

## U. S. GOVERNMENT TAKES POSSESSION OF ALL U. S. R. R.'S.

Government possession and operation of the nation's railroads for the war was proclaimed by President Wilson on Wednesday, and became effective at noon on Friday, December 28. William G. McAdoo, retaining his place in the Cabinet as Secretary of the Treasury, was placed in charge as Director-General of railroads.

Every railroad engaged in general transportation, with its appurtenances, including steamship lines, is taken over, and all systems will be operated as one under the Director-General.

In a statement accompanying his proclamation, the President announced that as soon as Congress re-assembles, he will recommend legislation guaranteeing pre-war earnings and maintenance of railroad properties in good repair, "pre-war" meaning prior to the entry of the United States into the European conflict.

Government backing will be given to new issues of railroad securities so that a ready market may be found.

The President's move although forecasted for weeks, came at this time as a great surprise to nearly everybody in Washington, including railroad officials. It had been generally believed he would await the re-assembling of Congress before taking any step. He acted through Secretary of War Baker, under authority conferred in the Army Appropriations Act. Direct management of the roads will remain in the hands of railroad officials, and the Railroad War Board, comprised of five railroad heads, will continue to direct actual operation under Secretary McAdoo's general supervision.

The chief practical effect of Government operation will be to permit a complete unification of all rail systems, impossible under private operation by reason of statutes prohibiting pooling of rail traffic and earnings. The roads themselves had gone as far as they dared in this direction, and it became known only to-day that they had been warned by Attorney-General Gregory that a violation of anti-pooling laws could not be permitted.

The situation was fully realized by President Wilson, who in his statement declared that the roads had gone as far as they could, and that already some systems were endangering their earnings in attempting unification.

Although the proclamation applies to all electric lines engaged in general transportation, local inter-urban systems are specifically exempted.

### EARNINGS GUARANTEED.

Congress will be asked to guarantee earnings equivalent to the average net operating income of each railroad in the three year period ending June 30, 1917. Railroad experts estimate that this will cost the Government next year in the neighborhood of \$100,000,000, which can be raised in large part by increased freights if the Inter-State Commerce Commission grants the railroads' application for the 15 per cent rate increase now pending. Otherwise it will be paid largely out of the general Government funds.

The Inter-State Commerce Commission and other Government agencies which have to do with the railroads, will continue to perform their functions as heretofore, except that they will be subject to the orders of the Director of Railroads.

The President makes it clear that his decision was not made because of any failure on the part of any railroads to perform their whole duty insofar as they could while hampered as they were by legal restrictions.

"The committee of railroad executives," said his statement, "have done the utmost that it was possible for them to do, but there were difficulties they neither could escape nor neutralize. In mere fairness to them, the full authority of the Government must be substituted."

The plan of control, as outlined in the proclamation and statement, leaves much unsaid as to details, but the general scheme appears to follow closely the British system. In England, however, Government freight is carried free, and the guaranteed earnings require an enormous amount of money from Government funds, while in the United States the Government will pay for its freight as in the past, and will stand its part of increased freight tariffs if they are found to be necessary.

Apart from the President's statement, there was no comment in the capital on the Government's note. Secretary McAdoo declined to be quoted, and members of the Railroads War Board said they would have no statement to make until to-morrow.

## SUGAR SHORTAGE EXPLAINED.

According to a pamphlet issued by the American Sugar Refining Company, 117 Wall street, the last five-years period, including the three years of the European war, has seen a decided increase in the consumption of sugar in the United States and also a decrease of 11 per cent in the world's supply of sugar.

The following table gives the world's production during the past five years, showing the proportionate production of beet and cane. The long ton of 2,240 pounds is used. The 1916-17 figures are estimates:

Year—	Cane.	Beet.	Total.
1912-13..	9,232,543	8,976,271	18,208,814
1913-14 ..	9,892,057	8,846,269	18,738,326
1914-15 ..	10,288,656	8,243,451	18,532,107
1915-16 ..	10,675,294	8,875,157	19,550,451
1916-17 ..	11,233,294	5,302,484	16,535,778

Further comments made in the pamphlet were:

"It will be seen that whereas prior to the war the world's supply was divided almost equally between beet and cane, the beet production has declined since the outbreak of the war approximately 2,500,000 tons, or 37½ per cent. Although the production of cane sugar has increased about 1,300,000 tons, or 12 per cent, the world's total production has decreased over 2,000,000 tons, or 11 per cent.

"Reports indicate that Germany and Austria are now producing slightly more than one-half, France about one-fifth and Belgium somewhat more than one-half of its production of four years ago.

"European countries would under normal conditions produce annually nearly 3,000,000 tons—the equivalent of the entire Cuban crop—in excess of their requirements, which would be available for export to foreign markets.

"The United States buys practically no sugar from

Europe. Its sources of supply for the years 1915 and 1916 are shown by the following recapitulation, giving the figures in long tons:

	1915.	1916.
Cuba ..	1,841,602	1,668,548
Hawaii ..	509,263	533,969
Porto Rico ..	390,310	332,733
Louisiana, Texas and Arizona ..	224,768	224,973
Philippine Islands ..	120,202	111,182
U. S. Beet ..	769,257	700,256
Various sugars, including foreign refined, U. S. maple, etc. ....	36,129	28,941

Total consumption in United States .. 3,801,531 3,658,607

"From this it will be seen that Cuba supplied about one-half of the sugar for this country.

"The immediate effect of the declaration of war was to cut off from the world's market the sugar supply of the Central Powers. More than one-third of the world's total production formerly came from within the present battle lines of Europe, and the western battle line now passes through the sugar producing territory of France and Belgium.

"The most serious effect of this interruption to the supply was first felt in England. The British Isles produce practically no sugar. More than two-thirds of their supply came from Germany and Austria and ceased on declaration of the war, and any possible supplies from Russia, France and Belgium were unavailable.

"In five years previous to January 1, 1917, the imports into Great Britain from Cuba increased approximately 550,000 tons. From other statistics it appears that last year Cuba exported to Europe 730,000 tons, or approximately one-fourth of her entire crop. So far this year Cuba has exported to Europe close to 925,000 tons of raw sugar, or approximately 200,000 tons more than during all of 1916."

## PRELIMINARY STATEMENT OF THE TRADE OF CANADA FOR NOVEMBER.

November makes the second month in 1917 in which Canada's trade has made a new high record in point of value as well as volume.

November exports amounted to the total of \$187,315,515, while imports totalled \$72,708,439. This represents an excess balance of exports over imports for the month of \$114,607,076. These figures compare with exports of \$109,558,000 in November of 1916, and imports of \$72,690,000, or an excess in that month of exports over imports of \$36,868,000.

Figures of July trade come next best. In that month exports amounted to \$177,366,148, while imports amounted to \$90,181,595, an excess of exports of \$87,184,553.

The current year's trade results become more and more impressive as the year draws to a close. For the eleven months to November 30th exports total \$1,399,018,936 and the excess of exports over imports to \$455,519,369, the latter comparing with \$262,957,000 for the same period in 1916, \$115,980,000 for the same period in 1915. In the same eleven months of 1912 there was a balance against Canada of \$281,123,000.

Figures for the eleven months to November 30th in each of the calendar years, compares as follows:—

	Month of November.		Twelve Months ending November.		
	1915.	1916.	1917.	1915.	1916.
Imports for Consumption.	\$	\$	\$	\$	\$
Dutiable goods ..	26,079,686	38,083,134	44,247,634	254,518,282	408,802,094
Free goods ..	19,187,873	34,496,311	28,460,805	180,731,684	336,489,605
Total imports (mdse.) ..	45,217,559	72,579,445	72,708,439	435,249,966	744,291,699
*Coin and bullion ..	4,705,933	1,411,478	941,944	12,908,570	46,170,398
Total imports ..	49,923,492	73,990,923	73,650,383	448,158,536	790,462,097
Duty collected ..	9,440,315	12,116,329	12,829,358	87,618,643	136,159,221
Exports.					
Canadian Produce—					
The mine ..	6,634,887	7,026,024	6,879,290	59,972,897	78,457,189
The fisheries ..	2,075,877	2,600,021	4,315,983	21,742,864	23,786,818
The forest ..	4,556,502	5,172,272	5,428,570	48,025,230	54,515,579
Animal produce ..	12,113,520	13,603,193	23,237,442	93,384,593	114,458,052
Agricultural products ..	53,926,837	36,789,632	77,961,781	193,543,711	366,781,913
Manufactures ..	13,231,022	44,119,094	68,947,268	137,702,849	408,026,574
Miscellaneous ..	383,271	248,714	535,181	3,879,908	7,814,506
Total Canadian produce ..	92,931,916	109,558,950	187,315,515	559,152,052	1,053,840,681
Foreign produce ..	1,504,177	2,243,423	7,442,979	39,589,854	19,664,969
Total exports (mdse.) ..	94,436,093	111,802,373	194,758,493	598,741,906	1,073,505,650
*Coin and bullion ..	9,865,896	161,709	132,687	128,316,291	196,422,615
Total exports ..	104,301,989	111,964,082	194,891,180	727,058,197	1,269,928,215
Aggregate Trade.					
Merchandise ..	139,653,652	184,381,818	267,466,932	1,033,991,872	1,817,797,299
Coin and bullion ..	14,571,829	1,573,187	1,074,631	141,224,861	242,593,013
Total trade ..	154,225,481	185,955,005	268,541,563	1,175,216,733	2,060,390,312

\*NOTE.—It will be noted that the figures relating to the imports and exports of coin and bullion for the twelve months ending November, were: imports, 1915, \$12,908,570; 1916, \$46,170,398; 1917, \$15,288,416; and exports, 1915, \$128,316,291; 1916, \$196,422,615; 1917, \$3,261,872. Although it has been customary to include these figures in trade returns, the total trade figures are seriously disturbed by them in this instance, and they should not be taken as an indication of the trade of Canada.

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