

support the contention that the Montreal Light, Heat & Power Company is a grasping corporation.

The contract made this week is for a period of ten years and, considering all the conditions, is probably as satisfactory and good a bargain as the City Council could make. The price is to be \$72.70 for the large arc lamps and \$63.15 for the smaller arcs. Of the former kind only 572 will be supplied and 1,650 of the cheaper kind. The work of installing these lamps will commence at once and it is expected that 800 will be in operation by Xmas time, but it will be six months before the whole of the lamps are in use.

A clause has been inserted in the agreement by which the contract can be broken by the City Council at the end of five years should they deem it advisable to do so. By that time it is thought that other power companies will be in the field as active competitors. Taking it all in all, therefore, it is felt that the city made the best of a bad job, and in closing up this vexed question removed one of the greatest reproaches to the city, as previously the streets were poorly lighted and the whole question grossly mismanaged.

OUR FOREST PRODUCTS.

Canada Third in Production of Pulp.

RECENT statistics, prepared by the United States Department of Commerce and Industry show the remarkable strides made in connection with the wood pulp industry throughout the world. In 1904 the world's trade in wood pulp amounted to 2,744,955,000 pounds. In 1908 this has increased to 3,908,007,000 pounds. In this connection it is interesting to note that Canada stood third among the countries in 1908. Norway came first with 1,310,902,000 pounds; Sweden next with 1,242,850,000 pounds. Canada is away behind these with 480,000,000 pounds. Canada's trade increased from 359,000,000 pounds in 1904 to the above figures in 1908. Although Canada is going ahead at such a rapid rate, it is very evident that her policy in regard to forests is sadly behind that of most European countries. When we think of it, that Norway's exports of wood pulp average \$10,000,000 a year and the annual exports of forest products of all kinds exceeds \$21,000,000 a year, the showing made by Canada is not altogether a creditable one. Norway's forests cover an area of 26,234 square miles. Canada, with a forest area of more than fifty times that of Norway, received last year only \$47,500,000 from her forest products, of which pulp wood brought \$4,356,000 and the manufactured pulp \$4,306,000, the balance of the products being various kinds of lumber. Germany, with a forest area of 55,000 square miles, receives a yearly revenue of \$63,000,000. A somewhat similar story is told by France, Sweden and other European countries.

In Canada we have vast timber areas, but

reckless cutting and wasteful methods of treating the by-products are making serious inroads on our forest reserves. If we were to adopt some of the policies in vogue in Sweden, Norway and other European countries, our forests would become the most valuable national asset which we possess. If a prohibitive duty were placed on the export of pulp wood it would compel its manufacture in Canada and this would greatly increase the value of the exports. Instead of going out as raw wood worth \$6 a cord, it would go out as manufactured pulp worth \$36 a ton. It is evidently high time for Canada to give very serious attention to the whole pulp and lumber question. In the forthcoming tariff negotiations with the United States, the lumber question is likely to be one of the crucial points which will be brought up for discussion. Canada should give a careful study of this and be able to treat the question in an intelligent manner, for it is absolutely necessary that we should safeguard our forests.

CANADIAN TRADE EXPANSION.

MARKED evidence of the continued expansion of Canadian trade is shown in recent statistics compiled by the Department of Trade and Commerce, which will be issued shortly in the monthly report for July. For the month of July last the total trade of Canada increased over the month of July, 1909, to the amount of \$5,105,057. The increase for the four months ended July 31, 1910, over the same period for 1909, was \$40,710,956. For the twelve months ended July 31, 1910, as compared with the same period for 1909, the increase was \$129,848,914. With reasonable allowance, therefore, for the coming winter months, it would appear that nothing short of a trade cataclysm will prevent the total trade of Canada for the current fiscal year ending March 31st next from being well above \$800,000,000. The total trade for the fiscal year ended March 31, 1910, was \$693,161,865.

Every indication therefore points to the fact that the trade of the current fiscal year will not only be the greatest in the history of Canada, but will be very much more than double the total trade of Canada only ten years ago.

C. P. R. AUGUST EARNINGS.

A Comparative Statement of August Earnings For Past Five Years.

August, 1910.		Increase.
Gross earnings....	\$9,255,331.67	\$1,828,347.05
Working expenses....	5,563,659.34	1,100,732.59
Net Profits.....	\$3,691,672.33	\$727,614.46
August, 1909.		Increase.
Gross earnings....	\$7,426,984.62	
Working expenses....	4,462,926.75	
Net profits.....	\$2,964,057.87	\$385,159.16
August, 1908.		Increase.
Gross earnings....	\$6,385,956.69	
Working expenses....	3,807,057.98	
Net profits.....	\$2,578,898.71	\$8,623.56
August, 1907.		
Gross earnings....	\$7,010,177.40	
Working expenses....	4,439,902.25	
Net profits.....	\$2,570,275.15	\$107,695.95
August, 1906.		
Gross earnings....	\$6,170,452.27	
Working expenses....	3,707,873.07	
Net profits.....	\$2,462,579.20	

MERGER DEVELOPMENTS.

A Circular Issued by Montreal Street Railway.

A further step was taken in the fight for control of the Montreal Street Railway this week when a circular, approved of by the directors of both the Montreal Street Railway and the Montreal Light, Heat & Power Co., was sent out to the shareholders of the former concern. This circular recommends a merger of the Street Railway with the Montreal Light, Heat & Power Co. as preferable to a merger of Street Railway with the Canadian Light & Power Co. The plan of operation suggested was for the formation of a holding company into which the Street Railway and the Montreal Light, Heat & Power Co. would be absorbed, the former being taken in at 250 and the latter at 190. The capitalization of the holding company is placed at \$57,300,000, this being based on the proposition that all the shares of the two companies would be transferred to the holding company. The net income of the Montreal Street Railway for the year 1909 is placed at \$1,229,357.51, while that of the Montreal Light, Heat & Power Co. for the year amounts to \$1,911,200.90, or a total combined net income of \$3,140,877.40. When this total net income of the two companies is applied to the capital mentioned above it shows earnings of 5.48 per cent.

On the "street" there have been diverse opinions expressed as to the attractiveness of the offer made to the shareholders, but, on the whole, the opinion is that the terms offered are not as favorable as were expected, and it is felt that they will not prove a sufficient inducement to turn proxies already given to the Canadian Light & Power Co. A company which can only show earnings of 5.48 per cent. cannot pay more than 4 per cent. of a dividend, and this does not look very attractive to people who have been receiving 10 per cent. for Street Railway or 7 per cent. for Power. It looks more and more as if the Canadian Light & Power Co. will win out in this conflict. It is now said that they control 48,000 shares of Street Railway stock, and, with the dissatisfaction which is bound to greet the latest offer of the Street Railway Co., it is expected that they will be able to pick up some more stock of the dissatisfied Street Railway shareholders. It is therefore altogether likely that the control of the Street Railway Co. will pass into the hands of the Canadian Light & Power Co. and that the Montreal Light, Heat & Power Co. will be allowed to exist as a separate corporation. The value of Montreal Power's stock has been enhanced by the latest contract made with the city, and the holders of this stock need not worry about the failure of its directors to merge with the Montreal Street Railway Co. The following is the text of the