

First Half Year of 1920 Sales Show Splendid Increase

Everything in our power will be done to make the last half year's volume of business go still ahead.

After such a busy season we purpose

A Big Clearing Sale of Surplus Stocks and Broken Lines

Prices will be reduced 10, 20 and 30 per cent. Some lines even at HALF PRICE.

Every part of the store will add lines to this Clearing Sale. It will be a chance to pick up goods much to your advantage. Clearing lines in Men's Suits, Boys' Suits, Children's Suits, Hats and Caps, Shoes.

Goods damaged by water

House Dresses, Waists, Kimonos, Pillow Slips, Carpet Square. Balance of these will be cleared.

Styles of today

Make the choice of Fabrics especially important. Just as important is the selection of your Dress Patterns. THE NEW IDEA AND DESIGNER COMBINED makes a decided advantage. Patterns right in stock.

The Designer and New Idea Magazine subscription price for 12 months 80c, with Quarterly 95c. Drop in and look over the styles and leave your subscription before price goes back to \$2.40.

J. N. Currie & Co.

CANADA'S FOREIGN AFFAIRS

To the Editor of The Transcript:

Sir:—At the next general election, we shall have to choose a course for the future. That choice involves both external relations and the means by which we expect to pay our way. No more vital matters have ever depended on the result of any election. The more the voter informs himself and casts aside prejudices, the more likely he is to help in arriving at a sound and workable policy.

External circumstances and the play upon them of interests remote from ours have hitherto decided our destiny without our knowledge. The American Civil War, South African War and the World War are cases in point.

Most wars are made possible by some underlying condition so important that hostile interests prefer to stake everything rather than make concessions to opponents.

The Southern States exported cotton and were not manufacturing. The North was largely manufacturing and

cheap freight carriers were not yet known. Cotton was the exportable cash crop that paid interest on debt and put the whole Union in funds in Europe for most purposes.

The South could live with free trade to Europe. It had a choice between that and free trade within the Union. The North had no such choice. With its vast system of unobstructed internal trade, there was no future before the North comparable with that promised by the Union. The South thought it could separate without disadvantage and made good and incidentally showed that the South would have done better not to have elected for secession. At the time, however, the South thought it could separate without disadvantage and made good and incidentally showed that the South would have done better not to have elected for secession.

It was the Civil War and the way it ended that brought about Confederation. The end found France with an

army in Mexico trying to set up an Empire under the auspices of Napoleon III, and Great Britain had one in Canada. There were in American minds grievances against both. The French in Mexico were a menace and a violation of the Monroe Doctrine. Against the English were claims for ships sunk by the Alabama and for enormous indirect damages for interference with trade. General Grant was at the head of 90,000 well equipped and victorious soldiers. Napoleon III, withdrew from Mexico and Great Britain largely withdrew from Canada her troops and stores, retaining the naval stations.

Some disposal had to be made of Canada. She was exposed to be the scene of battle if the Alabama claims were not settled, and the indirect claims amounted to a sum impossible to pay except as tribute to a conqueror.

It was believed at Washington that Great Britain would withdraw all troops and stores and arrange for a plebiscite throughout Canada as to union with the States. Sir Edward Thornton, the British Ambassador, was the source of the belief. The plebiscite and the union would be a payment in full of the Alabama claims.

Meantime Canada was Federated and was to undertake her own defence. An alternative plan was based on General Grant's humanity and common sense. It involved throwing overboard the indirect claims and payment of the direct only. The indirect damages were ruled out of court at the Geneva Arbitration by the adroit and friendly action of the American representative. Canada remained in a state of suspended animation politically until her future was decided as it then was by the liberty of action which President Grant allowed to the representative of the United States on the Arbitration Commission at Geneva in 1872.

Not contemplating any foreign wars and recognizing both the power and the goodwill of the United States, Sir John Macdonald did not at any time spend upon troops or armament more than a nominal sum. His emphatic refusal of men or money to the Sudan Campaign and Cartwright's saying "Canada owes nothing to Great Britain except a good deal of Christian forgiveness" can best be understood in the light of what had happened. Canada's existence and her being the battlefield in a quarrel not of her making both hung in the balance and were decided by the action of others. She had no decisive word as to her destiny.

The Boer War arose out of a private and money-making ambition. Going north from Cape Town along the high lands which stretch to the Soudan were Cape Colony, the Boer Republics and Rhodesia, the latter being a private speculation with a charter, stock and bonds and the temptation and difficulties incident to that kind of an enterprise. The Boer Republics were the seat of great mining companies that wished for forced native labor in the mines. The Rhodesian Company would be benefitted or at all events better advertised by being on a trunk line railway. Hence the Cape to Cairo cry and the Jamieson Raid. The mining interests and the Rhodesian Company fell out just as the raid started because the former wished to preserve and dominate the Boer Republics and thus make their own labor conditions

—a thing they were not likely to be able to do if the Republics became Colonies.

These intrigues and the interests behind them were wholly remote from Canada and we were ignorant of them except through highly colored abuse of the Boers and their Governments furnished gratuitously to our press by the propaganda of their adversaries. The raid, however, led to the South African War, which mattered enormously to us. That war did what Jamieson failed to do and what the mining interests were averse to doing. It wiped out the Boer Republics. It did not produce a Cape to Cairo Railway nor forced labor for the mines. As is often the case, the conquerors stepped into the troubles of the conquered and could not find any new solution. Kruger beaten and dead had his judgment vindicated by events. The Dutch majority had to be recognized as predominant. No forced labor was available for the mines. The railway, after 20 years, is yet to come. From beginning to end of this war, Canada's part was to furnish troops, not to consider the policy that led to it nor the conduct of it nor the final solution.

The world war is recent. In the diplomacy that led up to it, Canada had no part. Without full details it is known that a sensation was wrought about in which if Russia went to war, France had to go in. If France went in, England had to go in, and so had Canada. Of military and political conditions in Russia, we knew nothing. Sir Edward Grey admits he did not know of the agreement between France and Russia, but only what passed between France and Great Britain. Canada did not even know that, but France and Russia knew both ends. The action of the Russian War Office in disobeying the Czar's order to stop mobilizing troops, not to consider the German declaration of war. The moral responsibility is not here the question. The point is that for years it lay in the power of anyone who could gain the ear of the Russian autocrat to dispose of Canada's future and the lives of thousands of her citizens.

Sir John Macdonald, as is well known, desired to convert Canada a Kingdom, not a Dominion. It was not a mere fancy as to names. He foresaw many risks and would have made provision against them. As a Kingdom, Canada would have ranked with other Kingdoms. It would have conducted its own foreign affairs. Its subjects would not have been Canadians in Canada and British subjects outside, but Canadian subjects within or without. Last but not least, no one serving her could have been in doubt that his sole duty was to her. It would not have been possible as it is now for an able and conscientious public servant to feel that it is his duty to place the Empire first and Canada second.

No words strong enough to impress upon the voter the importance of making up his mind as to our status as a nation and being represented by someone who thinks as he does. The situation created by the Peace Treaty is an artificial one, giving weight to some factors, ignoring others. France insisting on her position in Europe with a diminished population and relying partly on negro troops may not receive the sympathy she did as the victim of 1870. The seventy-five millions of German-speaking people, even if split up over several states, are still the most important commercial group on the continent. For centuries they held back the Slav from Europe. Now they are the Slav's ally. The heading off of German enterprise from the west and from over sea must result in a change of the role hitherto played by the Germans and they may cultivate these new Slav States and Russia as well.

We can only see dimly what is emerging from the Peace Treaty and only the high spots through the fog, but enough to see a very unstable and doubtful future.

We have in the Cairo to Calabar Railway project the same alliterative jingle and the same possibilities for trouble as went with the Cape to Cairo cry. Here are independent states on the route just as were the Boer Republics. The only difference this time is that it is oil and not gold mines. The Poles are making the first use of their liberty in conquering countries two hundred miles beyond the limits of Polish-speaking lands. As their country was a battle ground twice over, they must get the sinews of war from one or other of the great powers who so recently pledged us to peace.

The French show their disregard for the League by enforcing their own views of the Treaty with their own troops, and of public opinion by using negro troops. They show us what future they look for by introducing conscription in their negro colonies.

A turn of the wheel and we may be off again to prop up the wretched stock of Land or Oil Companies in Persia to save the Poles from their own folly or to put down French Militarism in Central Africa. A little social recognition among prominent and pliable people, a little suppression of truth and expansion of falsehood in the news, the bait of large gain spread before profiteers and a slight imperialistic bias at Ottawa would be enough. A timed outburst in a subsidized press appealing to our compassion, showing us moral obliquity in the intended enemy and lauding the fighting capacity of our young men, would fire the mine.

We should never forget that the appeal pretended to have been made from Johannesburg to save the women and children there, an appeal with which our press wrung the country's soul with horrible memories of the Indian Mutiny, was signed in Cape Town a month beforehand, the date being left blank so that Dr. Jamieson could fill it in to correspond with the starting of the raid.

No oil fields or gold mines in any country have ever produced two billions of dollars in five years or supported half a million of troops. If the people who can do these things are too simple to suspect false news, too inert to wish to understand foreign events and at the same time susceptible to flattery and social influences, they may expect to be exploited. More Canadians say "Never again," but to be safe, we need abroad something different from a desk in the office of a British Ambassador. We need to get our information at the source and to

THE MERCHANTS BANK OF CANADA

Statement of Liabilities and Assets at 30th April, 1920.

LIABILITIES		
	1920	1919
1. To the Shareholders		
Capital Stock paid in	\$ 8,400,000.00	\$ 7,000,000.00
Reserve or Reserve Fund	8,400,000.00	7,000,000.00
Dividends declared and unpaid	378,159.22	194,194.61
Balance of Profits as per Profit and Loss Account submitted herewith	260,774.98	571,043.32
	\$ 17,388,934.20	\$ 14,765,237.93
2. To the Public		
Notes of the Bank in Circulation	11,791,027.00	13,316,033.69
Deposits not bearing interest	45,368,870.43	45,362,214.61
Deposits bearing interest (including interest accrued to date of Statement)	114,132,175.79	91,591,963.77
Deposits due to other Banks in Canada	2,747,462.56	2,614,686.64
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	831,997.39	105,076.62
Bills payable	2,117,441.21	464,153.65
Accounts under Letters of Credit		
Liabilities not included in the foregoing	\$197,287,855.14	\$196,725,404.95
	\$197,287,855.14	\$196,725,404.95
ASSETS		
Current Coin	\$ 4,193,117.50	\$ 4,516,916.23
Deposit in the Central Gold Reserves	7,733,000.00	7,000,000.00
Dominion Notes	8,407,983.25	8,405,692.50
Notes of other Banks	1,170,182.00	985,044.69
Cheques on other Banks	11,063,186.77	6,082,516.53
Balances due by other Banks in Canada	9,433.49	8,215.80
Balances due by Banks and Banking Correspondents in the United Kingdom	445,051.79	123,096.50
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	1,561,157.87	1,903,019.19
Dominion and Provincial Government Securities, not exceeding market value	7,893,229.90	6,005,573.65
Railway and other Bonds, Debentures and Stocks, not exceeding market value	4,507,638.19	4,119,705.52
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	13,239,204.59	15,298,290.32
Call Loans in Canada on Bonds, Debentures and Stocks	6,171,494.51	5,134,690.71
Call Loans elsewhere than in Canada	6,246,557.78	2,801,657.72
Current Loans and Discounts in Canada (less Rebate of Interest)	\$113,196,913.90	
Loans to Cities, Towns, Municipalities and School Districts	3,587,491.69	
	116,784,405.59	96,874,428.04
Current Loans and Discounts elsewhere than in Canada (less Rebate of Interest)	1,117,298.51	322,918.12
Liabilities of Customers under Letters of Credit as per contracts	2,117,111.21	464,153.65
Real Estate other than bank premises	694,325.53	782,326.61
Overdue Debts, estimated loss provided for	352,737.25	386,973.56
Bank premises at not more than cost (less amounts written off)	\$2,578,630.21	\$2,581,299.43
Call Loans in Canada on Bonds, Debentures and Stocks	577,000.00	596,000.00
Other Assets not included in the foregoing	738,509.68	515,149.12
* After crediting amount received in respect of Premises transferred to The Merchants Realty Corporation, Limited.	\$197,287,855.14	\$196,725,404.95

H. MONTAGU ALLAN,

President.

D. C. MACAROW,

General Manager.

Report of the Auditors to the Shareholders of The Merchants Bank of Canada

In accordance with the provisions of sub-sections 19 and 20 of Section 54 of the Bank Act, we report to the shareholders as follows:

We have examined the above Balance Sheet with the Books of Account and other records at the Chief Office of the Bank and with the signed returns from the Branches and Agencies and have checked the cash and verified the securities of the Bank at the Chief Office against the entries in regard thereto in the books of the Bank at 30th April, 1920, and at a different time during the year and found them to agree with such entries. We also attended at some of the Branches during the year and checked the cash and verified the securities held at the dates of our attendance and found them to agree with the entries in regard thereto in the books of the Bank.

We have obtained all the information and explanations we have required. In our opinion, the transactions of the Bank which have come under our notice have been within the powers of the Bank, and the above Balance Sheet is properly drawn up as to exhibit a true and correct view of the state of the Bank's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

VIVIAN HARCOURT,

GORDON TANSLEY,

(of the firm of Deloitte, Piender, Griffiths & Co.)

MONTREAL, 26th May, 1920.

weigh it ourselves, knowing how it was come by.

Any political party can afford to make "entire and direct control of our Foreign Affairs" a plank in its platform. All candidates should be made to pledge themselves to it.

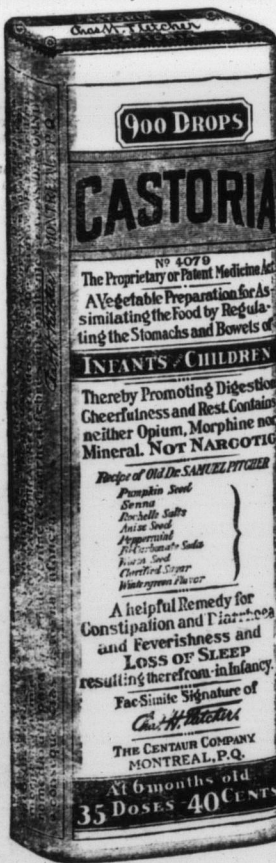
C. S. CAMPBELL.

Bedford, P. Q., May 30, 1920.

Our rulers will best promote the improvement of the nation by strictly confining themselves to their legitimate duties, by leaving capital to find its lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by preserving peace, by protecting property,

by diminishing the price of law, and by observing economy in every department of the state. Let the government do this; the people will assuredly do the rest.—Lord Macaulay, 1830.

The most obstinate corals and warps fail to resist Holloway's Corn Cure. Try it.



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