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Special Articles

The "Minimum" Prices of Bank Stocks.
By H. M. P. Eckardt.

The Influence of Mill Fumigants on the Baking
Quality of the Flour.
By R. Harcourt.

Rural Co-operation.
By J. W. MacMillan.

Conditions in the West.
By E. Cora Hind.

Newfoundland News and Trade.

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Shipbuilding in Canada

THE question of establishing steel shipbuilding industries in Canada, on a larger scale than has yet been attempted, is engaging much attention. There has been a brief general discussion in the House of Commons. The British Columbia Government are guaranteeing interest on the cost of three steel sailing ships for the lumber trade of that Province. In Nova Scotia provision has been made to grant encouragement in the form of tax exemptions, etc. The launching, last week, of a substantial steel steamer built for the Dominion Government in the yard of the Canadian Vickers Company, in Montreal, is some indication of what can be done in this direction — in cases where price is not deemed a chief consideration. There is a widespread desire to have Canada possess a larger merchant marine, and shipyards in which modern steel vessels of a large class can be built. Perhaps there is not as wide an appreciation of the difficulties which face those who wish to promote the movement.

One of the most interesting statements on the subject was that of Mr. Thomas Cantley, President of the Nova Scotia Steel and Coal Company, in his recent Montreal address. Mr. Cantley's views may be summed up in a sentence: Canada can build the ships—if the Government will pay bounty enough. Perhaps the same might be said concerning the production of some other things. Before the public can make up its mind that this thing shall be done it will need fuller information as to the extent of the bounty required—the amount, the terms and conditions. Mr. Cantley spoke of the present bounty as insufficient and out of date. There is really no bounty at present. It has never been the policy of Canada to grant bounties for shipbuilding. In former times, when wooden shipbuilding was a great industry in our Eastern Provinces, it was deemed good policy to allow a drawback of the amount paid by way of Customs duties on materials entering into ship construction. Some difficulty having been experienced in adjusting the amount of duties paid, the system was changed and the drawback given in the form of a specified sum per ton, assumed to be equivalent to duties paid. This system suits the case of small wooden vessels, which are still constructed to a limited extent, but is not adapted to a scheme of extensive steel shipbuilding.

Those who are interested in the subject will do well to look with care into the difficulties that are to be overcome. They are not quite of the same character as those of which manufacturers in other lines sometimes complain. It is not a case in which "foreign competition" stands in the way of producing something for our home consumption. No German ships

compete with our own in Canadian waters. No "continental cheap labor" prevents our undertaking the construction of ships for our home trade. Against these things there is already abundant protection. Our laws now exclude foreign vessels from our coasting trade, though occasionally Norwegian vessels are temporarily allowed to engage in the coal trade between Nova Scotia and Montreal. The competitor who stands in the way of a steel shipbuilding industry in Canada is the British shipbuilder. We refer to the builder in the United Kingdom, whom for convenience we designate as the British builder, although the Canadian builder is, of course, in the broadest sense of the word, British too.

Mr. Cantley, in referring to the development of the steel industry in Canada, said it had been encouraged by both tariff and bounty. An attempt to encourage shipbuilding in Canada by means of a tariff against British ships would hardly find favor. We tax many British things, it is true, but a proposal to put a special tax on a ship flying the British flag is not likely to be regarded with general approval at this time. So, if we need new steel vessels for our coastwise trade, the man who wishes to be a shipowner, as distinct from the shipbuilder, will probably, so far as the tariff is concerned, remain as free as he now is to buy his vessel from a builder in Canada or in Great Britain, as he may prefer. Unless the Canadian builder can be so aided that he can compete with the British builder, there can be no extensive shipbuilding industry in the Dominion. Occasionally, as has happened on the Great Lakes and in Nova Scotia, a special effort may be made to turn out a steel vessel, and a ship may be built for the Government regardless of price, but the normal condition will be that if a Canadian wants a large ship the order for construction will be sent across the Atlantic. Greater experience, higher skill, cheaper labor, cheaper materials—all these have hitherto served to enable the British builder to turn out a ship at a much lower price than could usually be quoted by a Canadian builder. This is the situation as respects our coasting trade, from which foreign ships can easily be excluded.

In the case of ocean traffic, the position of the Canadian built ship is even less favorable. In the wide oceans of the world she must compete for cargo not only with British ships, but also with the ships of foreign nations. Her chief competitors, apart from the British, will be the Norwegians, who in many lines press their rivals in the competition for the carrying trade. The Norwegian ship may be, and often is, British built. So far as cost of construction is concerned, she stands in the same position as the British ship. But in the cost of operation and management she will often beat both the British and Canadian. The Norwegians are good sailors. The standard of living on their