

The Journal of Commerce

RECEIVED
MAR 21 1917

Vol. XLIII., No. 12

MONTREAL, TUESDAY, MARCH 20, 1917

Price, 10 Cents

The Journal of Commerce

Devoted to
CANADIAN INDUSTRY, COMMERCE AND
FINANCE.

Published every Tuesday Morning by
The Journal of Commerce Publishing Company,
Limited.

Head Office: 35-45 St. Alexander Street, Montreal.
Telephone: Main 2662.
Toronto Office: 263 Adelaide St. West, Toronto.
Telephone: Adelaide 917.

HON. W. S. FIELDING,
President and Editor-in-Chief.

Subscription price, \$3.00 a year.
Advertising rates on application.

MONTREAL, TUESDAY, MARCH 20, 1917

Special Articles

- Editorials: Page.
- Field Crops of Canada, 1916—Areas, Yields and Values.**
By Ernest H. Godfrey, F.S.S.
- What the War Bonds May Yield.**
By H. M. P. Eckhardt.
- Probable Effect of Newsprint Regulation.**
By E. S. Bates.
- Banking and Business Affairs in the United States.**
By Elmer H. Youngman.
- Conditions in the West.**
By E. Cora Hind.

PRINCIPAL CONTENTS.

The Duchess	1
The Victory Loan	1
The India Cotton Duties	1
Conference Embarrassments	2
Lord Balfour's Report	2
A Topsy-Turvy World	2
Bernstorff's Complaint	2
Field Crops of Canada 1916—Areas, Yields and Values	3
What the War Bonds May Yield	4
Probable Effect of Newsprint Regulations	4
Banking and Business Affairs in United States	5
Scientific and Industrial Research	6
Mentioned in Despatches	7
Public Opinion	8
Dominion of Canada War Loan	9
Among the Companies	10
The Soldiers' Life Insurance	11
Government Wheat Purchase	11
Bank Clearings	12
Montreal Stock Exchange	13
A Much Needed System of National Bureaus of Information	14
A Little Nonsense Now and Then	15
Lumber Pulp and Paper	18
Comments on Current Commerce	19
Commodity Markets	21-22

The Duchess

THE news of the death of the Duchess of Connaught will be received everywhere in Canada with profound sorrow. She was so recently here, participating in many good works, that the announcements of her illness and death come like a shock. During her five years of residence in Canada, the wife of the Royal Governor-General discharged her part of the duties of the high office in a manner that won universal respect and esteem. The Duke and his family will have the heartfelt sympathy of Canadians in their bereavement.

The Victory Loan

THE success of Canada's "Victory Loan" should be the most desirable thing in the minds of Canadians at this moment. There is every reason to expect that the appeal of the Minister of Finance for the large sum of \$150,000,000 will be successful. Many large subscriptions have been announced, the Sun Life Assurance Company giving a splendid lead by offering ten million dollars. Those who can at all afford to do so should subscribe for the loan. Apart from the patriotic purpose for which the money is asked, the terms are very liberal to the investor, giving him an unusually good return of interest, with prospect of substantial increase in the value of the bonds after the war. Indeed, if there were room for criticism at all, it would be that the Minister is giving the subscribers too good a bargain. In such a case, however, it doubtless is well to offer such attractive terms as will ensure the success of the appeal. Investors who desire the highest class of security are not likely to find any better opportunity of placing their money than that which is now given them.

The India Cotton Duties

THE patriotism and wisdom of Mr. Asquith have saved Mr. Lloyd George's Government from a threatened disaster on one of the class of questions which some people are constantly treating as easy of settlement, but which are sure to provoke keen conflict whenever the proper time for discussion of them arrives. In the case of the Overseas Dominions there would be no question as to their right to fix for themselves their customs duties. Whatever may be the opinions of British statesmen as to the fiscal policies of the self-governing Dominions, there is no longer any claim that such matters should be settled by either the Government or Parliament in London. But India is not a self-governing Dominion. She is a great dependency of the Crown, the chief part of which is governed directly by the British officials, and the remainder of which is under native chiefs who, while exercising large

powers, recognize the paramount authority of Great Britain. In all the larger affairs of India the British Government and Parliament have retained authority; action taken by the Government of India is subject to the approval of the Secretary of State for India and of the Imperial Parliament. The Indian Government, which has in every possible way assisted the Imperial Government in the war, proposed a considerable increase of the duties on cotton goods. The move undoubtedly aimed at increased revenue, but incidentally it operated as a protection for the cotton manufacturing industry of India, which is an old one of very considerable extent. With raw cotton at hand and cheap labor it might be supposed that the Indian manufacturers would command the trade. But though Indian labor is cheap it is not efficient, and in consequence of the superior skill of the English operatives the Lancashire mills have been able to send large quantities of English cotton to the Indian markets. The proposal to increase the Indian duties was, naturally enough, viewed with disfavor by the Lancashire representatives in the British House of Commons.

On the formation of the Coalition Government in England it was clearly understood that, with a view to securing the unity necessary for the prosecution of the war, the controversial subjects — including fiscal questions — must be set aside. The consent of Lloyd George's Government to the increase of the Indian cotton duties was regarded by the Lancashire representatives as a breach of this understanding. To the claim that the duties were necessary for revenue, the Lancashire men answered that in that case a countervailing excise duty, equal to the proposed increase, should be imposed.

There is little doubt that if Mr. Asquith and his followers had been disposed to assist the Lancashire representatives, and if the Irish members had carried out the policy of hostility to the Government foreshadowed in the recent discussion of Irish affairs, the new Cabinet would have been defeated. In this as in other matters in relation to the war Mr. Asquith manifested his patriotic purpose to put the winning of the war above all else. In admirable words he pointed out that, whatever might be the merits of the conflicting views as to the propriety of the new Indian fiscal policy, a repudiation of the consent already given by the British Government would be misunderstood in India and would probably create discontent there instead of the splendid loyalty and service that India had been giving to the Imperial cause. He therefore proposed an amendment which, while assenting to the proposed increase, distinctly recognized it as a war measure and reserved the whole question for consideration after the war. This amendment was accepted by the Government and approved by nearly the whole House.