

ECONOMIC PREPAREDNESS

The customs revenue of Canada for the first two months of the current fiscal year shows an increase of nearly \$10,000,000 over the corresponding period of the previous year. Bank clearings at five of Canada's leading cities in May totalled \$772,625,446, an increase over the corresponding month last year of \$296,074,158, or 62.1 per cent. The Montreal clearings of \$333,428,627 represent the largest volume in the history of that city, and stand \$129,810,192, or 63.7 per cent., higher than the total of May, 1915. The month's total of \$230,467,743 at Toronto also constituted a new high record and made a gain of \$80,000,000, or slightly more than 53 per cent., over last year. The returns at Winnipeg are largest during the fall months, when the crop movement is in full swing, but last month's total of \$169,187,263 stands \$76,565,122, or 82 per cent, above last year.

The earnings of the Canadian Pacific Railway in April showed an increase of \$1,045,980 in net earnings and for the ten months of the company's fiscal year, a gain of \$12,710,000. The favorable trade balance at the end of March, after allowing \$182,000,000 for our interest payments, was \$90,000,000.

These are indications as to how the war is affecting business in Canada. We are participating in exceptional business activity. But there is also being created a large war debt. There is in front of the country an intricate railroad problem with its financial accompaniment. The business of the government now, while improving its methods in handling its share of the war, is to make serious preparation for the difficult readjustment period which will follow the war. The country should not be lulled by the good-looking statistics of the present time.

SHIPBUILDING IN CANADA

The signs point to the comparatively early establishment of a shipbuilding industry in Canada. Three British shipbuilding firms have sent inquiries to the Halifax board of trade as to the property and bonuses available for the erection of shipbuilding plants in that city. Previous inquiries of that kind did not result in the establishment of shipyards. Then, the conditions of the bonusing apparently proved too stringent. Now that the country is again thinking seriously of shipbuilding and now that British firms have more orders than they can fill, we may perhaps witness the substantial foundations of a large industry. At New Glasgow, the Nova Scotia Steel and Coal Company has already commenced practical work and is building a collier of 2,000 tons for its coasting trade.

In his address to the Canadian Manufacturers' Association at Hamilton next week, Colonel Cantley, president of that company, will probably suggest that assistance be granted to the shipbuilding industry and that it should take one or more of these forms: (1) A rebate of duties paid on materials entering into the construction of the ship; (2) direct aid by way of a bounty; (3) some combination of both these methods. Colonel Cantley has previously pointed out that if ships built outside of Canada, either in Great Britain or elsewhere, are to be admitted free to Canadian registry and trade, then at least an amount equal to the duty imposed on the material entering into the Canadian-built ships should be returned to the builder. "In building up our great land transportation system," says Colonel Cantley, "Canada gave direct aid,

and this on a far more generous scale than is necessary to insure the rapid building of a very considerable Canadian mercantile marine."

The Dominion government which, (as our federal governments always do), moves ponderously except in the matter of undiluted politics, is still considering its shipbuilding policy. The advisability of a subsidy equivalent to the difference in cost of construction as between British and Canadian shipyards, is said to have been discussed. But prices are at such a high level as apparently to make aid on that principle unsatisfactory. According to the deputy minister of marine and fisheries, the average value of the vessels on the register of the Dominion at the end of 1914 was \$30 per ton and on this basis the value of the net registered tonnage of Canada at that date would be \$27,972,660. The new tonnage constructed in 1914 was 43,346 tons valued at \$45 per ton, or \$1,950,570.

CHANGING TRADE CHANNELS

Chiefly because the United States had constructed a large lock at Sault Ste. Marie, traffic through the canals of Canada last year decreased 58.9 per cent. In 1914, the traffic totalled 37,023,237 tons and in 1915, only 15,198,803 tons. The Sault Ste. Marie factor was responsible for 91 per cent. of the decrease in Canadian canal traffic last year. In his report on canal statistics, just published, Mr. J. L. Payne, comptroller of statistics, department of railways, Ottawa, points out that of the decline of 19,848,227 tons at that gateway, 1,049,241 tons attached to Canadian traffic, and 18,798,986 tons to United States traffic; or 5.1 in the former case and 94.9 in the latter. The decrease in both Canadian and United States traffic was largely in the nature of a diversion to the United States canal at Sault Ste. Marie. The cause of this diversion was the availability of a new lock on the United States side, having a much larger capacity than the lock on the Canadian side. There are now three locks on the United States side of the St. Marys River, the last to be opened having a depth of 24.5 feet at extreme low water. There is but one lock on the Canadian side, with a minimum depth of 18.25 feet. The practicability of carrying a heavier load through the new United States lock drew away nearly all the iron ore trade and a good deal of wheat from the Canadian canal.

For many years, the choice of either the United States or the Canadian canal at Sault Ste. Marie has turned upon the judgment of steamer captains at the moment when lockages were desired. But now, the deeper water in the United States lock is attracting the majority of steamers carrying Canadian wheat from the head of Lake Superior. That is a good stroke of business—for the United States.

Mr. John Killer has resigned as inspector for the London Mutual Fire Insurance Company to take the general agency for Ontario of the British Northwestern Fire Insurance Company, of Winnipeg.

Mrs. J. Stevely and Mrs. B. C. McCann, London, Ont., are in charge of the Northern Life Assurance Company's women's department, which is specializing on the endowment plan for women and children.

Honorable James A. D. McBain, the Sun Life Assurance Company's manager for India, has been made Companion of the Order of the Indian Empire, while Mr. Phiroze Sethna, the company's resident secretary for India, has been nominated a member of the governor's council of Bombay presidency.