



The Journal of Commerce

VOL. XLV. No. 36

MONTREAL, TUESDAY, JANUARY 15, 1918

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, JAN. 15, 1918.

CONTENTS.

Editorials:	Page
The Banks	1
The Quebec Budget	1
Patronage	2
Well meant, but not practicable	2
Cross Appeal by Railways	3
Work of the Cheese Commission	4
Imperial Titles in Canada	5
War's effect is felt most in Russia	6
Mentioned in Despatches	7
Public Opinion	8
Among the Companies	9-10
Weekly Bank Clearings	11
A Little Nonsense Now and Then	12
News of the Week	15
Facts about Coal	18
Urge Wool Exports Embargo for Canada	19
Transportation in P. E. I.	20
Shipbuilding in Canada	21
Commodity Markets	22-24

The Banks

SEVERAL of our largest banks have held their annual meetings, at which statements of their business during the past year have been submitted. It is gratifying to know that generally these reports have been of a very satisfactory character, exhibiting both efficiency of public service and prosperous returns to shareholders. The banks have at all times an important part to play in the development of the country, and that part has been made increasingly important by the war conditions of the past three years. Our banking system does not entirely escape criticism; few human institutions do; but on the whole it has proved itself well adapted to the work which it has undertaken. Its adaptability to the commercial and manufacturing business of the country has been generally admitted. There has been complaint that it did not serve so well the interests of the farming community. In this respect we think there has been an improvement, not so much because of any important change in our banking laws, but because there has been evidence of an earnest desire on the part of the bankers to go as far as possible in meeting the reasonable wishes of the farming community. The financial situation created by the war was a grave one, requiring intelligent and cordial co-operation of financial institutions in meeting the demand for money. The banks, with other large corporations, have responded heartily to the need and have helped to keep the wheels of business moving regularly and effectively.

Throughout the addresses of the Presidents and Managers of the banks to their shareholders runs a note of cheerful optimism, accompanied very properly by urgent appeals for greater production of the essential things, greater economy in all things, and less expenditure on the things that are not essential in war time. This is a lesson that has been heard often during the past three years, but it must be repeated over and over again, and our leading bankers do well to impress it on the public.

A notable feature of these bank reports is the proposal made by Mr. E. L. Pease, Managing Director of the Royal Bank, that consideration be given to the expediency of extending our banking system by the creation of what has been called a bankers' bank—a bank for re-discount—somewhat on the lines of the Federal Reserve Bank of the United States, through which the member banks largely increase their resources for meeting the demands of the general public. The system, which has now been in operation in the States for several years, appears to be working well. Mr. Pease does not go further than to suggest that the matter be inquired into, to see whether something of the same character may not be useful in the new conditions that

are arising in Canada, and to this extent his suggestion will meet with wide favour.

The Quebec Budget

HON. Walter Mitchell, Treasurer of the Province of Quebec, had a pleasant task in delivering his budget speech on Thursday. Quebec has shared in the prosperity of the Dominion generally. Mr. Mitchell claims that he has practiced as well as preached economy, and presents a statement respecting the revenue and expenditure of the last fiscal year, ending June 30 last, which, on the whole, is satisfactory. The chief figures of the year's operations are thus summarised:

"The Treasurer then turned to the question of the finances, showing that the estimates of the revenue and expenditure for the fiscal year ended 30th June, 1917, had anticipated an ordinary revenue of \$9,222,847.28, and an ordinary and extraordinary expenditure of \$9,010,088.28, which would have left an estimated surplus of \$212,758.99; whereas, the actual results of the year's operations were greatly in excess of these estimates. The ordinary revenue for the twelve months, closed on the 30th June last, amounting to \$10,441,113.71, and the ordinary expenditure to \$9,847,173.10, which left a surplus of ordinary revenue over ordinary expenditure, of \$593,940.61. But from this must be deducted the extraordinary expenditure paid out of ordinary revenue, and amounting to \$60,500, which gives an actual surplus of ordinary revenue over both ordinary and extraordinary expenditure of \$533,440.61, from which was paid the sum of \$375,000 on account of the \$1,000,000 subscription to the Canadian Patriotic Fund, authorized during last session, leaving, therefore, a surplus of \$158,440.61. The actual revenue was more than the estimates by \$1,218,266.43, and the estimate of the ordinary and extraordinary expenditure was exceeded by \$897,584.81. . . . The funded debt was \$38,777,095, an increase of \$957,157."

For the six months of the current year, 1917-8, the receipts have been in excess of the receipts of the corresponding period of the previous year, and the result of the year's operations is likely to be favorable. For the next year 1918-9, the Treasurer estimates an ordinary revenue of \$10,293,484.20, and an ordinary expenditure of \$10,019,243.68, which would leave a surplus of \$274,240.32. That year, however, is too far away to admit of very close estimates. The Treasurer may later have to modify some of his figures—perhaps the odd dollars and cents.

Mr. Mitchell devoted a considerable part of his speech to the question that has arisen between the Dominion Government and the

Government of Quebec (and now also the Government of Saskatchewan), respecting the prohibition by the Dominion Government of the issue of Provincial or Municipal securities without the consent of the Minister of Finance. He resented the assumption in some newspapers that the action of the Quebec Government was caused by a desire to embarrass the Federal authority. He claimed that the Quebec Government were doing everything that they could in the way of co-operation with the Dominion authorities, and he contended:

"What we want is unity of effort and co-operation. We are willing to help in the full measure of our resources, conducted with full knowledge of all the facts and circumstances, but all within our respective rights and constitutional authority."

"There is no controversy between the Canadian Government and ourselves as to the advisability of the control of borrowing. Credit should be saved as much as anything else. Conservation of credit is all essential. We have not only advised this since the beginning of the war, but, what is more, have practiced it, which accounts for the creditable statement that I have the honour of presenting to the House to-day."

We hope it is not too late to have such friendly communication between the Dominion and Provincial authorities as will enable them to come to a good understanding respecting the conservation of capital, rather than have a continuance of the controversy on the constitutional question.

Patronage

A PLANK in the election platform of the Union Government which was received with much favour by independent electors was the "abolition of patronage." Just what was comprised in this pledge of Sir Robert Borden may not be very precisely stated. Perhaps some definition of what is meant by political patronage is needed to enable the reader to know what is to be expected under the new order of things. What the public—or at all events the independent electors—have understood is that in the distribution of Government moneys, in the appointments to public office, in the awarding of contracts, all the people concerned shall stand on terms of equality, and merit only shall be considered. The giving of a preference to one's own political friends was not necessarily an evil. If capable and faithful men were chosen for office, whether they belonged to one party or the other was really of little consequence. The misfortune was that sometimes, in the desire to please friends, men were appointed who did not measure up to the proper standard of character and ability. Any effort the new Government may make to guard against such abuses and to transact business on the same terms as prevail among well-regulated private establishments should have the hearty support of the public.

Some of the Government's opponents, too ready, perhaps, to be suspicious, expressed doubts as to the sincerity of the promise to abolish patronage. Members of the Government who feel that such suspicion is unjust must be surprised to find evidence that among some of their own supporters that feature of Government policy is being treated as a political joke. At a point on the Welland

Canal there is a man holding a small position which, it appears, he obtained several years ago on the recommendation of the member of Parliament for the district. In the recent election the holder of the petty office took the liberty of voting against the member who had so recommended him, who was again a candidate. This would not strike the ordinary citizen as a crime at any time. Certainly it could not be regarded as a very grave offence in an election in which the abolition of patronage was made a prominent feature of Governmental policy. The member referred to, however, who was again elected, regarded the free exercise of the franchise by the office holder as an unpardonable offence, and forthwith boldly addressed a letter to him demanding his resignation and threatening, in event of refusal, to bring about his dismissal! That member of Parliament apparently had not taken seriously Sir Robert Borden's pledge to abolish patronage.

Down East also a somewhat similar disregard of it has been exhibited by a local Conservative journal. In the county of Lunenburg the Government candidate was a gentleman holding an office under the Militia Department, which he temporarily left, and to which, since his defeat, he has returned. His opponent was lucky enough to win the election by an unprecedentedly large majority. Thereupon the local Conservative newspaper, the Bulletin, made the following announcement:

"Lunenburg County will not be able to obtain a single concession or favor through Mr. Duff. He cannot get a stick of timber for a wharf, nor a dredge big enough to clean up a smelt brook. If he is permitted to take his seat he will be a non-entity and cannot 'throw cold water' on anything. Mr. Margeson, the Union candidate, will have the say in this County. The foolish ones who voted for Mr. Duff can think it over."

Evidently the conductors of that journal are not anxious to see patronage abolished.

The member of Parliament who threatens the Welland Canal employee with dismissal will not be able to carry out his threat, for it is not conceivable that under the circumstances Sir Robert Borden will permit the dismissal of the official. The entire abolition of patronage will, under the most favourable circumstances, be a difficult thing to accomplish. It is to be made more difficult by the fact, so clearly shown, that some of Sir Robert Borden's supporters have no desire for such a reform. It is to be hoped that the Premier will be able to devise means which will at least remove the abuses which were found under the patronage system, and such measures should receive the cordial support of the new Parliament.

Well Meant, but not Practicable

WITH a praiseworthy desire to bring about more satisfactory relations between Quebec and the English speaking Provinces the Quebec Chronicle proposes the appointment of a general commission of inquiry, to be composed of six members appointed by Sir Robert Borden and six by Sir Wilfrid Laurier, with Sir Charles Fitzpatrick, Chief Justice of Canada, as chairman. The men to be chosen, our contemporary proposes, shall

be equally divided as respects race, and representative of "law, religion and education." No active politician, no member of Parliament, no person who has been actively engaged in the controversies of recent times is to be appointed. The commission should "sit in the capital city of each Province successively, taking evidence and receiving complaints from representative organizations on which to base a finding that shall not be merely one of law, but of absolute equity." The Chronicle thinks there should be no reason why both Federal and Provincial Parliaments should be unwilling to "bind themselves to give force to the Commission's finding, without which the whole scheme would almost certainly fall to the ground without accomplishing anything."

Every sincere effort to produce happier relations between Quebec and the other Provinces—and our Quebec contemporary's proposal is certainly of that kind—is deserving of careful and sympathetic consideration. We fear, however, that the obstacles in the way of the success of the Commission scheme are insuperable. Is not the proposal to exclude members of Parliament and other politicians something like the method sometimes employed to obtain a jury in a difficult case, which results in the exclusion of the most qualified men? The idea that the Federal and Provincial Governments would in advance "bind themselves to give force to the Commission's finding" is one that is quite impossible of realization. The proposal to hold an inquiry in the capital of each Province implies that there is some trouble in each Province that requires investigation, and that is not the case. In most of the Provinces the relations between the English-speaking and French-speaking citizens, where both races are found, are happy and satisfactory. An inquiry in these Provinces would simply be an invitation to people to endeavour to find grievances where none exist. Apart from Ontario and Quebec—or perhaps we should include Manitoba, which apparently can be relied on at all times to produce a school question, big or little—there is throughout Canada a happy freedom from racial and religious controversies. Difficulties of that character in both Alberta and Saskatchewan were expected by some people a few years ago, but time has not justified their fears. The Provinces which are blessed with peace and harmony will have no desire to receive a Commission for the investigation of troubles where such do not exist. Apart from the regrettable bi-lingual school question in Ontario, what is there that could form the subject of a formal inquiry by Commission? The question of military conscription, so keenly discussed in recent months, is neither racial nor religious. It is one upon which people of all classes have differed. There is nothing in connection with it that can now be usefully investigated by a Commission. The law is in operation, the country has unmistakably approved of it. Before a Commission could get to work, the law will have served its purpose, and will no longer be a matter of debate.

No, the Quebec problem, as the situation is called, cannot be dealt with in that way. Neither a Federal Commission, nor resolutions in the Quebec Legislature or Montreal City Council, nor any other official procedure can serve good ends now. Better let the Quebec problem alone than attempt to solve it in such ways. Time, the great healer, must do most of the work of producing the better relations between French Canadians and English Canadians that all good citizens must desire.

Cross-Appeal by Railways

Railway board hears objections to note decision

On Friday, January 10th, Sir Henry Drayton, on behalf of the Railway Board, granted the Manitoba Government and the firm of J. H. Ashdown, of Winnipeg, as a shipper representing the public, the right to appeal to the Supreme Court on questions of law from the recent judgment of the board granting an increase in freight and passenger rates to Canadian railways. The Canadian Northern, on behalf of the railways, was also granted the privilege of taking a cross-appeal to the Supreme Court in support of findings of the board relating to the Crow's Nest agreement.

It was agreed that F. H. Chrysler, K.C., for the Manitoba Government, and F. H. Phippen, K.C., for the C. N. R., would appear before the Supreme Court when it meets next month and present their cases. Leave to appeal was granted by the board after the hearing of brief arguments by Mr. Chrysler, for the Manitoba Government, Mr. Phippen for the C. N. R., and E. W. Beatty, general counsel for the C. P. R., the two latter opposing the application.

IN EFFECT FEBRUARY.

The chairman of the board announced that there would be no stay in proceedings in regard to the judgment. It will go into effect on February 1, subject to possible modifications, arising out of representations made by the grain, lumber and other interests which asked that enforcement of the new schedules be deferred at least for a time.

The order of the Railway Board, based upon the judgment of December 6, putting the new rates into effect February 1, was made public to-day. It is as follows:

"It is ordered that, subject to the provision of the Crow's Nest Pass agreement and to the provisions of the judgment, the standard tariff of maximum mileage tolls approved by the board to be charged between stations of the individual steam railway systems subject to its jurisdiction may, by new tariffs to be submitted for the board's approval, and be published in the Canada Gazette, as required by sections 327 and 331 of the Railway Act, and following such approval and the publication, made effective not earlier than the first day of February, 1918, be increased as follows:

Standard passenger tariffs applying between stations on railways east of and including Thornton, Alberta, and east of and including the lines of the C. N. R. between Edmonton and Athabasca and the C. P. R. between Edmonton and MacLeod through Calgary, where the existing standard toll is less than three and one-half cents per mile by fifteen per cent, subject to a maximum toll of three and forty-five-hundredths cents per mile.

Standard freight tariffs in the Province of Alberta west of and including Canmore and Edson, and in the Province of British Columbia, excepting between ports of call on the Arrow, Slokan, Kootenay, and Okanagan Lakes and the Columbia River, also the standard freight tariff of the Edmonton, Dunvegan and British Columbia Railway Company, by ten per cent.

Standard freight tariffs of railways east of and including Crow's Nest, British Columbia, Canmore, Alberta, Nordegg, Alberta, and Edson, Alberta, also those applying between port of call on the Arrow, Slokan, Kootenay and Okanagan Lakes and the Columbia River, by fifteen per cent.

And, it is further ordered, that, in the interest of uniformity, the only fraction rate (if used) in the said standard freight tariffs be the subject to be accounted the equivalent, inclusively of twenty-five-hundredths to seventy-four-hundredths of a cent.

CHALLENGING BOARD'S JUDGMENT.

In requesting leave to appeal to the Supreme Court, Mr. Chrysler said it was the desire of the Manitoba Government to challenge the judgment of the board on a question of law arising out of the agreement between the Manitoba Government and the C. N. R. in respect of freight rates. He quoted the portion of the judgment dealing with this agreement and said it was the desire of the Provincial Government to ascertain the correct necessity or otherwise of the attitude assumed by the board which had claimed that it is not bound by the agreement.

He stated that in case of any objection to the status of the Manitoba Government he had been asked to say that the firm of J. H. Ashdown had consented to have its name associated with the application.

Mr. F. H. Phippen, in objecting to the application being granted, said that an appeal to the Supreme Court would cause a delay and that would have a serious effect on the railways. At least two of the railways must receive early assistance if they are to be operated in the best interests of the public. Mr. Phippen then argued that there was no legal ground for an appeal, because there was no question of the right of the board to fix rates.

Mr. Beatty, on behalf of the C. P. R. supported the views expressed by Mr. Phippen and expressed the hope that, should the application be granted, the order would become operative on the date fixed.

Sir Henry Drayton said that it would be subject to any modifications that might be made.

In granting the request of the Manitoba Government, the chairman said that it had always been on the question of law. While firmly convinced of the correctness of the board's decision, it was desired, he said, to have such a grave matter decided, and to settle definitely the powers of the board in such agreements as the one in question.

Mr. Phippen then asked for leave to enter a cross-appeal as to the Crow's Nest agreement, and the request was granted.

GRAIN MEN'S APPEAL.

Mr. F. O. Fowler, of the Northwest Grain Dealers' Association, took charge of the case for the grain men, and opened by saying that neither the grain exchange nor the dealers had any desire to take exception to the general increases awarded the railways in the board's judgment.

Mr. Fowler stated that the total loss to the grain men if the new freight rates went into effect on February 1st would be \$349,087. He said that the actual wheat in store on December 15 was 23,457,394 bushels, and that the loss in wheat to the dealers would be \$253,339.

LOSS FOR ELEVATORS.

To show that the elevators stood to lose a considerable sum this year, Mr. Fowler submitted an item based on a crop of 200,000,000 bushels. On this crop, he estimated that the 3,300 Canadian elevators would handle about 188,000,000 bushels, or about 55,450 bushels per elevator. This would mean that each house would have a total earning of \$2,320.

Mr. Fowler closed by asking that even if the rates on other commodities were put into force on February 1, that on grain be not enforced at any rate until the first of June.

Mr. W. B. Lanigan, representing the C.P.R., replied to Mr. Fowler. He said that the railways had given notice of the fact that they were going to apply for an increase in rates as long ago as last April, and the grain supervisors could have arranged for a price which would have provided for the increase. The increased rate represented an advance a little over a cent a bushel. The railways were suffering because of the fixed price of wheat, as well as the grain dealers. Mr. Lanigan thought that, given good weather, the railways should be able to move a large portion of this before the rates went into effect. He admitted that many of the elevators were probably operating at a loss.

Mr. F. H. Phippen said that it was unfair for the grain men to complain of the increase. They should be willing to take the same risks as other business men. He charged that grain dealers had gone on buying grain at the existing rates after the judgment of the board had been made public.

Sir Henry Drayton stated that he would reserve judgment, and consideration was next given to the protest of the lumber interests.

Mr. G. C. Bacon, representing the wholesale lumbermen's committee, of Winnipeg, said that his organization had at present about fifteen hundred cars of lumber ready for shipment. The only reason that this lumber had not been shipped long ago, he said, was that they were unable to get cars from the railways.

Mr. Lanigan, representing the railways, said that there had been a plentiful supply of cars in the west during the fall months. Judgment was finally reserved, and the hearing adjourned.

RETURNED SOLDIERS AND LIFE INSURANCE

The problem of rating discharged soldiers which is now confronting the Life Insurance Companies is one which is causing a great deal of difficulty and anxiety. There is perhaps no class in the community to whom the public owe more than to the men returned from the front. A Life Insurance Company, however, is under obligation to consider the business point of view and to deal equitably with all classes of risks. It is expected that the Medical Directors of a number of Canadian Companies will confer on this and a number of allied subjects in the near future, so as to obtain as nearly as possible uniform action on the part of our Companies. In the meantime, in order not to incur the expense of a medical examination and to prevent rejections, we would ask our agents to submit to us informally all doubtful cases of this kind. This applies particularly to soldiers suffering from shell shock or gas poisoning.—North American Life House Organ.

CONIAGAS MINING COMPANY.

The annual report of the Coniagas Mining Company for the year ending October 31, 1917, places the output of that property at 1,344,267 ounces, which is a marked falling off from the preceding twelve months. Higher operating costs was another unfavorable factor encountered during the year. The enhanced price of silver tended to counteract the other influences, and the net returns was quite close to those of 1916.

Total revenue for the year was \$1,065,745, comparing with \$1,192,424 in 1916. A balance of \$775,905 was left after operating and administration charges had been looked after. After allowing for depreciation, etc., there remained \$641,344 to the credit of the profit and loss account. The deduction of two dividends aggregating \$300,000 and the addition of last year's balance brought the current balance up to \$1,668,360, against \$1,363,460 last year.

Little addition has been made to the ore reserves during the year. The company has secured the Ankerite Gold property, prospects of which are believed to be encouraging.

LAST WEEK'S RECORD OF ACTIVE MONTREAL STOCKS.

				— YEAR. —				
Sales.	Stocks.	Open.	High.	Low.	Last sale.	Net chge.	High.	Low.
998	Brazilian	32	32%	32	32½	+ ½	33½	32
241	Brompton	43	43	42	42½	unch.	43	41%
150	Can. Car. pref.	49½	49½	49½	49½	unch.	49½	49½
290	Can. Cement	*57	*57½	*57	*57	-1	*58	*57
1,190	Can. Steamship	40	41½	40	41¼	+1½	41½	39½
942	Civic Power	68½	70½	68½	70½	+2	70½	68½
1,443	Dom. Steel	*53%	*55%	*53%	55	+1¼	*56	*53
237	Dom. Textile	80%	82½	80%	82½	+1%	82½	80%
334	Laurentide	152	153½	152	153½	+1½	153½	152
190	Smelters	25	25	25	25	unch.	25½	25
372	Steel of Can.	51½	53	51½	52	+1	53	50½
BONDS.								
\$81,600	Can. Loan (1931)	92%	92%	92%	92%	+ ½	92%	92%
30,000	Do. (1927)	92%	92%	92%	92%	+ %	92%	92½
10,000	Quebec Ry.	60	60	60	60	unch.	60	60
UNLISTED SHARES.								
330	Tram, Power	31%	31%	30	30	-2	33	30

Work of the Cheese Commission in 1917

J. A. Ruddick delivers address at meeting of Eastern Ontario Classification of Cheese

The following address was delivered by Mr. J. A. Ruddick at the annual convention of the Dairymen's Association of Eastern Ontario, which was in session at Perth, Ont., on Friday January 11.

WORK OF CHEESE COMMISSION.

Before proceeding to deal with the work of the Cheese Commission, it may not be out of place to refer briefly to the situation which made the appointment of a Commission necessary or desirable, and to tell you something of the negotiations which led up to that consummation.

It seems to me, however, that a mere statement of the facts, with regard to the cheese situation, will show that instead of being the means of preventing higher prices, the appointment of the Commission and the handling of the cheese through that channel has placed many millions of dollars in the pockets of Canadian producers in excess of what they would have received if the trade had been allowed to take its own course.

In March last the Imperial Board of Trade, seeing shipping and financial difficulties looming up to stand in the way of the regular export trade, expressed a desire to purchase the entire exportable surplus of Canadian cheese of the season of 1917. With that end in view a representative of the Board in the person of Mr. Jas. McGowan was sent to Canada, and the Canadian Government was requested to nominate two commissioners to act with Mr. McGowan for the purpose of dealing with the whole question. The Minister of Agriculture nominated Mr. Jas. Alexander and myself as the Canadian members of the Commission.

The Board of Trade had purchased the entire output of New Zealand cheese for the season of 1916-17 at 19c f.o.b. steamer, and was not, at first, inclined to pay more for our surplus of 1917. The New Zealand authorities say they were promised that no higher price would be paid. In view of the difference in the market value of Canadian and New Zealand cheese, and the further fact that values in all food products had risen during the interval, it did not seem reasonable that Canadian cheese should be sold at the same price as that paid for New Zealand cheese some months previously.

After negotiation the Imperial authorities finally authorized the Commission to offer 21½c f.o.b. steamer, Montreal, for the exportable surplus of Canadian cheese for the season of 1917. I am not at liberty to divulge all the steps that were taken on this side to secure a fair price for the cheese, or to bring the negotiations, which dragged along with exasperating delays, to a final and satisfactory conclusion. You will have to take my word for it that everything was done that was possible under the circumstances to protect the interests of the Canadian cheese producers. Proof of this assertion is found in the fact that the Ministry of Food has just concluded a further bargain with the New Zealand cheese factories to take their surplus output for the current season of 1917-18 at a price which will net them only between 19c and 19½c per pound. The price named is 20c f.o.b. steamer, but the factories pay the first three months' storage and insurance, receive 90 per cent payment in 28 days, and allow 2½ per cent on marked weights for shrinkage, which latter item alone works out at ½c a pound.

Of course, there is room for difference of opinion as to whether 21½c f.o.b. steamer, Montreal, was a fair price for the cheese, but I think it must be admitted that the purchaser of any article has a right to determine how much he is willing to pay. The British Board of Trade in this case simply took the place of the British merchant, who in normal times imports the cheese, and it will hardly be disputed that the merchant has the right to determine the limit that he will pay in ordinary transactions.

Although reference is constantly being made in the press and elsewhere to what is termed the "fixed" price of cheese during the past season, I want to point out that there has been no "fixed" price for cheese in Canada. The British Food authorities fixed a maximum price for the retail sale of cheese in the United Kingdom, but there has not been, nor is there at this moment, any regulation or other legal obstacle to prevent a Canadian cheese exporter or producer from selling his cheese at a higher price than the Commission is paying if he can get it or from shipping it to the United Kingdom himself if he can secure space.

The commission, having been appointed, proceeded to formulate regulations to govern the acceptance of cheese. These regulations were made with a view of utilizing as far as possible the organization and facilities which already existed for the handling of the cheese trade. It was suggested in some quarters that the buyers should be required to pay not less than a certain price in the country. The commission, however, knowing the history of the cheese trade, relied upon the competition between buyers to secure fair prices to producers, and the experience of the past season proves that their faith in that matter was well founded. As a matter of fact, the price paid on the cheese board was, in many instances, so high that there was not sufficient margin to pay freight, storage, cartage, cooperage, etc., and leave any profit to the dealer. An average of 21c. at country points would have been a fair price for No. 1 grade. Producers can have no complaint on that score, and, if the buyers cannot make any money, it is their own fault.

The commission has recognized three grades of cheese, and probably the principal innovation in the handling of the season's output was the one by which a definite spread in value was fixed between No. 1 and the lower grades. It is, I suppose, generally known that 21½c was paid only for No. 1 grade, the prices for No. 2 and No. 3 being 21¼c and 20¾c respectively.

The buyers were required to grade the cheese themselves, and to offer them to the commission in lots of 500 boxes of one grade and color. When this was done the commission sent its own inspectors to examine them, and if any of the factory lots offered were not up to the grade represented, they were struck off the list and others had to be substituted.

The following table shows the number of cheese handled by the commission from June 1 to December 31, 1917, by provinces, with the percentage of different grades in each case:

TABLE I.

Classification of Cheese.			
Province of Origin.	No. 1.	No. 2.	No. 3.
Ontario	93.38	6.42	.20
Quebec	70.88	27.13	1.99
P.E.I.	90.85	9.00	.15
The Dominion	84.22	14.85	.93

The standards on which the classification was made are practically the same as those which have been observed in the trade for many years.

The quantities produced in the different districts of Ontario and the relative standing of these districts in the matter of quality is shown in Table II:

TABLE II.

Ontario Cheese by Districts.			
District.	No. 1.	No. 2.	No. 3.
Western Ontario	95.44	4.31	.25
Northern Ontario	44.44	51.15	4.41
Central Ontario	98.07	1.91	.02
Eastern Ontario	91.80	7.96	.24

As a matter of passing interest, and for purposes of reference, I may mention that records of the Commission show that the average weight of cheese for the Dominion, and for the three provinces from which cheese were received, is as follows:

TABLE III, AVERAGE WEIGHT OF CHEESE.

	Lbs.
Dominion	83.67
Ontario	86.31
Quebec	80.13
P.E.I.	73.27

SIZE OF CHEESE.

The commission has been strongly impressed with the advisability of standardizing the size of cheese made in Canada, particularly in the matter of diameter. The cheese hoops in use in the different factories vary in diameter from 14½ to 16 inches. Either 15 inches or 15½ is a suitable size, but there should be only one size in the country. I would be in favor of legislation prohibiting the use of any hoops except those of a standard size, giving the users of odd sizes a reasonable time to get new ones. The size of the bandage should also be regulated because a cheese expands to the size of the bandage after it is removed from the press.

It was found, in many cases, that the boxes were too large for the cheese. This defect was remedied at Montreal by "chinking" the space between the cheese and the side of the box with pieces of boards, all of which involves unnecessary cost. This slovenly manner of boxing cheese is due largely to lack of foresight and attention to detail in ordering boxes, but it will be increasingly difficult to secure boxes to fit the cheese properly as they are supplied more and more from central distributing points. A standard sized cheese permitting the manufacture of a standard box would help greatly in securing the desired improvement.

FIBRE CHEESE BOXES.

Several thousand cheese were shipped in the new fibre boxes. In order to get accurate and unbiased reports as to the condition of these boxes on arrival in the United Kingdom, I arranged with the Cheese Commission to notify my office at Ottawa when cheese in fibre boxes were included in any shipment, and the cargo inspectors employed under my direction at ports in the United Kingdom were instructed to be on the lookout for them and to make special reports as to their condition, and to obtain the views of the trade regarding them. These reports do not indicate that this package is a perfect one as manufactured at present. The covers are frequently torn loose, and there is a tendency for the fibre to soften slightly, presumably by absorbing moisture from the cheese, and when this occurs the box is liable to be crushed when it has to stand the weight of a pile of five or six boxes. Quite a percentage of the boxes were reported as torn with the hooks used in handling. They will not stand that sort usage. The patent cheese truck as used for wooden boxes also breaks or tears the fibre band, but this can be, and has been in some warehouses, remedied by an alteration in the truck which prevents the tearing. As I have already said, the fibre box is probably not a perfect one, but I think it is capable of improvement, and even at present it would appear as though it arrives in as good condition, if not better, on the average, than the ordinary wooden box.

I am rather hopeful that the fibre box, possibly with some improvements, will solve the box problem of the future, providing the cheese are all made of one diameter, as already advised. In many cases the fibre boxes were too large for the cheese and the percentage of damaged boxes was much greater in such cases. This lack of management which results in cheese being shipped from the factories in boxes which are either too large in diameter or too low for the cheese, is inexcusable, and it is coming to be recognized every day as a more serious defect. When there is a loss of ½ a cent a pound, or 43 cents per box, on account of these defects—that is, badly fitting boxes in one respect or another—surely it is time to provide a remedy. If a cheesemaker has the ordering of boxes, it would be a much more reasonable thing to charge him with any loss arising out of such a defect than it is to charge him for inferior quality in the cheese itself.

That it would be an advantage to have all factories registered and numbered became very evident in the course of handling the business during the past season. Many factories follow the sensible practice of branding the cheese with the name by which the factory is known, others use certain letters or numbers, or combinations of letters and numbers. In some cases the markings are changed from time to time, and there is more or less duplication of brands and markings. If the cheese from each factory bore a distinctive number, and complete lists of the registrations were published, it would greatly facilitate the tracing of particular lots of cheese to their proper origin.

The Federal law, which was repealed by the Dairy Industry Act of 1914, provided for voluntary registration, but as less than half the factories ever applied for registration, it fell short of the object aimed at and

(Continued on page 24.)

Imperial Titles in Canada

Canada less democratic than Britain—Hereditary honors wrong, but others proper when granted for real merit

By J. W. MACMILLAN.

This is an important subject, for it concerns the ceremonial side of life. I am aware that men can be found on every street-corner who affect to despise the ceremonial. They call it "poppy-cock," and loudly assert that what satisfies them is "results." Yet these very contempters of ceremony conform to fashion in their clothes, their demeanor, and the customs they adhere to. If a man really and truly despised ceremony he should be as ready to wear his wife's hat as his own. A simple and convincing demonstration would consist in his coming to business on the street-car with his wife's Easter bonnet on his head.

The fact is, of course, that we are all ceremonialists. The way a thing is done has a meaning for us all as well as the thing itself. We all respond to demeanor in those who accost us. We feel that a beautiful thing should have a beautiful setting. There is never an introduction between two human beings, but certain formalities intervene. St. Paul spoke the mind of the race when he said, "Let everything be done decently and in order." Herbert Spencer does not hesitate to declare that "the earliest kind of government, the most general kind of government, and the government which is ever spontaneously re-commencing, is the government of ceremonial observance."

VALUE OF CEREMONY.

Any officer will tell you the first-rate value of ceremony in military discipline. The salute, the presenting of arms, the formal and incessant recognition of rank, as well as the more elaborate ceremonial parades and drills play an important part in the construction of soldiers out of the raw material of civilians. Once in a while some officer is unable to see this. He, too, calls it "poppy-cock," and suspects it of being a survival from the days when military rank was a perquisite of aristocracy. Such an officer always fails in the management of his men. His reading of human nature is fatally incorrect.

Such seems to me to be the fault of most of the criticism which is directed against imperial titles conferred on Canadians. It is based on the statement that Canada is democratic, and that these relics of outworn aristocracy are not needed nor wanted here.

The same argument, precisely, as that of the man on the street-corner who curses what he calls "poppy-cock." The same argument as that of Barrie's weaver, resisting the attempts of his wife to make him put on his Sunday suit, "Its no fitten a man body to be fashed about claes."

It is assumed that Canada is robustly democratic, while Britain is decrepidly aristocratic. That is a false assumption, for Canada is less democratic than Britain. What leads to this blunder is the fact that the ratio of men to land is lower in Canada, or, in other words, the average man has more opportunities. It is also assumed that the rewards appropriate to success in Canada are not titles, but something else, presumably money or power.

I do not wish to defend the titles which have been conferred in Canada. Some of them, I consider, have been most unfortunately bestowed. It is the reaction from these glaring misapplications of Imperial distinctions which has provoked the desire to forbid all bestowal of titles in this country. My opinion is that the practice needs mending rather than ending. It seems to me to be capable of serving a noble purpose in the development of a democratic social life in Canada.

Before, however, this practice can be enlisted in the cause of national progress and growth the method of their bestowal and the character they bear must be freed from two objectionable features. Their source must become purged from taint of commercialism or partisan favoritism. So long as it is open to the Canadian public to think that they can be bought for money, or procured through a party boss they can be nothing but an offence to all decent Canadians. And they must not be hereditary. The suspicion that the hereditary aristocracy of Britain,

now shorn of their prestige and power, are seeking a new lease of life by incorporating into themselves the wealthiest colonial families must be dispelled. Worth is not hereditary, nor should honor be. Here, as in Britain, all men know and deeply feel that every herring should hang by its own tail and every tub stand on its own bottom. No hereditary House of Lords could be created in Britain to-day. Nor should anything like it be allowed to begin in Canada.

Given these two conditions, that somebody of unquestioned dignity and authority confers these titles for merit only, and that they die with the possessor, we can see two great purposes which their suitable bestowal, from time to time, on truly eminent and deserving persons, would serve. The first of these is Empire-cement, which, if the Empire is to endure, is much needed. No one need enlarge upon the difficulties of achieving a closer political unity between the several parts of the Empire. But the Empire is much more than a political phenomenon. It lives in language, customs, standards of life and thought, loyalty, service, traditions, and the like. It is because, while political unity is lacking, other kinds of unity are not lacking that the Empire is a fact. We hold together, Australians, New Zealanders, South Africans, East and West Indians, Canadians and all because so much of the material of life is common to us all. To a very large extent our admirations are the same. It would help to unite us more closely if we had some common centre, of high authority in such matters, to rate and stamp our admirations when they impinged upon eminent men.

WEAKNESS.

Some of the most sagacious critics of the United States, both of and outside her citizenship, have marked this as a weakness in her, that she has no formal means by which titles can be conferred. That is the reason why her population is so copiously sprinkled with informal titles. The desire for recognition meets the desire to give recognition in a blundering and haphazard fashion. So there is a multitude of colonels, judges, professors, honorables and doctors, few of which are backed by adequate social authority. We need not expect that in Canada we shall continue a nation of plain Masters. The impulse to recognition will not be denied. The question is, will we make of it a social force which shall operate efficiently to the upbuilding of the Empire, or shall we, under mistaken notions of what democracy is, allow it to be dissipated?

Again, it may prove a valuable social force for another purpose. Men do not labor without expectation of reward. Every act is motivated in some way or other. Great men are subject to this law, equally with smaller men. We will always have among us our share of men of superior capacity. It is a social problem how to persuade these men to employ themselves for the public good. They are only too apt to use their extraordinary abilities and energies against the common weal. If we are to have the benefit of the services they can render we must provide some reward commensurate with the toils they are called to endure. Here is where a title at the hands of royalty comes in.

Far too much has money been the toll which the captains of finance and industry have taken as their pay. Imperial titles might provide an alternative to avarice. Sometimes the acquisition of money has led on to the desire of power. Imperial titles might provide an alternative to the lust of power. There are other motives, of course, such as satisfaction in one's work, the pleasure of spending on one's wife and family, or the realization of some ideal. But the most penetrating analysts of human soul-processes tell us that no motive moves the energies of the richly-endowed like the appreciation of their fellows. It is "the last infirmity of noble minds."

It would be well, if this argument is worth anything, not to peremptorily reject the titles which Britain offers us. There is a wiser way. Let us ask, as the people of Britain are asking, that there be honor and truth in them. We are not so ignoble in what we fondly call our democracy as to refuse to give honor where honor is due

WHAT AMERICA IS FIGHTING FOR.

President Wilson, in an Address to Congress, Outlines Fourteen Terms for Peace.

On Tuesday Jan. 8th, President Wilson thrilled official Washington when he went before Congress with an address on the conditions necessary for a world-peace, a message which promises to be one of the most important state documents the great struggle has yet produced. The President called attention to the failure of the peace parleys between the Germans and Russia, and stated concisely and clearly the terms upon which peace must be attained if the United States was to subscribe to them.

As in all his previous utterances on the subject, the President declared that peace must be based upon a desire to grant the maximum of freedom to all peoples. At the same time it was recognized that concessions have been made which are calculated to force the Germans into the open and compel that nation at this time to make a sincere offer-for peace negotiations.

The President listed fourteen points upon which peace must be predicated, prominent among which was the freedom of the seas, which has been mentioned time and again. Now the President has made it clear that peace must also bring freedom of international trade. There shall be no economic barriers to trade, as the President very concisely and markedly expressed it, and the remark brought forth applause. The third point which stood out prominently among the fourteen mentioned was that there shall be a league of nations to see that peace is maintained once it is restored to the world.

The fourteen specific considerations as necessary to world peace as presented by President Wilson follow:

1. Open covenants, openly arrived at, with no ensuing peace treaties.
2. Freedom of the seas in peace and war, except as closed by international action for enforcement of international covenants.
3. Trade equality among nations consenting to the peace.
4. Reduction of armaments.
5. Imperial adjustment of colonial claims, with regard for the wishes of the inhabitants.
6. Evacuation by Germany of all Russian territory and assurances of unhampered opportunity for Russia's political and economic development.
7. Evacuation and restoration of Belgium.
8. Evacuation of occupied French territory, and righting of the wrong done to France by Prussia in 1871.
9. Readjustment of the Italian frontier along clearly recognized lines of nationality.
10. Autonomous development for the peoples of Austria-Hungary.
11. Evacuation and restoration of Rumania, Serbia and Montenegro, with access to the sea for Serbia.
12. Turkish sovereignty for the Turkish portions of the Ottoman Empire, with autonomy for other nationalities now under Turkish rule, and permanent freedom of the Dardanelles.
13. An independent Poland with access to the sea.
14. A league of nations to enforce specific covenants.

HALIFAX'S LOSSES.

According to a conservative estimate submitted by the expert, J. M. Wingfield, to the general relief committee in charge at Halifax, property losses from the explosion in Halifax harbor on December 6, amount to about \$50,000,000. Mr. Wingfield also estimated at least 1,500 killed, 4,000 seriously injured, 20,000 homeless. The report in part is as follows:

"The value of homes destroyed or damaged beyond repair will not be less than \$7,000,000. The damage to homes that can be repaired, plus the value of furniture and personal effects lost, will reach \$8,000,000. Military, naval, church, institutional and industrial property was \$25,000,000.

"These figures show a total property loss of \$40,000,000, but at present they are only estimates of a tentative character, and in any event do not cover so-called replacement value. To this must be added the cost of temporary shelter and relief for at least six months. A low estimate for this work would be \$5,000,000. Then the matter of compensation or annuities to those permanently disabled and to families deprived of their means of support will certainly require another \$5,000,000. Summing up, a total of not less than \$50,000,000 will be required to cover all losses here."

War's Effect Felt the most in Russia

Nation worn out financially and economically—Only 16 per cent of its requirements met by imports from abroad—"Paper Money Regime" has disastrous results on inflation to prices

Russia is worn out economically and financially far more than any other belligerent country, says a writer in the Manchester "Guardian," who reviews the situation as follows:

"There was a good deal of justification in General Sukhomlinoff's argument at his trial that 'it was impossible to turn Russia overnight from an agricultural into an industrial country.' Russia before the war was still economically a backward country with a very low productivity of labor, agricultural as well as industrial, with a totally inadequate transport system and with a small capacity for organization. The total accumulated national wealth of the country did not, according to a statement made by M. Prokopovitch, then Minister of Commerce and Industry, at the recent State Conference at Moscow, exceed £4,000,000,000, while her aggregate national income in 1913 was estimated at £1,500,000,000.

"The war, of course, did not improve the situation, as practically the entire male population of the villages was successively enrolled in the army, while the war entailed an expenditure of £530,000,000 in the first, £1,120,000,000 in the second and £1,800,000,000 (that is, more than the amount of an national income) in the third year, exclusive of the hundreds of millions disbursed in connection with separation allowances, railway construction and improvement, assistance to refugees from the invaded territories, etc.

FAMINE IN RAW MATERIALS.

"Add to this the fact that since the beginning of the war Russia has practically been cut off from the world's market, and that in spite of all the efforts of her allies she has had to rely chiefly on her own resources. It is not generally known, but it is a fact brought out clearly by M. Prokopovitch, that only 16 per cent of Russia's requirements have been met by imports from abroad, and fully 84 per cent have been covered on her own home market. No wonder that Russia has been 'deprived of all her stocks,' and that a time was bound to come when she found herself face to face with a famine in almost everything that is required for production.

"Such was, indeed, the legacy which Russia received from the old regime in March last, burdened as it was, moreover, by a vast amount of incompetence and corruption which had made the confusion worse confounded. If Russia had, simultaneously with her freedom, also obtained peace, she would have had still her hands full for the next generation to disentangle the confused threads of her economic life; as it was, her hands were full with the conduct of the war, and the situation became still more complicated.

"Liberty is a costly business. New institutions spring into life, demands long overdue have to be satisfied, and many crying wrongs have to be redressed. This is best seen from the figures showing the activity of the State printing press in the matter of paper money. According to a statement made by M. Nekrasoff, then Minister of Finance, at the Moscow conference, the aggregate amount of paper money issued during the last (the war) months of 1914 was £21,900,000; the amount increased only to £22,300,000 and £29,000,000 in 1915 and 1916, respectively.

"It is true that during the first two months of 1917—still under the old regime—the amount of paper currency issued suddenly jumped up to £42,300,000, but from the outbreak of the revolution till the middle of July the State printing press had to turn out paper money to the amount of not less than £83,200,000. At that rate, M. Nekrasoff calculated, Russia would have by the end of the year at least £1,500,000,000 of paper money in circulation not covered by metal!

SOME PRICES INCREASE TENFOLD.

"Such a 'paper regime' was bound to have a most disastrous result on the inflation of prices, which, added to the scarcity, has produced an intolerable state of affairs. Prices have doubled and trebled for most articles of ordinary consumption and in some cases have become tenfold in comparison with the pre-war period. This in its turn has led to a double movement; the industrial workers have come forward with demands for increases of wages which sound quite fabulous if the purchasing value of the rouble is disregarded and the hitherto prevailing low

level of remuneration is not taken into account, and the peasants are refusing to bring their corn to the market because they are unable to buy the town produce at reasonable prices. As the demands of the industrial workers are generally met with resistance by the employers, in spite of the high profits made by them during the war, industrial production is paralyzed, and the countryside is left without the manufactured article, while the town is left without bread.

"Apart, however, from the effect of inflated prices, the productivity of the soil and industrial labor has everywhere greatly diminished. The lack of able-bodied men in the villages, the lack of natural manure through the great slaughter and waste of cattle owing to the requirements of the army and the mismanagement of the old regime during the great evacuations, and the deterioration of agricultural implements have combined to diminish the cultivated area by fully 20 per cent and to reduce the yield even on the best soil to an equal degree.

MARKED FOOD SHORTAGE.

"A recent return shows that among 713 agricultural districts making returns the crops this year will be good in 226 only, while in 487 districts it will be from 'bad' to 'below average.' In many places, M.

Prokopovitch declared, 'the population has not enough bread; in Petrograd and Moscow in particular the stocks have fallen to a minimum, and no fewer than eight provinces in the heart of the country are suffering from an acute lack of food.' Here is a summary of telegrams received recently by the Ministry of Commerce and Industry:

"A telegram from Shuya announces the suspension of the saw mills. There is no bread. Extraordinary measures are needed. The Korukoff sugar-refinery is threatened with complete stoppage, as the workpeople employed have no food. Twelve thousand workpeople employed at the Yartzeff cotton mills (Smolensk province) are in an awful situation, the stacks of flour and grain having run out * * * A telegram from the Kuvshinnoff paper mills (Tver province) says: 'The workpeople are on the eve of famine; no bread anywhere; immediate relief required,' and so on.

"In respect of industrial labor it is the same. According to Professor Bernadsky, now Minister of Finance, the output in the textile industry has since the Revolution been reduced 17 to 22 per cent and in the metallurgical industries 40 to 60 per cent. These are general figures, but the details are still more harrowing.

"The causes are the deterioration of machinery, the absence of skilled men, underfeeding, and the complete dislocation of the railway transport, which prevents the regular supply of raw material and fuel. M. Yureneff, former Minister of Railways, pointed out at a railway congress in August that no fewer than 15,000 trucks and wagons and one-quarter of the total number of engines had been 'laid up,' and that in November the entire railway system might come to a dead stop."

Control of Bond Issues

Legal opinions in support of the Quebec Government's contention

In the Quebec Assembly on Thursday, Hon. Mr. Mitchell, Provincial Treasurer, submitted opinions obtained from Messrs. Eugene Lafleur, K.C., and Aime Geoffrion, K.C., before the Quebec Government made its protest against the action of the Dominion Government in forbidding the issue of Provincial or Municipal securities without the permission of the Minister of Finance. These gentlemen said:

It is clearly impossible to support the provisions of the Order-in-Council under the authority of subsection 4 of section 91 of the B. N. A. Act providing for the borrowing of money on the public credit, inasmuch as the Order-in-Council purports to legislate with respect to, among other things, the borrowing of money on the credit of the Province, which is a matter of exclusive legislative jurisdiction on the part of the Provincial Legislatures.

"Turning to the power of regulating trade and commerce, it is apparent from the preamble of the Order-in-Council that it cannot by any reasonable construction be regarded as aiming at the regulation of trade and commerce. The object of the measure is to facilitate the borrowing of money by the Dominion by curtailing the Provincial and other powers of borrowing. It is in no sense a measure taken in the interest of or for the regulation of trade and commerce. Except insofar as commercial corporations are concerned, none of the government, institutions, commissions, municipalities or other public bodies affected by the prohibition, are engaged in trade or commerce, and it is a misnomer to place such legislation in the category of regulation of trade or commerce. There is no commercial element in the borrowing of money on their own credit by provincial governments, municipalities, public utility commissions, hospitals, asylums, ele-mosynary institutions, religious corporations or universities. The suggestion that the Order-in-Council is intended to regulate trade and commerce may therefore be dismissed as wholly untenable. The mere inclusion, in the list of bodies or institutions aimed at by the measure, of incorporated companies, some of which are commercial, cannot bring it into the category of regulation of trade and commerce."

After quoting cases which have appeared before the notice of the Judicial Committee of the Privy Council as examples to bear out their contention, Messrs. Lafleur and Geoffrion continue:

"If we apply the principles laid down in these decisions to the case under consideration, can there be any doubt that the Judicial Committee would not extend the Federal power of regulating trade and

commerce so as to paralyze the activities and suspend the existence of Provincial Governments and all the creatures of the Provincial legislatures?

"The sinews of war, as well as the funds required for peaceful enterprises, must be obtained under the authority of the fiscal clauses of section 91, and not in virtue of any supposed implied powers. To hold otherwise would not only involve the violation of the most elementary rules of statutory construction, but would be destructive of the autonomy of the provinces. If the necessities of national defence enable the Dominion Parliament to over-ride that portion of the constitution which commits to the exclusive jurisdiction of the Provinces the power of raising money, which is necessary for their very existence, then the self-governing powers of the Provinces will be suspended at the discretion of the Federal authorities.

"Nor can the Order-in-Council be supported on the ground that it deals with the subject of criminal law. On its very face the legislation is fiscal and not criminal in its nature. It does not aim at the prevention of any offence against public order or good morals, but merely prohibits for a limited time the doing of certain things without the permission of the Minister of Finance. The very fact that the prohibition is intended to last only during the continuance of the war, and that the certificates of the minister will make the act lawful, is sufficient to exclude this legislation from the category of criminal laws. It is designed to facilitate the financial operations of the Dominion Government, and to eliminate the possible competition in the money market of Provincial, colonial or foreign governments, and of other institutions, bodies and corporations. It is earmarked by the preamble as a purely fiscal measure.

"If urgent need of money by the Dominion for war or any other purpose, authorized it to assume full control of the borrowing by Provincial Governments, it necessarily follows that a similar control could be assumed over Provincial powers of taxation, notwithstanding section 92, sub-section 2, which assigns exclusively to the Provincial Legislatures direct taxation within the Province for Provincial purposes. This would obviously complete the destruction of Provincial autonomy."

"For these reasons," Messrs. Lafleur and Geoffrion conclude, "we are of opinion that the provisions of the Order-in-Council of 22nd December, 1917, are ultra vires insofar as they purport to affect Provincial Governments, Municipalities Provincial commissions and institutions, corporations and incorporated companies subject to the legislative authority of the Provincial Legislatures."

MAJ
the gue
only Ca
Bishop
of the
with an
to the
Bishop
and ha
ablest v
a mode

LT.-C
ors in
that car
adian Y
in Engl
and mo
Birks w
expense
generou
the you
jeweller
church
war he
he took
omic an
and oth

ALFR
Central
the adm
Smith
of Chic
business
Mr. Smi
lines, bu
road ex
called to
railroad
tion in t
stead in
lowest r
ing his
dent of

DR. J
lature f
pulsory
of seaso
hobby, a
Godfrey
cation u
ject by
introduc
as the
doleful
was noti
Another
ing on I
that D.
have all
comes fr
highly p
be anxio
sible edu

SIR C
a Canadi
Rt. Hon.
British A
upon for
feet and
got into
a lesson
Spring-R
in 1913 a
ing the v
when the
tral. He
is a pain
ways be
born in
entering
Office.
Brussels,
was sent
ceded a

Mentioned in Despatches

MAJOR W. A. BISHOP, V.C., D.S.O., M.C., who was the guest of the Canadian Club on Friday last, is the only Canadian to hold these three decorations. Major Bishop is a native of Owen Sound, and a graduate of the Royal Military College. He went overseas with an engineering corps in 1915, later transferring to the Royal Flying Corps, where he found his wings. Bishop has brought down forty-five German planes and has done some of the most spectacular and ablest work performed on the Western front. He is a modest, unassuming chap, but a real hero.

LT.-COL. GERALD W. BIRKS, who was given honors in the latest list, well deserves any decorations that can be conferred upon him. As head of the Canadian Y. M. C. A. movement among Canadian soldiers in England and France he has probably done the best and most effective work of any man overseas. Col. Birks went overseas over two years ago at his own expense, and in addition to that has contributed very generously of his own fortune to the cause. He is the youngest son of Henry Birks, the well known jeweller, and has always been keenly interested in church and Y. M. C. A. work. A short time before the war he returned from a trip around the world, which he took to familiarize himself with the social, economic and religious conditions of India, China, Japan, and other foreign countries.

ALFRED H. SMITH, president of the New York Central Railroad is one of McAdoo's assistants in the administration of the United States railroads. Smith has charge of the transportation lines east of Chicago and north of the Potomac, which is the busiest part of the railroad system in the States. Mr. Smith is not only head of the New York Central lines, but is generally regarded as the greatest railroad expert in the United States. Recently he was called to Canada to investigate and report upon our railroad situation, and doubtless acquired information in that investigation which will stand him in good stead in the present case. Mr. Smith began at the lowest round of the ladder as a messenger boy working his way up step by step until he became president of the New York Central lines in 1914.

DR. J. T. FINNIE, member of the Quebec Legislature from Montreal, is a great believer in compulsory education and advocates it in season and out of season. As a matter of fact, this is Dr. Finnie's hobby, a legacy he inherited in some extent from Godfrey Langlois, who used to talk compulsory education until he was regarded as a crank on the subject by his legislative confreres. At one time while introducing a measure to adopt uniform text-books as the first step towards compulsory education a doleful looking member from a rural constituency was noticed sitting on the doorstep smoking his pipe. Another member coming up inquired what was going on in the House. The smoker answered, "Only that D... F... Langlois introducing his measure to have all the school books the same size." Dr. Finnie comes from a land (Scotland) where education is highly prized, and it is only natural that he should be anxious to have this province adopt the best possible education system.

SIR CECIL SPRING-RICE.—Some months ago at a Canadian Club luncheon in Montreal, given to the Rt. Hon. Arthur J. Balfour, Sir Cecil Spring-Rice, British Ambassador to the United States was called upon for a speech. After much urging he rose to his feet and said, "A fellow ambassador in Washington got into trouble by talking too much. I have learned a lesson from him and keep quiet," and sat down. Spring-Rice was appointed to the Washington post in 1913 and has given a good account of himself during the very trying years in the early part of the war when the United States endeavored to remain neutral. He is not regarded as a brilliant diplomat, but is a painstaking, conscientious official and can always be counted on to do his very best. He was born in London and educated at Oxford, thereafter entering the diplomatic service through the Foreign Office. His diplomatic experience was obtained at Brussels, Tokio, Berlin and Constantinople, before he was sent to Washington. Spring-Rice is being succeeded at Washington by Baron Reading.

LORD READING.—It is a far cry from being a sailor before the mast to being Lord Chief Justice of Great Britain and ambassador from that country to the United States. Lord Reading, better known as Sir Rufus Isaacs, who has been appointed British Ambassador to Washington, is one of the best known men in public life in Great Britain. Born in London in 1860 he was sent to the best schools in the country by his father, but grew tired of the humdrum experience of acquiring knowledge so ran away from school and sailed around the world for a few years. Being cabin boy and a common sailor before the mast so changed his attitude towards things in general that he decided to return to school. He then studied law, became one of the most prominent legal lights in the country, entered Parliament, became Solicitor-General, Attorney-General, and later Lord Chief Justice. He was first knighted and then became a baron in 1914. Baron Reading has visited the United States on two or three occasions since the outbreak of the war, coming over in connection with financial matters. He is a brilliant speaker, a shrewd diplomat and undoubtedly ought to do most effective work at Washington.

SIR FRANK BAILLIE, who was recently knighted, has made a real contribution to the fighting forces of the Empire. He first came into prominence when, as president of the Canadian Cartridge Company, of Hamilton, he donated to the country the profits of \$750,000 which he made out of his shell business. Later he established an aeroplane factory in Toronto which is regarded as a marvel of efficiency. Baillie is a protege of the late Senator Cox, and commenced his business career as that famous financier's private secretary. From this he became identified with various Cox interests, such as the Metropolitan Bank and various trust and loan companies. Later Mr. Baillie founded the brokerage firm of Baillie, Wood and Croft, and the Bankers Bond Corporation.

GEN. R. G. NIVELLE, who was removed from the supreme command of the French Armies last spring, has been appointed commander of the forces serving in Algeria. Nivelle, who succeeded Joffre, only retained the post of Commander-in-Chief for a few months, being removed as a result of political intrigue, although he was blamed for paying too big a price for the gains made by the French in their offensive between Soissons and Rheims in April, 1917. Nivelle is half English, had previous to his appointment as the supreme commander of the French Armies, made a big name for himself as the defender of Verdun. There will be general satisfaction to know that this brave officer has in a measure been vindicated.

Thirteenth Annual Report

By the Director of

The Imperial Guarantee & Accident Insurance Company of Canada

For the twelve months ending Thirty-First December, Nineteen Hundred and Seventeen

The Directors have much pleasure in submitting to the Shareholders their Thirteenth Annual Report for the twelve months ending 31st December, 1917.

Business.

The Company issued 18,096 policies for insurance of \$55,165,701.00. The premiums thereon amounted to \$310,657.37, being an increase of \$42,887.18. The interest earnings amounted to \$19,539.75, being an increase of \$1,053.15.

Assets.

The assets of the Company now amount to \$478,031.83, and the investments of the Company are all first-class securities bearing good interest returns.

Surplus.

The Contingent Reserve Fund now amounts to

\$25,000.00, and the surplus to policyholders is \$312,560.07, which, together with the uncalled subscribed Capital of \$800,000.00, makes the available security for all contracts \$1,112,560.07.

The lines of Insurance now written are: Personal Accident Insurance, Sickness Insurance, Elevator Insurance, Fidelity Guarantee, Plate Glass Insurance and Automobile (including insurance of Automobiles against Fire).

The Certificate of Auditors is appended to the Financial Statement as to the audit of the Company's affairs.

HERBERT C. COX,
President.

Toronto, 11th January 1918.

STATEMENT FOR YEAR ENDING DECEMBER 31st, 1917.

Profit and Loss Account.

Dr.		Cr.
To Claims, Commission and Expenses..	\$258,146.87	By Balance Profit and Loss Dec. 31st, 1916
" Reinsurance and Refunds	23,986.85	1916
" Reserve for Unearned Premiums, December 31st, 1917	102,860.86	" Premiums
" Reserve for Outstanding Claims	52,110.90	" Interest
" Added to Contingent Reserve Fund..	5,000.00	" Reserve for Unearned Premiums, December 31st, 1916
" Dividend	16,000.00	Claims, December 31st, 1916
" Balance	87,560.07	
	\$545,665.55	\$545,665.55

Balance Sheet.

Assets.		Liabilities.
Bonds and Debentures, depreciated value	\$334,783.00	Government Reserve for Unearned Premiums
Real Estate	2,365.03	Reserve for Filled and Unfiled Claims... ..
Loans on Mortgages	9,000.00	Sundry Accrued Accounts
Accrued Interest	2,207.14	Dividend payable January 1st, 1918
Outstanding Premiums (Reserve on same included in Liabilities)	42,484.69	Capital Stock Paid
Other Assets	11,924.44	Contingent Reserve Fund
Cash in Banks bearing Interest	61,452.30	Surplus over all Liabilities.. ..
Cash in Banks and on hand	13,815.23	
	\$478,031.83	\$478,031.83

Auditors' Certificate.

We have audited the accounts of the Imperial Guarantee and Accident Insurance Company of Canada for the year ending December 31st, 1917. We have examined the securities and verified the Cash and Bank Balances, and we certify that the above Balance Sheet shows the true position of the Company at that date.

Toronto, 11th January, 1918.

CLARKSON, GORDON & DILWORTH,
Chartered Accountants.

Public Opinion

RAILROAD PROBLEM SOLVED.

(Wall Street Journal.)

No better solution of the railroad problem could have been chosen than that which has been adopted by the President. It takes from the railroad managers the problem of finance, leaving them to the expert business of operating their roads. It transfers to the shoulders of the United States treasury the financial burdens which have harassed railroad management. It gives to the holders of securities a guarantee which amply justifies the striking recovery in Thursday's prices.

WHY HE RAN.

(Canadian Hospital News.)

The bombing sergeant was accused of cowardice, but he was acquitted without a slur when he had told his story; here it is:

"I am the bombing instructor, sir, and have always taught my men to count one, two, three, before throwing their bombs. During this particular engagement I pressed a young fellow into service, handed him a bomb and told him to count three after pulling the pin. He drew it and started to count, 'wu-wu-wu-' and I ran, sir."

DOING HER BIT.

(Christian Science Monitor.)

In a London district, recently, shortly after midnight, a light was seen moving from one side of the street to the other. It was carried by a postwoman, who was delivering letters after delay caused by an air raid. One of the recipients remarked to the young woman, "You ought to have a medal for doing this at this late hour." The postwoman replied, "I am a soldier's wife, madam, and I know the value of these letters I am carrying." Such ideals of service are becoming common enough in England, and in many other countries. And every time they "carry farther than the next street."

WORK.

(Chicago Tribune.)

Robert Louis Stevenson once wrote an apology for idlers. It was an ingenious essay calculated to cause even the most industrious to turn a wayward glance to the pleasant fields of dalliance. In those easy times it didn't matter very much one way or the other, as far as the destiny of the world was concerned, whether you worked or loafed. It was after all a purely private affair, and if Stevenson made any converts they had only their own consciences to answer.

The war has changed all that. Idling or shirking is no longer a private affair. Any advocacy of indolence at the present time would partake of sedition.

Of itself work may not be capable of winning the war, but without a full measure of industry we shall lose.

The power of our country does not lie in our financial credit or in our material resources; it lies in our ability to make them effective. We can make them effective only by hard work, from which no one who is able is entitled to claim exemption.

NEWSPAPER ERRORS.

(New York Tribune.)

"Where do you get the absurd facts you print?" is a favorite query put to newspaper men. In the view of these cynics, newspapers spend most of their time misspelling names, imagining incidents that never happened, and generally manhandling life as it is led.

There is just one answer to be made to the query above, and that is: "Newspapers get such of their facts as are absurd from the absurd human beings who for one reason or a thousand refuse to relate facts accurately." Newspapers, truth telling newspapers, spend a very large part of their time correcting these misstatements, running them to their source, and getting at the truth. A certain proportion of error gets by—not as great a proportion as can be heard in any village neighborhood gossip, for it is the concern of newspapers, of honest ones, that is, to allow for errors and correct them, whereas it is the concern of those other purveyors of news, gossips, to create errors whenever they are more interesting than the truth.

The next time you find an error in your favorite newspaper, try an experiment. Try to capture one small fact yourself, in your own home town. You will quickly discover just how wary a bird the truth is and how very unpopular.

NO BI-LINGUALISM THERE.

(Christian Science Monitor.)

No other language than English will henceforth be taught in the elementary schools of New York City. This is the decision of the Board of Education, in response to a strong demand, not only from the American element, but from enlightened citizens of alien birth and extraction. The ruling does away with a great deal of contention, but it recommends itself to approval, first, for the reason that it implies the grounding of all pupils in at least an elementary knowledge of the language of the country. What the pupils may later learn of other languages is a matter of less importance.

DON'T SHUT YOURSELF UP IN AN OFFICE.

The man who shuts himself up in an office makes a great mistake, thinks Thomas E. Wilson, the Chicago packer. In the American Magazine he says:

"The trouble with the executive who is too inaccessible is that he loses more by the arrangement than anybody else. In shutting others out he shuts himself in—away from the numerous advantages of personal contact and points of view. There's nothing like looking a man in the eye and hearing his story to get at the meat of a situation. Most executives prefer to have everything brought to their attention in writing. That plan may be a time saver, but my own experience has been that it will pay to get all information possible by face to face interviews."

AND IN THE MEANTIME.—I

(New York Herald.)

Jane Adams declares China had existed for 1,000 years without an army, longer than the life of most armed nations.—Washington Dispatch.

With the result that Japan has lopped off her New England and exercises absolute control over her New York and New Jersey; Russia has kindly taken over her Washington, Idaho, Montana, Dakotas, Minnesota and exercises almost as absolute control over her Wisconsin, Illinois, Indiana, and Ohio; Germany had her Maryland, but that has now passed also into the hands of Japan; Great Britain controls her great internal artery of trade, her Mississippi river, and has taken as its own a nice slice of her Texas; France has made the southern section of her California into a fine "sphere of influence."

There is no reason to believe that this situation is one enjoyed or even approved by patriotic Chinese. In any event, it is not a very alluring picture to hold as an example before the eyes of the people of the United States.

THE LESSON OF 1917.

(By Theo. H. Price, in Commerce and Finance.)

We shall not attempt either a review of 1917 or a forecast of 1918. We have no gift of prophecy and the history of our own times generally sheds a light that dazzles rather than illuminates.

The drama that we are now witnessing is absorbing, but its deeper significance will not be understood or interpreted until long after the actors have passed off the stage into the wings of the beyond. It is natural, nevertheless, that we should feel the reaction of the tragedy and try to draw some lessons from it in the entre act that is called New Year's day.

Most of those who read this paper are, like the writer, engaged in business. Our lives are spent in the appraisal of values, the ascertainment of costs and the pursuit of profit. What is the lesson of the year just closed for us? What shall we learn from the heroism of the men who have gone gladly to death that the world might live? For answer can we do better than to ask ourselves again "what shall it profit a man if he gain the whole world and lose his own soul?" and resolve, as we ponder the obvious reply, that we will exemplify it in our lives hereafter; that our accounts from now until our books are closed by death shall record a constantly increasing balance against self and in favor of selflessness and that the last statement of our affairs shall reveal a large investment in idealism.

The philosophers may attempt to explain and justify war as they choose, but they must all admit that it is brutalizing unless it compels us to re-erect the ideals that we have "loved long since but lost awhile" and revive the spirit of service and sacrifice that is too often deadened by the prosperity and self-sufficiency of peace.

SLOW PERHAPS; THOROUGH; ANYWAY.

(Kansas City Star.)

The tanks have a certain British slowness, to be sure, but it is noticed that they never have to run over anything twice.

GOOD RULES FOR BUSINESS MEN.

Don't worry; don't overbuy; don't go security. Keep a high vitality; keep insured; keep sober; keep cool.

Stick to chosen pursuits, but not to chosen methods. Be content with small beginnings and develop them.

Be wary of dealings of unsuccessful men. Be cautious, but when a bargain is made stick to it. Keep down expenses, but don't be stingy.

Make friends, but not favorites. Don't take new risks to retrieve old losses. Make plans ahead, but don't make them in cast iron.

Don't tell what you are going to do until you have done it.

DO NOT KILL PRODUCTION.

(New York Commercial.)

If America remains busy and prosperous the financial burden of the war will not crush the people. Business men are asked to save money and lend it to the Government, and the same appeal is addressed to wage earners and all other classes. They cannot do it if they do not make money. As the Camden Courier very pertinently says: "How manufacturers and merchants can curtail or altogether suspend business, and at the same time earn and save money to loan the Government, is something beyond the comprehension of the ordinary citizen."

Thrift does not mean inaction. This country is bearing the financial burdens of the war well because of healthy business conditions.

FACTORS OF VALUE IN NEWSPAPERS.

(Editor and Publisher.)

The Indianapolis News has made a canvass of one thousand readers, equally apportioned between its city and country circulation, to determine reader-preferences for features and factors of value in the paper.

As might have been anticipated, local news takes first place in the returns from this canvass. But the fact that both city and country readers place display advertising in second place in their estimates of what makes the paper valuable to them may cause some surprise to a few newspaper makers. Classified advertising is rated third by city readers and fifth by country readers, the latter placing a higher value upon market and weather reports.

The significant feature of this census is that advertising shares with local news the interest of readers. The inquiry made by the Indianapolis News would probably have similar results if made by any other representative, high-class newspaper. It indicates the real service performed for readers by the newspaper which carries a large volume of advertising.

THE FOES OF FREEDOM.

(New York Times.)

The Lowell, Mass., branch of the United Irish League has sent to Irish leaders in Ireland a manifesto that the misguided Sinn Feiners there and in this country need to study. How anybody can be so wrongheaded as to see in Germany a force for freedom anywhere passes understanding. "As for any promise of independence for Ireland coming from Germany, with all our souls we denounce them as hypocritical and insincere," say the Lowell United Irishmen, "but equally to be spurned if they were sincere." Ireland would be "unworthy of freedom if she lined up with the modern Attila. Germany is trying to make a catspaw of Ireland, and unfortunately some Irishmen are helping her horde of paid agents in that direction."

The enthusiasts and the dupes in Ireland who are hurrahing for the Kaiser and shouting that "England's enemies are our friends," the "patriots" who hiss "The Star Spangled Banner" and assault our sailors, the few American-Irish tools or gulls of Germany, the men who in the name of Ireland are doing their foolish best to injure the United States and freedom everywhere, need to ponder these words of truth and soberness from Massachusetts.

AMONG THE COMPANIES

FAILURES LAST WEEK.

Commercial failures last week, as reported by R. G. Dun and Co., in Canada numbered 24, against 16 last week, 20 the preceding week, and 26 last year. Of failures last week in the United States, 105 were in the East, 57 South, 80 West, and 43 in the Pacific States, and 125 reported liabilities of \$5,000 or more, against 66 last week.

IMPERIAL LIFE ANNUAL.

The shareholders of the Imperial Life Assurance Company of Canada at the annual meeting last week, heard the results of the most active and productive year in the company's history. The new business written amounted to \$13,088,000, this representing twenty-five per cent. increase over the amount written in the preceding year. The actual gain of insurance in force was \$8,278,000.

In his annual address the Managing Director, Mr. James F. Weston, dealt with the broader issues of the life insurance business in war time, and emphasized the rapid increase in the proportion of war claims to the aggregate of death claims.

Addresses dealing with the general financial situation and its relation to insurance affairs were delivered by Mr. G. A. Morrow, President, and Mr. E. T. Malone, K.C., Vice-President. The board was re-elected without change.

NEW COMPANIES.

The following new companies are announced in the various gazettes:

FEDERAL CHARTERS.

- Pyrene Manufacturing Co. of Canada, Ltd., Montreal, \$100,000.
- Modern Paper Box Co., Ltd., Guelph, \$100,000.
- Three-Stars Silver Mines, Ltd., Toronto, \$3,000,000.
- Dominion Metallurgical Co., Ltd., Toronto, \$250,000.
- Superior Liquor Co., Ltd., Kenora, \$45,000.
- Albert Greenburg, Ltd., Montreal, \$50,000.
- Colborne Trading and Transportation Co., Ltd., Montreal, \$2,000,000.
- St. Lawrence Shipping and Steel Co., Ltd., Sorel, \$1,000,000.
- Cutter Bros., Ltd., Winnipeg, \$50,000.
- International Ore Corp., Ltd., Toronto, \$1,000,000.
- J. E. A. Gauvin, Ltd., Montreal, \$500,000.
- J. and T. Bell, Ltd., Montreal, \$300,000.
- Maritime Wrecking and Salvage Co., Montreal, \$1,000,000.
- Canada Needle-Works, Ltd., Georgetown, Ont., \$50,000.

QUEBEC CHARTERS.

- Longue-Pointe Land Company, Limited, Dunham, \$48,000.
- The Portage-du-Fort Milling Company, Limited, Portage-du-Fort, \$30,000.
- Legare Automobile and Supply Company, Limited, Quebec, \$500,000.

BRITISH COLUMBIA CHARTERS.

- Pacific Galvanizing Company, Limited, Vancouver, \$10,000.
- Mitchell-Foley, Limited, Vancouver, \$15,000.
- Standard Engineering Company, Limited, Victoria, \$10,000.
- Lead Products, Limited, Vancouver, \$100,000.
- British Columbia Woollen Mills, Limited, Victoria, \$100,000.
- The Franklin Company, Limited, Victoria, \$50,000.
- McAllister Spring Company, Limited, Vancouver, \$5,000.
- Empire Brewing Company, Limited, Vancouver, \$10,000.
- R. G. Bedington and Company, Limited, Victoria, \$25,000.
- Hillcrest Lumber Company, Limited, Seymour District, \$50,000.
- Richmond Arts, Limited, Vancouver, \$10,000.
- Pacific Tie and Timber Company, Limited, Victoria, \$10,000.
- D. E. Brown's Travel Bureau, Limited, Vancouver, \$25,000.
- The Gwilt Lumber Company, Limited, Courtenay, \$25,000.
- McTavish Fisheries, Limited, Vancouver, \$25,000.
- Ballard Hotel Company, Limited, Kelowna, \$10,000.
- Banfield, Gunther and Black, Vancouver, \$10,000.



HON. WALTER MITCHELL,
Provincial Treasurer who reports a surplus for past year.

PAYING OFF NOTES.

The Canadian Northern Railway will pay off \$1,250,000 of its second gold notes due. These notes were issued by William A. Read and Company a year ago. This is the second note issue paid off within six weeks by the C. N. R., a loan of \$1,750,000 having been paid off on December 1. This is exclusive of equipment issues of the company with maturities of about \$3,250,000 per year, maturing in various month made during the year.

RAILWAY EARNINGS.

The traffic earnings of the Canadian Pacific Railway Company for the week ended January 7th, aggregated \$2,343,000 against \$2,238,000 for the corresponding week a year ago, an increase of \$105,000, or 4.7 per cent.

Earnings of the Grand Trunk Railway for last week were \$1,076,606 against \$1,012,906 for the corresponding week a year ago, an increase of \$63,700, or 6.3 per cent.

Canadian Northern was the only one to report a decrease.

	1918.	1917.	Inc.
C. P. R.	\$2,343,000	\$2,238,000	\$105,000
G. T. R.	1,076,606	1,012,906	63,700
C. N. R.	565,800	598,700	*32,000
	\$3,985,406	\$3,849,606	\$135,800

TORONTO RAILWAY CO.

With gross traffic receipts of Toronto Railway, in 1917, showing a gain of \$312,057 over 1916, it is believed the forthcoming annual statement will show an increase of approximately half a million in operating expenses. It is expected, however, that this will be more than offset by the showing made by subsidiary companies and the net result will be some gain in the amount available for distribution on the common stock. In 1916 the earnings for the common amounted to 11.17 per cent distributed.

According to Toronto's City Auditor the earnings of the company for 1917 amounted to \$6,192,562 and showed an increase of \$312,057 over the previous year. Figures for the different months are as follows:

January	\$510,052.52
February	478,185.48
March	531,080.42
April	510,334.90
May	510,869.55
June	499,731.83
July	467,382.15
August	516,966.70
September	532,007.22
October	534,135.95
November	537,505.22
December	570,310.08



MR. H. C. COX,
President Canada Life Assurance Co.

NEW BANK DIRECTORS.

Two new directors have been appointed to the board of the Standard Bank of Canada. They are: Mr. T. B. Greening, President of the Pure Gold Manufacturing Company, and Mr. James Hardy, F.C.A., of Jenkins and Hardy, chartered accountants.

PROVINCIAL BANK.

The Provincial Bank of Canada's annual report for the twelve months ending December 31 last shows profits of \$207,483, compared with \$203,983 in 1916. The four dividends aggregated \$70,000 and war tax \$10,000, both items corresponding to similar amounts paid in 1916. There was written off bank premises \$23,500, compared with \$16,000 the previous year. There was set aside for provision against contingencies the sum of \$40,000. Contributions to the Patriotic Fund totalled \$6,500; reserve for pension fund, \$5,000 and there was \$50,000 transferred to reserve fund.

NORTHERN CROWN BANK.

The annual meeting of the shareholders of the Northern Crown Bank was held in Winnipeg on the 9th.

The financial statement for the year was presented, showing net earnings for the twelve months of \$208,608, the largest since the commencement of the war.

Deposits in the institution were shown to exceed twenty-five million dollars, practically double the deposits of three years ago.

All the directors were re-elected. Included in the list is George Fisher, of the Scottish Co-operative Wholesale Society.

Captain Wm. Robinson was re-elected President of the bank, and John Stovel Vice-President.

BRITISH CAPTIVES IN 1917, 28,379; GUNS LOST, 166.

The British War Office has issued a summary of the British captures and losses in the war during 1917. The total captures on all fronts numbered 114,544 prisoners and 781 guns. The losses numbered 28,379 prisoners and 166 guns.

Western theatre, 73,131 prisoners; 531 guns captured, and 27,200 prisoners and 166 guns lost. Palestine, 17,646 prisoners and 108 guns captured. Mesopotamia, 15,944 prisoners and 124 guns captured.

No guns were lost in any theatre except the Western.

AMONG THE COMPANIES

MONTREAL TELEGRAPH.

The annual meeting of the shareholders of the Montreal Telegraph Company was held a few days ago. The balance sheet shows total assets of \$2,151,823, of which the principal item is telegraph lines in the United States and Canada valued at \$1,625,890; cable lines are put down at \$33,487, offices and equipment at \$212,500, and real estate at \$279,946. Cash accounts receivable, and other securities amount to \$161,862.

UNION BANK OF CANADA.

At the annual meeting of the Union Bank of Canada held at Winnipeg a few days ago the stock was put on a 9 per cent basis.

At a meeting of the directors, held subsequent to the meeting of the shareholders, the officers of the bank were re-elected—John Galt, Winnipeg, president, and G. H. Thompson, Quebec, and R. T. Riley, Winnipeg, vice-presidents. H. B. Shaw is general manager of the bank, and J. W. Hamilton assistant general manager.

The number of directors was increased from sixteen to twenty. A Hitchcock, of Moose Jaw, and W. H. Malkin, of Vancouver, were chosen as directors today and have joined the board.



MR. H. B. SHAW,
General Manager Union Bank of Canada.



SIR EDMUND WALKER,
President Canadian Bank of Commerce

CAPITAL APPLICATIONS IN BRITAIN.

The capital applications made during October, November and December, according to the Economist, show a total of £214,362,100, making the aggregate for the year £1,318,596,000. The figures for the quarter include £196,000,000 in war bonds, but do not contain treasuries.

The application by quarters for the past two years compare:

	1917.	1916.
First quarter	£825,925,200	£156,251,200
Second quarter	221,254,300	131,022,500
Third quarter	57,954,400	111,578,000
Fourth quarter	214,362,100	186,584,700
Total for year	1,318,596,000	585,436,400

EXTENSION OF POWER PLANT.

At the annual meeting of the Ontario Power Company and Transmission Company, held in Toronto last week, Sir Adam Beck's plan to spend \$1,800,000 on an important addition to the plant of the Ontario Power Company, to provide 50,000 additional horse-power before the end of 1918, 15,000 to 20,000 horse-power of which will be available for use by next August, was approved. The shareholders passed a resolution not only approving of Sir Adam's extension scheme, but authorizing the directors to go ahead with all possible speed with the work, which includes the installation of a huge pipe line, considerable new plant, and the construction of the new buildings. The total cost of these additions is estimated at \$1,800,000. The contract for the manufacture and installation of the pipe line was awarded to the Pacific Coast Pipe Company, of Vancouver.

The annual election of directors resulted in the reelection of last year's board.

SHIPPING LOSSES.

London, January 9.

The British Admiralty reports the sinking in the past week of eighteen merchantmen of 1,600 tons or over by mine or submarine, as well as three merchantmen under that tonnage. Four fishing vessels also were sunk. The Admiralty statement follows:

- "Arrivals, 2,086; sailings, 2,244.
- "British merchantmen of over 1,600 tons sunk by mine or submarine, including two previously, eighteen; under 1,600 tons, including one previously, three.
- "British merchantmen unsuccessfully attacked, including two previously, eleven.
- "British fishing vessels sunk, four."

The Admiralty report of January 2 gave the sinkings of British merchantmen for the current week as twenty-one, eighteen vessels being of 1,600 tons or over. This was a material increase over the previous week, when the sinkings numbered twelve, eleven of the vessels being of more than 1,600 tons. Thus the increase in the submarine sinkings has been more than maintained in the past week, as they comprise 21 merchantmen and four fishing vessels.

CONSOLIDATED MINING AND SMELTING COMPANY.

The results of the operations of the Consolidated Mining & Smelting Company in the year ending September 30th last possess more significance than can be expressed in a profit and loss account, and, in a financial sense as well, the great enterprise at Trail has made satisfactory progress. The main achievement of the year was the production of 10,000 tons of pure zinc of a value of \$3,000,000, which event may be said to mark a definite stage in the metallurgical history of the country. The company increased its production of refined lead by 2,000 tons to 22,000 tons, doubled its capacity for the production of sulphuric acid, and made a new record by producing over \$13,000,000 worth of metals.

After writing off \$1,028,000 for depreciation of plant and equipment and development of properties, against \$876,000 charged against these accounts in the 1916 year — included in the charge for depreciation is \$450,000 written off the zinc plant, which for a certain time was in an experimental stage — the net profit as \$1,076,828, against \$994,496 in 1916. Depreciation charges were, therefore, about \$162,000 more, and the increase in profits as \$80,000. This is rather a better showing than the incessant labor troubles, shortage of coal and the curtailment of ore shipments gave the shareholders reason to expect. The company's net after depreciation, however, closely approximates its increased dividend requirement, the surplus after payments of \$995,012 to the shareholders being \$81,816.

The results for the three years in amounts written off for depreciation and development, net profits, dividends and profit and loss surplus compare as follows:

	1917.	1916.	1915.
Depreciation	\$648,058	\$278,368	\$193,149
Development	380,071	598,745	.....
Net prof.	1,076,828	996,496	795,411
Dividends	995,012	776,337	464,398
P. and L.	2,360,274	2,278,458	2,058,209

Consolidated Mining and Smelting Co's production of the various metals during the last three years and their total values, permit of the following comparisons:

	1917.	1916.	1915.
Ore smelted, tons	359,404	447,017	447,064
Gold, oz.	69,704	98,314	148,891
Silver, oz.	2,471,887	2,285,631	2,230,500
Lead, lbs.	44,260,988	39,974,411	40,177,910
Zinc, lbs.	19,968,797	3,088,199	.....
Copper, lbs.	7,494,352	4,446,080	5,306,184
Gross value	\$13,020,127	\$7,892,549	\$6,898,744

The West Kootenay Power and Light Company, Limited, the power subsidiary of the Smelters Company, made a net surplus for the year ending August 31 of \$30,930, after writing off \$99,736 for plant depreciation, also providing for dividend on preferred and common stocks of \$182,666. These earnings represent revenue from electric energy supplied the parent company.

DOMINION STEEL CORPORATION.

A statement issued by the Dominion Steel Corporation shows that the coal end of the business fell off during the year, but the steel business made gains. The Dominion Coal Co.'s output for the calendar year 1917 was the smallest in many years, falling considerably below the 4,000,000 ton mark. The decline from a normal year will probably be in excess of 20 per cent.

The reasons for the falling off are well understood. There has been a heavy drain on mine labor from recruiting and the partial replacement of workers thus lost has been at the expense of efficiency. But even with a normal output, the company would have had difficulties to face in the way of marketing its product because of the shortage of shipping. St. Lawrence shipments have been reduced to almost nothing against some 2,000,000 tons in ordinary times.

The corporation's steel subsidiary is fortunately offsetting, and very much more, the decreased earnings of the coal subsidiary. But there are quite a few people in the Street who view the coal end of the corporation's business as one of the strongest points in its more distant outlook. As long as the war continues, the steel company cannot fail to be a big earner. There are mixed views as to the effect of increased production on steel earnings when the war ends. But the coal situation is fairly plain. The whole continent is practically bare of coal and it will take a long time after the end of the war to restore stocks to something like normal.

SHAWINIGAN WATER AND POWER CO.

The Shawinigan Water and Power Company will shortly offer \$1,500,000 two year 6 per cent convertible gold notes to shareholders at 97½.

The offering is part of a total issue of \$4,500,000, of which \$3,000,000 has been sold to a group of American bankers and already placed in the United States.

Subscription to the \$1,500,000 notes of the Canadian end of the \$4,500,000 issue will be offered to Shawinigan shareholders of record January 14th. Shareholders will have until March 1st to signify their intention as to whether they will take up their share of the notes, which will be pro rata to stock holdings. The issued capital stock of Shawinigan is \$15,000,000, so the proportion will be 1 of notes to 10 of stock. That is, \$1,000 notes will be offered to the holder of 100 shares of stock. On March 1st a first instalment of 50 per cent of the subscription will be due; the balance and accrued interest will fall due on April 1st.

The notes are convertible at the owner's option, at any time, into the stock of the company, at the rate of \$110 in notes for each \$100 of stock. Roughly, this is said to give the holder of the notes the equivalent of a call on the stock at a price of about 107½, an advantage which would depend on the course of the investment markets in the next two years. In the meantime the notes themselves give a high income return — about 7½ per cent to maturity.

∴ THE ∴

Molsons Bank

Incorporated by Act of Parliament 1855.

Paid-up Capital - \$4,000,000
Reserve Fund - \$4,800,000

Head Office - Montreal

BOARD OF DIRECTORS

Wm. Molson MacPherson - President
 S. H. Ewing - Vice-President
 Geo. E. Drummond - F. W. Molson
 W. A. Black - Wm. M. Birks
 E. J. Chamberlin

Edward C. Pratt, - General Manager

THE

Royal Bank of Canada

Incorporated 1869

Capital Authorized - \$25,000,000
 Capital Paid up - \$12,911,700
 Reserve Funds - \$14,324,000
 Total Assets - \$300,000,000

HEAD OFFICE: MONTREAL
 SIR HERBERT S. HOLT, President
 E. L. FEASE, Vice-President and Managing Director
 C. E. NEILL, General Manager

365 Branches in CANADA and NEWFOUNDLAND; 53 Branches in CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA and BRITISH WEST INDIES.

LONDON, Eng. - NEW YORK
 Princes Street, E. 2. - Cor. William and Cedar Street

SAVINGS DEPARTMENTS at all Branches

(ESTABLISHED IN 1836)
 Incorporated by Royal Charter in 1840.

— THE —

BANK OF BRITISH NORTH AMERICA

Paid-Up Capital, \$4,866,666.
 Reserve Fund, \$3,017,333.

Head Office: 5 Gracechurch St., London, E.C. 3
 Head Office in Canada: St. James St., Montreal.
 H. B. MACKENZIE, General Manager.
 Advisory Committee in Montreal:
 SIR HERBERT B. AMES, M.P.
 W. R. MILLER, Esq. W. R. MACINNES, Esq.

This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.), and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.

Agents for the Colonial Bank, West Indies.
 Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.

SAVINGS DEPARTMENT AT ALL BRANCHES
 G. B. GERRARD, Manager, Montreal Branch.

THE

Home Bank of Canada

Branches and Connections
 Throughout Canada.

Montreal Offices:
 Transportation Bldg. St. James Street.

Hochelaga Branch:
 Cor. Davidson and Ontario Streets.

Verdun Branch:
 1318 Wellington Street.

Head Office and Eight Branches in Toronto.



Original Charter 1854.

STATEMENT OF THE BANK OF ENGLAND.

London, January 10.

The weekly statement of the Bank of England shows the following changes:

Total reserve	Inc. £ 768,000
Circulation	Dec. 887,000
Bullion	Dec. 120,174
Other securities	Dec. 15,819,000
Public deposits	Inc. 5,824,000
Other deposits	Dec. 34,873,000
Notes, reserve	Inc. 754,000
Government securities	Dec. 13,966,000

The proportion of the Bank's reserve to liability last week was 19.71 per cent; the previous week it was 16.30 per cent.

Bank rate, unchanged at 5 per cent.

CANADIAN BANK OF COMMERCE.

The summary of trade conditions and the analysis of the financial standing of the country as covered each year by the Canadian Bank of Commerce are among the most valuable of the contributions to our economic literature. The general manager, Sir John Aird, said in part: "The increasingly keen competition in business has resulted in the banks being called upon to perform far greater services for smaller remunerations, so that the increase in the volume of their business is out of proportion to the increase in their profits." Some interesting statistics were presented by the general manager regarding the bank's contribution in men to the war. "Of our officers, 1,422 have now taken up arms, or 75 per cent of our present male staff exclusive of messengers. With grief mingled with pride we record a total loss of 153 men killed in action, 69 of whom have made the great sacrifice during the past year. No fewer than 255 have been wounded, many seriously, 7 are missing, and 16 are undergoing the hardships of the enemies' prison camps."

BANK OF TORONTO.

An interesting forecast on the post-bellum trade conditions was made by Mr. W. G. Gooderham, president, and Thomas How, general manager of the Bank of Toronto at the annual meeting held a few days ago. Mr. How said:—

Manufacturers, merchants and farmers have been carrying on business on a rising market for their product. This condition has assisted profits for the time being, but as the war is prolonged difficulties will increase. Already there is a scarcity of labor—at least labor of the right class—and of raw materials and food supplies. Prices have reached very high levels, and will probably continue to rise. When the war at last comes to an end and Government expenditure for war purposes is reduced to a minimum there will be a swift reversal of the conditions of the past two years. As the war is the greatest the world has ever known, so will the aftermath be the most far-reaching. It will therefore be the part of wisdom for all classes to conserve their gains and place themselves in a position to meet the period of readjustment.

QUEBEC ESTIMATES FOR 1918-19.

Hon. Walter Mitchell estimates that for the financial year ending June 30th, 1919, the ordinary revenue will be \$10,293,484, which is \$147,629 less than the ordinary revenue for the year ended June 30th, 1917. However, estimated revenues of late years in any case have always been exceeded by the results.

The appropriations call for \$1,998,034 for public debt, a decrease of \$218,529; legislation, \$404,136, a decrease of \$150,000; civil government \$690,180, increase of \$25,125; justice \$1,173,355, increase of \$14,535; public instruction \$1,563,152, increase of \$16,000; lunatic asylums \$664,625, increase of \$10,000; reformatory and industrial schools \$180,000, increase of \$30,000; health \$58,500, the same as previous year; public works \$618,766, decrease \$181,199; agriculture \$500,500, increase \$71,900; roads, \$400,000, increase \$100,000; lands and forests \$367,000, increase \$11,000; colonization, mines and fisheries, \$520,000, increase of \$131,000; charities \$73,045, increase of \$600; charges on revenue \$574,000, increase of \$270,000; miscellaneous services \$233,950, increase of \$11,500; railways \$7,633, the same, making the total of estimated expenditure for year ending June 30th, 1919, at \$10,026,877, an increase of \$375,235 for the total amount that had been estimated for the year ending June 30th, 1918.

Victory Loan Securities

Will be accepted for safekeeping from subscribers for moderate amounts for one year, free of charge.

A special Savings Department has recently been opened. Deposits of \$1 and upwards received.

THE DOMINION BANK

160 St. James Street, - Montreal
C. A. BOGERT, General Manager

THE Dominion Savings AND Investment Society

Capital - - - \$1,000,000.00
Reserve - - - 250,000.00

Interest on Deposits, 3 1-2%
Interest on Debentures, 5%,
payable half-yearly.

T. H. Purdom, K.C. Nathaniel Mills
 President Managing Director

ESTABLISHED 1872

BANK OF HAMILTON

Head Office: HAMILTON

CAPITAL AUTHORIZED..... \$5,000,000
 CAPITAL PAID UP..... 3,000,000
 SURPLUS..... 3,500,000

Business Founded 1795

AMERICAN BANK NOTE COMPANY

Incorporated by Act of the Parliament of Canada)
 ENGRAVERS AND PRINTERS

BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
and other MONETARY DOCUMENTS.

Head Office and Works: OTTAWA

Branches:—
 MONTREAL, Bank of Ottawa Building.
 TORONTO, 19 Melinda Street.
 WINNIPEG, Union Bank Building.

Royal Bank Closes Most Successful Year

Sir Herbert Holt Touches on Chief Factors of Canada's Prosperity.

Mr. Edson L. Pease, General Manager, Recommends Establishment of a Bank of Re-Discount in Canada.

Mr. C. E. Neill, General Manager, Refers to Progress Made and Pays Highest Tribute to Over One Thousand Members of Staff Serving Overseas.

The enormous strides made by the Royal Bank of Canada during the past few years was accentuated in the reports submitted by Sir Herbert Holt, president; Edson L. Pease, Managing Director, and C. E. Neill, General Manager, at the forty-ninth annual meeting of the shareholders held here to-day.

The meeting was largely attended and the addresses of the different officials were listened to with a great deal of interest. The progress made by the Dominion during the past year was reviewed and recommendations made for the future prosperity of the country. One of the important points brought out was the suggestion of Mr. Pease that a bank of re-discount similar in its working to that of the United States be established here.

Sir Herbert Holt dealt particularly with the more important developments that had contributed to the prosperity of the country.

Sir Herbert also referred in an impressive manner to the problem of taxation introduced by the Government, and while he approved of the principle of the income tax, he took the view that business profits tax is unduly onerous and repressive, and that it had had the effect of antagonizing capital and restricting production.

In commenting further on the action of the Government in this connection, Sir Herbert said:

"While we believe the Government's assumption of the powers mentioned is essential to the prosecution of the war, and are in duty bound to give our full support, the extent to which the domestic life and liberties of the people are thus affected is a serious matter. Dictatorial powers once assumed are usually reluctantly relinquished, and if we could not trust the Government to annul them when the present purpose has been served, great evil would result.

Sir Herbert also referred to the terrible disaster at Halifax, and pointed out that the Royal Bank would never waiver in its attachment to the City of Halifax, where it was founded in 1869, and in which city the head office was located for thirty-one years.

Edson L. Pease, Vice-President and Managing Director, dealt particularly with the financial problems that had been worked out in Canada during the year. Mr. Pease, considered that the growing appreciation of the people for Government War Bonds as an investment was the most gratifying feature of the year.

While the Canadian banks had played a prominent part in financing the war, it was gratifying to find that the extent to which Canada and Great Britain are publicly indebted to them at the moment represents only 20 per cent of the deposits, and this will shortly be reduced to 15 per cent.

In view of the many problems ahead, Mr. Pease expressed the opinion that the question of providing supplementary banking facilities in the country was very important, and should receive the consideration of the Government and banks. Mr. Pease thought if Canada had a bank of re-discount patterned somewhat after the Federal Reserve Bank in the United States, it would render legitimately available millions of assets in the form of high grade commercial paper now lying dormant in the portfolios of the banks, and thereby greatly increase our financial resources.

C. E. Neill, General Manager, submitted to the shareholders the principal features of the growth enjoyed by the bank during the past year, and testified to the proud record achieved by over one thousand members of the staff of the bank that were serving overseas.

Mr. Neill said in part:

The balance sheet submitted evinces a year of remarkable growth. The total assets of the bank are over \$335,000,000, nearly double their amount at the beginning of the war. The increase during the past year was no less than \$82,000,000. Of this increase the Quebec Bank, which was absorbed on January 2, 1917, contributed approximately \$22,000,000.

Total deposits amount to \$252,987,352.81. The increase for the year being \$52,759,787.23. As I pointed out last year, a very satisfactory feature is the

absence of large or unusual deposits of a temporary nature.

A remarkable expansion has taken place in our circulation, as in that of other banks. Outstanding notes now exceed our paid up capital by \$15,247,651.49. To cover this excess \$16,000,000 has been deposited in the Central Gold Reserve.

It is satisfactory to report that all the bank's securities have been written down to the present market value.

In this time of great expansion it is manifestly our first duty to keep the bank in a strong and liquid position, especially as regards cash, in order to be fully prepared for any contingency which may arise. The uncertainty as to conditions which will obtain after the war is very great, and we must be fully prepared for any eventuality.

I desire particularly to direct your attention to the splendid work of the staff of the bank during the past year. Over 1,000 of our men have enlisted voluntarily since the beginning of the war. Of these 89 have been killed or have died of wounds, and 30 have been discharged as unfit for further military service. Nineteen of the latter have again taken up their duties in the bank.

PRESIDENT'S ADDRESS.

Sir Herbert said in part:

The year brought no cessation of the remarkable prosperity enjoyed by Canada since the beginning of the war. While munition orders fell off perceptibly, manufacturing activity was largely directed to ship-building. The demand for foodstuffs and war commodities continued to the extent of the country's ability to finance payments for same. Labor is now scarce and, in some cases, inefficient and wages steadily ascending. The Canadian Government have so far fixed the price of wheat and news print only. In fixing maximum prices, consideration must be given to the necessity of stimulating production.

The recent Order-in-Council prohibiting the sale of new issues without a permit from the Minister of Finance, is a wise measure. The Government should go further and prohibit the investment of Canadian money in foreign countries, as it is highly important that the resources of the country should be conserved to produce the maximum of war time efficiency.

The income tax imposed last year, which becomes effective on the 1st of June this year, is a fair and proper tax under the circumstances, and it should not be objected to in its application. It will reach everyone who can afford to contribute. The business profits tax, however, is unduly onerous and repressive. It has had the effect of antagonizing capital and restricting production.

While we believe the Government's assumption of the powers mentioned is essential to the prosecution of the war, and are in duty bound to give our full support, the extent to which the domestic life and liberties of the people are thus affected is a serious matter. Dictatorial powers once assumed are usually reluctantly relinquished, and if we could not trust the Government to annul them when the present purpose has been served, great evil would result.

The entry of the United States into the war was the most momentous event of the past year. Her adhesion to the cause of the Allies spells ultimate victory, although some time will elapse before she can be prepared to strike with full force.

The war drags on, and the general feeling is that it will be considerably prolonged, but our stern task must be pursued to a successful end at whatever cost. We may depend upon it that still greater sacrifices will be necessary and that very heavy taxation must be entailed.

Mr. Pease in his review of conditions said, in part:

The growing appreciation of the people for Government war bonds as an investment is the most gratifying feature of the year. The recent campaign advocating economy and investment in Government bonds, will be productive of the greatest possible benefit to the country as a whole, and the habit of

saving and investment, once formed, will persist and reward the individual.

During the past year the Dominion Government floated two domestic loans — one in March for \$150,000,000, which was \$100,000,000 over-subscribed, and another in December last for \$150,000,000, which was \$260,000,000 over-subscribed. In the first instance the Government allotted the amount offered—\$165,000,000, but in the last case they have accepted applications for \$390,000,000. This sum is expected to provide for the Government's necessities until next autumn.

There never was a time when we were freer from doubtful debts than at present. Recoveries have been made to a remarkable extent in connection with advances of which ultimate repayment was regarded as doubtful three years ago. This is probably the experience not only of all the banks, but of merchants and manufacturers generally.

Liquidation has been very thorough, except in connection with advances depending upon the security of real estate, but with the improved financial condition of the farmers, and the engagement of Provincial Governments in western Canada in the loaning business, interest and principal payments under farm mortgages all over the West have been well taken care of, and in a great many cases maturing loans have been paid in full. Generally speaking, the country districts are prosperous, and farm lands are in good demand. The situation in the cities has improved, as evidenced by the greater demand for the increased rentals of residences. City vacant lots show no improvement.

I cannot close without a tribute of praise to Sir Thomas White, the Minister of Finance. The prosperity we are enjoying is due in great measure to his discovery and exploitation of the latent resources of the country, as exemplified by his repeated and increasingly successful offers of Government securities, culminating in the last huge domestic loan, and the profitable employment of these resources in the prosecution of the war.

BOARD OF DIRECTORS.

The following were elected directors for the ensuing year:

Sir Herbert S. Holt, K.B.; E. L. Pease, E. P. B. Johnston, K.C.; Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, Wm. Robertson, A. J. Brown, K.C.; W. J. Sheppard, C. S. Wilcox, A. E. Dymont, C. E. Neill, Sir Mortimer B. Davis, K.B.; G. H. Duggan, C. C. Blackader, J. T. Ross, R. MacD. Paterson, G. G. Stuart, K.C.

At a subsequent meeting of the directors, Sir Herbert S. Holt was unanimously re-elected President, Mr. E. L. Pease, Vice-President and Managing Director, and Mr. E. P. B. Johnston, K.C., second Vice-President.

ROYAL BANK.

An interesting suggestion was put forth by Mr. E. L. Pease, of the Royal Bank, at the annual meeting held here a few days ago.

In discussing the banking facilities of the country Mr. Pease said:

"In my opinion the question of providing supplementary banking facilities in this country is very important, and should receive the consideration of the Government and the banks. If we had a bank of re-discount patterned somewhat after the Federal Reserve Bank in the United States it would render legitimately available millions of assets in the form of high grade commercial paper now lying dormant in the portfolios of the banks, and thereby greatly increase our financial resources."

Mr. C. E. Neill, the General Manager, dealt more particularly with the progress and development the bank had enjoyed during the course of the past fiscal year. "The large number of enlistments has rendered the satisfactory operation of the bank's business increasingly difficult," Mr. Neill said, "as the places of enlisted men have been filled by more or less inexperienced clerks. We are doing the best we can under the circumstances, and it is our intention not to apply for a greater number of exemptions from military service than we feel to be absolutely necessary."

U. S. FIRE LOSSES.

Fire losses in 1917 were largest in history of the United States, except 1906, year of the San Francisco conflagration. Losses for the year were \$260,000,000, against \$231,000,000 in 1916 and \$182,000,000 in 1915. In 1916 losses were \$150,000,000.

NEW RECORDS

Results secured during the past year re-affirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair-dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policy-holders.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

AN IDEAL INCOME

can be secured to your Beneficiary with Absolute Security by Insuring in the

Union Mutual Life Insurance Company
Portland, Maine

on its

MONTHLY INCOME PLAN

Backed by a deposit of \$1,588,992.65 par value with the DOMINION GOVERNMENT in cream of Canadian Securities.

For full information regarding the most liberal Monthly Income Policy on the market write, stating age at nearest birthday, to

WALTER I. JOSEPH, Manager

Province of Quebec and Eastern Ontario,
Suite 502 MCGILL BLDG., MONTREAL, QUE.

Commercial Union Assurance Company, Limited.

OF LONDON, ENGLAND.

The largest general Insurance Company in the World.

Capital Fully Subscribed	\$ 14,750,000
Capital Paid Up	1,475,000
Life Fund and Special Trust Funds	76,591,535
Total Annual Income Exceeds	51,000,000
Total Funds Exceed	151,500,000
Total Fire Losses Paid	193,774,015
Deposit with Dominion Government	1,245,497

(As at 31st December, 1916.)

Head Office, Canadian Branch:
Commercial Union Bldg., 232-236 St. James Street,
Montreal, Que.

Applications for Agencies solicited in unrepresented districts.

J. MCGREGOR - Manager Canadian Branch.
W. S. JOPLING - Assistant Manager.

A Free Course in "Salesmanship"

We have thought about the young man who sees no prospects ahead. Would you like to be in a business that will give you

A GOOD LIVING WAGE
A PROFITABLE FUTURE
A PROVISION FOR OLD AGE
We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "The best paid hard work in the world."

This is done by a correspondence course and personal assistance, free of charge.

When he is fully prepared for the work, we place him in a position and help him to make good.

The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay young men who desire to get on in the world to look into this.

All correspondence strictly confidential.

CANADA LIFE
ASSURANCE COMPANY
Head Office, Toronto.



ACQUIRES BRITISH LAW FIRE.

A cablegram announces the absorption by the London Assurance of the British Law Fire Insurance Company of London. This latter company, although having a volume of fire business comparatively small, say, \$600,000, as compared with the London's 40,000,000, is, nevertheless, a desirable acquisition for the London, because the business of the British Law consists almost altogether of buildings understood to have been secured by their agents, who, as a rule, are the family lawyers representing the estates owning the buildings.

THE UNENLIGHTENED PUBLIC.

There is no question, not even a doubt, regarding popular ignorance of life insurance facts. The foremost fact in past experience is the amazing number of people of education who are wholly ignorant of a business which ranks second in importance only to that of transportation. It is a fact that some of the foremost business men of to-day who carry life insurance away up into the thousands do not know nor can they explain intelligently just what the terms are in their policy contracts, but have relied upon the agent who sold them, and what I have seen of the almost universal belief in pure fallacies accentuates the importance of intelligent agents and supervision. There is no business in the world as little understood among men and yet as absolutely necessary to humanity and the world's progress as life insurance. Secretary Benson, the Agricultural Life.

THE HEAVY FIRE LOSSES OF 1917.

The losses by fire in the United States and Canada during the year 1917 as compiled by the New York Journal of Commerce aggregate \$267,273,300. This is heavier than in any year in the history of the country, except 1906, when the great San Francisco conflagration swelled the total to \$459,710,000. The 1917 record is about \$36,000,000 in excess of the previous year's figures and over \$84,000,000 larger than the fire losses of 1915.

The higher values of all classes of property account, of course, for some of the total, but it is noticeable that the number of fires as well as the losses have increased. The aggregate fire waste of the United States and Canada during the past 40 years reaches the appalling total of \$6,480,000,000, the average annual destruction being \$162,000,000.

Underwriters maintain that 65 per cent of this loss is preventable. It would seem that the advocates of conservation would do well to turn their attention to the fire losses of the United States. A reduction in this waste would be an economy that no one could object to.

THE CASUALTIES OF CANADIAN SOLDIERS.

We have heard so much about the high percentage of casualties among the Canadian troops, that it has come to be believed pretty generally by the people of this country that American boys, who go to fight in France, are likely to have a very poor chance to come home alive or free from injuries that will disable them for life.

There is in the Province of Quebec, Canada, a military hospitals' commission which, fortunately, has been keeping an account of the manner in which Canadian troops have fared on European battlefields. Basing its computations upon the experiences of Canadian soldiers in the war this commission furnishes these statistics:

The boy who goes to the front has twenty-nine chances to come home, as against one that he will be killed.

He has ninety-eight chances to recover from a wound against two that he will die because of wounds received in battle.

There is one chance in five hundred, that he will lose an arm or a leg.

Only one man dies from disease, as against from ten to fifteen who fell victims to various diseases in other wars.

And only 10 per cent of the Canadian soldiers disabled on the battlefields are rendered unfit physically to engage in their former occupations.

These figures are encouraging to Americans who have sons in the training camps or on the battlefields. Commerce and Finance

"A Little Nonsense Now and Then"

"Mike." "Phwat?" "I was just thinkin'. After we get 'out of the trenches an' back home again: how nice an' peaceful that old boiler factory will sound to us."—Buffalo Commercial.

Mistress (in Life)—So your matrimonial life was very unhappy. What was the trouble? December wedded to May? Chloe Johnson—Lan' sake, no mam: it was labor day wedded to de day ob rest.

Farmer Hayrick — Mighty wet rain, hain't it, squire?

Squire Grouch — Ever hear of rain that wasn't wet, you idiot?

Farmer Hayrick — Yes, I did. Accordin' to Scriptur, it once rained fire and brimston, by gosh! — Southern Woman's Magazine.

He was one of the tallest, broadest darky porters I had ever seen, says a New York Evening Post writer. One hesitated to ask so impressive a personage a question so simple as when the train reached Cincinnati. But when I did, he paused before my chair, and an unbelievable shyness suddenly overwhelmed him. "I really doan' know, miss," he said in a husky whisper. "You see, this heah's mah maiden trip."

Representative Campbell, of Kansas, said in a recent address in Leavesworth:

"The corrupt man is always a stupid, ignorant man."

"A corrupt voter was arrested once in Wawa. 'Wot am I arrested fur?' he asked.

"You are charged," said the officer, "with having voted eight times."

"Charged, hey?" muttered the prisoner. "That's queer, I expected to be paid for it."

She had attained some success as an authoress and after her marriage decided to write a novel. Some months later she complained to her husband: "My new novel goes but slowly, dear; but my publisher assures me it would go into the thousands if we'd just get up some sort of sensation—for instance—get you to enter divorce proceedings!"

The husband meditated thoughtfully a few moments.

"Well," he said, "I can't afford that; but—I'm willing to run away!"

Tom Callahan got a job on the section working for a railroad. The superintendent told him to go along the line looking for washouts, relates Everybody's. "And don't be as long-winded in your next reports as you have been in the past," said the superintendent; "just report the condition of the roadbed as you find it, and don't use a lot of needless words that are not to the point. Write like a business letter, not like a love-letter." Tom proceeded on his tour of inspection and when he reached the river, he wrote his report to the superintendent: "Sir: Where the railroad was, the river is."

An Atlanta lawyer tells of a newly qualified judge in one of the towns of the South who was trying one of his first criminal cases. The prisoner was an old negro charged with robbing a hen-coop. He had been in court before on a similar charge and was then acquitted.

"Well, Henry," observed the judge. "I see you're in trouble again."

"Yessuh," replied the negro. "De last' time, jedg, you rec'lect, you was mah lawyuh."

"Where is your lawyer this time?"

"I ain't got no lawyer dis time," said Henry. "Ah's gwine to tell de troof."—Oregon Journal.

Will Hogg of Texas says that down in Houston one Monday morning a negro boy in his employ came to him with a request.

"Boss," said the darky, "I'd lak to git off nex' Friday fur the day."

"What ofr?" inquired Hogg.

"Got to go to a fun'el."

"Whose funeral is it?"

"My uncle's."

"When did your uncle die?"

"Lawd, boss, he ain't daid yit!"

"Then how do you know his funeral is going to take place on Friday?"

"Cas' day's gwine to hang him Thursday!"—Saturday Evening Post

The Canadian Bank of Commerce

Report of the Proceedings of The Annual Meeting of the Shareholders

TUESDAY, JANUARY 8th, 1918.

The fifty-first Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 8th January, 1918, at 12 o'clock.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. S. Hodgson and E. M. Saunders were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors have pleasure in submitting to the Shareholders the fifty-first Annual Report for the twelve months ending 30th November, 1917, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account brought forward from last year, was ... \$ 802,319 09

The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to ... 2,637,555 43

\$3,439,874 52

This has been appropriated as follows:

Dividends Nos. 120, 121, 133 and 123 at ten per cent. per annum. \$1,500,000 00

Bonus of one per cent. payable 1st June ... 150,000 00

Bonus of one per cent payable 1st December ... 150,000 00

War tax on bank-note circulation to 30th November ... 150,000 00

Transferred to Pension Fund ... 85,000 00

Subscriptions:

Canadian Patriotic Fund ... \$50,000 00

British Red Cross Fund ... 7,500 00

British Sailors' Relief Fund (Canada) ... 5,000 00

Sundry subscriptions ... 10,300 00

72,800 00

Balance carried forward ... 1,332,074 52

\$3,439,874 52

A most careful revaluation of all the assets of the Bank has been made and every item which might be considered as bad or doubtful has been amply provided for.

During the year the following branches have been opened: In Alberta—Cadogan and Eckville; in Saskatchewan—Tramping Lake and Willow Brook; in Ontario—Hamilton Beach, Toronto; in Nova Scotia—La Have. Sub-agencies have been opened at Cobble Hill, B.C., Richard, Sask., and Port Greville, N.S. The sub-agencies at Birch Hills, Sask., and Schumacher, Ont., are now being operated as branches. The following branches have been closed: In Alberta—Athabasca; and in Saskatchewan—Lanigan and Lewvan. The sub-agency at Bic, P.Q., has also been closed.

As indicated in the Profit and Loss account submitted herewith, your Directors have, during the year, subscribed \$50,000 to the Canadian Patriotic Fund, \$7,500 to the British Red Cross Fund, \$5,000 to the British Sailors' Relief Fund (Canada) and smaller sums, amounting in all to \$10,300, to various other organizations of a patriotic character.

Your Directors record with deep regret the death, during the year, of one of their number, the late Hon. Sir Lyman Melvin Jones. He joined this Board in January, 1902, and during the fifteen years of his connection with it had proved himself an able and valued counsellor. His place was filled by the election of Mr. Charles N. Candee.

The auditors appointed at the last annual meeting, under section 56 of the Bank Act, have made the audit required of them and their report is appended to the statement submitted to you to-day. In addition, the offices of the Bank in Canada, the United States, Great Britain, Newfoundland and Mexico, and the departments of the Head Office, have undergone the usual inspection by the officers of our own Inspection Department.

The Directors once again have pleasure in testifying to the ability and zeal with which the officers of the Bank have discharged the duties allotted to them.

JOHN AIRD,
General Manager.

B. E. WALKER,
President.

TORONTO, 28th December, 1917.

GENERAL STATEMENT

30th November, 1917

LIABILITIES

Notes of the Bank in Circulation	\$ 23,995,244 68
Deposits not bearing interest	\$ 86,458,403 02
Deposits bearing interest, including interest accrued to date	189,967,251 39
Balances due to other Banks in Canada	276,425,654 41
Balances due to Banks and Banking Correspondents elsewhere than in Canada	580,958 01
Bills payable	7,295,110 40
Acceptances under Letters of Credit	120,857 29
	5,597,665 13
Dividends Unpaid	\$314,015,489 92
Dividend No. 123 and bonus, payable 1st December	2,668 20
Capital Paid up	\$ 15,000,000 00
Reserve Account	13,500,000 00
Balance of Profits as per Profit and Loss Account	1,332,074 52
	29,832,074 52
	\$344,375,232 64

ASSETS

Gold and Silver Coin Current	\$ 22,697,336 96
Dominion Notes	21,954,910 25
Deposit in the Central Gold Reserves	10,000,000 00
	\$ 54,652,247 21
Notes of other Banks	\$ 2,004,762 00
Cheques on other Banks	11,930,875 21
Balances due by Banks and Banking Correspondents elsewhere than in Canada	8,496,103 99
	22,431,741 20
Dominion and Provincial Government Securities, not exceeding market value	27,596,420 22
British, Foreign and Colonial Public Securities and Canadian Municipal Securities	22,095,133 29
Railway and other Bonds, Debentures and Stocks, not exceeding market value	6,192,461 60
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks	13,460,862 62
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada	20,076,903 18
Deposit with the Minister of Finance for the purposes of the Circulation Fund	831,173 35
	\$167,336,942 67
Other Current Loans and Discounts in Canada (less rebate of interest)	149,822,028 44
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	14,846,130 56
Liabilities of Customers under Letters of Credit, as per contra	5,597,665 13
Overdue Debts (estimated loss provided for)	237,796 39
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)	\$ 1,236,999 52
Less mortgage assumed	100,000 00
	1,136,999 52
Mortgages on Real Estate sold by the Bank	196,005 81
Bank Premises at cost, less amounts written off	\$ 5,390,075 44
Less mortgage assumed on property purchased	300,000 00
	5,090,075 44
Other Assets not included in the foregoing	111,588 68
	\$344,375,232 64

B. E. WALKER,
President.

JOHN AIRD,
General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE.

In accordance with the provisions of subsections 13 and 20 of Section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, 1917, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Banks.

T. HARRY WEBB, C.A.
of Webb, Read, Hegan, Callingham & Co.
JAMES MARWICK, C.A.
of Marwick, Mitchell, Peat & Co.

Auditors.

The Report was then adopted unanimously. An amendment to the by-laws was passed and the retiring auditors were re-elected by the shareholders. The usual votes of thanks to the directors and staff of the Bank were also passed. Upon motion the meeting proceeded to elect directors for the coming year and then adjourned.

The scrutineers subsequently announced the re-election of the retiring directors, at a meeting of whom held later in the afternoon, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was re-elected President and Mr. Z. A. Lash, K.C., LL.D., Vice-President.

UNION ASSURANCE SOCIETY LIMITED OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1711

Canada Branch, Montreal:
T. L. MORRISEY, RESIDENT MANAGER.
North-West Branch, Winnipeg:
THOS. BRUCE, BRANCH MANAGER.

AGENCIES THROUGHOUT THE DOMINION

HERE IS YOUR OPPORTUNITY

The success which has attended the operations of the North American Life throughout its history has made association with the Company particularly inviting.

The year 1918 promises to be bigger and better than any heretofore. Some agency openings offer you an opportunity at this time.

Correspond with

E. J. HARVEY, Supervisor of Agencies.

NORTH AMERICAN LIFE ASSURANCE COMPANY

"SOLID AS THE CONTINENT"
HEAD OFFICE TORONTO, CAN.

Founded in 1805

THE LAW UNION AND ROCK INSURANCE CO. LIMITED OF LONDON

ASSETS EXCEED \$48,000,000.

OVER \$12,500,000 INVESTED IN CANADA.
FIRE & ACCIDENT RISKS ACCEPTED.

Canadian Head Office:

57 Beaver Hall Hill, MONTREAL
Agents wanted in unrepresented towns in Canada.
J. E. E. DICKSON, Canadian Manager.
W. D. AIKEN, Superintendent Accident Dept.

The London & Lancashire Life and General Assurance Association, Limited

Offers Liberal Contracts to Capable Field Men
GOOD OPPORTUNITY FOR MEN TO BUILD
UP A PERMANENT CONNECTION
WE PARTICULARLY DESIRE REPRESENTATIVES
FOR CITY OF MONTREAL

Chief Office for Canada:
164 ST. JAMES STREET, MONTREAL.

ALEX. BISSETT - - - - - Manager for Canada

WESTERN ASSURANCE COMPANY

INCORPORATED 1851

Fire, Explosion, Ocean Marine
and Inland Marine Insurance.

Assets Over - - - - - \$4,000,000.00

Losses paid since organiza-
tion, over - - - - - 63,000,000.00

HEAD OFFICE - - - - - TORONTO, ONT.

W. R. BROCK, W. B. MEIKLE,
President. Vice-Pres. & Gen. Mgr.

QUEBEC PROVINCE BRANCH:
61 ST. PETER STREET, MONTREAL
ROBERT BICKERDIKE, Manager

The Independent Order of Foresters

Policies issued by the Society are for the protection of your family and cannot be bought, pledged or sold. Benefits are payable to the beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies Issued From \$500 to \$5,000.

TOTAL BENEFITS PAID (Over) \$53,000,000

FRED. J. DARCH, W. H. HUNTER,
Secretary. President.

S. H. PIPE, F.A.S., A.I.A.,
Actuary.

Head Office - - - - - TORONTO.

News of the Week

TUESDAY, JANUARY 8.

Violent artillery duels and many raids continue to be the chief features recorded in the reports from the western front.

In the southern part of Arabia, British forces attacked Hatum and Jabin, destroying the defences at Hatum, and inflicting heavy losses.

There is lively artillery activity on the Italian front, and British battalions from their positions on the Lower Piave are crossing the stream frequently, and raiding the Austrians with considerable effect. The Rome despatch says these raids have "caused alarm in the enemy's lines."

The American steamer Harry Luckenbach was torpedoed and sunk with loss of life.

Branting, the Swedish Finance Minister, has been succeeded by Thorsson.

Japanese warships prevented submarines from attacks on British transports.

Quiet has been restored in Spain and many non-commissioned officers removed.

WEDNESDAY, JANUARY 9.

The enemy, by a local attack, succeeded in gaining a foothold in British trenches east of Bullecourt, but was later completely routed. Eighteen German prisoners were left in British hands.

In the Champagne there was active reciprocal artillery firing in the region of the heights.

On the Verdun front, after a lively bombardment, the enemy attempted to approach the French line in the region of Bethincourt. The French fire broke up the effort, inflicting losses on the enemy.

On Sunday, French pilots brought down or severely damaged six German airplanes. French bombarding squadrons carried out several operations on Saturday night. Chemical works at Ludwigshafen, railway stations at Fribourg-en-Brigau, the aviation ground at Neubreisach, and factories at Rombach, Maizeres and Hagondange were bombed with many projectiles.

President Wilson states U. S. Peace Programme in his address to Congress.

THURSDAY, JANUARY 10.

At dusk yesterday evening, the enemy succeeded in entering two British advanced posts north of the Ypres-Staden railway, but was immediately ejected by a local counter-attack.

Early this morning, Canadian troops carried out a successful raid south of Lens, capturing two machine guns.

During the day British and the enemy's artillery was active at a number of points south of the Scarpe. The hostile artillery also has shown activity northeast of Ypres.

French troops repulsed an enemy attack in the Champagne and in the Woevre carried out an extensive surprise attack with success.

In Upper Alsace the artillery on both sides was active north of the Rhone-Rhine Canal.

Italy reports that on the plain, enemy working parties were dispersed in front of Palazzon, and hostile movements effectively shelled around Noventa. Bad weather continues along the whole front.

British labor's endorsement of Lloyd Georges' peace terms is a great blow to Germany.

FRIDAY, JANUARY 11.

British troops successfully raided, at three different points, the enemy's trenches southeast of Ypres, inflicting many casualties and capturing a few prisoners and machine guns.

The hostile artillery was active during the day south of Bullecourt, west of Lens and east of Ypres. The French easily repulsed a German raid against small posts on the western edge of the upper Coucy forest.

The artillery fighting was active in the region of Vauxillon. Everywhere else the night was calm.

The artillery struggle between the Italian and German troops generally is not intense, but became more violent at intervals east of the Brenta. Our reconnaissance parties captured prisoners west of Capo di Sotto, and provoked a long reactionary fire by the enemy. At Grave di Papadopoli hostile working and army parties were dispersed.

France appoints representatives to new Republic of Ukraine.

Woman suffrage by Federal constitutional amendment won in the U. S. House with exactly the required number of affirmative votes

SATURDAY, JANUARY 12.

In the Argonne, at Courtechausses, and in the Vosges, in the region of Blamerry, French detachments made incursions into the enemy lines and brought back prisoners. The artillery fighting was rather severe at times, in the region of Beaumont and Bezonvaux (Verdun front).

Rome reports: Artillery fire, which occasionally became more intense in the Giudicaria Valley, took place along the front of the Asiago Plateau, and in the Col Caprile-Monte Pertica-Asolone region. West of Cavazucchurina the effective concentration of Italian trench mortars forced the enemy to evacuate some trench elements.

On the Western front the enemy was repulsed in a raid south of Armentieres, and British artillery dispersed enemy working parties southeast of Monchy-le-Preux.

MONDAY, JANUARY 14.

On the western front Great Britain reports three hostile raids against our trenches south of Lens were repulsed. The hostile artillery was active during the day southwest of Cambrai, and in the neighborhood of Lens and Messines. An enemy raid, attempted under covering of a heavy artillery barrage, east of Monchy, was repulsed by rifle and machine gun fire. The enemy's artillery was active east of Ypres and in the neighborhood of Messines and the River Scarpe.

On the Verdun front France reports violent activities of the artillery in the sector between Beaumont and Bezonvaux (Verdun front). Northeast of Rheims, in the direction of Courcy, a raid on a German trench and took a number of prisoners. In Champagne our artillery effectively shelled the neighborhood of Auberville. On the right bank of the Meuse, the artillery action was followed by two enemy attempts along the front of Chaume Wood.

In the eastern theatre patrol encounters between the British and Bulgarians occurred northwest of Lake Butveka.

Italian artillery shelled enemy forces on skis east of Tonale. British batteries made direct hits on enemy emplacements on the east bank of the Piave. French artillery was active along the middle Piave.

Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 23rd January next, at Eleven o'clock a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,

H. A. RICHARDSON,

General Manager.

Halifax, N.S., December 14th, 1917.

PROFESSIONAL

THE SOCIETY FOR THE ADVANCEMENT OF INSTRUCTION IN THE LANGUAGES.—Instruction in the Languages and Mathematics. No. 91 Mance Street, or telephone East 7302 and ask for Mr. E. Kay.

HOWARD ROSS, K.C.

EUGENE R. ANGERS

ROSS & ANGERS

BARRISTERS and SOLICITORS

Coristine Building, 20 St. Nicholas St., Montreal

BLACK DIAMOND FILE WORKS

Established 1863

Incorporated 1897

Highest Awards at Twelve International Expositions. Special Prize, Gold Medal, Atlanta, 1895

G. & H. Barnett Co.

PHILADELPHIA, Pa.

Owned and Operated by
NICHOLSON FILE COMPANY

UNION BANK OF CANADA

53rd Annual Statement--30th November, 1917

The Fifty-third Annual Meeting of the Shareholders of the Union Bank of Canada, was held at the Head Office of the Bank, in the City of Winnipeg, at twelve noon, on Wednesday, the 9th instant.
The President, MR. JOHN GALT, in the chair.

Report of the Directors.

The Directors have pleasure in presenting their report showing the result of the business of the Bank for the year ending 30th November, 1917.
During the year a branch of the Bank has been opened at Elnora, Alta., and an agency in the city of New York, U.S.A. Five branches of the Bank, which were not giving satisfactory results, under present conditions, have been closed as follows: Grimsby, Ont., Robsart, Sask., Glacier, Vanderhoof, and Vernon, B.C. The number of Branches and Agencies is now 308. The usual inspection of head office and all branches and agencies of the bank has been made.

JOHN GALT, President.

Profit and Loss Account.

Balance at credit of account, 30th November, 1916..... \$ 93,160.42
Net profits, for the year, after deducting expenses of

management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to

763,463.92	\$856,624.34
Which has been applied as follows:	
Dividend No. 120, 2 per cent., paid 1st March, 1917..	\$100,000.00
Dividend No. 121, 2 per cent., paid 1st June, 1917..	100,000.00
Dividend No. 122, 2 per cent., paid 1st September, 1917	100,000.00
Dividend No. 123, 2 per cent., payable 1st December, 1917	100,000.00
Bonus of 1 per cent., payable 1st December, 1917	50,000.00
Transferred to Contingent Acct.	150,000.00
Written off Bank Premises Acct., Read Estate other than Bank Premises, and Alterations	75,000.00
Contribution to Officers' Pension Fund	10,000.00
Contribution to French Red Cross Society	5,000.00
Contribution to French Wounded Emergency Fund	5,000.00
Contribution to British Red Cross Society	5,000.00
War Tax on Bank Note Circulation to 30th November, 1917	50,000.00
Balance of Profits carried forward	106,624.34
	\$856,624.34

General Statement of Liabilities and Assets AS ON 30th NOVEMBER, 1917

LIABILITIES.

Capital Stock		\$ 5,000,000.00
Rest Account	3,400,000.00	
Balance of Profit and Loss Account carried forward	106,624.34	
	3,506,624.34	
Unclaimed Dividends	5,492.68	
Dividend No. 123, payable 1st December, 1917	100,000.00	
Bonus of 1 per cent., payable 1st December, 1917	50,000.00	
	3,662,117.02	
	8,662,117.02	
Notes of the Bank in circulation	12,779,662.00	
Deposits not bearing interest	44,368,804.40	
Deposits bearing interest	73,508,157.75	
Balances due to other Banks in Canada	372,938.57	
Balances due to Banks and Banking Correspondents elsewhere than in Canada ..	1,132,882.08	
	132,162,444.80	
Acceptances under Letters of Credit	2,586,609.63	
Liabilities not included in the foregoing	755.75	
	\$143,411,927.20	

ASSETS.

Gold and Silver Coin	954,667.68	
Dominion Government Notes	19,514,069.00	
	\$ 20,468,736.68	
Deposit with the Minister of Finance for the purposes of Circulation Fund	260,000.00	
Deposit in the Central Gold Reserves	8,200,000.00	
Notes of other Banks	770,549.00	
Cheques of other Banks	3,912,030.75	
Balances due by other Banks in Canada	82,984.17	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	5,193,687.14	
Dominion and Provincial Government Securities not exceeding market value	9,361,729.52	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian ..	16,244,470.99	
Railway and other Bonds, Debentures and Stocks not exceeding market value	2,933,212.60	
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks	6,634,999.26	
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada	2,938,000.00	
	77,000,391.11	
Other Current Loans and Discounts in Canada (less rebate of interest)	58,791,493.28	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	3,154,431.65	
Liabilities of customers under Letters of Credit, as per contra	2,586,609.63	
Real Estate other than Bank Premises	370,603.77	
Mortgages on Real Estate sold by the Bank	99,974.93	
Overdue Debts, estimated loss provided for	250,204.91	
Bank Premises, at not more than cost, less amounts written off	1,106,299.25	
Other Assets not included in the foregoing	51,918.66	
	\$143,411,927.20	

JOHN GALT, President.

H. B. SHAW, General Manager.

Report of the Auditors to the Shareholders of the Union Bank of Canada.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification of the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches, and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

T. HARRY WEBB, E. S. READ, C. R. HEGAN,

Auditors,

of the firm of

WEBB, READ, HEGAN, CALLINGHAM & CO.,
Chartered Accountants.

Winnipeg, 18th December, 1917.

U. S. Coal to be Exported for War Needs Only

No coal will be exported from the United States during 1918 "except for purposes contributing materially to the conduct of the war." This policy, it was announced after a conference of officials of the State Department and War Trade Board with Dr. Harry A. Garfield, Federal Fuel Administrator, inaugurates a sweeping control of the export coal situation, which may throw into the discard all existing contracts for deliveries this year. Bunker coal is not affected by this decision.

A much smaller amount of coal will be permitted to be shipped from the United States to foreign countries than during 1917, the steadily increasing industrial requirements of the nation necessitating this curtailment. The total which will be exported, and which ranks as a surplus above domestic requirements, will be reported by Dr. Garfield to the War Trade Board, and the board will determine on this basis how much may be allotted to each nation.

Naturally the demands of the Allies will be given first consideration. Here, however, it may be noted that coal for household use will not be shipped to the Allies. Such coal as they will need for the use of the people, rather than for war industries, must be obtained elsewhere.

BRITAIN TO SUPPLY HOME.

Great Britain's exports are on a scale permitting her to supply both Italy and France the coal needed for consumption in the homes of the people, and it is to Great Britain that they will have to turn. On its face the announcement of the new control appears to cut off automatically all shipments to neutral nations. But analysis indicates that the phrase "except for purposes contributing materially to the conduct of the war" is subject to a broader interpretation than this. It was pointed out that if the United States could obtain raw materials essential to the conduct of the war from neutral nations in exchange for coal exports to this end would not be prohibited under the new ruling.

The control, therefore, gives to the War Trade Board a greatly increased bargaining power. The embargo on exports subjected all exports of coal to licensing, but its administration was haphazard so long as the board was not in possession of definite figures covering the supply available for export. Now this amount is fixed and the War Trade Board will be able to estimate with precision what can be spared for each nation.

Obviously the limitation of coal exports raises the question of what firms will be allowed to make such shipments. The price of export coal was recently advanced \$1.35 per ton over domestic coal, and its sale consequently offers higher profits for the producer. Dr. Garfield has furnished to the War Trade Board a list of all producers, who exported coal last year with the amount shipped, and they will be held within these figures. If they cannot prove that the coal is to be used to aid the war they will be denied the privilege of shipment.

MAY IGNORE CONTRACTS.

But the Fuel Administration does not limit the export of coal to firms engaged in that business last year. Any company which can produce the quality of coal necessary to exporting and can answer satisfactorily the questions propounded by the War Trade Board may export coal.

Dr. Garfield gives notice that no contracts for the purchase or sale of coal during the year 1918 can be relied upon for a sure supply. This is particularly directed against contracts for export coal. Since the advance in price authorized by the Fuel Administration, producers have made every effort to obtain contracts for export coal. Their idea has been that with contracts in hand they could come to the Fuel Administration and say: "We have made the contracts. We must carry them out." These contracts will not be regarded by the Fuel Administration if they interfere in any way with the requirements of the United States, or unless the purposes for which the coal is to be used fall within the new regulation. The official announcement by Dr. Garfield of the new policy, issued to-day, follows:

"Owing to the greatly increased requirements for coal by industries within the United States, due to war demands, it is impossible to predict how much coal can be spared for export during the coming year. It is clear, however, that it will be impossible to allow coal to be exported, except for purposes contributing materially to the conduct of the

war. This, of course, include coal for the manufacture of food products, the production of minerals, and for bunkers for ships moving such supplies, as well as for the manufacture of munitions."

SIX QUESTIONS TO BE ANSWERED.

"No coal will be allowed to be exported, unless the information required by the War Trade Board, which is authorized under its powers to grant exports licenses, is furnished.

"The board requires satisfactory reply to the following questions before a license is granted:

"No. 1. What is the 100 per cent. monthly or annual requirements of the wholesale dealer or dealers, the manufacturing plant or plants, or industry or industries to whom the coal or coke will be delivered at destination, and give name of final consignee or consignees if other than named in application.

"No. 2. What is the amount of this commodity now in stock at destination?

(This information must be given in tons of 2,240 pounds regardless of amount.)

"No. 3. Will it assist in the conducting of the war either directly or indirectly from the Allies' point of view? If so, in what way?

"No. 4. If the bunkering purposes at destination to what steamship lines will it be furnished?

"No. 5. Have you now any licenses outstanding or coal or coke in transit for same consignee and destination? If so, give amount in tons.

"No. 6. In the event license is not granted can some other fuel be substituted?

"With the object of conserving tonnage, it is not desired that coal should be exported from the United States to countries which may be more easily supplied by countries associated with us in the war.

"Notice is hereby given that no contracts for the purchase or sale of coal during the year 1918 can be relied upon for a sure supply.

"All contracts for export coal are subject first, to the requirements of the United States, and secondly, to such regulations as exist or may hereafter exist governing exports.

(Signed) "H. A. GARFIELD,
"United States Fuel Administrator."

FACTS ABOUT COAL.

The disquieting evidence of a coal shortage in the Middle and Eastern States is daily more plain. Every newspaper reader has before him the account of how Gov. Cox has, after a month's suffering in Ohio, summarily taken control of thousands of coal cars within reach, how industrial concerns and a great shipyards have closed in Baltimore, how there has been rioting in Brooklyn. Chicago and Kansas City report that the cold snap is fast clearing out their stocks. In Michigan, as in Ohio, coal has been parcelled out a ton at a time, and Detroit stated December 1 that "the situation is serious for both domestic and steam coal users." In Philadelphia there was no free coal December 1, and the shortage threatens to cause suffering at any time, while New England's industrial interests fear an imminent curtailing of activity. Every one knows what the basic cause is—the immensely increased consumption, estimated at 100,000,000 tons more this year than last. The latest commerce reports show that we are exporting little more coal than in 1916; in the first eight months of this year we had sent out 17,375,000 tons, as against 15,600,000 in the same period last year. The increase of less than 2,000,000 tons, most of which went to Canada and Cuba, is a trifle. But our greatly expanded home consumption has been long foreseen.

Both the mine operators and the railways will face a considerable responsibility for the failure to produce and move about 690,000,000 tons of anthracite and bituminous coal this year, as against 590,000,000 tons last year. This was a tremendous demand to make, especially when we consider that last year's production was itself nearly 60,000,000 tons in advance of any previous year. But by straining every nerve, they might have come nearer meeting the demand. The anthracite mines have done all that was required of them. Their share would have been a 17 per cent. expansion over last year; in April and May they had reached a 24 per cent. expansion, and they have kept their mark higher than any one expected. The bituminous operators have shown at times a painful want of diplomacy in dealing with labor, and strikes in late autumn particularly cut their production. The

output to October 31 was 454,326,000 tons, which is about 40,000,000 tons more than the production last year in the same period; that is, about 10 per cent. more. For a time in October the rate of increase over 1916 was much slowed down, but lately it has risen. Mr. Garfield made a strenuous effort to speed up the mines in October. "Conditions in ordinary times," he stated, "account for the fact that the average number of days' work in the year has been from 200 to 230 only. They also account for the fact that the average hours of labor per day have fallen considerably below the eight hours stipulated in wage agreements." The agreement concluded in the Central district provides for at least forty hours weekly, guaranteed by a system of forfeitures. The November showing will be good, production for the first fortnight reaching 22,650,000 tons. But even this is only 77.8 per cent. of full-time capacity. The year will probably close with a total coal production of little over 50,000,000 tons more than in 1916.

But operators strongly and justly protest that the shortage is, in its present aspects, due largely to difficulties of transportation. The Geological Survey computes that for the week ending November 3 the deficiency below full-time output was about 3,925,000 tons, of which about 1,720,000 tons was due to shortage of cars. That week was one of lower production than those following, and the shortage of cars has been more acutely felt as the coal piled up. Early in November Illinois and Indiana reported a loss in coal output of from 6.6 per cent. to 15 per cent., owing to the shortage of cars and locomotives. At the same time there was a "material increase" in the losses traceable to it in the Pittsburgh and Freeport districts in the East; there was little improvement in a rather bad situation in the Pocahontas, Fairmont, and West Virginia fields, and in the Cumberland and Piedmont fields there was a loss of nearly 15 per cent. The Coal Mining Review asserts that "when the transportation problem is solved there will be no fuel problem with which the Fuel Administration will have to wrestle. There will be no work for the hundreds of men employed by the Government to plan increased production of coal, and there will be no prospective fuel famine to prevent." The Coal Age notes a slight labor shortage, but states that "the production of bituminous coal appears to be more dependent upon car supply." The recent meeting of Michigan, West Virginia, and Ohio Fuel Administrators with railway men and operators resolved that it is "apparent that the shortage of motive power and congestion of terminal facilities on practically all railways are the two factors responsible." The Government has ordered that no open-top cars shall be used except for the transportation of coal, ore, food, or fertilizers, and more recently has tried to obtain priority for all shipments of coal.

All the remedies within the reach of goaded operators, overburdened railways, and a Government doing what it can with priority orders and pooling arrangements at terminals will not prevent the necessity of sharp economy. On the estimate that our navy and factories require a hundred million tons more than before, and will get little over half that, Mr. Garfield issues the warning that unless we save fifty million tons the Government will see non-essential industries shut down in order to provide for essential uses. Every householder, factory manager, and engine fireman must do his part to make this enormous saving possible. At the recent convention in New York of mechanical engineers it was asserted that much more than this could be conserved by proper methods.—The Nation, New York.

GROWTH IN 1917—BITUMINOUS COAL OUTPUT 42,000,000 TONS.

The 1917 bituminous coal production of the U. S. is put at 544,000,000 tons, an increase of 42,000,000 over 1916, in preliminary estimates by the Geological Survey, Washington. Fuel Administration officials had expected the total to be more than 550,000,000 tons, but a falling off in output in December reduced the figures.

December's production was the smallest of any month since last April, due principally to car shortage. The last week of the month showed great improvement over previous weeks, but in that week the mines were operated at only 88 per cent. of their total capacity. Recovery was most rapid in the Middle West. In central Pennsylvania, in West Virginia, and Kentucky, car shortages still held production to a low figure.

South American Wool in Demand

Uruguay ranks next to Argentina—Produces a high class commodity.

In a statement recently issued, Albert J. Barnaud, district office manager of the local office of the U. S. Bureau of Foreign and Domestic Commerce, states that "the present enormous demand for wool for army uniforms is absorbing the supplies of the three great primary markets — Europe, Australasia and South America.

"With Great Britain in control of English and Australasian wool, the attention of manufacturers in the United States is centered on South American sources," said Mr. Barnaud. "In the years just preceding the European war, the average yearly imports of clothing wool from South America were about 25,000,000 pounds, from Europe 30,000,000 pounds, and from Australasia 13,000,000 pounds. Beginning with 1914, the imports of wool from all sources greatly increased, the gain in wool imports from South America being unprecedented. In 1914 the imports of clothing wool from South America were 38,697,428 pounds; in 1915 this figure was more than trebled, in 1916 it was quadrupled, and in 1917 the imports were more than six times pre-war records. The 1918 clip promises to equal, if not to exceed, the last.

URUGUAY'S PLACE AS A WOOL-PRODUCING COUNTRY.

"The importance of Argentina as a wool-producing country has long been recognized, but Uruguay's share in the South American production of wool has not heretofore been realized. The place held by Uruguay among South American producers is shown in the following table:

UNITED STATES IMPORTS OF CLOTHING WOOL FROM SOUTH AMERICA.

	Pounds		
	1915.	1916.	1917.
Argentina	63,373,017	110,085,992	187,078,443
Brazil	115,147	87,864	4,178
Chili	2,369,359	9,611,489	12,434,230
Colombia	492	.....	370
Ecuador . . . . .	.....	.....	414,643
Peru	819,347	2,426,279	2,232,562
Uruguay	14,612,703	8,941,506	33,304,462
Total	81,290,065	131,153,130	235,468,888

CLOTHING WOOL URUGUAY'S CHIEF CONTRIBUTION.

"Uruguay produces chiefly a high grade wool, which is entered in the United States customs as clothing wool. A small amount of angora and alpaca wool also comes from Uruguay, as may be seen from the table below of classified wool imports from that country in the past five years:

UNITED STATES IMPORTS OF WOOL FROM URUGUAY.

	Pounds		
	1913.	1914.	1915.
Cloth wool	2,657,620	7,972,159	14,612,703
Carpet wool	181,049	1,224,991	.....
Total	2,838,669	9,197,150	14,612,703
	Pounds		
	1916.	1917.	
Clothing wool	8,941,506	33,304,462	
Combing wool	245,506	33,304,462	
Carpet wool	415,922	2,849,788	
Angora and alpaca	2,289	.....
Total	9,604,807	36,183,660	

"Since June 30, 1917, there have been imported 6,576,669 pounds of clothing wool; 19,383 pounds of combing wool, 295,926 pounds of carpet wool, making a total in the four months from July 1 to October 31, inclusive, of 6,891,978 pounds.

DESTINATION OF URUGUAYAN WOOL.

"The United States took nearly three-fourths of the 1916-17 clip of Uruguayan wool, though in former years only about one-tenth to one-fourth of the total clip came to this country. The shipments of wool from Uruguay to European ports as well as to the United States in the past five years appear in the following table. The wool year in Uruguay runs from October 1 to September 30, and this prevents an comparison with United States statistics. The bale unit used in the following figures is equal to about 992 pounds or 450 kilos.

SHIPMENTS OF WOOL FROM URUGUAY.

Destination.	Bales				
	1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.
Dunkirk	37,677	25,948	.....	.....	.....
Antwerp	19,030	17,408	.....	.....	.....
Hamburg	22,633	25,231	.....	.....	.....

Bremen	7,495	2,350	.....	.....	.....
Genoa	6,783	2,981	44,767	22,832	10,665
U. Kingdom	13,918	2,838	1,004	1,161	1,729
Un. States	2,766	10,522	15,157	10,080	46,078
Bordeaux and					
Marseilles	44	1,042	673	770	1,675
Havre	4,190	1,921	.....	.....	253
Trieste	5,163	5,639	.....	.....	.....
Other	2,468	4,302	11,175	10,128	2,958

Totals 122,167 100,282 72,776 44,971 63,358

NEW EXPORT DUTIES, ON WOOL TO URUGUAY

"The Government of Uruguay adopted on November 9 a law providing for an export duty of 4 per cent ad valorem on wool, the valuations being fixed for the 1917-18 wool year at 120 pesos (peso equals \$1.034) per 100 kilos (kilo equals 2.2046 pounds) for raw wool, and 200 pesos per 100 kilos for washed wool. The bill providing for these changes brought out much discussion in Congress and in the newspapers. 'El Siglo,' of Montevideo, commented to the effect that while 4 per cent may be considered a rather high rate, if account be taken of the present abnormal conditions, and the fact that the Government is facing a deficit, it will be recognized that the only recourse is to increase the duties on such products as can stand a high tax by virtue of unusually good market prices.

"It is expected that the new tax will more than treble the Government revenues from the exports of wool. The new clip is estimated at 45,000,000 kilos (a little less than 100,000 bales), and at the valuation placed by the Treasury committee this wool will be worth 54,000,000 pesos, or \$56,836,000. The Uruguayan exporter is expected to receive 56.2 cents per pound for his wool, out of which he must pay 2.2 cents per pound export duty. At the old rate of export duty, 1.30 pesos per 100 kilos, the Government would receive a total wool revenue of 585,000 pesos, while under the new duty of 4 per cent of 120 pesos per 100 kilos, or 4.80 pesos, the Treasury funds will be increased to the extent of 2,160,000 pesos. As the new duties are fixed for one year only, it is believed that the rate will be reduced when warranted by changed economic conditions.

URUGUAYAN WOOL EXPOSITION IN FEBRUARY.

"A national wool exposition is to be held in Montevideo from February 17 to 23, 1918. The Government of Uruguay has shown great interest in the improvement of the quality and quantity of the wool produced in that country, and it is offering prizes for the best wool, samples to be sent later to foreign countries which specialize in the manufacture of woolen fabrics. Efforts are being made, also, to extend the industry of washing wool, which has hitherto received little attention in Uruguay."

WOOL AUCTION PRICES.

Australian wools were sold last week at the first public auction for many years in the United States for the highest prices ever known. The sale was held by the Textile Alliance, Incorporated, by order of the Director of Raw Materials of the British Government, at the Chamber of Commerce, and was attended by six or seven hundred mill men and dealers, only ticket holders being admitted. Frank P. Windeler, for the British Government, served as auctioneer.

Prices generally were from 10c to 25c per pound above the highest expectations of the most expert dealers, and not a few of the prices obtained brought forth whistles of surprise and exclamations of astonishment from those bidding. There was no lack of spirited bidding during the first two and one-half hours; in fact, the competition was so sharp that it took the auctioneer much longer than anticipated. He did not reach the three-hundredth of the nearly five hundred lots until 6.30 P.M.

Most of the lots brought 10 per cent or more over the high estimates made before the sale and were claimed to be 30 per cent above any previous price.

There were many lots out of the total of 4,736 bales offered which sold for more than \$1 per pound. The highest, outside the first lot at \$1.10, for first greasy merino. When it is considered that this wool will double in cost when scoured and will amount to about \$2.35 to \$2.50 per pound when put in top it will be realized that the price is far over all previous records.

The price of 72d for the same wools cleaned in London under British Government license shrinks into insignificance when compared with these sale figures, amounting to 55d in the grease and 110d clean.

When Mr. Windeler reached the bellies and part pieces lots it was after 7 o'clock, but even then few of the crowd had left, and the bidding became at once more spirited than for the hour just preceding.

Prices previously characterized as "ridiculous" and "outrageous" were even more out of proportion on

Urge Wool Exports Embargo for Canada

"An embargo on the exportation of Canadian wool is now being suggested by many textile men in the Dominion," says the Toronto "Globe." "It is claimed that as the United States has placed an embargo on the exportation of wools, with other materials, from the United States, Canada should consider her own interests and act accordingly."

"For some time past some sharp differences of opinion have existed in Canada on the question of wool embargoes. The wool growers in the West have demanded a right to sell their wool in the best market, financially, and any attempt or talk or suggestion to the removal of the duty on Canadian wool by the exportation of wool from Canada has been strenuously opposed by the Westerners.

"Discussing the matter, a prominent Western wool man declared that the Alberta wool grower's objection to the embargo referred to is founded on the fact that it limits him to a narrow market. Prior to the removal of the duty on Canadian wool by the United States Government the sheep ranchers of southern Alberta had many years' experience in marketing their wool for from two to four cents per pound less than did the ranchers of Montana, immediately on the other side of the international boundary, although the quality of the wool and the breeding of the animals in both cases were identical.

"As soon as the duty was removed Canadian wool growers received exactly the same price as was obtained by the wool growers of Montana. From this experience the wool growers of Alberta drew the conclusion that the discrimination that formerly existed was due to tariff and the absence of competition. This conclusion became a settled conviction two years ago, when the Ontario wool buyers dropped the price of Western wool five cents per pound immediately after the embargo on wool was declared by the Government at Ottawa, and raised it the same amount as soon as the embargo was removed.

"For these reasons the Western wool growers oppose any movement that may tend to place them again at the mercy of the woolen buyers from eastern Canada. They emphatically object to having restrictions placed on the marketing of their product, while the sale of the resulting product is unrestricted.

"Arguing that the new Government should take up the wool embargo question, and affirming that the Canadian Wool Commission will be asked to consider the matter and decide whether such a question comes within the scope of this body, a prominent textile man declared that the 'embargo is now in order.'

"If this is 'war to the hilt,'" said he, "and the manufacturing interests are to have all kinds of restrictions imposed upon them, why should not the Canadian wool growers be forced to stand for some restriction? I contend that all the Canadian wools needed in Canada should be kept here.

"If they are exported, they cannot be returned, as under former conditions, and even if they could be, the expense entailed in bringing these wools back to Canada is not only heavy, but absolutely wasteful. So far as I am concerned, I am ready and willing to enter into negotiations with the Canadian wool growers, as a means of settling our differences.

"There is something to be said on both sides, and a conference presided over by a member of the Government would no doubt straighten out this matter. We believe that the Canadian wool growers are getting better treatment at the hands of the Government than are the manufacturing interests."

the poor wools. Figures obtained were about double what they should have been, according to the buyers. One of the best experts found himself from 10 to 20 cents above his high estimates on most of these lots.

Hillis Nichols, of Boston and Providence, and Crimmins and Pierce, of Boston, were the highest bidders on a large part of the poorer grade lots.

It was nearly 8 P. M. when the 476th lot was sold, five bales of "greasy bellies" merino, and it brought 75 cents a pound. The lowest price for any lot in the sale was 65 cents. This was for a three-bale lot of greasy first fleece (merino like all others.) By some chance there was only one bid on this.

Thirty thousand bales brought by one steamer and 13,500 by another have arrived and will be auctioned within a short time.

Mr. Windeler was asked about the time for the next sale but did not care to make an announcement to-night. He was cheered as he left the speaker's desk.

Transportation in P. E. I.

CHARLOTTETOWN, P.E.I., Jan. 8, 1918.

It was hoped, with the inauguration of the car ferry service between Port Borden and Cape Tormentine, that the winter transportation problem, which has been causing our people much concern from year to year, would be in a large measure solved.

This season, however, there have been many delays, and much freight congestion. The elements to some extent are to blame, and there are other causes.

Upon the car ferry has been placed an unusually heavy burden. The early setting in of winter caused a withdrawal of the boats between Summerside and Point du Chene, and between Charlottetown and Pictou, leaving the car ferry route as the only means of communication, and freight traffic in other years distributed over three or four routes was all centred in one.

At the time of writing, January 7th, there are about two hundred car loads of freight for the Island, held up somewhere between Tormentine, Montserrat, including such essential commodities as hay, and other cattle feed, coal and flour.

The shortage in the hay crop has made this "carrying coals to Newcastle" business necessary, and about sixty car loads are now on the way. The Island does not produce enough flour for consumption, the season not permitting our wheat to mature to the necessary hardness, wherefore much flour has to be imported.

For years it has been customary to receive our coal by water, but the shortage of tonnage has increased the shipments by rail. Consequently many car loads of coal have been ordered via the car ferry.

The farmer in this province, to a considerable extent, responded to the request "increase your production," but, sad to say, the facilities for handling the increase were inadequate.

It is estimated that fifty thousand dollars worth of potatoes were lost in the recent cold snap because the cars in which they were loaded were not warm enough. Even the lined cars which the railway furnished by arrangement with the Food Control Department were not in every case proof against "lower than zero" temperature. The great bulk of our potato crop is being moved by rail, and of course the car ferry has to take them across the strait. If frost proof cars can be guaranteed there should be steady shipments through the winter.

A considerable quantity of eggs, meats and other perishable products were held over until later than usual in the season, when the car ferry alone was left to transport them, and this steamer in consequence was filled to capacity every trip.

The standardizing of the gauge of the Prince Edward Island Railway will do a great deal towards preventing congestion in the future, but at present all freight to and from the Island has to be transferred at Port Borden. Unfortunately from the middle of the last part of December snow storms interfered with the handling of freight on the Prince Edward Island Railway, the branch line between Port Borden and the main line at Emerald becoming jacked. To make matters worse the railway rolling stock is in bad shape. The engines for the most part are old, and their fire boxes are sadly in need of repair. It therefore does not take much of a snow storm to hold up communication. The Government has promised the Island four new engines in April, but they are sadly needed just now.

Just when congestion was in a fair way of being lessened the car ferry steamer was ordered to go to the relief of five lake steamers ice bound in the River St. Lawrence. As it was represented that there were lives at stake, our people cheerfully submitted to the inevitable, as the car ferry was said to be the only steamer available. This steamer, however, had to remain at Tormentine for three days taking in coal for herself and for the steamers in distress. In the meantime no freight could be moved. It is true the "Stanley" was put on between Pictou and Georgetown, but the easterly winds blocked Pictou with ice, and she was two days making the trip. Moreover, she carried no freight.

Just when the car ferry had completed coaling the trip to the St. Lawrence was cancelled, as the steamers in distress were relieved by another boat, and accordingly the first named boat resumed her work on the Tormentine-Borden route. She made return trips on Sunday, while the railway ran special freight trains all day to help relieve the congestion. With the continuance of the present mild weather and the absence of snow storms the freight

blockade should be lifted in a reasonable time. The export and import trade of the province has reached such an extent, however, that two car ferries will be needed in the not distant future to handle the business.

According to recent announcement by the Minister of Public Works, a war time retrenchment policy is to be carried out, and therefore the widening of the railway gauge, although a most important and necessary work, will probably be deferred.

It would involve, according to General Manager Hayes, the rebuilding of a considerable part of the Island road, and much rebalasting in order to bear the weight of the heavier trains. Moreover, almost all the small bridges will have to be replaced and the curves straightened out.

The Government, however, were pledged to carry out this work, and the Island people expect them to fulfil their pledge.

There has been much complaint from Island shippers about the facilities at Sackville, especially with regard to lack of accommodation for express goods and consequent delays. A Charlottetown merchant, for instance, ordered a quantity of oranges for Christmas. They were shipped from Montreal on December 6th, and didn't reach here yet.

NO COAL FAMINE THIS YEAR.

The U. S. railroad situation has improved under Government operation sufficiently to guarantee that there will be no further coal famine in any part of the country this winter, Director-General McAdoo was informed to-day by A. H. Smith, assistant in charge of transportation on Eastern lines. Local shortages will be inevitable under existing abnormal conditions, Mr. Smith said, but indications are that no important industries will be forced to shut down because of lack of fuel, and householders will be supplied reasonably well. He added that this applied to New York and New England, where the coal shortage has been most marked in the east.

ALLIED AND NEUTRAL SHIPPING LOSSES.

New York Times, in its review of 1917, estimates total number of allied and neutral vessels destroyed by submarines at 1,264, including 730 of 1,600 tons and over and 286 under that tonnage. Total tonnage destroyed is estimated at 6,371,000. Vessels unsuccessfully attacked numbered 577. Official information shows that for the first 11 months of 1917 the average rate of destruction of German submarines was 1.25 a day, or about 38 a month, while the German rate of construction was .75 a day, or about 23 a month. In July last, according to the British admiralty, Great Britain had 15,000,000 tons afloat and it was estimated that her building for the year would reach 2,800,000 tons.

FOREIGN TRADE OF N. Y. TRADE DECLINES.

According to a report made by the National City Bank of New York, the value of both imports and exports shipped through the port of New York registered a decline during 1917. The report states that but approximately 46 per cent of the imports entering the country in the calendar year 1917 passed through the port of New York, against 52 per cent in 1916, 55 per cent in 1915, 57 per cent in 1913, 59 per cent in 1910 and 63 per cent in 1900. On the export side the share which passed through the port of New York in 1917 was but about 48 per cent, against 51 per cent in 1916 and nearly 51 per cent in 1915.

This reduction in New York's share of the trade of the country is so far as relates to imports a part of a general condition which has characterized world trade since the beginning of the war. With the Central Powers cut off entirely from overseas trade, the Allied countries conserving their supplies for home use, and the neutral countries of Europe busy in meeting the demands of their neighbors at war, the quantity of merchandise which Europe has been able to offer to the United States has been greatly reduced. The value of merchandise from Europe entering the United States in 1917, even at the greatly advanced prices, amounts to less than \$600,000,000, against \$900,000,000 in 1912. On the other hand, imports from other parts of the world increased from \$900,000,000 in 1912 to approximately \$2,400,000,000 in 1917. Imports from Europe fell off more than \$300,000,000 in the period 1912 to 1917, while those from other parts of the world increased about \$1,500,000,000 in the same period.

PANAMA EXCESSIVE TOLLS REFUNDED.

The latest issue to hand of "The Panama Canal Record" contains a statement of refunds to steamship companies now being made by the United States Government for excessive toll charges. It is explained that in the first months of the operation of the canal, which was opened to commerce on August 15, 1914 tolls were collected from commercial ships solely on the basis of their net tonnage as determined by the rules of measurement for the Panama Canal, with a supplementary charge of \$1.20 for each 100 cubic feet of deck load. In Nov., 1914, an opinion was given by the Attorney General of the United States, in interpretation of section 5 of the Panama Canal Act, that the amount collectible should be limited by the net tonnage as determined by the rules for registry in the United States.

The accounting department immediately set about determining the extent to which overcharges had been made, in order to make refunds to the operators who had paid excessive tolls, and appropriations to make the payments were authorized by Congress. Disbursement of these refunds was begun in November, 1917, and is now under way. Payments are made by the canal to the person, firm, or corporation which appears on the records to be entitled thereto. In the complexities of agencies, charters, etc., it is possible that frequently the firm paying the canal was not the one on whom the charge finally rested.

THE SUBMARINE CRUISER.

Hitherto regarded with some scepticism, the super-submarine — by which is usually understood a vessel in the neighborhood of 5,000 tons, as compared with 800 of our E class — seems now to have passed definitely out of the hypothetical stage, for it has been stated recently by Admiral William S. Benson, Chief of Operations in the U. S. Navy Department, that Germany is believed to have such boats in service.

What the characteristics of these craft may be we do not know. In his speech at Sheffield recently Admiral Jellicoe is reported to have stated that the latest German submarines can steam on the surface "between 18 and 40 knots." The First Sea Lord added that modern boats could remain under water for 48 hours without coming to the surface, that they could carry up to 20 torpedoes, and that they could fire with considerable accuracy while showing only three inches of periscope above the water.

These features alone would necessitate dimensions considerably above those of the submarine standards of pre-war days, especially when coupled with armaments occasionally comprising two guns of about five inches calibre and two or more machine-guns.

The credit for designing the first 5,000-ton submarine rests with a Russian engineer named Shuravieff, and it is remarkable how the characteristics of his suggested ship have been repeated over and over again in reports of Germany's alleged doings since the beginning of the war.

Shuravieff's design first saw the light in 1911, and these were its principal details:

Length	400ft.
Tonnage on surface	4,500
Tonnage submerged	5,435
Horse-power on surface	18,000
Max. speed on surface	25 knots
Max. speed submerged	14 knots
Radius of action at 11 knots	18,500 miles.
Armament: Five 4.7-in. guns, 30 torpedo tubes, 120 mines.	

In the summer of 1916 it was reported that Germany was building submarines which approximated closely to the Shuravieff's design, and one wonders whether this was actually so or whether someone was making a profit out of his knowledge of the original Russian design.

When it was suggested last week that the attack on the North Sea convoy might have been made by submersible cruisers, an official of the Admiralty was reported as saying that there was "no knowledge" of such vessels being in existence. On the other hand, a representative of Reuter was told by "a high British naval authority early in September: "There are evidences that large U-boats — approximating to a cruiser type — are being turned out" (by the Germans.)

In many ways the increasing size of the submarine must change the problem confronting our own authorities, and it must be presumed that the increase was anticipated and has been provided for. — London Daily News, Nov. 1, 1917.

Shipbuilding in Canada

What is Being Done in the Various Provinces.

In the large mass of information concerning business in Canada given by the reports of the Canadian Bank of Commerce there are interesting statements of the shipbuilding operations in the several Provinces, from which we make the following extracts:

MARITIME PROVINCES.

Wood shipbuilding in the Maritime Provinces is yet far below the high-water mark of the industry in the good old days of thirty-five or forty years ago, when it was said the traveller going round the coast was never far from a shipyard. The recovery from the dullness of recent years, however, is remarkable. In 1916 some sixty vessels of all sizes were built aggregating 12,000 tons, and costing \$1,200,000. This year upwards of seventy vessels have been fitted out for sea, registering about 20,000 tons, and costing \$2,500,000; while it is estimated that 13,000 tons are at present under construction in the yards. This is a gratifying proof of the historic aptitude of the people of the Maritime Provinces for this industry. The cost of building has advanced 30 per cent. since last year, but the demand for vessels has been so pressing that builders have been able to dispose of them at profits of from 25 per cent. to 50 per cent., and in some cases even of 75 per cent. There is as yet no evidence that the boom is receding, but next year caution will be required. The situation is very different with regard to steel shipbuilding. The vessel under construction in 1917 in the yards of the Nova Scotia Steel and Coal Company, Limited, New Glasgow, was successfully completed, and is now in commission. A second and a larger one is well under way, and a third has been laid down. The industry has received much attention in other quarters. The Government of Nova Scotia, realizing the crisis in ocean shipping, and its own responsibility as representing a maritime community, obtained from the Assembly legislative authority to assist to the extent of \$2,000,000 any practicable scheme for the extension of the industry within the province, and a Commission was appointed in May, which has been carrying on negotiations with important interests both in the Old Country and in Canada, with the object of establishing the industry on a permanent basis. It was found that the world-wide demand for ships' plates made it impossible to establish a new ship-yard in Nova Scotia, and that the time was not opportune for extending the operations of the local steel companies to the rolling of plates. However, negotiations are still pending, and it is earnestly hoped that the day is not far distant when these provinces will be contributing their quota of steel ships to the Canadian mercantile marine, and to the transportation facilities of the Empire. In this connection popular opinion would favour a liberal policy of assistance on the part of the Dominion Government.

The large steel companies at Sydney and New Glasgow were obliged to make certain adjustments as a result of the cancellation of shell orders, but this was soon offset by the good demand for other iron and steel products. The production of both companies has been as large as in any previous year, and all indications point to an active and profitable business in 1918. Both companies are making important enlargements and improvements to their plant, and are prepared to take care of any business that offers, with the exception of ships' plates. In view of the scarcity of labour, these results reflect much credit on the management of the companies and on the employees.

QUEBEC.

The shipbuilding industry has been very active during the year at Montreal, Quebec, Levis, Three Rivers and other points in the province. It is not possible to obtain complete statistics for the current year, but the following information has been furnished regarding the operations carried on at the important naval construction works of Canadian Vickers, Limited, Montreal. The company has built and delivered during 1917 twelve submarines for Allied Governments, eight steel trawlers complete with machinery and boilers, nine steel trawler hulls, twenty-six wooden drifter hulls, and machinery and boilers have been installed in sixteen drifters. There has also been built and launched at the company's works a 7,000 ton cargo boat, the largest ocean-going steamer ever built in Canada. Other shipyards in the province have been actively engaged during the year, under contract with the Imperial Munitions Board, in the construction of wooden vessels with steam propulsion, and orders continue to be given

for this class of vessel. In addition, a number of wooden trawlers have been built for the Canadian Government. The first self-propelled reinforced concrete ship ever constructed on this continent was successfully launched in November at the plant of the Montreal Dry Docks and Ship Repairing Company, Limited. The steamer, which was completed in about seven weeks, is 126 feet long, and has a capacity of 300 tons.

BRITISH COLUMBIA.

Tonnage is procurable only with difficulty and ocean freights still rule high, rates to the Orient, which last year were \$8 per ton, now standing at \$38. Railway construction has been at a standstill. There are in operation in the province 4,652 miles of railroad, including 500 miles of lumber, mining and other industrial roads. Quite recently the first shipment of prairie wheat via the Panama Canal, amounting to 100,000 bushels, left Vancouver, and it is expected that this port will in the future handle much of the output of the Central West.

Thirty-two wooden and eight steel vessels are now under construction in the province, but apart from shipbuilding there has been little increase in manufacturing.

IN ONTARIO.

Great activity has prevailed in all shipbuilding yards, and on the Great Lakes during the year, and the output of the Canadian lake yards consisted of 19 steel trawlers, and 5 partially completed, 6 steel oil tanks and cargo ships, and 3 almost finished with large volume of repair work. The new tonnage ordered for future delivery is said to comprise 2 wooden and 54 steel cargo steamers, and 7 steel trawlers.

NORWAY'S SHIPPING LOSSES.

367 Norwegian vessels of aggregate tonnage of 566,000 were sunk in 1917. Since beginning of war 215 Danish ships with total tonnage of 224,000 have been destroyed, and 234 Danes killed.

CALIFORNIA OR FLORIDA THIS WINTER.

If you contemplate spending a part of this winter in California, Florida, Georgia, North Carolina, South Carolina, Louisiana, Bermuda, The West Indies, Cuba, Panama, Central or South America, or any of the many beautiful Gulf Resorts, consult M. O. Dafoe, 122 St. James St., cor. St. Francois Xavier St., for full information, tickets, reservations, etc. The Grand Trunk affords various routes. Round trip tickets to California and Pacific Coast points are on sale daily.

NIPISSING'S BIG OUTPUT.

The production of silver from the Nipissing mine for the month of December reached one of the highest values in years. An average daily production of approximately eleven thousand dollars per day was maintained throughout the thirty-one days' period. In reporting to the president and directors of the Nipissing Mining Company, Hugh Park, manager, says that during the month the company mined ore of an estimated value of \$340,793, and shipped product from Nipissing and custom of an estimated net value of \$376,433.

CANADA'S WAR ORDERS.

War orders valued at approximately \$1,812,000,000 have been placed in Canada since the outbreak of war. This total has been arrived at by "The Monetary Times" as the result of three successive investigations and with the assistance of figures supplied by the Imperial Munitions Board, the British War Office Service in Canada, the Department of Agriculture, the Department of Trade and Commerce and the War Purchasing Commission, Ottawa. This vast sum represents an average annual expenditure in Canada of \$604,000,000 on shells and general war supplies for three years of war, as little was supplied by us before the end of 1914.

More than half the orders received are represented by munitions. Since the outbreak of war to the end of September last, the orders placed by the Imperial Munitions Board were valued at \$925,270,000. Since that date, approximately \$75,000,000 of further orders have been placed, bringing the total value of munitions orders up to \$1,000,270,000, to the end of 1917. In addition, shipbuilding orders of over \$46,000,000 have been placed here.

NO U-BOAT RELIEF.

Under the heading, "No Decrease in the Number of Victims," the Times naval correspondent comments on the weekly submarine return as follows:

"The submarine figures in the latest return are a further warning that no appreciable relief must be expected at present from the measures which are being taken to deal with the under-water pests. Taken all around, the present return would make the showing rather worse than that of any week of December, were it not that the proportion of ships which escaped after being attacked was slightly higher.

"The figures of traffic show a small rise, but they are more than 300 below the average for December and over 800 below the average of the total period for which the submarine returns have been issued.

"It is probable that of the 16 large ships sunk last week, most of them average 3,000 to 4,000 tons apiece, and that they were employed in the carriage of foodstuffs. It is an easy matter to understand that even two ships a day must make a large difference in the quantity of bread or meat, available for rations. Meanwhile, we must exercise patience.

"There are more indications than one pointing to the circumstances that the Germans themselves admit that the U-boat campaign, as originally conceived and intended, has been a failure. Destroyers and other small craft of the British, American, Japanese, French and Italian navies are putting down the submarines nearly as fast as they are being turned out. Even the sinking of the hospital ship Rewa is an evidence that they are losing faith in the submarine. Only from dire necessity was the intensive campaign begun in February last, with a fair certainty that it would make the United States an enemy. So only dire necessity has forced Germany to show once more, at this critical moment, how worthless is her word or bond. Within only a few days of one year ago, the German Government, in a document transmitted through the United States Embassy, gave a pledge that hospital ships travelling the route taken by the Rewa should carry English wounded to their homes without hindrance. When in August last year it was arranged that British and French hospital ships in the Mediterranean should carry a neutral commissioner appointed by the Spanish Government, that pledge was not revoked. Doubtless the Spanish naval officer on the Rewa was put ashore at Gibraltar, as his services appeared no longer needed. But the programme of frightfulness must have victims. If food ships and fishing craft are running short, such an outrage as that of the torpedoing of the Rewa will be more likely to win its perpetrator an Iron Cross."

ANCHOR-LINE
DONALDSON LINE

PASSENGER SERVICE

BETWEEN

PORTLAND, ME. and GLASGOW

Apply to Local Agents or the Robert Reford Co., Limited, General Agents, 20 Hospital Street, and 23-25 St. Sacrament Street, Montreal.

CUNARD LINE

PASSENGER SERVICE

BETWEEN

HALIFAX and BRISTOL

Money Remittances made by Mail or Cable. Apply to Local Agents or The Robert Reford Co., Limited, General Agents, 20 Hospital Street, and 23-25 St. Sacrament Street, Montreal.

DOMINION
COAL COMPANY
Limited

DOMINION
of
SPRINGHILL

BITUMINOUS
STEAM
and
GAS COALS

GENERAL SALES OFFICE
112 ST. JAMES ST. MONTREAL

COMMODITY MARKETS

Week's Wholesale Review

Dun's Bulletin says of Montreal trade: The wheels of commerce have hardly as yet attained full momentum after the holiday quiet, but general prospects are considered fairly encouraging, and there has been no decline in the matter of payments, which, as a whole, may be called satisfactory.

Dry goods travellers are all starting out again, with samples fully revised, and sorting mail orders are reported in very fair volume. The cotton mills are all busily employed, and are making free deliveries. With raw cotton quoted up to nearly 33 cents, there is no prospect of any easier prices for manufactured goods. Buyers of woolen dress goods report great difficulty in getting supplies, and in view of the fact that the British Government is appropriating 85 per cent of all raw wool yarn, etc., Bradford manufacturers will not bind themselves in any way as to deliveries. Fortunately most of the numerous clothing manufacturing houses are well stocked, having bought largely ahead, in anticipation of present conditions. In this line fair spring orders are reported, though hardly up to the average.

In the boot and shoe trade there is not as yet any notable increase in manufacturing activity, and the leather market is comparatively quiet.

In the grocery trade the movement is just a moderate one, as is the usual rule for several weeks after the New Year. Sugar remains on the same basis, one local refinery quoting on the basis of \$8.90 for standard granulated, and the other two at \$8.50, but very little stock is really available at the latter figures. Spot stocks of molasses are about exhausted, and prices for new crop will rule high. Some sales of fancy Barbadoes have been reported at 75 cents, laid down cost, but planters are now reported as holding back quotations, and crop estimates range under 50,000 puncheons. Tapioca is scarce, and some advance is reported in rice. Canned goods are held very firmly, and shipments of corn and tomatoes, bought in the Baltimore district, have been taken over, in transit, by the American Government. The flour market is very active. Hogs show an advancing tendency, and cured meats are very firm in consequence. Owing to the pronounced cold spell, new laid eggs are in light supply, and stored goods are held at firmer figures.

Seven district failures are reported for the week, with liabilities of about \$95,000. For the week preceding only three minor failures were reported, with liabilities of about \$9,000.

Bradstreet's Montreal Weekly Trade Report says:

The first report since the year opened, finds the purchasing price of the dollars at a new low level, it being figured that the dollar will now only purchase between forty and fifty cents worth as compared with normal years.

Trade conditions generally are very optimistic, the high prices realized on country product makes prosperity unavoidable. The shortage of railway facilities to move the congested condition of freight, is to be considerably relieved by the action of the Canadian railway war board in cutting down a large number of passenger trains.

At the live stock market the offerings of cattle, sheep, lambs and hogs were very limited, and as a consequence, prices on all live stock scored an advance. The butter market was stronger at an advance of one cent per pound on fancy grades.

The live stock branch of the Canadian Government is negotiating for the importation of a quantity of corn from the United States for feeding purposes.

The January cheap sales in the retail stores are attracting a large number of buyers, who are reported to be purchasing freely. Remittances are very good. City collections seem to be improving.

COUNTRY PRODUCE.

BUTTER.

The receipts of butter for the week ending January 12th, 1918, were 2,570 packages, which show an increase of 1,737 packages with the previous week, and an increase of 1,469 packages with the same week last year, while the total receipts since May 1 to date show a decrease of 146,229 packages, as compared with the corresponding period a year ago. The demand for butter, both for home consumption and

for shipments to outside points, which showed a decided improvement, last week, led to an advance of 1c per lb. for all grades of creamery butter. The market was active and a fair amount of business was done. On Friday at St. Hyacinthe several lots of winter made creamery, amounting to about 150 packages, were bought at 41c per lb. The trade in oleomargarine during the week has also been fairly active, there being a good steady demand for fair-sized lots at prices ranging from 30c to 32c per lb., as to quality.

We quote wholesale prices as follows:

Finest Sept. and Oct. creamery	0.45 1/2	0.46
Fine Sept. and Oct. creamery	0.44 1/2	0.45
Current receipts, creamery	0.43 1/2	0.44
Finest dairy	0.36	0.37

CHEESE.

The receipts of cheese for the week ending January 12th, 1918, were 1,607 boxes, which show an increase of 156 boxes, as compared with the previous week, and an increase of 705 boxes with the same week last year, while the total receipts since May to date show a decrease of 393,600 boxes, as compared with the corresponding period in 1916-17. The receipts of cheese for the week were larger than for the previous week, and the bulk if not all were sold for 20c per lb.

The Commission is paying the following prices:

No. 1 cheese	21 1/4c
No. 2 cheese	21 1/4c
No. 3 cheese	20 3/4c

EGGS.

The receipts for the week ending January 12th, 1918, were 1,232 cases, as compared with 868 for the previous week, and 456 for the same week last year. The total receipts since May 1st, 1917, to date, were 302,507 cases, as against 627,188 for the corresponding period last year. The United States markets for storage eggs continue very strong and in Chicago prices advanced to 41 1/2c per dozen for extras and 40 1/2c for April firsts. This led to the development of a very strong tone in the Montreal market for storage eggs and on Friday prices scored an increase 1c per dozen for storage eggs. Supplies of fresh gathered eggs coming forward are small.

We quote current prices as follows:

Strictly new laid eggs	0.65	0.70
Fresh eggs	0.54	0.55
Fall fresh eggs	0.50	0.52
Selected cold storage	0.48	
No. 1 cold storage	0.44	
No. 2 cold storage	0.40	0.41

POULTRY.

The tone of the dressed poultry market has been firm owing to the small supplies coming forward and prices have been maintained.

We quote prices as follows:

Turkeys, per lb.	0.34	0.35
Chickens, per lb.	0.22	0.27
Fowl, per lb.	0.19	0.23
Ducks, per lb.	0.26	0.27
Geese, per lb.	0.22	0.23
Live chickens, per lb.	0.18	0.25
Live ducks, per lb.	0.24	0.25
Live geese, per lb.	0.20	0.21

POTATOES.

Potatoes have been coming forward in very limited supplies due to the extreme cold weather and as the demand has been good a very firm feeling has developed. The trade has been active, with sales of Green Mountains in a wholesale jobbing way at \$2.25, Ontario white stock at \$2.15, and reds at \$2.05 per bag of 80 lbs., ex-store.

MILLFEED.

The car shortage and the continued cold weather which causes a difficulty in getting supplies from the West, are responsible for the scarcity of millfeed supplies of all kinds. Buyers are urgent in their demands, and the tone of the market very firm.

ROLLED OATS.

The undertone of the market for rolled oats is very firm, although no changes in price have taken place. The market is active, with a steady demand for small lots for local and country account.

ONIONS.

Spanish, in large cases, about 140 lbs. per case 5.00
Red Onions in bags 75 lbs., per bag 2.75

VEGETABLES.

Cukes, per dozen 2.25 to 2.75
Sweet Potatoes, per basket 4.00
Tomatoes, Hot House, per lb. 0.50
Mushrooms, 4 lbs. to basket, per basket 4.00
Lettuce, Boston cabbage heads, per dozen .. 1.25

LOCAL FLOUR.

The local flour market showed no change last week. There was a good demand for spring wheat grades from buyers in Quebec, and orders for mixed lots of flour and feed for prompt delivery, and for shipment within 30 days poured in, but the millers in some cases were unable to fill orders because of a scarcity of feed caused by the difficulty of getting shipments forward from the mills in the West. A stronger feeling prevailed in the winter wheat flour, due to the light stocks held on spot, and the continued small offerings from Ontario millers. Prices advanced 2 1/2c. to 5c. per bag in the middle of the week.

We quote current prices as follows:

Flour:		per barrel.
First patents	11.60	
Second patents	11.10	
Strong clears	10.98	
Cereals:		
Rolled oats, 90 lb. bag	5.30	
Feed:		per ton.
Bran	35.00	
Shorts	40.00	
Middlings	48.00	50.00
Moullie, pure grain grades	61.00	63.00
Moullie, mixed	56.00	58.00

LOCAL GRAIN.

The Canadian option market for oats displayed considerable activity last week, and prices for May options fluctuated 3c. per bushel, the highest figure for the week being 86 1/4c., and the lowest 83 1/4c., the market closing strong within a fraction of the highest point. Local trade was fairly active, and a good volume of business was done. The strong condition of the Canadian oat situation is due to some extent to the fact that large supplies are being shipped to the U. S., also to the good demand from the Canadian Government for seed oats, which has led to some large purchases being made.

The spot market closed strong, with car lots of No. 1 feed oats quoted at 92 1/2c. to 93c., No. 2 white at 90 1/2c., No. 3 at 89 1/2c., and No. 4 at 88 1/2c. per bushel ex-store. There is a good enquiry for American corn, and sales of several cars at \$1.72 to \$1.75 per bushel ex-track.

Fluctuations in grain on Saturday at Winnipeg were:—

Oats:		per bushel.
No. 2 C. W.	0.87 1/2	
Do., No. 3 C. W.	0.81 1/2	
Do., Extra No. 1 feed	0.81 1/2	
Do., No. 2 feed	0.77 1/2	
Barley:		
No. 3 C. W.	1.44	
No. 4 C. W.	1.39	
Rejected and Feed	1.30	
Flax:		
No. 1 N.W.C.	3.25 1/2	
No. 2 C. W.	3.22 1/2	

RECEIPTS OF BUTTER AND CHEESE.

The following table shows the receipts of butter and cheese in Montreal for the week ending January 12th, 1918, with comparisons:

	Butter,	Cheese,
	pkgs.	boxes.
Week ending Jan. 12, 1918	2,570	1,607
Week ending Jan. 5, 1918	833	1,451
Week ending January 13, 1917	1,101	902
Total receipts May 1, 1917, to		
Jan. 12, 1918	347,799	1,824,851
Total receipts May 1, 1916, to		
Jan. 13, 1917	494,028	2,217,451

LOCAL STOCKS OF GRAIN IN STORE.

The following table shows the stocks of grain and flour in store in Montreal on the dates mentioned:

	Jan. 12, 1918.	Jan. 5, 1918.	Jan. 13, 1917.
Wheat, bushels	4,250,872	4,287,674	758,999
Corn, bushels	17,292	11,373	14,531
Peas, bushels			2,466
Oats, bushels	533,042	627,853	4,851,886
Barley, bushels	66,850	68,654	139,849
Rye, bushels	20,715	18,958	10,501
Buckwheat, bushels	28,990	29,497	5,743
Flour, sacks	35,848	30,064	35,378

RECEIPTS OF GRAIN AND FLOUR.

The receipts of grain and flour in Montreal for the week ending January 12th were:

Wheat, bushels	148,497
Oats	56,015
Barley, bushels	22,556
Buckwheat	1,250
Rye	3,400
Flour, sacks	16,834
Hay, bales	25,564
Straw, bales	256

RECEIPTS OF GRAIN IN WINNIPEG.

The receipts of grain in Winnipeg for the week ending January 10th, and the week previous were:

	Wk end. Jan. 3.	Wk end. Jan. 10, last yr.	S'e date
No. 1 Hard			
No. 1 Northern	749	871	
No. 2 Northern	396	461	
No. 3 Northern	317	287	
No. 4 Wheat	168	119	
No. 5 Wheat	67	88	
No. 6 Wheat	56	73	
Feed Wheat	11	25	
Rejected	55	57	
No. Grade	58	77	
Winter	1		
Totals	1,838	2,136	1,813
Oats	474	732	587
Barley	121	183	80
Flax	102	112	63

GROUP LIFE INSURANCE.

The Equitable Life Assurance Society reports issuing policies aggregating \$20,000,000 to their employees and their beneficiaries in the form of group life insurance policies. This insurance goes into effect January 1 and covers the employees without their submitting to a medical examination. In most cases the insurance is for the amount of one year's salary, or income, and in other cases it is for flat amounts, increasing \$100 per year for each additional year of service to a maximum of \$3,000.

William A. Day, president of the Equitable, said recently that group insurance was in tune with the times as promoting better industrial relations between employer and employees and helping to safeguard the home.

"During the year," said Mr. Day, "the Equitable broke all records for the size of individual groups and the aggregate volume of group insurance issued. One hundred millions of group insurance has been issued this year, covering many scores of industries, large and small, the largest transaction being the insurance of the employees of the three railroads constituting the Union Pacific System, numbering some 30,000 lives. This volume of business, combined with the renewal of group business on industries which have previously adopted the plan of insuring their employees' lives for the benefit of their families, covers now probably a half million people, workers and their beneficiaries, directly benefited by the Equitable group plan. The indorsement of the Controller of the Currency in his current report to the Secretary of the Treasury has been influential in further extension of group insurance to banks and trust companies of the country, inclusive of the various Federal Reserve banks."

NEW ORDERS ISSUED BY GRAIN SUPERVISORS.

WINNIPEG, January 11.

Two orders were issued by the Board of Grain Supervisors today, one fixing the price of No. 3 Ontario winter wheat at \$2.19 per bushel, basis in store Montreal, to be effective as from yesterday, until August 31st, and the other that the Canadian Northern Railway unload all cars of wheat shipped east from points as designated sub-divisions into the Government elevators at Saskatoon for account of the Wheat Export Co.

Following are the orders issued by the Board: "Order No. 20.—It is hereby ordered by the Board of Grain Supervisors for Canada:

"1.—That the Canadian Northern Railway Company unload all cars of wheat shipped east from points on the Kindersley, Hanna, Calgary, Delisle and Elrose sub-division of its lines into the Government elevators at Saskatoon for account of the Wheat Export Company.

"2.—That the Wheat Export Company pay a diversion charge of one cent per bushel in addition to the fixed price for all wheat so diverted.

"3.—That this order covers the movement of wheat on the above-named sub-divisions of the C.N.R. during the period of closed navigation only, or until further notice."

Order No. 21 says: "It is hereby ordered by the Board:

"1.—That the price of No. 3 Ontario winter wheat shall be fixed at \$2.19 per bushel, basis in store Montreal.

"2.—That this price shall be effective January 10, 1918, and continue until August 31st, 1918, both dates inclusive.

"3.—That the regulation of the Board Number 7 provided under Order Number 11, of the Board be equally applicable to this order."

SMART WOODS LIMITED CANADA

Manufacturers of
**Jute and Cotton
Bags, Tents,
Clothing, Etc.**

FACTORIES IN
**MONTREAL, TORONTO,
OTTAWA, WINNIPEG**

LOOK IT UP IN HEATON.

Heaton's Annual, price \$1.25, published by Heaton's Agency, Toronto. The fourteenth edition is just out. Of the new features we notice particularly the complete list of titled and decorated Canadians which the war has swelled to several pages, and under the heading of "Commerce" an interesting compilation of the pre-war imports from enemy countries into Canada, which will be a useful guide to firms considering the establishment of a new industry in the Dominion. At the end of the book a new section under the heading of "Colonization" gives some very interesting and valuable information, which has never before been collected, giving for each Province land available for farming; fruit farming; cattle and sheep ranching, etc.; crown land regulations; financial assistance of farmers by Provincial and Dominion Governments; special provisions for returned soldiers, etc.

The first part of the book contains the Official Directory; Postal Information; Shipper's Guide; Commercial Regulations; Railway and Steamship Guide and the Customs Tariff. In the last half is a complete up to date summary of the resources of the Provinces including Agriculture; Canals and Waterways; Commerce; Education; Finance; Fisheries; Forests; Fur Farming; Mining; Water Powers, etc. This is followed by the Official Boards of Trade Register giving complete descriptions of every commercial town in Canada with its industrial opportunities. References are given throughout the text to a section entitled "Where to Find It." This contains a guide to the more important publications from which all available information on any subject can be obtained, a very valuable feature which cannot be found in any other book. Cross references are given to this section throughout the text.

CANADA LIFE ASSURANCE CO.

The Canada Life Assurance Company made a new high record in volume of business in 1917.

Assurances issued during that year, including renewals of \$367,665, totalled \$23,542,464, and exceeded business issued in 1916 by \$3,018,420, an increase of nearly 15 per cent. New policies paid for, exclusive of bonus additions, were \$21,368,943, an increase of \$2,331,797 over the corresponding period of the previous year. Total assurances in force show an increase of \$13,051,956 during the year, and now are \$183,016,760. Total assets show an increase in the year of \$3,341,153, the greater part of which has been invested in Government bonds. Policy reserves now amount to \$52,562,478, an increase of \$2,446,241 over corresponding reserves of 1916. Net surplus earned in 1917 was \$1,359,204, compared with \$1,210,559 in 1916. Net surplus now amounts to \$6,731,192.

Premium income during the year, after deducting payments made to other companies for reassurances, totalled \$6,016,099, compared with \$5,383,188 in 1916. Total income was \$9,570,991, an increase of \$733,098 over 1916.

Concerning the company's operations, President H. C. Cox said, in part: "Notwithstanding the fact that business activities are still overshadowed by the tremendous struggle in which the world is engaged, the company's operations for the year have been most satisfactory. A larger amount of new business was issued than ever before; the business already on the books was well maintained, and substantial progress recorded in our various departments."

SUGAR.

The demand for refined sugar at the reduced price has been good and sales are reported at \$8.50 per 100 lbs. for extra granulated in bags, and \$8.55 in barrels.

We quote prices as follows:

Extra granulated, bags 100 lbs.	\$8.50
Do. gunnies, 5-20's	8.65
Do. gunnies, 10-10's	8.70
Do. Cartons, 50-2's	8.80
No. 1 yellow, bags, 100 lbs.	8.10
No. 2 yellow, bags, 100 lbs.	8.00
No. 3 yellow, bags, 100 lbs.	7.90
Extra ground, barrels	8.70
Do. boxes, 50 lbs.	8.90
Do. boxes, 25 lbs.	9.10
Powdered, barrels	8.60
Do. boxes, 50 lbs.	8.80
Do. boxes, 25 lbs.	9.00
Tea blocks and assorted tea cubes, 1/2 bris. and boxes, 100 lbs.	9.20
Do. boxes, 50 lbs.	9.60
Do. boxes, 25 lbs.	9.50

TEA.

The tea market is quiet with only a few enquiries for Japan teas from country houses. Deliveries of China and Japan teas are both frequently delayed.

Local prices are reported as follows:—

Common Japan	25c to 26c
Medium Japan	28c to 29c
Good Japan	32c to 33c
Choice Japan	34c to 35c
Very fine Japan	38c to 40c
Japan Siftings	14c to 15c
Fannings, Japan	15c to 16c
Ping Sueys, China	25c to 26c
Gunpowder common	28c to 30c
Do., medium	28c to 30c
Do., Pea Leaf	36c to 37c
Do., Pinhead	43c to 44c
Good Pealeaf	38c to 39c
Good Pinhead	45c to 46c
China Black, very common	25c to 26c
Good Sound Ningchow	32c to 34c
Choice Ningchow	38c to 40c
First Crop Kintuck	48c to 55c
Ceylon and Indian black, Common	
Pekoe grade	42c to 44c
Flavory Pekoe	46c to 48c
Finer sorts, Pekoe	48c to 50c
Orange Pekoes, nondescript quality	46c to 48c
Choice Pekoes with flavor	53c to 55c
Broken Orange Pekoes, fair quality	46c to 48c
Broken Orange Pekoes, fine rich quality	55c to 60c

WORK OF THE CHEESE COMMISSION IN 1917.

(Continued from page 4.)

was therefore practically useless. As the cost of registration would be next to nothing, I am of the opinion that it is advisable to ask the Federal Parliament to pass a compulsory registration act.

TOTAL EXPORTS, SEASON 1917.

I have already stated that the total cheese handled by the Commission up to December 31 was 1,860,237 boxes, or 155,662,463 pounds. I have taken the trouble to ascertain the exact number of boxes and the weight of the cheese of the 1917 crop which were exported through the regular channels before the cheese commission began operations, and I find that they total 123,909 boxes, weighing 10,656,174 pounds. There are probably 10 to 15 thousand cheese yet to be delivered to the Commission of the crop of 1917, so that the total exportable surplus for the year will be very close to 2,000,000 boxes, or 172,620,000 pounds, with a value of \$37,544,850.00, an increase of over \$4,000,000.00 as compared with 1916. These figures cover only the cheese shipped to the United Kingdom. There have been small shipments as usual, probably amounting to 1,000,000 pounds, to other countries. The unrevised figures of Trade and Navigation published by the Customs Department show that the exports to the United Kingdom for the 12 months ending March 31, 1917, which represents approximately the crop of 1916, amounted to 179,000,000 pounds. It would appear, therefore, as though our exports of cheese for 1917 will show a slight decrease as compared with 1916. If it is true that the home consumption has increased, as I am inclined to think it has, it is probable that the total production of cheese in Canada for 1917 is just about the same as it was in the previous year. When we consider the large quantities of milk which have been diverted from cheese factories into other channels, the showing is a very good one indeed. Our exports to the United Kingdom for the season of 1914 were only 135,000,000 pounds, so that we have increased our exports since the beginning of the war by 35 to 40 million pounds; or, in other words, the value of the cheese output of 1917 was eight million dollars greater than it would have been if the production had been the same as in 1914.

Before concluding, I am glad to offer a word of encouragement for a continued increase in the production of milk in this country, whether it is manufactured into cheese, butter or condensed milk, or used for direct consumption. The conditions which prevail in the dairy world as a result of the great war promise high prices for many years to come. The neutral countries of Europe, comprising Scandinavia, Holland and Switzerland, through shortage of feed,

and induced by the high price being offered for live stock to be used as food in Germany and Austria, are rapidly depleting their herds, and it will be years before they will be built up again.

It seems to be generally conceded that the high price of animals and animal products will likely be maintained for a longer period after peace is declared than are the prices of other farm products. Of course, I know all the difficulties which go with shortage of labor on the farms, but the food situation is very grave, and we must do the best we can. As a farmer's son, I refuse to believe that the patriotism of the farmers of Canada is wholly a matter of dollars and cents, and for that reason I hope to see, with favorable conditions, a further increase in milk production during the coming season.

ANNUAL MEETING OF PRODUCE MERCHANTS.

The following is the report of the President of the Montreal Produce Merchants' Association for the year 1917:

The steady growth in the butter, cheese and egg business in this city, and the increasing need for the establishment of a market to facilitate the purchase and sale of these commodities, led to the consideration of the organization of an exchange which would hold daily or bi-weekly sessions for the sale of these goods. A special committee was appointed to look into the matter and to report thereon. I regret to say that the committee apparently did not receive sufficient support from the members generally to warrant its recommending the holding of such sales, but I earnestly hope that before long such an exchange will be organized as I am convinced that its results would be beneficial to the trade as a whole.

Towards the end of April the British Government, which was forced by the serious situation arising as a result of war conditions, to take most drastic steps to secure an equitable distribution of foodstuffs at reasonable prices in Britain, appointed a commission to purchase the exportable surplus of Canadian cheese, on which commission one of our members, Mr. Jas. Alexander, was appointed. A considerable time elapsed after the appointment of the commission before it had completed its organization, but on the 5th of June the commission asked for a meeting with the members of this association when a memorandum was presented setting forth the conditions which it had prepared as a basis for its purchases. The conditions were discussed at length, and, with a few suggested changes, approved of by this association. Since that time the commission has purchased at a fixed price all the exportable surplus of Canadian cheese, and I wish to take advantage of this occasion

to express the appreciation of the merchants of the manner in which purchases have been made, and of the fairness and consideration with which merchants have been treated, the commission's policy of making all its purchases through the regular channels being specially appreciated.

Whereas, there is an abnormal demand for dairy products, such as condensed milk, butter and cheese, which has lessened considerably the amount of milk and cream available for city consumption, and,

Whereas, the exports of milk and cream are enormous, amounting to thousands of gallons daily, and are for the most part sent for city consumption and to supply condensed milk factories in the United States, and in addition to these large quantities of condensed milk are also exported, and,

Whereas, there is every prospect that unless something is done the milk and butter supply for city consumption will fall far short of the requirements during the coming winter:

Therefore, resolved, that this association strongly urges upon the Hon. W. J. Hanna, Food Controller, the importance of at once applying for an Order-in-Council prohibiting the exportation of cream and milk and of condensed milk.

Respectfully submitted.

A. H. DALRYMPLE,

President.

BRITISH COMMODITY PRICES AT NEW HIGH RECORDS.

The index number of British commodity prices for the month of December has been announced by the "Economist" as 5845. This creates a new high record, being 77 points higher than 5,768, the former mark, attained November last. The December total is 937 points higher than that of the corresponding month of the previous year.

Cereals and meats registered a marked gain during the month, the figure being 1286½, compared with 1236½ for the previous month. Other foods, including sugar, tea, etc., rose from 679 in November to 686 for last month. Textiles increased during December from 1660½ to 1884½. Minerals lost 9 points in December, and a gain of 4½ points was noted in the miscellaneous group, including rubber, timber, oils and other heavy materials.

The basis of the index number arrived at by "The Economist" is established at 2200, representing the average for the first five-year period, 1901-05.

Interned Germans will be sent to the North Carolina watermelon belt, where they can keep a watch on the rind, remarks the Boston Transcript.

FOOD CONTROLLER'S ACTIVITIES HAVE BENEFITTED ALL PARTS OF CANADA.

FOOD IS BEING CONSERVED FOR THE SOLDIERS AND THE ALLIED PEOPLES

AND

Dealers in food are being brought under regulation by means of licensing system. Financial arrangements have been made to ensure steady market for hogs. Prices have been fixed for bran and shorts and preference in supply assured to Canadian farmers. Oleomargarine has been made available in Canada. Price of sugar has been kept down

by control over refineries. Trade in package cereals has been regulated to protect the public. Supplies of food and feed have been secured from the United States. Profits of millers and packers have been limited. Plan for regulation of cost of milk distribution worked out. Farmers have been assisted in greater hog production campaign. Equitable distribution of

essential food supplies has been ensured. Grain and other food substances have been saved from distillation for potable alcohol and made available for direct consumption. Exportation of foodstuff is being controlled so as to prevent the drain of supplies needed in Canada or for the Allied Nations. Assistance is being given in the organization, on a war basis, of production and consumption of food

