared that the farmers are not profiteers. The high prices paid for wheat and other farm products during the past few years had been offset in large part by the rise in general prices. Because farmers had been selling their products too cheaply in the past, there were many ready to cry "profiteers," while, as a matter of fact, there were many farmers who, by reason of poor yields, hail, frost, etc., are no better off now than they were before the era of higher prices. Prices are bound to fall and farmers must see to it that in the readjustment period which will follow, what they produce will give them the necessaries, some of the comforts, and even a few of the luxuries of life, otherwise the standard of cultural advancement cannot be continued.

The electors of Niagara Falls have decided to purchase the street railway. A by-law to spend \$38,000 to buy the Lundy property of 24 acres, for park purposes, was defeated. The railway franchise expires in March, 1920.

### WANT MONTREAL TO TAKE OVER RAILWAY

Municipalization of the incline railway service up the mountainside, Park avenue, Montreal, was something which the Trades and Labor Council at its meeting instructed its executive to urge upon the city of Montreal authorities. President J. T. Foster informed the Council that the Mount Royal Incline Company, which had operated this service, one of Montreal's sightseeing specialties, had gone into liquidation. The Trades Council had always been in favor of having this service owned and operated by the municipality, pointed out Mr. Foster, and now seemed a very opportune time to have the city take the necessary steps.

### CANADA'S PENSION SCALE LIBERAL

A meeting of the Open Forum of Toronto, held on the afternoon of January 5th, was addressed by Major Hume Cronyn, M.P. Mr. Cronyn is not a member of the Pensions Board, but was a member of the parliamentary commission on pensions.

The speaker said that he had discovered that there was an appalling ignorance on the question of pensions, and he welcomed the open discussion of the subject, as it was an integral part of the problem of reconstruction. The task that confronted the country to-day was the task of repairing the rent in the social fabric caused by the war. That task called for the skilful sympathy and co-operation of every man and woman in the country, especially the women.

Major Cronyn, reviewing the brief history of pensions in Canada, said that there were no pensioners in Canada until the present war. Pensions had been governed under the War Measures Act by orders in council, and the law had been changed from time to time since the war began. Pensions had been increased three times in the last four years, and he believed that parliament would pass a law at its next session that would place pensions on a broad and sound foundation. Such a law should be the will of the people crystalized in legal form.

Dealing with the complaints of returned soldiers regarding pensions, Major Cronyn said these were based upon the weakness of the present law and were not the fault of the pensions board. A good deal would depend upon the attitude of the Canadian people to the returned soldier who comes home disabled. The totally disabled man must be cared for to the end of his days, but the partially disabled man could not be dealt with merely by giving him a pension. He would be a better and happier man if he learned to be independent.

As to the question whether the present pensions were sufficient, Major Cronyn said that pensions in Canada were higher than in any other country. The problem was a complicated one. A laboring man suffered greater disability through the loss of limbs than a man who was engaged in clerical employment before enlistment, but it often happened that by training, a laborer would earn a larger income than he had done before enlisting.

Touching upon the question of the equality of pensions, the speaker said the commission had not been able to come to any decision on that matter. The difficulty in putting officers and men on the same basis was in the fact that officers went overseas under the belief that they would get a pension proportionate to their position in case of being disabled, and the question was whether the government was going to keep faith with these men.

One practical suggestion made by Major Cronyn was for the establishment of a committee at every centre where there were returned soldiers. This committee would keep in close touch with pensioners and adjust their complaints.

The Standard Bank of Canada has opened a branch at Raymond, Alta., and at Gray, Sask.



## INCREASE MUNICIPAL TAXATION POWERS

### New Sources of Revenue Have Become Necessary—Income From Land in Many Cases is Entirely Absorbed

A feeling has been growing in British Columbia that other sources of revenue will be necessary in addition to the tax on unimproved property. In fact Vancouver and South Vancouver have already made use of taxes on improved property. A large delegation made up of representatives of the city council of Victoria, Oak Bay, Saanich and Esquimalt; the Victoria Board of Trade, the Manufacturers' Association, the Retail Merchants' Association, and other organizations, recently waited upon the provincial government and submitted that under the existing financial conditions the municipalities must be granted wider powers of taxation.

While Premier Oliver was not in a position to make any definite announcement as to policy, the fact that he recognized the principle advocated by the speakers of the deputation that the municipalities are entitled to wider taxing powers was hailed with satisfaction by members of the deputation.

A special statement relative to the situation in Vancouver was read, as follows:—

The estimated expenditure for the city of Victoria for the year 1918 is \$1,764,365, of which amount \$1,099,683 is beyond the control of the council, made up as follows:—

Debt .....	\$ 758,154
Education .....	268,355
Police .....	73,173
Total .....	\$1,099,683

The estimated revenue from sources other than land for the year 1918 is \$400,000, or 22.67 per cent., and of this amount \$220,000 is received from water rates and \$80,000 from the government as a grant in aid of education, leaving only \$100,000, or less than 6 per cent., to be received from trades' licenses, etc. The balance of 77.33 per cent. has to be raised by taxes on land. It is obvious that this condition of affairs cannot obtain much longer, and some other sources of revenue must be tapped so that the land can be relieved from the present heavy burden that it has to carry, which is greater than the net return accruing from the land and the improvement thereon.

### Vancouver Also Wants More Scope

Alderman Kirk, finance chairman for Vancouver, told the aldermen recently at a special meeting of the city council, what additional financial levy would come on the taxpayers of the city if the electors should pass all of the \$1,900,000 in money by-laws which the council passed. If these by-laws all receive the approval of the people it would mean an additional annual levy of \$175,000, Alderman Kirk said, or about an additional 1¼ mills on the present rate of 24 mills net. He made this statement in the course of a discussion of several clauses of certain charter amendments.

Dealing with the \$1,900,000 in money by-laws, Alderman Kirk pointed out that the school board by-laws, amounting to \$544,000 alone would add another \$50,000 to the city's annual interest and sinking fund charges. He also intimated that next year the schools would probably want about \$250,000 more for current expenses than had been allocated them this year. Where was it all to end, and were the property owners to be asked to carry all this additional burden, were two questions which Alderman Kirk asked.

He pointed out that the schools were operated for the benefit of the residents, and would have to be maintained or else educational standards would suffer. The clauses which he proposed under the "reconstruction scheme of taxation" would, he claimed, follow the income to the point where it was earned and draw upon it there. The proposals as he outlined them, were all permissive. What he proposed that the city should do was to secure wide powers of taxation,

which were not, however, obligatory, but gave the council the option of employing them if it was found necessary.

Of these four clauses, one comprised a re-introduction of the business tax based on rental values, along somewhat the same lines as the amendment, which was refused by the legislature last spring. Other clauses included a residential tax and a third a tax on the rental values of improvements. This latter clause it was proposed to substitute for the present tax to the extent of 25 per cent. on the capital value of improvements, which was again imposed this year when it was found necessary to abolish the so-called "single tax," which was abolished after seven years trial.

All by-laws submitted to the ratepayers at the municipal elections on January 9th, which provided for new expenditures, were defeated, however. The amount voted down aggregated nearly \$2,000,000.

## TORONTO FIRE LOSS

Fire Chief Smith, of Toronto, reports that upwards of 3,000 calls were answered by the brigade during the past 12 months, the great majority of which were for fires of a trivial nature or false alarms. The total losses of property and goods from fire during the year amounted to \$1,357,233, as compared with \$1,164,965 in the previous year, an increase of \$192,268. The greatest losses occurred in April last, when the appraised value of property destroyed amounted to \$601,521.

## NEW YORK LIFE INSURANCE COMPANY

For the year just ended the New York Life Insurance Co. issued 145,000 policies. New paid insurance amounted to \$340,000,000, a net increase, practically all in domestic territory, of \$25,000,000. During 1918, the company paid on the lives of more than 12,500 policy-holders, death losses amounting to over \$35,000,000, and to living policy-holders in maturing policies and other cash benefits, about \$62,000,000. The company has loaned at interest to policy-holders on the sole security of their policies, over \$19,750,000, and paid to its policy-holders in dividends alone (included in the \$62,000,000 above), about \$26,000,000.

## WAR RESTRICTIONS TO CEASE SHORTLY

It is probable that before the end of the present month most of the wartime restrictions upon trade and business will have been removed. It is the policy of the government to remove them just as rapidly as conditions will permit. Some have to be maintained by reason of restrictions still in force in the United States and Great Britain, or by reason of the necessity of the co-operation of the Canadian officials with officials of those countries. It is thought that the operations of the Canada Food Board and the War Trade Board will cease within the next two or three weeks.

## BRITAIN BOUGHT 250,000 TONS OF FOOD

Nearly a quarter of a million tons of meats, dairy products and eggs were purchased by the British Ministry of Food in Canada up to the end of 1918. The exact total is 486,150,000 pounds. The provisions section purchased directly 153,453 tons, made up of 86,438 tons bacon and ham, 420 tons lard, 222 tons butter, 1,674 tons milk, 4,533 tons preserved meat, 60,164 tons frozen meat. In addition to this, the Dairy Produce Commission, on behalf of the British Ministry, purchased 80,622 tons of food, made up of 65,955 tons cheese, 3,988 tons butter, 10,334 tons milk, 345 tons eggs, a combined total of 234,075 tons.

# The United States as a Market For Canadian Bonds

Prior to its entrance into the war, the United States was fast becoming the principal market for Canadian Provincial and Municipal bonds, having in recent years replaced England in this particular. A healthy appetite and a sound respect for such securities was much in evidence among American investors in 1914, 1915 and 1916.

The war is hardly over and yet bond dealers in New York and other cities in the States, who formerly handled "Canadians," are already beginning to deal in bonds issued by Cities and Provinces in the Dominion.

There is little doubt but that the United States will quickly resume its former position with respect to Canadian financing operations. Hence, it behooves the borrowing Province, City or Town to present its borrowing problems to the investment bankers in New York, Boston, Philadelphia, Chicago, etc.

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### CONTROL OF OWNER OVER PROPERTY

A court in Quebec province recently gave judgment to the effect that the owner of property cannot be forced by a municipality to protect his property from damage by water. In the town of Dorval, the water of Lake St. Louis was gradually destroying the land of one of the citizens, which land separated the edge of the lake from a municipal highway. The municipal authorities notified the owner that he must reinforce his land in order to protect the highway, otherwise they would do the work themselves and charge the cost against him. The notice was ignored and the municipality proceeded with the work and sued the owner for the cost. The court, however, held that he was not liable.

### CAMPAIGN FOR CHARITABLE ENTERPRISES

Foundations for a campaign to raise a sum of money in Toronto, probably \$300,000 or more, to be used by the various charitable organizations of the city, were laid recently, with the formation of a Citizens' Budget Committee of the Federation for Community Service. At the meeting held in the Federation's board room, 404 Ryrie building, the following committee was chosen: H. G. Stanton, representing the Board of Trade; W. H. Alderson, of the Rotary Club; J. A. Seythes, Canadian Manufacturers' Association; T. A. Stevenson, Trades and Labor Council; Mrs. A. M. Huestis, Local Council of Women; Dr. H. L. Brittain, member at large; and three members of the Central Federation, Rev. Peter Bryce, Rev. P. G. Bench and F. N. Stapleford.

### OVER \$9,000,000 FOR SALMON PACK

Between \$9,000,000 and \$10,000,000 will be paid for the salmon pack of British Columbia that has been taken over by the British government. Arrangements for shipping the pack have been practically completed. The canners were given an advance on November 30, and the final payment will be made after the price is decided on. The entire pack amounts to approximately 1,500,000 cases, and of this amount the British government is taking 100 per cent. of the sock-eye and red springs, 75 per cent. of the cohoes, and 70 per cent. of the pinks. There was considerable delay in providing for the transportation of the requisitioned goods, but shipping difficulties have been overcome, and there is a steady movement from canneries and warehouses.

### SUIT FOR RECOVERY OF AUTOMOBILE DAMAGE

Accidents to automobiles are not always the result of chance, but frequently there is a good occasion for civil action. Where the owner has had insurance, however, he has already recovered his damages from the insurance company and it is the latter to whose interest it is to take this action.

In such cases it is the practice for the company in settling the claim of the automobile owner to secure his signature to a document authorizing the company to take action in his name and undertaking to hand over to the company such amount as he might recover. In fact a clause is usually incorporated in the policy whereby the assured assigns his right to take action to the insurance company, upon his claim being met by the latter.

This happened recently in the case of an accident in the city of Montreal, when suit was entered in the name of the automobile owner. However, the defendants maintained that the plaintiff had no interest in the action in as much as his claim had been paid by an insurance company. The court (Superior Court of Quebec Province) dismissed the action. In this case, however, the company apparently had not had the usual provision in the policy, but merely secured the signature of the assured when it met the claim.

### DOMINION ISSUE POSSIBLE IN UNITED STATES

It is possible that an issue of Dominion government bonds may be made in the United States this summer to refund the issue of \$100,000,000 5 per cent. two-year gold notes which mature on August 1st. These notes were issued, it will be remembered, in 1917, and are payable at the Bank of Montreal in New York City. The subscription price was 98 and interest, yielding 6.07 per cent. The bonds now sell at around 99¼ per cent.

There is no doubt but that \$100,000,000 could be raised in Canada this summer, but a heavy exchange premium would have to be paid, if the present situation is maintained. By raising the money in the United States the payment of this premium can be avoided.

### NOVA SCOTIA PRODUCTION IN 1918

The total production of the province of Nova Scotia for the year 1918 has been estimated as follows:—

Coal	\$ 26,250,000
Coke and by-products	6,150,000
Gold and other minerals	220,000
Gypsum, limestone, etc.	825,000
Building materials and clay products	550,000
Iron and steel products	22,400,000
Fisheries	11,650,000
Manufactures, ships and freights	58,340,000
Products of the farm	42,680,314
Products of the forest	5,400,000
Game and furs	500,000

Grand total .....\$174,965,314

Details of the field crop, as estimated by Professor Cumming, follow:—

	Quantity.	Price.	Total.
Wheat (bushels)	704,985	\$ 2.25	\$ 1,586,216
Oats (bushels)	5,398,815	1.00	5,396,815
Barley (bushels)	406,175	1.20	487,410
Rye (bushels)	7,654	1.20	9,184
Buckwheat (bushels)	446,992	1.40	625,788
Peas (bushels)	32,892	2.00	65,784
Beans (bushels)	143,935	8.00	11,514
Mixed grains (bushels)	194,652	1.40	272,512
Potatoes (bushels)	9,776,918	.90	8,799,226
Turnips (bushels)	10,250,194	.25	2,562,548
Mangels (bushels)	982,894	.25	245,741
Fodder corn (tons)	43,619	4.00	174,476
Other fodder (tons)	29,794	4.00	119,176
Hay (tons)	978,696	20.00	19,573,920
Apples (barrels)	500,000	..	1,250,000
Garden truck and small fruit	.....	..	1,500,000

\$42,680,314

NOTE.—While the foregoing figures represent the market value of the field crops of Nova Scotia, it should be stated that a large share of the hay, grain, etc., is being fed to horses, cattle, sheep, etc., that are not paying for the fodder they eat at any such prices as now prevail. The field crops of 1917 were valued at \$27,117,203. Two-thirds of the year's increase is due to the inflated value of hay, on which the farmer is only realizing fully from the comparatively small portion which he is selling. If, however, one wishes to use these figures as a basis of getting at the actual commercial standing of the farmer, for 1918 in comparison with former years, he must deduct the excess cost of seed, fertilizer, implements, labor, etc. However, making due allowance for all these, it appears that in the main the farmer has netted more from his farm in 1918 than in former years, but the increase is not large.

The Royal Bank of Canada has opened a branch at Chatham, Ont.



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 Secretary

## Twentieth Annual Report

### A RECORD OF ACHIEVEMENT

Total Payments to Policyholders	-	-	-	-	\$ 348,645.30
(An Increase over 1917 of \$103,433.04)					
Amount of New Assurance received during 1918	-	-	-	-	4,500,000.00
Total Business in Force December 31st, 1918	-	-	-	-	24,192,062.00
Annual Premium Income during 1918	-	-	-	-	831,770.64
Interest Income, Rents, etc.	-	-	-	-	219,540.37
Increase in Assets for the Year	-	-	-	-	447,142.99

### COMPARATIVE STATEMENT IN FIVE YEAR PERIODS

	1903 (4½ years)	1908	1913	1918
Premium and Interest Income	\$ 135,568.00	\$ 396,017.00	\$ 739,665.00	\$ 1,014,938.00
Business in Force	4,086,120.00	8,625,509.00	22,299,079.00	24,192,062.00
Total Assets	273,655.00	1,085,228.00	2,438,240.00	4,227,187.00

### POINTS OF INTEREST

The Head Office Building market value as per valuation of 1918 is \$323,000.00 and has been taken in the statement at Book Value, \$250,000.00. Formerly the Treasury Vault and Steel Vault equipment were taken into the statement as a separate asset. This is now included in the Head Office building item.

The items including supplies and office furniture, costing approximately \$40,000.00, and formerly taken into the statement as a separate asset have now been eliminated.

Increase in actual cash receipts for the year 1918, as compared with the year 1917, was \$72,511.33.

After making provision for Taxes, payable in 1919, amounting to \$9,535.95, and after deducting interest on loans paid in advance amounting to \$11,818.70, leaves a Surplus for additional protection of Policyholders of \$381,964.15 (Including Paid-up Capital Stock of \$250,000.00.)

The amount set aside for Reserves for the year 1918 was \$353,926.00.

Assuming that the Company's Reserves were based on the 4% Reserve Table, the Surplus would be approximately \$575,000.00, and on a 4½% basis approximately \$750,000.00.

No interest or principal is overdue or in arrears on any of the invested funds of the Company, with the exception of one. The total number of investments being 775.

## MUNICIPAL BOND MARKET

The Monetary Times' Weekly Record of Municipal  
Financing and Activities

L'Orignal, Ont.—Messrs. Brent, Noxon and Company, of Toronto, have purchased \$2,500 6 per cent. 20-instalment bonds.

Victoria, B.C.—Messrs. Brent, Noxon and Company, and W. A. Mackenzie and Company, of Toronto, have been awarded a block of \$100,000 5½ per cent. bonds due 1946 to 1948.

Lethbridge, Alta.—The city has authorized issue of \$126,000 5-year 6 per cent. treasury notes, on security of unpaid taxes, to be applied on cost of filter plant and fire engine.

Victoria, B.C.—The city council has voted a sum not to exceed \$4,000 for the construction of new means of access to the Cholberg and Foundation Company yards and improvement of the means already existing.

Edmonton, Alta.—Separate sealed tenders will be received by the Debenture Branch of the Department of Education until January 24th, 1919, on six blocks of school district debentures, amounting to \$20,750, as follows:—Rurals, 10-years, 7 per cent.—Onion Lake S.D., \$1,000; Cromwell S.D., \$2,000; Northern Moose S.D., \$1,000; Foch S.D., \$1,500; Wild Deer S.D., \$1,000; Allenby S.D., \$2,500; total, \$9,000. Rurals, 10-years, 7 per cent.—Philo S.D., \$600; Laughlin S.D., \$1,700; Cavendish S.D., \$1,500; Wayne S.D., \$2,500; total, \$6,300. Rurals, 12-years, 7 per cent.—Antrim S.D., \$2,250. Rurals, 5-years, 7 per cent.—Lake Geneva S.D., \$400. Rurals, 15-years, 7 per cent.—Maple Hill S.D., \$1,000. Consolidated S.D., Etzikom S.D., \$1,800.

Saskatchewan.—The following is a list of authorizations granted by the Local Government Board from December 18th, 1918, to January 4th, 1919:—

Rural Telephone Companies.—Vanguard, \$1,500 15-years not ex. 8 per cent. annuity. Fairdale, \$700 15-years not ex. 8 per cent. annuity. Eston Pioneer, \$800 15-years not ex. 8 per cent. annuity. Naseby, \$600 14-years not ex. 8 per cent. annuity.

School Districts.—Carmichael Village, \$2,500 10-years not ex. 8 per cent. annuity. Lost Horse Creek, \$1,900 10-years not ex. 8 per cent. annuity. Maymont, \$1,000 10-years not ex. 8 per cent. instalment. Carnduff, \$800 10-years not ex. 8 per cent. annuity. South Ridge, \$2,500 10-years not ex. 8 per cent. annuity. King George, \$600 10-years not ex. 8 per cent. instalment. Gullivan, \$3,000 10-years not ex. 8 per cent. instalment. Red Butte, \$2,500 10-years not ex. 8 per cent. annuity.

Town of Rosthern.—\$4,000, increasing electric light plant, 15-years 7 per cent. annuity.

Rural Municipality of Kingsley No. 124.—\$3,500, municipal hall, 10-years not ex. 8 per cent. instalment.

The following is a list of debentures reported sold from December 18th, 1918, to January 4th, 1919:—

School Districts.—Dafoe, \$2,500, Waterman-Waterbury Manufacturing Company, Regina. South Side, \$2,850, Waterman-Waterbury Manufacturing Company, Regina. Higheroft, \$3,500, Drake-Ballard and Company, Moose Jaw. Odel, \$1,200, Chas. Thode, Saskatoon. Eden Valley, \$1,500, Regina Public School Board, Sinking Fund Trustees. Gravel Hill, \$2,500, Wood, Gundy and Company. Willow Lake, \$1,200, Canada Landed and National Investment Company, Winnipeg. St. Antoine R.C. Public School, \$1,200, Waterman-Waterbury Manufacturing Company, Limited, Regina. Storthoaks Public School, \$2,500, E. G. Read.

Rural Telephone Companies.—St. Leonards, \$1,900, Wood, Gundy and Company. Raymore, \$1,000, Bond and Debenture Corporation of Canada, Winnipeg. Yeomans, \$800, City of Weyburn. McDonald Hills, \$12,000, M. E. Ramsay, Luton, \$1,400, Wood, Gundy and Company. Alsask, \$3,800, Harris and Reade and Company.

Cities.—City of Regina, \$5,000, Wood, Gundy and Company. City of Regina, \$31,000, Wood, Gundy and Company. City of Moose Jaw, \$100,000, Sinking Fund Trustees.

Town of Alsask.—\$3,250, C. H. Burgess and Company. Village of Eston.—\$1,300, W. L. McKinnon and Company, Regina.

Rural Municipalities.—Hearts Hill, \$5,769, Nay and James, Regina. Kingsley, \$4,487, Nay and James, Regina.

## PROVINCIAL FINANCING

Quebec Long-Term Issue Sold—Alberta Bonds Bring Good  
Price—Tenders to be Called for \$3,000,000 British  
Columbia Issue

Messrs. A. E. Ames and Company, of Toronto, are offering bonds of the Province of Quebec amounting to \$1,625,000, bearing 4½ per cent., for that government. The bonds are offered at 85.91 and interest, and are for 27½ years, maturing June 1st, 1946. They thus yield 5.50 per cent. The issue was purchased outright from the province by private arrangement. There is a general demand now for long-term securities. The net debt of the Province of Quebec is only \$32,505,016. The practice of the province for years past has been to sell its bonds in London, with once in a long time an offering in New York.

Ames and Company state that the issue has already been entirely sold.

## Alberta Bonds

Messrs. A. E. Ames and Company, and Wood, Gundy and Company, of Toronto, were the successful tenderers for the \$1,000,000 5½ per cent. 20-year gold bonds of the Province of Alberta. The price was 99.14. There was a long list of tenders, and some of them were close, the second bid being 99.079. The bonds are dated January 1st, 1919, and are due January 1st, 1939. It is noteworthy that some United States firms bid for the issue. The bonds are payable in Toronto and New York, and it is likely that the bulk of them will be taken up by United States investors, who have shown an eagerness for Canadian bond securities.

The following is the list of tenders:—

1. Wood, Gundy and Company, and A. E. Ames and Company, Toronto .....	99.14
2. Canada Bond Corporation, Limited, Toronto..	99.0791
3. Kerr, Fleming and Company, Toronto .....	99.0001
4. Osler and Hammond, Toronto .....	98.92
5. W. A. MacKenzie and Company, and Messrs. Brent, Noxon and Company, Toronto.....	98.288
6. Dominion Securities Corporation, Limited, Toronto .....	97.828
7. The Sterling Bank of Canada .....	97.6315
8. Housser, Wood and Company, Toronto .....	97.273
9. Burgess and Company, and Campbell, Thompson and Company, Toronto .....	97.171
10. Æmilus Jarvis and Company, Toronto.....	97.119
11. Municipal Debenture Corporation, Limited ..	97.06
12. R. A. Daly and Company, Toronto, and Messrs. Kean, Taylor and Company, New York .....	96.85
13. R. C. Matthews and Company, Toronto; Hanson Brothers, Montreal; C. Meredith and Company, Limited, Montreal, and Otis and Company, Cleveland, Ohio .....	96.52
14. Harris Trust and Savings Bank, Chicago ....	94.89
15. Spitzer, Rorick and Company, Toledo, Ohio...	94.85
16. Morrow and Jellett, Toronto .....	94.36

## British Columbia Plans Issue

At a meeting of the Legislative Council of British Columbia on January 13th, Hon. John Hart, minister of finance, said that the government approved of the floating of a loan of \$3,000,000. Tenders will be asked and bonds for this amount issued. The rate of interest and the terms will be decided by the minister in the meantime.

The proceeds of the flotation will be used to pay off the loan of \$3,000,000 obtained from the Dominion government last June. For the money so loaned by the Federal government the province is paying 6½ per cent. interest.

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### Montreal and Toronto Stock Transactions

Stock Prices for Week ended Jan. 15th, 1918, and Sales.

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

Montreal Stocks	Opened	Closed	Sales
Abitibi.....com.	49	40	
Ames-Holden.....pref.	90½	20	
Asbestos Corporation.....pref.	45	20½	
Bell Telephone.....pref.	45	43½	62
British Columbia Fishing & Packing.....	62½	62	360
Brompton.....	130		1
Brazilian.....	60½	60	225
Canada Car.....com.	51	53½	115
Canada Cement.....com.	24	260	30
Canada Cottons.....com.	60	65½	350
Canada Converters.....pref.			10
Canada Locomotive.....com.		100	
Canada Steamship Lines.....com.	65	62½	30
Can. Forgings.....pref.	44	43½	20
Canadian Pacific Railway.....pref.	78½	78½	376
Canadian Locomotive.....pref.			113
Can. Mining and Smelting.....	29½	268	19,590
Crown Reserve.....		16	242
Dominion Bridge.....			3
Dominion Cannery.....		36½	175
Dominion Iron.....pref.			30
Dominion Steel Corporation.....com.	85	94	40
Dominion Textile.....com.	62	61½	4,0
Goodwins.....pref.	102	10½	203
Hillcrest.....pref.	102	100	27
Howard Smith Paper.....pref.			10
Illinois Traction.....pref.			
Lake of the Woods Milling.....com.	168	161	105
Laurentide Co.....pref.	195½	195	1228
Lyall Const.....com.			
Macdonald.....	23	22½	217
Mackay.....			10
Maple Leaf Milling.....com.	135	134	250
Montreal Tramways.....deb.	72½		3200
Montreal Light, Heat and Power.....	87	86½	1258
Montreal Cotton.....com.	60	59	150
National Breweries.....pref.			25
Ontario Steel.....pref.	29		
Ottawa L. H. & P.....		75	
Ogilvie Flour Mills.....pref.			65
Provincial Paper.....		43	8
Penmans.....pref.		83	
Price Bros.....pref.	80	79	65
Riordan Paper.....pref.	85	81½	21
Sherwin-Williams.....		158	100
Scotia.....pref.			45
Shawinigan Water & Power.....com.			4
Spanish River.....pref.			10
Steel Co. of Canada.....com.	62½	62½	428
St. Lawrence Flour Mills.....com.	94½	93½	45
Twin City.....pref.			65
Tucketts.....pref.			1
Wabasso Cotton.....			506
Wayagamack.....	53	51	180
Woods.....pref.			25
Bank of British North America.....			127
Bank of Commerce.....	214	215½	43
Bank of Montreal.....	200½	200	73
Bank of Ottawa.....			106
Bank of Toronto.....			24
Bank d'Hochelega.....			255
Banque Nationale.....			28
Bank of Nova Scotia.....	190	189½	12
Dominion Bank.....			38
Imperial Bank.....			38
Merchants Bank.....	213½		9
Molsons Bank.....			
Royal.....			
Quebec Bank.....			
Union Bank.....			
<b>Montreal Bonds</b>			
Asbestos.....	75		7700
Canada Cement.....	98	97	2500
Canadian Consolidated Rubber.....	90		
Canada Cottons.....		80	
Canadian Locomotive.....	90½		5000
Bell Telephone.....	90½		
Cedars Rapids.....	87		4100
Dominion Cotton.....	88		1000
Dominion Iron and Steel.....	87½		5000
Dominion Textile.....A	96		
".....B	96½		3000
".....C	96		
".....D	96		
Inter. Coal.....			
Kaministiquia.....			
Montreal Light, Heat & Power.....A	100		1000
Ogilvie.....B	100		2000
".....C	100		
Ontario Steel.....	87½		5000
Penmans.....	60	59½	2100
Quebec Railway, Light and Power.....	94		1000
Riordan.....			2500
Scotia.....			

### Montreal Bonds (Continued)

	Opened	Closed	Sales
Steel of Canada.....		24	
First Dominion War Loan.....	91½	96½	4900
Second Dominion War Loan.....		96½	6200
Third Dominion War Loan.....	88	97½	92,000
Wayagamack.....	83	8½	32500
Victory Loan, 1922.....	99½	99½	148,000
" 1927.....	101½	101	50,000
" 1937.....	102½	103	38680

### Toronto Stocks

	Asked	Bid	Sales
Ames-Holden.....pref.	29	28	10
American Cynamid.....	62	66	25
Bell Telephone.....	38	34	
Barcelona.....	130		
Brazilian.....	13	12½	520
British Columbia Fishing and Packing.....	64	59½	361
Canada Bread.....	49	47	10
Canadian Car & Foundry.....pref.	23½		10
Canadian Cannery.....	28½	26	
Canadian General Electric.....pref.	84	82½	
Canadian Landed & National Investment.....	104½	105½	25
Canadian Locomotive.....	142		20
Canada Permanent.....	64	63	92
Canada Steamship.....	90	90	5050
Can. Salt.....	166	166	28
Cement.....com.	148	44½	360
City Dairy.....pref.	79	78½	570
Col. Loan.....	48	48	20
Coniagas.....	66	55½	333
Consumers Gas.....		94	
Crow's Nest Pass.....		82	
Crown Reserve Mines.....			464
Dome.....	275		150
Dominion Cannery.....	55		8
Dominion Iron.....com.	47	44	1200
Dominion Steel Company.....pref.	1225	1200	200
Duluth Sup.....		36	
F. N. Burt.....	62½	61½	55
Hamilton Provident.....	35	27	
Huron & Erie.....com.	75	72	
La Rose.....com.	98	89	75
Mackay, Companies.....pref.	202		10
Maple Leaf Milling.....		190	
Mexican L. & P.....	35	32	4
Monarch.....	74½	74	137
Nat. S. Car.....	66½	65	16
Nipissing.....	134½	133	149
Nova Scotia Steel.....		98	110
Pacific Burt.....		46	
Prov. Paper.....		78	10
Petroleum.....	5½		100
Penmans.....com.	20		130
Quebec L. H. & P.....	900	850	31
Russell Motor.....pref.	33	55	5
Sawyer-Massey.....	77½		
Shredded Wheat.....	70	70	25
Smelters.....	73		
Cons. Smelters.....	15		45
Standard Chemical.....			21
Steel Company of Canada.....	27	268	8139
Spanish River.....	63	62	181
Tooke.....		93	10
Toronto Railway.....			
Toronto Mortgage.....	70		
Toronto Paper.....	80	48	65
Trethewey S. Mines.....com.		125	
Tucketts.....	19	65	
Winnipeg Electric.....			
Twin City.....	25	23½	20
Bank of Commerce.....	38	35	
Bank of Ottawa.....	41	39	13
Bank of Hamilton.....	214	204	187
Bank of Montreal.....	206	207	10
Bank of Nova Scotia.....	218	216	75
Bank of Toronto.....		255	
Dominion Bank.....		198	161
Imperial Bank.....		214½	
Merchants Bank.....		207	83
Royal Bank.....		183	
Standard Bank.....	213½		49
Union Bank.....		213	18
<b>Toronto Bonds</b>			
Canada Bread.....		91	
Canada Locomotive.....			
Electrical Development.....			
Penmans.....		86	1000
Spanish River.....		87	
Steel Co. of Canada.....	90½	86	1500
First War Loan.....		94	
Second War Loan.....		96½	3900
Third War Loan.....		96½	7500
Victory Loan, 1922.....	97½	97½	24800
" 1927.....	99½	99½	114,000
" 1937.....	103	101	8300
		102½	85755

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PRELIMINARY STATEMENT OF THE TRADE OF CANADA FOR NOVEMBER

	Month of November			Twelve months ending November		
	1916	1917	1918	1916	1917	1918
<b>IMPORTS FOR CONSUMPTION.</b>						
Durable Goods	\$ 38,083,134	\$ 44,247,634	\$ 40,403,838	\$ 408,802,094	\$ 559,450,591	\$ 506,223,512
Free Goods	34,496,311	28,460,805	32,986,167	335,489,605	451,886,997	387,014,785
Total imports (mdse.)	72,579,445	72,708,439	73,390,048	744,291,699	1,011,337,588	895,238,297
Duty Collected	12,116,329	12,829,858	12,342,202	136,159,221	168,265,607	153,738,173
<b>EXPORTS.</b>						
Canadian Produce—						
The mine	7,026,024	6,879,290	7,269,832	78,457,189	80,820,961	75,107,769
The fisheries	2,600,021	4,315,883	3,907,321	23,786,818	27,937,967	32,881,464
The forest	5,172,272	5,438,570	5,826,536	54,515,579	52,706,389	64,281,881
Animal produce	13,604,193	23,237,442	23,320,628	114,458,052	172,010,209	168,022,053
Agricultural produce	36,789,632	77,961,781	24,278,235	366,781,913	487,297,365	372,869,683
Manufactures	44,119,094	68,857,268	53,598,932	408,026,574	703,057,168	554,083,101
Miscellaneous	248,714	535,181	359,521	7,814,506	5,136,061	4,929,831
Total exports, Canadian	109,558,950	187,225,515	119,161,003	1,053,840,631	1,528,966,110	1,270,145,762
Foreign produce	2,243,423	7,442,978	4,992,102	19,664,969	46,176,896	32,544,317
Total exports (mdse.)	111,802,373	194,668,493	124,153,105	1,073,505,600	1,575,143,006	1,302,690,079
<b>AGGREGATE TRADE.</b>						
Imports for consumption	72,579,445	72,708,439	73,390,048	744,291,699	1,011,337,588	895,238,297
Exports—						
Canadian produce	109,558,950	187,225,515	119,161,003	1,053,840,631	1,528,966,110	1,270,145,762
Foreign produce	2,243,423	7,442,978	4,992,102	19,664,969	46,176,896	32,544,317
Total trade	184,381,818	267,376,932	197,543,153	1,817,797,299	2,586,480,594	2,197,928,376

TWELVE MONTHS ENDING NOVEMBER.

IMPORTS BY COUNTRIES.				EXPORTS BY COUNTRIES.			
	1916	1917	1918		1916	1917	1918
United Kingdom	\$101,087,182	\$94,150,405	\$71,006,779	United Kingdom	\$682,624,331	\$870,217,364	638,536,280
Australia	834,404	982,322	5,201,146	Australia	7,410,291	7,489,409	11,263,020
British East Indies	6,876,485	12,814,631	16,936,594	British East Indies	1,283,731	4,167,188	2,260,649
British Guiana	5,460,836	7,850,909	5,169,471	British Guiana	1,546,777	1,953,351	2,096,976
British South Africa	289,720	464,731	805,032	British South Africa	3,936,841	5,190,449	9,546,467
British West Indies	13,276,602	11,555,090	8,675,783	British West Indies	4,804,662	6,349,321	7,999,946
Hong Kong	1,292,735	1,739,801	2,339,433	Hong Kong	648,231	1,099,094	910,178
Newfoundland	1,829,429	2,829,932	3,198,199	Newfoundland	6,071,752	8,320,222	10,528,221
New Zealand	3,143,518	3,390,778	6,037,450	New Zealand	3,464,896	4,046,608	4,443,013
Other British Empire	1,561,907	1,393,504	1,563,758	Other British Empire	4,892,668	1,490,683	2,229,667
Argentine Republic	2,494,057	2,073,136	1,345,950	Argentine Republic	2,126,686	1,605,624	2,210,522
Brazil	1,026,446	1,132,842	979,268	Brazil	905,793	1,103,459	3,814,912
China	1,078,359	1,232,400	1,863,447	China	297,041	1,424,136	2,920,567
Cuba	760,286	1,085,002	2,021,730	Cuba	2,069,561	3,652,700	4,367,925
France	6,365,595	5,891,883	3,799,724	France	53,823,211	193,006,768	105,237,739
Italy	1,134,790	949,981	662,846	Italy	11,156,751	2,530,428	6,793,539
Japan	7,285,117	10,814,267	13,109,108	Japan	1,356,083	3,323,818	10,339,213
Netherlands	1,159,536	1,158,658	621,904	Netherlands	1,476,693	2,329,556	1,031,591
United States	572,619,470	832,058,783	731,876,455	United States	252,009,888	395,213,843	432,292,450
Other Foreign Countries	15,015,226	17,738,533	18,024,220	Other Foreign Countries	11,834,294	14,472,089	11,322,887

GOVERNMENT FINANCE

PUBLIC DEBT		ASSETS		REVENUE AND EXPENDITURE ON ACCOUNT OF CONSOLIDATED FD.		EXPENDITURE ON CAPITAL ACCOUNT, ETC.		Total 31st Dec., 1918	
	1918		1918		Total to 31st Dec., 1918		Total 31st Dec., 1918		
<b>LIABILITIES—</b>		<b>Investments—</b>		<b>REVENUE—</b>		<b>War</b>			
Payable in Canada	1253,886,153 77	Sinking Fds.	17,455,609 63	Customs	113,284,018 73	Public Works, Railways and Canals	224,408,107 40		
Payable in London	362,703,312 40	Other Investments	339,684,878 91	Excise	24,834,886 77	Railway Subsidies	11,830,420 27		
Payable in New York	75,878,000 00	Province Accounts	2,296,327 91	Post Office	14,900,000 00				
Temporary Loans	383,835 190 71	Miscel. and Bkg. Accounts	802,198,769 66	Pbc. Works, R'lways & Canals	31,489,476 09				
Bank Circul'n Redemp. Fd.	5,891,568 54	Total Assets	1,616,355,526 10	Miscellaneous	10,312,170 59				
Dominion Notes	299,814,514 30	Total Net Debt Dec. 31st	1,330,228,898 34	Total	222,485,552 14				
Savings Banks	53,251,535 55	Total Net Debt, Nov. 30th	1,307,429,661 07	EXPENDITURE	124,539,099 80				
Trust Funds	11,272,253 83	Increase of Debt	22,799,237 27						
Province Accounts	11,920,481 20								
Miscel. and Bkg. Accounts	31,417,594 64								
Debt	2,191,864,484 44								

UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison Jr., & Co., Toronto. (Week ended Jan. 15th, 1918.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Power	46.50	50	Can. Oil	42	45	Home Bank	74	82.50	P. Burns	95	
" pref. 7%	88.50	93	" pref.	87	99	Imperial Oil	320	365	Rosedale Golf	290	
Alta. Pac. Grain	117		Can. Westinghouse	105	120	Inter. Milling	86	94	Sherwin-Williams	52.50	
" pref.	84	90	Carter Crume	10	13.50	Lambton Golf	385	420	South Can. Power	17	
Atlantic Sugar	18		" pref.	50	60	Maritime Coal	17	22	Sterling Bank	90	21.50
" pref.	66.50		Cockshutt Plow	72	83.50	" 5's	69	74	Sterling Coal	14	100
Belding Paul	80	86	Collingwood Ship	17	27.50	Matthew Laing	95		" 6's	72	17
Black Lake	2.50	3.50	Dom. Glass	34	37.50	M'Donald	20.50	23	Toronto Carpet	87	92.50
" pref.	7.25	8.50	Dom. I. & S. 5's 1939	79	85	" pref.	91	96	Toronto Paper	86	89
" bonds	33	36	Dom. Power	48	94	Mexican North Power	11.50		Toronto Power	85	89
British Amer. Assurance	8.25	11	" pref. xd 3/4	88	94	Morrow Screw	88		Toronto York Rad 5's 1919	94.50	89
Can. Furniture		45	Dom. Sugar	120		Nat. Telephone	51		Universal Tool and Steel	100	100
Can. Machinery	16	21.50	Dunlop Tire	89.50	94.50	National Potash		.95	Volcanic Oil and Gas	10	10
" pref.	47	54.50	" 6's	94.50	99.50	Nova Scotia Steel 6% deb.	87.50		Western Assurance	7.50	95
" 6's	73.50	82	Eastern Car	92.50	97	Ont. Pulp	85	90			8.25
Can. Marconi	3	4	Ford Motor	200	250	People's Loan & Savings	75	89			
Can. Mortgage	67	72.50	Guelph & Ont. Invest		90	Pressed Metal		26			

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.

Mr. Lester Green and Mr. Fred. C. Henderson, under the firm name of Green, Henderson and Company, have established a new bond house in Toronto. Their offices are in the Sun Life Building.

Messrs. C. H. Birkett and Company, of Toronto, have purchased an issue of \$7,500, 7½ per cent., 15-instalment bonds of the Naisberry Rural Telephone Company, Saskatchewan.

## INDUSTRIAL UNREST

**Repression Will Not Halt Discontent, and if Attempted,  
Consequences Will be Serious**

A preliminary public lecture on "Industry and the Problems of Reconstruction" was delivered by Mr. Francis Hankin at McGill University in Montreal on January 10th. Mr. Hankin, in a survey of the past and in bringing this into relation to the problems to be discussed in the course of lectures, stressed two points which may be taken as the keynote of his thesis: first, if any attempt is made to adopt a system of repression of any discontent or industrial unrest that manifests itself in this new era, the consequences will be serious, because the workers to-day are better educated and have more political power than their predecessors; second, the worker must not be treated as a cog in the wheel, but the demand of Mr. Barnes, the labor member of the Imperial Cabinet, that labor shall be the first charge on production, must be conceded. Another point on which the former regime was attacked, was that of competition being the supreme incentive and result-giving power in industry, the speaker contending that the co-operative method had proved successful during the war period, and that it was the real method for peace time.

## Much Unrest

In his opening sentences Mr. Hankin justified the course of lectures on this topic by the fact that there was very much industrial unrest prevalent to-day, the blame for this being thrown upon the conditions under which industry was operated at the present time. As the well-being of the whole community hinged upon the smooth working of industrialism, it was in the general interest that people should study the problem whether they were directly or only indirectly concerned.

The changes that had taken place in ideas of justice and liberty within a century were briefly reviewed by the lecturer, who argued that if popular sentiment could change for the better in regard to the punishment of criminals lack of education, working conditions amounting to slavery among juveniles, similarly this century must be prepared for even more startling changes and revulsion of sentiment owing to the upheaval caused by the world war. Great as had been the material changes, the mental changes were still more important. This latter statement was instanced by the fact that the British Government had issued in blue-book form the document in which the labor member, Mr. Barnes, made the claims for the workers referred to. That the leading governments of the world had the intention to exercise interference in the future in individualistic enterprises indicated a very radical departure, but not more startling than various other theories that were being enunciated.

## COBALT ORE SHIPMENTS

The following is a statement of the shipments of ore, in pounds, from Cobalt Station, for the week ended January 10, 1919:—

Tretheway Mines, 64,367; Buffalo Mine, 88,000; McKinley Darragh, 281,675; La Rose, 186,775; total, 620,817.

## CANADIAN PACIFIC STOCK IN ENEMY HANDS

About ten million dollars of Canadian Pacific Railway shares, including dividends, are owned by Germans, Austrians and other alien enemies. These have been held by the Canadian minister of finance in his capacity as custodian of enemy property. A large proportion of these shares are registered on the New York register, but as a result of a recent conference between the United States authorities and the Under Secretary of State for Canada, it is understood that no objection will be raised to the shares being vested in the alien property custodian for Canada.

## DIVIDENDS AND NOTICES

## THE MONTREAL CITY &amp; DISTRICT SAVINGS BANK

The Annual Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the Tenth day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements and the Election of Directors.

By order of the Board.

A. P. LESPERANCE,

Manager.

Montreal, January 3rd, 1919.

## THE MERCHANTS BANK OF CANADA

## QUARTERLY DIVIDEND

Notice is hereby given that a dividend of Two and three-quarters per cent. for the current quarter, being at the rate of Eleven 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 February next, to Shareholders of record at the close of business on the 15th day of January.

By order of the Board.

D. C. MACAROW,

General Manager.

Montreal, 27th December, 1918.

## CONDENSED ADVERTISEMENTS

"Positions Wanted," 2c. per word; all other condensed advertisements, 4c. per word. Minimum charge for any condensed advertisement, 50c. per insertion. All condensed advertisements must conform to usual style. Condensed advertisements, on account of the very low rates charged for them, are payable in advance: 50 per cent extra if charged.

**BOND AND INVESTMENT HOUSE.**—If requiring capable man of leisure to accept agency for London, Ont. (City and District), address all communications, references, etc., Confidential, c/o Box 213, *The Monetary Times*, Toronto.

**INSPECTOR FOR ONTARIO.**—A strong tariff company requires the services of a capable and energetic young man as inspector for Ontario. Apply stating age, experience, and full particulars to P.O. Box 579, Montreal.

## Bond and Debenture Corporation

OF CANADA, LIMITED

Dealers in Government and Municipal Bonds

DOMINION OF CANADA

**VICTORY BONDS**

BOUGHT AND SOLD

*Correspondence invited*

UNION TRUST BUILDING . . . WINNIPEG

## BELL TELEPHONE CASE RESUMED

(Continued from page 16.)

Sir Henry Drayton disagreed with this statement, remarking that the company had a surplus of \$3,200,000, which, it was suggested, should be used to meet increased expenses.

Mr. MacFarlane argued that it was necessary for the company to maintain a surplus in order to take care of future business.

Sir Henry Drayton remarked that the company had earned surpluses which might have been kept in such a form as to take care of necessary expenditures in future.

It was argued by H. D. Gordon, of Toronto, that the very worst the Bell Telephone Company could do in 1919 was to have a surplus of about a million dollars. Mr. Gordon pointed out that the application for increased rates was based on the assumption that conditions would remain the same as at present, but it was likely that wages and materials would cheapen.

On the opening of the hearing on the 8th instant, Mr. W. J. Butler, representing the city of Montreal, requested that he be allowed to put in the case for that city at a special meeting in Ottawa. Messrs. W. D. Lighthall, representing the Union of Canadian municipalities, I. F. Rafferty, representing the city of Ottawa, also agreed to set their cases at that time. Sir Henry Drayton, the chairman, accordingly set aside January 22nd as the date for the special hearing of the evidence of the cities of Montreal, Toronto, Ottawa and Hamilton.

## Toronto and London Object

When the Board was sitting in Toronto on the 14th, however, more evidence was received. Mr. Irving Fairty called witnesses on behalf of the city of Toronto, and Mr. Thomas Bradshaw, Commissioner of Finance, gave an interesting financial statement, which concluded with the following:—

"There would not appear to be any difficulty in providing additional capital for the Bell Telephone Company of Canada if such is required, either by the issuance of bonds or short-term notes, the latter possibly being the most desirable method, in view of the present conditions.

"Notwithstanding high prices, etc., the company has been improving its earning power, and its financial condition during the years of the war, and, now that prices of materials are receding, and that the tendency is for them to decline still further, it would appear as though there is little basis for the claim now made by the company. In view of the great expansion in the company's business, what may be necessary is the obtaining of new capital money, and there would not appear to be any difficulty in obtaining this on current terms.

"There is also the other thought, and that is that at the back of the Bell Telephone Company of Canada is the wealthy corporation, the American Telephone & Telegraph Company, and it, no doubt, would be able to furnish, if it were called upon to do so in any period of emergency, very substantial funds, by increasing its stock holdings in the Bell Telephone Company of Canada."

Mr. T. G. Meredith, of London, Ont., also protested against this proposed increase, declaring that the Bell Telephone Company should meet the lean years out of the fat of other years.

## MONEY MARKETS

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

	Buyers.	Sellers.	Counter.
N.Y. funds .....	2% pm	2 1-32 pm	.....
Mont. funds .....	par	par	1/8 to 1/4
Sterling—			
Demand .....	\$4.85.25	\$4.85.75	\$4.87 1/2
Cable transfers ....	4.86.10	4.86.20	4.88 1/2
Rate in New York for sterling demand, \$4.75.75.			
Bank of England rate, 5 per cent.			

## BANK CLEARINGS

The following are the bank clearings for the week ended January 9th, 1919, compared with the corresponding week last year:—

	Week ended Jan. 9, '19.	Week ended Jan. 12, '18.	Changes.
Montreal .....	\$115,378,538	\$ 81,126,216	+ \$34,252,322
Toronto .....	82,392,266	64,395,261	+ 17,997,005
Winnipeg .....	51,094,198	46,670,378	+ 4,423,820
Vancouver .....	11,679,787	9,521,322	+ 2,158,465
Ottawa .....	8,018,954	6,008,899	+ 2,010,055
Calgary .....	6,228,688	7,981,649	— 1,752,961
Hamilton .....	6,080,215	5,325,504	+ 754,711
Quebec .....	5,111,247	4,139,220	+ 972,027
Edmonton .....	4,507,182	4,619,571	— 112,389
Halifax .....	5,545,982	3,918,930	+ 1,627,052
London .....	3,921,117	3,203,418	+ 717,699
Regina .....	4,200,458	4,317,261	— 116,803
St. John .....	2,846,402	2,517,818	+ 328,584
Victoria .....	2,240,940	1,877,407	+ 363,533
Saskatoon .....	2,181,539	2,018,841	+ 162,698
Moose Jaw .....	1,870,926	1,456,046	+ 414,880
Brandon .....	784,504	698,564	+ 85,940
Brantford .....	1,153,212	922,675	+ 230,537
Fort William .....	943,424	789,975	+ 153,449
Lethbridge .....	815,847	812,548	+ 3,299
Medicine Hat .....	543,460	543,658	— 198
Prince Albert .....	349,803	.....	.....
Windsor .....	1,444,850	.....	.....
New Westminster .....	564,941	390,930	+ 174,011
Peterboro .....	837,041	746,586	+ 90,455
Sherbrooke .....	1,212,584	722,032	+ 490,552
Kitchener .....	848,994	621,417	+ 227,577
Totals .....	\$321,002,446	\$255,346,126	+ \$65,656,320

The Toronto bank clearings for the current week are \$64,078,478, compared with \$57,197,375 for the same week last year and \$56,064,523 two years ago.

## CANADIAN FORESTRY ASSOCIATION TO MEET

The public meeting of the Canadian Forestry Association, will be held at the Windsor Hotel, Montreal, January 29th. It is expected that a number of leading Canadian lumbermen and other forestry experts will be present, while there will be addresses by Col. Henry S. Graves, chief forester of the United States, who has recently returned from service in France, and Hon. W. R. Brown, of Berlin, N.H. Col. Graves will speak on his experiences in forestry work in the devastated areas of France, and the means of preserving forest wealth on the American continent, while Hon. W. R. Brown will deal more exclusively with the latter subject. Their addresses will be illustrated by a series of films illustrating forestry and forest preservation.

## WHOLESALE LUMBER DEALERS MEET

Forty members were present on January 13th, at the annual banquet and business meeting of the Wholesale Lumber Dealers' Association of Ontario, at Toronto, at which satisfactory reports of the prosperity attending the first year's operations of the organization were presented. Mr. A. E. Clark, the president, in referring to some of the matters of vital importance to the lumber industry that will require readjusting during the reconstruction period of trade and commerce generally, called upon the membership to exercise wide and careful judgment. During the period that conditions would undergo a general transformation it was equally important that the members should co-operate with civic, provincial and federal governments, and endeavor to avert as little disturbance of industrial lines as it was possible to do during critical periods.



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*Issues LIBERAL POLICY CONTRACTS*  
ON ALL APPROVED PLANS.  
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Joseph Henderson, Esq. Peleg Howland, Esq.  
Lt.-Col. A. E. Gooderham Lt.-Col. The Hon. Frederic Nicholls  
Thos. J. Clark, Esq. John Firstbrook, Esq.  
Gen. Supt. of Agencies: Actuary: V. R. SMITH, A.A.S., A.I.A.  
J. TOWER BOYD Secretary: J. A. MACDONALD  
Medical Director:  
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## "SOLID AS THE CONTINENT"

Throughout its entire history the North American Life has lived up to its motto, "Solid as the Continent." Insurance in Force, Assets and Net Surplus all show a steady and permanent increase each year. To-day the financial position of the Company is unexcelled.

1918 promises to be bigger and better than any year heretofore. If you are looking for a new connection, write us. We take our agents into our confidence and offer you service—real service.

Correspond with  
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### North American Life Assurance Company

"SOLID AS THE CONTINENT"  
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### THE WESTERN LIFE ASSURANCE COMPANY

made (among others) the following remarkable increases in 1917:

NEW BUSINESS RECEIVED. ....	<b>INCREASE 146%</b>
ASSURANCES, NEW AND REVIVED .....	<b>INCREASE 147%</b>
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ADMITTED ASSETS.....	<b>INCREASE 81%</b>

The Company now has a Dominion License, and is extending its organization, and is prepared to offer advantageous terms to competent producers. Write to the

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## "THE DAWN OF A TO-MORROW"

The war having ended so happily it is believed that a better world will rise out of the ruin—More of beneficence, equality, fraternity and sympathy with "The Other Fellow" will prevail in the great "To-morrow" that is dawning. Life insurance embodies these great conceptions and will be one of the big movements that "Will Come Into Its Own." Now is the time to make Life Insurance your life work. The war has given the institution of Life Insurance a great impulse and it is appreciated to-day as never before. It is a calling for men of the highest abilities and the finest character. Sell Life Insurance, and sell Mutual Life Insurance for the Mutual system is popular because it is based upon strictly democratic principles. If not as an agent then as a member you will be welcomed into our organization.

### The Mutual Life Assurance Co. of Canada

Waterloo Ontario

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

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

D. M. McGOUN, Mgr. F. W. DORAN, Chief Agent, Ont.

### A COMMON-SENSE VIEW OF LIFE INSURANCE

No sensible person doubts the value of Life Insurance, but far too many look upon it as an expense to be avoided as long as one may safely do so.

This is a wrong view altogether. Modern Life Insurance is not an expense, but an investment. Under the Limited Payment Policies issued by The Great-West Life, the Policyholder is himself assured of excellent returns if he lives for a given period. If he dies meantime his heirs reap the benefit.

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

**HEAD OFFICE WINNIPEG**

# INVESTMENTS AND THE MARKET

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

**Regina Street Railway.**—With the December revenue of the company estimated at \$21,800, the total passenger receipts for 1918 is \$230,582.55, as compared with a total revenue from this source in 1917 of \$215,074.05. The total number of passengers carried during the year just closed was 4,923,752, with the December total estimated at 454,000, as compared with a total of 5,112,460 the preceding year.

**Dominion Coal Company.**—Mark Workman, president of the company, has announced the opening of a new mine on the Cumberland coal areas of the company.

Another important development of the new year in the Corporation's affairs is the taking over on January 1st of the two slopes which the Nova Scotia Steel and Coal Company had been using to get to its iron ore property at Wabana. The agreement allowing Scotia the use of these slopes expired at the beginning of the year, and they will now be available for the Dominion Coal Company in further development of its own ore through which the slopes pass.

**Montreal Telegraphs Company.**—The annual meeting of the company was held on January 9th. A vacancy on the board of directors caused by the death in action of Lieut.-Col. Bartlett McLean, D.S.O., was filled by the election of F. W. Molson.

In his report Wm. MacMaster, the president, stated that the company continued free from debt or encumbrance of any kind. Dividends paid during the year amounted to 8 per cent., or \$160,000. Total assets showed a small increase from \$2,313,687 to \$2,314,422, through an increase of about \$1,000 in cash accounts receivable, bonds and other securities \$162,592. A reduction in unclaimed dividends to \$1,569, and an increase in contingent fund from \$119,741 to \$121,029.

**Nova Scotia Steel and Coal Company.**—The company has been given authority to mine coal on certain areas under Sydney Harbor, belonging to the Dominion Coal Company. The government follows the main recommendations of C. A. Magrath, as director of coal mining operations in Nova Scotia and New Brunswick.

Nova Scotia Steel is, therefore, empowered to enter two parcels of leases of the Dominion Coal Company, one about 4,000 feet by 1,000, the other about 8,000 feet by 500. The Provincial government of Nova Scotia is to receive its usual royalty of 12½ cents per ton. In addition, compensation is to be paid quarterly to the Dominion Coal Company, as the governor-in-council may determine. Although the decision does not specifically so state, this will probably mean reference to the Exchequer Court of Canada.

**Montreal Tramways and Power Company.**—New financing of the company is taking place within Canada, and through a syndicate of Montreal bond houses.

It is reported to consist of \$7,300,000 of 6½ per cent. 5-year gold notes to be issued at par, and will retire an issue of \$5,350,000 placed in New York to the firm of Potter, Choate and Prentice. The balance left after the expenses are paid will assure the company of a considerable amount of new working capital.

Up to the present all financing of the Montreal Tramways Company and the Montreal Tramways and Power Company has been effected in the United States, the first mortgage bonds having been purchased by Harris, Forbes and Company, and all the subsidiary financing having been effected through the firm of Potter, Choate and Prentice.

The local purchasing syndicate is headed by the firm of Rene T. Leclerc and Company.

Under its new franchise the company has the right to issue the notes, which are practically secured by the city of Montreal, as the franchise assures the company of the fares necessary to earn the interest.

**Dominion Bridge Company.**—The total profits of the company for the year ended December 31st, 1918, amounted to \$2,477,009, compared with \$1,360,534 in 1917, an increase of \$1,116,475. After making deductions for depreciation, doubtful accounts, interest and exchange and directors' fees, net earnings of \$1,865,717 were shown, as compared with \$1,186,436, an increase of \$679,281.

When necessary deductions for dividends are made, a surplus of \$1,345,717 is shown, which compares with but \$56,316 in 1917, or an increase in the year of \$1,289,401. When the sum carried forward from the previous profit and loss account is added in, a total surplus at credit of this account of \$3,025,307 is shown, compared with \$1,679,590 in 1917, an increase of \$1,345,717 for the year.

This year the company did not place anything to the credit of the special and interest reserve accounts. Dividend disbursements in the year were \$520,000, as against \$747,500 in 1917.

The balance sheet shows some interesting changes. Total assets are \$12,130,867, compared with \$11,876,355, an increase of \$254,512. Although cash on hand and in bank decreased from \$403,337 to \$284,648, the statement shows Canadian war bonds at \$46,290 and city of Toronto bonds at \$199,000, which were not included in the previous report. Accounts and bills receivable are higher at \$2,029,386, against \$1,202,773. Stocks of steel and small tools, etc., are lower at \$1,304,701, against \$1,553,434; investments in other companies lower at \$2,658,999, against \$3,164,591. Additions to plant during the year were \$514,361, against \$534,667.

**Nipissing Mining Company.**—During the past year the leading silver producer of the Cobalt camp was the Nipissing Mining Company, which took the lead as the largest silver producer in the British Empire from the Mining Corporation of Canada. The Nipissing produced in the neighborhood of four million dollars during the year, while the Mining Corporation of Canada was a close second. The Kerr Lake Mining Company is the next largest producer with close to two and a half million ounces to its credit. The O'Brien Mining Company of Cobalt and its associate of the Gowganda camp, the Miller Lake-O'Brien mine, each produced upwards of a million ounces of silver. The Coniagas Mining Company, which previous to the current year has always maintained a production of over one million ounces, this year fell about twenty-six thousand ounces short of the mark.

The Nipissing mine, as well as being the largest producer in the camp, has by far the largest unexplored acreage. During the past year a number of new veins containing high-grade ore and the usual amount of mill rock in the wall have been developed on the property. At the present time a more or less comprehensive development campaign is under way in new territory of the mine. On the eastern shore of Cobalt Lake a new shaft has been started to explore around which during the past summer was thoroughly diamond drilled. With the large acreage of virgin territory to be explored it is highly probable a number of new and important silver-bearing ore bodies will be encountered. It is, therefore, probable Nipissing will continue for many years to lead all other silver mines in the British Empire in amount of production.

### NATIONAL WAR BONDS

The sale of National War Bonds in Great Britain, which will close January 18th, has met with great financial success. The total, according to George Sutton, of the National War Savings' Association, is approximately £1,500,000,000, and it is hoped will reach £1,600,000,000 before the end of the campaign.

## LABOR'S VOICE IN INDUSTRIAL CONTROL

### Community Also Should Have Interest in Industry with Labor and Capital

"Reconstruction cannot be replaced by readjustment as suggested by a member of the Union Cabinet." Such was the statement made by Hon. W. L. Mackenzie King, formerly minister of labor, during the course of an address before the members of the Reform Club, on January 11th, in Montreal. He insisted that the four component parts of industry must be capital, labor, management, and community.

In defining the meaning of reconstruction, Mr. Mackenzie King said that there were two wholly different schools of thought. One thought of the word primarily in material terms of commercial and industrial supremacy, economic boycotts, and the building of high tariff walls—wealth being the main aim and purpose of government. To the other school the chief aim of government is human happiness and the improvement of well-being.

"The party which stands for readjustment only," said Mr. Mackenzie King, "would lead us back under the guise of patriotism to a renewal of efforts which up to the moment of the war were absorbing our political thought to the exclusion of human well-being and its fundamental problems so long ignored. To such effort the word reconstruction is by no means applicable, but simply rebuilding the old edifice on the old site. The problem of reconstruction is deeper than mere restoration, even in Europe, where to-day all is ruin and desolation. It is the problem of establishing right relation between man and man in human society, and avoiding for all time the worship of false gods, material wealth and material power, which alone are responsible for the hell into which this world has been plunged by Prussian ambition, greed, and barbarity."

#### War But an Episode

"To understand the meaning of the word reconstruction," he said, "we must ask what was it for which our people fought and died. Did they leave our shores, many of them never to return, to fight for a civilization to be estimated in tons or calculated in dollars, or was it for the maintenance of a great ideal? It is this vision which we hold in trust for those who fought and died in Flanders field. If this dream is to be realized we shall have to begin the work of reconstruction in industry with a completely new conception of its aims and purposes. Our conception of industry must be changed, for instead of regarding it as an institution for the purpose of creating wealth, should it not be regarded as in the nature of a social service? Industry has been for too long looked upon as the exclusive concern of capital, and regarded too little in the light of an enterprise in which there are four interested parties—capital, labor, management and the community. The community is as much an investor in industry as capital or labor, for is not 99 per cent. of the expenditure of government in normal times but outlays in the nature of investment in industry. It is the community which provides the natural resources and power that underlie all production. Individuals may acquire titles by one way or another but it is from the community, and with the consent of the community, that titles are held. In our reconstruction of industry we must aim at bringing about a system of joint control which will involve a change in the status of the worker, and give wider recognition to the rights of the community. The worker must be a partner, admitting him along with capital and management, and representatives of the community, to round table conferences in all that pertains to the conditions and circumstances of the employment."

#### Not Profits but Share in Control

"Let there be no no mistake," he said, "for neither Canada nor the United States will escape Bolshevism, Syndicalism or any other inevitable influences unless our industrial institutions, like our political institutions, are brought into fuller harmony with the democratic sentiments of the times. Here is work enough for a party of reconstruction, and the moment for that party to begin its work is at hand.

"What labor wants is, not a share of profits, but rather in a share in the control of industry, under which profits are made; not houses built with government aid, but houses owned and built and enjoyed by the just reward of honest toil."

"England did not wait till the end of the war, but created first of all, a committee of reconstruction which later on developed into a ministry of reconstruction. The Whitley report constituted the corner stone of its reconstructive policy. Through all its careful preparation the Government of the United Kingdom has been able to give to the nation not a plan of readjustment, but a well-defined policy of reconstruction. It cannot," he said, "be too clearly recognized that if the war has any significance at all, it is that it stands for the overthrow of what remains in the old world of autocracy in government and feudal political control."

## COMPENSATION LAW AND PROVINCES

The judgment in the case of Fullum versus the Foundation Company, which was mentioned in *The Monetary Times* of January 10th, was handed down a few days ago in favor of the defendant. The plaintiff had been in the employ of the foundation company, Limited, whose head office is in Montreal, and was injured while engaged at work for that company at Amherstburg, Ontario. He entered suit for compensation in accordance with the Workmen's Compensation Act of Quebec province. Justice Greenshields held that it was the law of the province of Ontario and not of the province of Quebec which applied. Under the Workmen's Compensation Act of Ontario every company carrying on the business of building and construction is obliged to contribute to an accident fund, and as a consequence is relieved from all liability for injuries sustained by its employees in the ordinary course of their work. The defendant company was at the time of the accident contributing to this fund, and was in consequence relieved of liability. The plaintiff's only recourse, therefore, would be against the Workmen's Compensation Board of Ontario.

## POLICYHOLDERS GAIN IN LIFE INSURANCE

The increasing liberality of life insurance policies was dealt with by Mr. George A. Morrow, president of the Imperial Life, at the annual meeting of that company on January 8th. The temporary set-back experienced by life companies during the year 1918 will not permanently affect this development.

The main points in Mr. Morrow's speech were covered in last week's issue of *The Monetary Times*. Mr. E. T. Malone, K.C., vice-president, entered in some detail into the subject of disbursements. "While the year 1918," he said, "has been a record one in many particulars, such as new business, premium and interest, income, etc., the record which will stand over as belonging peculiarly to the year is the amount of the payments to policyholders." In the case of the Imperial Life this reached the sum of \$1,760,000, and exceeded by almost \$100,000 the aggregate of the payments for the previous year. Mr. Morrow then dealt with the subject under the heads of cash values of surrendered policies, dividends to policyholders, policies and payments to beneficiaries under policies maturing by death.

Mr. G. F. Weston, the managing director, gave a comprehensive statement of the effect upon life insurance of the war and of the influenza epidemic. "The outstanding lesson," he said, "which the experience of the last five years teaches us, is the importance of charging adequate rates and the maintenance of a strong contingency fund to absorb the shock of unexpected mortality or material shrinkage in the value of securities." A resolution was introduced by Mr. Weston and passed to the effect that \$60,000 be transferred from the shareholders' fund to the special contingency reserve.

## RECENT FIRES

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

**Brock, Sask.**—January 9—The business section of the town was damaged. Estimated loss, \$100,000. The buildings destroyed include: People's store, Dobson's butcher shop, McCosh's hardware, pool room and barber shop, harness building and residence, restaurant, Brock News printing office, and the Royal Bank.

**Chatham, Ont.**—January 15—Four tons of tobacco in the drying kiln at O'Brien's cigar factory were destroyed.

**Edmonton, Alta.**—January 7—The Veteran picture theatre was damaged. Estimated loss, \$10,000. Insurance carried, \$7,000.

**Montreal, Que.**—January 9—Premises of H. Mathieu and Co., lumber dealers, were damaged. Estimated loss, \$5,000.

January 11—The workshops of the Cadillac Motors, Ltd., were destroyed. Estimated loss, \$500,000, mainly covered by insurance.

January 12—The plant of Jennings and Co., 15 Wellington Street, was destroyed. One hundred and forty motor cars, including nine government ambulances, were a total loss, and the premises of the Hudson Bay Co., and S. J. Carter and Co., were seriously damaged. Estimated loss, \$1,000,000.

**Port Stanley, Ont.**—January 12—House of Wm. H. Martin was destroyed. Caused by overheated stove pipe. Estimated loss, \$2,000.

**St. John, N.B.**—January 12—The Gem Building and the Drury Building were damaged. Estimated loss, \$15,000.

**Toronto, Ont.**—January 9—St. Julien Hall, Bloor Street and Lansdowne Avenue, was damaged. Estimated loss, \$4,000. Building of Zobermen and Hemmell, 21 Edward Street, was damaged. Estimated loss, \$1,600.

January 14—Home of Mr. A. E. Ames, 625 Kingston Road, was damaged. Contained in the garage were two motor cars valued at \$7,000. Estimated loss, \$15,000.

**Winnipeg, Man.**—January 7—Home at 220 Alexander Avenue was damaged. Estimated loss, \$500.

**York Mills, Ont.**—January 15—Home of H. H. Lang was destroyed. Estimated loss, \$5,000.

## ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

**Fort William, Ont.**—January 2—The Cleaning Elevator of Parrish and Heunbecker was destroyed. Estimated loss, \$250,000. Insurance as follows: On building, Atlas, \$3,500; British Colonial, \$1,500; Canadian Fire, \$2,500; Fidelity-Phenix, \$2,500; Globe and Rutgers, \$2,500; Guardian, \$12,500; Imperial Underwriters, \$2,000; Liverpool and London and Globe, \$2,500; London Guarantee, \$1,500; North British and Mercantile, \$2,500; North Empire, \$2,500; New York Underwriters, \$2,000; Occidental, \$2,000; Quebec, \$2,500; Royal Exchange, \$2,000; Rochester Underwriters, \$2,500; Scottish Union, \$2,500; Sun, \$2,500; Union of Canton, \$2,500; Western, \$2,500; total, \$57,000. On stock, American Central, \$5,000; Canadian Fire, \$7,500; Great American, \$2,500; Globe and Rutgers, \$2,500; Guardian, \$30,000; Liverpool and London and Globe, \$7,500; Mount Royal, \$2,500; North Empire, \$2,500; Scottish Union, \$2,500; Sun, \$2,500; total, \$65,000. Use and occupancy, Lloyds, \$1,500; Globe and Rutgers, \$2,500; Globe Indemnity, \$2,500; Liverpool and London and Globe, \$3,500; total, \$9,000.

**Victoria, B.C.**—The fire department responded to 262 alarms during the year, 45 being turned in from the street fire alarm boxes and 217 by telephone. There were no serious fires during the year. The total loss by fire on buildings and contents for the year 1918 amounted to \$14,896.85, a decrease of \$136,982.46, when compared with the 1917 figures. The losses are enumerated as follows: Loss by fire

on buildings with insurance paid, \$8,376.25; loss by fire on buildings with no insurance, \$2,890.35; loss by fire on contents with insurance paid, \$2,212; total, \$14,896.85. The total fire insurance on buildings and contents now in effect is \$404,650.

## NEW INCORPORATIONS

## Government Shipping Placed in Hands of Company Just Incorporated at Toronto

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

**Matheson, Ont.**—Matheson Lumber Co., Ltd., \$40,000; W. A. Gordon, F. A. Day, E. M. Reilly.

**Brant, Ont.**—Mount Pleasant Creamery Co., Ltd., \$40,000; L. E. Cox, J. B. Sloan, W. J. Wilson.

**Hamilton, Ont.**—The Smart-Turner Machine Co., Ltd., \$200,000; W. G. Smart, J. A. Turner, J. Chisholm.

**Richards' Landing, Ont.**—St. Joseph Island Telephone Co., Ltd., \$5,000; W. J. Hamilton, F. H. Court, A. W. Stableforth.

**Ottawa, Ont.**—R. Stewart, Son and Cunningham, Ltd., \$50,000; T. A. Beament, A. H. Armstrong, L. C. Frewin.

**Montreal, Que.**—The Canada Pulp and Lumber Co., \$750,000; M. J. Melancon, L. D. Clement, C. A. Brouillard. The Crawley and McCracken Co., Ltd., \$100,000; C. Holdstock, H. Langevin, R. Bourdon. Guy Street Garage, Ltd., \$20,000; M. G. Beauregard, L. Therien, J. E. Lajoie. Senneville County Club, Incorporated, \$149,000; R. T. Stackhouse, R. E. Allen, J. P. Charbonneau. Independent Cold Storage Co., Ltd., \$190,000; M. M. E. D'Aoust, W. Olivier, A. Eide. Forhan's, Ltd., \$100,000; W. W. Perry, A. L. Reid, C. H. C. Leggott. Modern Creamery Co., Ltd., \$20,000; F. Lariviere. N. Mantha, R. Martineau. Canadian Braid and Trimming Co., Ltd., \$190,000; M. M. E. D'Aoust, W. Olivier, A. Eide. Bock and Tetreau, Ltd., \$40,000; H. J. Tetreau, H. Bock, C. Tetreau. The Bannockburn Clothing Co., Ltd., \$50,000; P. Bercovitch, E. Lafontaine, N. Gordon. Vanderweghe, Ltd., \$49,000; W. S. Johnson, A. R. Hall, J. Edwards.

**Toronto, Ont.**—Provincial Machine and Supply Co., Ltd., \$100,000; J. A. Kent, C. W. Thompson, B. Cameron. The Perfection Garden Tools Co., Ltd.; A. Anderson, A. S. Lowe, T. C. G. Russell. Venus Silk Hosiery Mills, Ltd., \$125,000; F. J. Dunbar, A. G. F. Lawrence, F. Strong. Papers, Ltd., \$250,000; G. Cooper, N. H. Spence, E. Staples. Coralox, Ltd., \$500,000; A. W. Holmstead, J. L. Ross, A. R. Kinnear. National Preserving Co., Ltd., \$40,000; W. J. McLarty, M. Magee, I. Lavine. The Scottish Jewelry Co., Ltd., \$40,000; J. Goodman, Jessie Goodman, W. B. Dobson. Dominion General Supply Co., Ltd., \$40,000; B. E. Bull, J. G. Shaw, J. Montgomery. Toronto Battery Service Co., Ltd., \$40,000; S. L. Pearson, C. H. Leslie, M. Patterson. Diamonds, Ltd., \$40,000; D. W. Markham, G. M. Baillie, W. E. Burkholder. Synthetic Drugs, Ltd., \$200,000; S. R. MacEwen, C. N. Candee, J. F. Edgar. Canadian Pioneer, Ltd., \$100,000; G. Ruel, R. H. M. Temple, G. N. Limpricht. Canadian Government Merchant Marine, Ltd., \$1,000,000; G. Ruel, L. W. Mitchell, W. B. Langmo.

## MONTREAL BONDS LISTED

The three recent issues of city of Montreal 6 per cent. bonds were listed on the Montreal Stock Exchange on Thursday, January 16th, making a new departure for the exchange. Many years ago the city bonds were active features of the exchange trading, but as the bulk of them passed over to British ownership the market finally dried up. About \$15,000,000 of the city's bonds have been distributed among Canadians recently and it is believed that under the new conditions they will have a broad and active market.



W. E. BALDWIN,  
MANAGER

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OF NEW YORK

HENRY EVANS - - President

Policies Assumed half by the Fidelity Phenix Fire Insurance Company  
and half by the Continental Insurance Company of N.Y.

## COMBINED ASSETS EXCEED \$56,766,800

Head Office for Canada and Newfoundland:  
17 St. JOHN ST., MONTREAL



## L'UNION

Fire Insurance Company, Limited, of PARIS, FRANCE

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

Canadian Branch, 17 St. John Street, Montreal; Manager for Canada,  
MAURICE FERRAND, Toronto Office, 18 Wellington St. East  
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## Royal Exchange Assurance

FOUNDED A.D. 1720

Losses paid exceed \$235,000,000

HEAD OFFICE FOR CANADA

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Correspondence invited from responsible  
gentlemen in unrepresented districts re fire  
and casualty agencies.



Head Office:  
Royal Exchange, London

## Guardian Assurance Company

Limited, of London, England

Established 1821

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

Head Office for Canada, Guardian Building, Montreal

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ARMSTRONG & DeWITT, Limited, General Agents

36 TORONTO STREET TORONTO

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

## Phoenix Assurance Co., Limited

FIRE

of London, England

LIFE

Founded 1792

Total resources over .....	\$ 90,000,000
Fire losses paid .....	425,000,000
Deposit with Federal Government and Investment in Canada for security of Canadian policy holders only exceed .....	2,500,000

Agents wanted in both branches. Apply to

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

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

ACCUMULATED FUNDS, 1916 .....

.....	\$39,935,000.00
Including Paid up Capital Amount, \$1,460,000.00	

Head Office for Canada, 88 Notre Dame Street West, Montreal  
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## CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Fire Office

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OF GLASGOW, SCOTLAND  
Guaranteed by EAGLE, STAR & BRITISH DOMINIONS  
INSURANCE COMPANY, LIMITED

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

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FIRE, MARINE, HAIL AND AUTOMOBILE INSURANCE

INCORPORATED 1833

HEAD OFFICES: TORONTO

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Assets, Over \$3,500,000.00  
Losses paid since organization over \$43,000,000.00

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

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

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Head Office: TORONTO, Ont.  
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**ATLAS Assurance Company Limited**  
 Founded in the Reign of George III

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

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

Head Office for Canada—260 St. James St., Montreal  
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 Established 1865

AGENCIES THROUGHOUT THE WORLD

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Toronto Agents, WINDEYER BROS. & DONALDSON

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

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 Agencies throughout the Dominion

**British Northwestern Fire Insurance Company**

Head Office .... WINNIPEG, Can.

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

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

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

W. D. Aiken, Superintendent | J. E. E. DICKSON, Canadian-Manager  
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**The LONDON ASSURANCE**  
 Head Office, Canada Branch, MONTREAL  
 Total Funds exceed \$36,000,000

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

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

Canadian Branch ... Toronto  
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**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

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**THE MERCANTILE FIRE INSURANCE COMPANY** Incorporated 1875

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

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

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

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 Automobile and Liability Insurance  
 Inspection and Insurance of Steam Boilers  
 TORONTO, ONTARIO

Head Office  
 for Canada :  
 TORONTO



Assets  
 Exceed  
 \$65,000,000

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

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

**DALE & COMPANY, LIMITED**  
 GENERAL AGENTS  
 MONTREAL AND TORONTO



Head Office—Corner of Dorchester St. West and Union Ave., MONTREAL

DIRECTORS:  
 J. Gardner Thompson, President and Managing Director.  
 Lewis Laing, Vice-President and Secretary.  
 M. Chevalier, Esq., A. G. Dent, Esq., John Emo, Esq.,  
 Sir Alexandre Lacoste, Wm. Molson Macpherson, Esq.,  
 J. C. Rimmer Esq., Sir Fredrick Williams-Taylor, LL.D.  
 J. D. Simpson, Assistant Secretary.

A BRITISH COMPANY  
**UNION INSURANCE SOCIETY OF CANTON, LIMITED**  
 ESTABLISHED 1835

Head Office - HONGKONG  
 General Manager. C. MONTAGUE EDE

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

ASSETS OVER \$17,000,000

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

THE **CANADA NATIONAL FIRE**  
 INSURANCE COMPANY  
 HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS - - \$2,387,634.14

A Canadian Company Investing its Funds in Canada  
 General Fire Insurance Business Transacted  
 APPLICATIONS FOR AGENCIES INVITED

Toronto, Ont., Branch: 20 King St. West, C. E. CORBOLD, Mgr.




ALFRED WRIGHT,  
 Manager

A. E. BLOGG,  
 Branch Secretary

14 Richmond St. E.  
 TORONTO

Security, \$36,000,000



**NORWICH UNION**  
 FIRE INSURANCE  
 SOCIETY LIMITED

Norwich, England

Founded 1797  
 FIRE INSURANCE  
 ACCIDENT AND SICKNESS EMPLOYERS' LIABILITY  
 PLATE GLASS AUTOMOBILE INSURANCE

HEAD OFFICE FOR CANADA **Norwich Union Building**  
 12-14 Wellington St. East TORONTO

For January funds, we advise  
Investment in Government and  
higher-grade Municipal Bonds.

A list of such Investment Suggestions  
gladly furnished upon request.

## DOMINION SECURITIES CORPORATION LIMITED.

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

Established 1901  
26 KING STREET EAST  
TORONTO

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

¶ The agricultural, industrial and commercial potentialities of Western Canada are vast and almost untouched. This is a field worthy of the most careful consideration by capital.

¶ We are in constant and intimate touch with the field. "Our ear is to the ground." We are alive to the importance of this period to the future of the West.

¶ Can we be of assistance to you :

### DEPARTMENTS

Farm Lands	Bonds
City Property	Mortgages
Leases and Rentals	Insurance

## Pemberton & Son

FINANCIAL AGENTS  
VANCOUVER, B. C.

## Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

**\$96,971,238.06**

STATEMENT, JANUARY 1st, 1918

CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

**\$2,000,000.00**

RESERVE FOR ALL OTHER LIABILITIES

**12,927,269.91**

NET SURPLUS

**8,527,719.31**

ASSETS

**23,454,989.22**

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

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

Home Office, One Liberty Street  
New York City

Agencies Throughout the United States and Canada  
ESINHART & EVANS, Agents MURPHY, LOVE, HAMILTON  
& BASCOM, Agents  
39 Sacramento Street Dominion Bank Building  
Montreal, Quebec Toronto, Ontario  
WILLIAM ROBINS, SUPERINTENDENT OF AGENCIES  
Dominion Bank Building, Toronto, Ontario