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THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

000 5-year 6 per cent. gold bonds having been disposed of in two lots of $3,500,000 each for sale in the United States. In each case the price received was approximately 105 Canadian currency, a satisfactory enough figure under the circumstances. With the present premium on New York Funds, the bonds constitute, of course an exceedingly attractive purchase for investors in the United States, to whom they are being offered to yield 7 per cent. Several large Canadian corporations are known to have important plans of new financing on hand, in some cases in the United States, an interesting announcement in this connection will probably be available in the course of a short time.

The preliminary trade returns for the month of February show an advance balance for the first time since May 1918. While exports totalled 86,-695,190 the best figure for February on record, though almost reached in February 1918, imports increased to $87,496,856, a growth of over $23,-000,000 in comparison with February last year, and far in advance of the corresponding figures reported for any preceding February. The increase in imports is mainly due to enlargement of imports of Textiles and Foodstuffs. Textile imports for the month were $23,065,661 against $14,405,423 in February of last year, and foodstuffs $12,359,878 against $7,295,811. There is also an increase approximating $5,000,000 in agricultural products, not foodstuffs, from $3,740,890 in February 1919 to $8,830,298 in February of this year. It will be interesting to see, when the detailed figures become available, the places of origin of these increased imports, and if there has been any decrease (though this seems very doubtful) in imports from the United States as a result of adverse exchange. With regard to textiles, the vastly increased prices of both raw materials and finished products have to be borne in mind, when comparison of this year's figures with those of last year is made, and the same remark applies, of course to some extent to foodstuffs.

As regards exports, those of foodstuffs reached during the month a total of $26,066,583 compared with $16,356,843 a year ago. This increase, however, is largely offset by a decline in exports of animal products of $17,656,127 against $23,790,360—a decline which is the result of the cessation of orders from abroad for butter and cheese shipments, as a consequence of the decline in exchange. In regard to the products of the factory as compared with those of the farm, there is the same see-sawing process in the principal items. Iron and steel exports are down from $11,254,614 to $5,274,-583, and paper and wood products up from $11,121,-535 to $16,862,311. While exports during the month were to some extent affected by the exchange situation, and by a falling off of a demand for Canadian iron and steel abroad, it is apparent from the figures that the main reason for the adverse balance of February is to be found in the increase in imports, and not in any decrease in exports.

Considerable interest attaches to the Ames-Holden report in view of the extraordinary position in which the common stock was placed last year, and in which it has been since maintained. The report covers only eight months from April 30th to Dec. 31st, and those eight months, the management explain, notably normally, only produce 40 per cent. of the annual profits of the business, the remaining 60 per cent. being earned in the four months, January to April. Be that as it may, it may be said at once, that there is nothing in the Company's showing of profits to justify the present position of the Common Stock. The position has obviously been considerably improved, net profits for the eight months being $294,699 against $309,-442 for the preceding twelve months. But the fact remains that the Company's surplus at the end of December was only $992,354, while the accrued and unpaid dividends on the prefered stock read $833,-000. Under such circumstances, the progress of the Company will have to be marked by seven league strides, if any dividend is to paid upon the common stock within a reasonable time. The present position of the common stock in market quotations is purely a fictitious one

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TRAFFIC RETURNS

Canadian Pacific Railway

Year to date	1918	1919	1920	Increase
Feb. 29.. ..	$19,859,000	$23,379,000	$26,877,000	$ 3,298,000
Week ending	1918	1919	1920	Increase
Mar. 7	1,122,000	2,468,000	3,244,000	775,000

Grand Trunk Railway

Year to date	1918	1919	1920	Increase
Jan. 31..	$ 4,083,362	$ 4,402,229	$ 5,054,034	$ 651,805
Week ending	1918	1919	1920	Increase
Feb. 7..	675,115	905,449	1,178,184	272,735
Feb. 14..	752,861	947,889	1,220,509	272,620
Feb. 21	980,013	974,220	928,693	Dec. 45,527

Canadian National Railways

Year to date	1918	1919	1920	Increase
Feb. 29..	....	13,053,079	$13,783,621	$ 730,542
Week ending	1918	1919	1920	Increase
Mar. 7..	....	1,369,774	1,690,099	320,325