

Canada is capable of turning out empty shells in large numbers by means of the organization which has been established through the efforts of the shell committee during the past nine months.

In the meantime, however, the situation in Great Britain has changed and the industries of that country are in a position to turn out empty shells as rapidly as they can be converted into the fixed ammunition necessary for use at the front.

The British government have advised the shell committee that they want fixed ammunition instead of empty shells, and they do not require any more empty shells at present. In order to clearly appreciate the situation it is necessary to know exactly of what a round of fixed ammunition is composed. There are four main parts, the steel shell, the brass cartridge case, the brass primer, and the charge of cordite.

The present situation is that the factory output for shells in the Dominion exceeds the output of brass cartridge cases or primers, and until such time as the output of the latter approximates to that of the former, nothing would be gained by placing further orders of empty shells.

The output of the factories now engaged in the production of brass cartridge cases will soon be equal to the present output of the factories engaged in the manufacture of empty shells. The following statement was issued by the shell committee last week:—

“Dissatisfaction expressed by manufacturers at not receiving orders for shells makes it very evident that they have not become seized of the situation which has arisen in the production of shells. There are no further orders for shells to be allotted nor likely to be for the present.

“At the outset of shell production in Canada it was confined purely to the empty shells and not the completed article, which is known as fixed ammunition, and includes the brass cartridge case, the cordite primer and fuse.

“The manufacture of fixed ammunition is restricted to the production of the component parts of the cartridge case in this country and the supply of material for these parts. The speeding up of British shell production has left only a market for fixed ammunition.

“There is now a surplus of one million shells in Canada awaiting the brass cartridge case and its component parts. The production of brass cartridges has been speeded up and it is hoped shortly it will overtake the shell production. Until this is accomplished there will be no further shell orders.”

As noted above, a large amount of steel, lead and other materials, aggregating several hundred thousand tons, has been used in connection with the shrapnel industry. Arrangements are in hand also, it is understood, for the refining, under government auspices, and possibly with government assistance, of copper and zinc mined in British Columbia, and for the manufacture of brass in the Dominion.

Large orders for equipment such as steel box cars, coal cars and locomotives are being placed with such companies as the Canadian Car and Foundry Company, Montreal; the Canadian Locomotive Company, Kingston; the Eastern Car Company, Halifax, and the National Steel Car Company, Hamilton. These orders, with one exception, have come from the Russian and French governments. The first order in Canada for this type of equipment, from the British war office, was closed last week by the Canadian Car and Foundry Company. It was for 1,200 four-wheel, continental type, 22-ton steel frame box cars, valued at \$1,200,000. These cars will be used

in connection with military operations of the British army in Northern France. The specifications of the equipment conform in every respect to the standard of the French railways. These and other companies are negotiating for further orders of a similar nature.

The placing of war orders in Canada has been handled in various ways. The negotiation of orders for shells, etc., for the Dominion government is in charge of a shell committee with headquarters in Montreal. The members of the committee are: Colonel A. Bertram (chairman), Thomas Cantley, George W. Watts, E. Carnegie, Colonel T. Benson, Lieut.-Colonel F. D. Lafferty and Lieut.-Colonel G. Harston. The large Russian order noted above was not placed through the shell committee.

Contracts for motor trucks were awarded by a committee appointed by the minister of militia, consisting of Honorary Colonels the Hon. George Taylor, John Eaton and W. K. MacNaught; Honorary Major MacQuarrie, Messrs. Owen Thomas and T. A. Russell, Colonel Hurdman, and Quartermaster General Macdonald.

The British government has had in Canada, a large number of purchasing agents, two of the principal being Mr. F. W. Stobart, with headquarters at Montreal, attending to the purchase of general supplies, and Colonel Barton, looking after the purchases of clothing for the British army.

A few weeks ago Hon. A. E. Kemp, M.P., was appointed chairman of a purchasing committee of three members in charge of all purchases under the Dominion government's war appropriation. The other members of the committee are Mr. H. Laporte, Montreal, and Mr. G. F. Galt, Winnipeg. Previously a sub-committee of the privy council at Ottawa was engaged in much of this work.

The purchase of war munitions and supplies in the United States and Canada on behalf of Great Britain is now largely in the hands of Mr. D. A. Thomas, who is commissioned by the British government to endeavor to make matters work more smoothly with a view to an increase in the output of war materials on this continent and a fair apportionment of them. Mr. Thomas arrived in New York from England last week and will visit Canada. The Canadian Pacific Railway will act financially in Canada for the British government just as J. P. Morgan and Company are doing in the United States as intermediary in the accumulation of shipping and supplies. The entire staff of the Canadian Pacific Railway's purchasing department has been placed at the disposal of the British government and the railway officials will see to the shipment of all supplies and war munitions.

With regard to the financing of war orders, the Dominion government recently issued a statement to the effect that it has been affording some measure of temporary assistance to the allied governments in connection with their purchases in Canada. A statement issued by finance minister White said: “Advances totalling about \$25,000,000 have been made since the beginning of the war to finance purchases by the British, French, Russian, New Zealand and South African governments. Such advances are repaid, from time to time, by the governments concerned, in sterling exchange.”

The attitude of Canadian banks is understood to be that they are already extending credits on a generous scale to customers engaged in manufacturing munitions and supplies, and that, although their position now is more liquid than for years, they must conserve their resources for the movement of this year's crop, expected to be the largest by far in the country's history.