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# The Journal of Commerce

MONTREAL, CANADA

VOL. XLVIII, No. 26

GARDENVALE, P. Que., JUNE 29, 1920

PRICE, 10 CENTS

## Who Pays Excess Profits Tax ?

By B. K. SANDWELL

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## The Three Factors in Wages

By J. W. MACMILLAN

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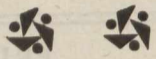
## Bumper Crops in the West

By E. CORA HIND

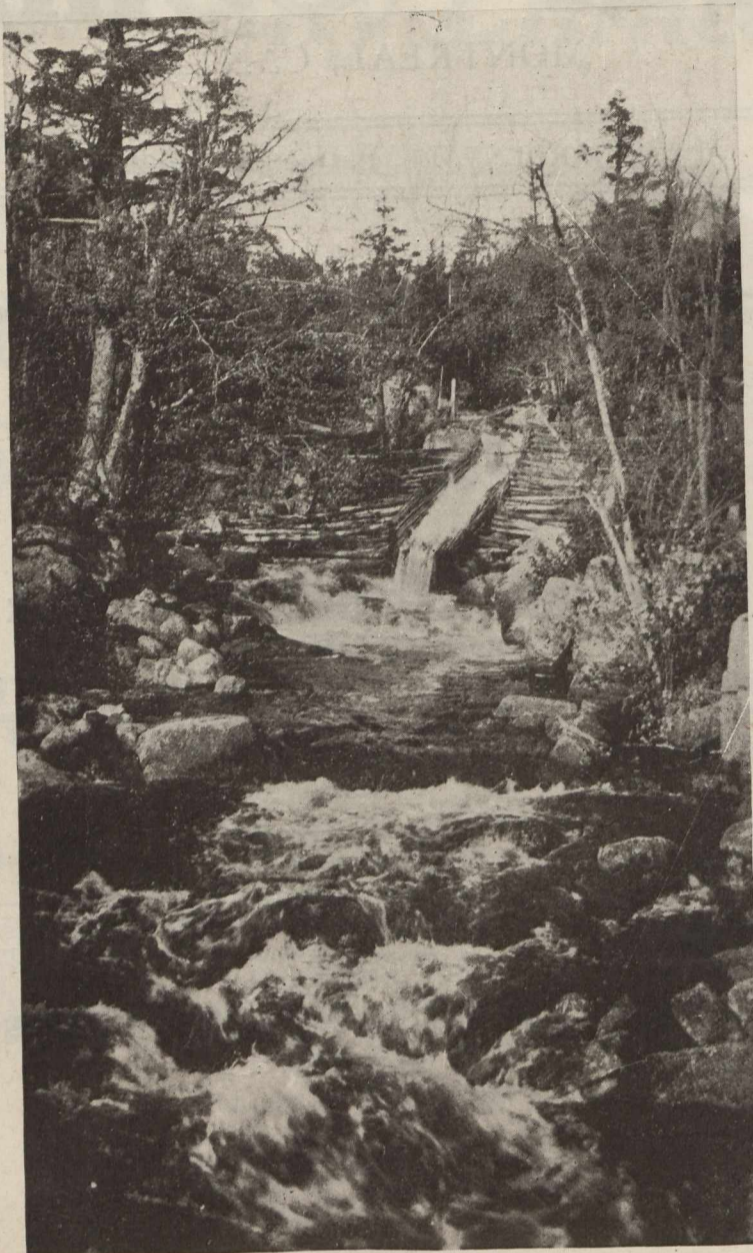
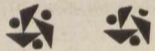
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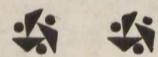
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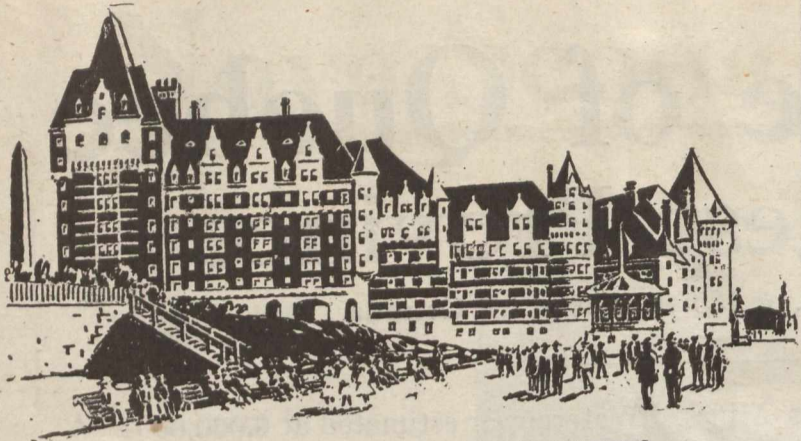
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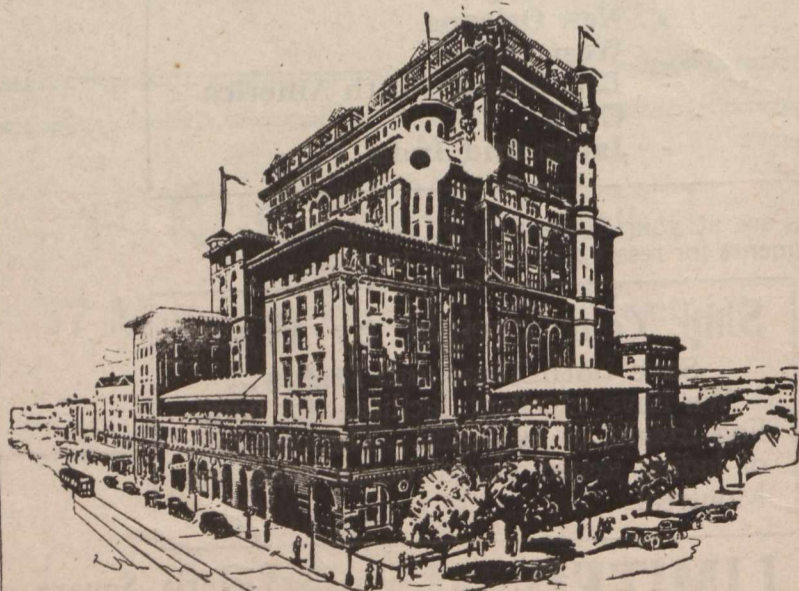
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# The Journal of Commerce

MONTREAL, CANADA

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## The Pension List

THE very important and very difficult question of pensions to disabled soldiers and to the widows and dependents of the men who gave their lives in the war was dealt with in Parliament last week by a committee under the able chairmanship of Mr. Hume Cronyn, the member for London, Ont. The committee — substantially the same members as had considered the subject in the previous session—gave long and patient attention to the enquiry into the matter and came to a practically unanimous conclusion. The question of additional gratuities to the returned soldiers generally had been fully considered in the former session, and, though an attempt was made to revive it, the committee considered that there was no reason to depart from the conclusion then reached. There is no doubt that a large number of the returned men have supported very keenly the movement for obtaining these gratuities. Many others, who at the beginning had no part in the movement, were persuaded to join in it, seeing no reason why they should not participate in any distribution of the public moneys that was likely to be made. But there is good ground for believing that a large number of the men fully realize the difficulties that arise in the way of such a proposal and that they are disposed to assent to the Government's view adverse to the indiscriminate granting of the gratuities sought.

While this opinion against the larger project is so widely held, there is a no less emphatic opinion that ample justice and liberality should be extended to the disabled men and to the dependents of the soldiers who died in service. Mr. Cronyn's committee gave full expression to this desire in the report submitted to the House. Although the first scale of pensions was not ungenerous, and it was supplemented by a bonus, the committee found that these allowances were too low to ensure a reasonable standard of comfort in the face of the rising cost of living. They therefore recommended such an increase of bonus as would make the pensions fifty per cent in excess of the basic scale. This increase is recommended for all the men of rank below that of lieutenant,

and it extends to the widows and other dependents of the dead soldiers. Some restrictions, too, which were found to operate unfairly are to be removed, and the way to the pension by those who have bona fide claims will be made easier.

Altogether the new scheme, which adds more than \$8,000,000 to the pension appropriation of the year and raises the total pension allowance for the year to \$33,000,000, certainly makes generous provision for the pension allowance for the year to \$33,000,000, financial stress and increasing taxation, the people of Canada will willingly endorse the recommendations of the committee. While economy is urgently needed, nobody desires it to be applied to the grants of money that are required to make provision both just and generous for the disabled men and for the widows and dependents of the soldiers who made the supreme sacrifice.

## Glimpse of Manitoba

THE nominations for the Provincial elections in Manitoba give a glimpse of the very mixed character of the population of that Province. On the streets of Winnipeg one hears many languages. Where there is such a large foreign population, the field for the soap-box orators and other agitators is a very inviting one. This is a fact to be remembered when we have occasion to recall the disorders in Manitoba's capital a year ago. It is because of this mixed population, no doubt, that there is in Manitoba to a larger extent than elsewhere a development of the group idea that is so noticeable in our politics today. Tickets have been placed in nomination representing parties described as follows: Government (Liberal), Conservative Opposition, Dominion Labor Party, Socialists, Social Democrat, Sailors, and Soldiers, Labor Party, Independent Liberals, Progressive Conservatives, Progressive Independents, Independents, Independent Soldiers. There are several women candidates. If out of all these groups the Manitobans cannot find suitable representatives—especially with the help of the system of proportional representation which is being tried in Winnipeg—they are hard to please.

## Sir Lomer Gouin

There will be widespread regret, not confined to his own political party, at the announcement that the Premier of Quebec, Sir Lomer Gouin, will very shortly retire from his position and from public life. Rumors of such an intention on his part have been current for some time and now they appear to have authoritative confirmation. Sir Lomer has presided over the Provincial affairs of Quebec for a long period of years during which, as even his political opponents will admit, he has given the Province an able and faithful service that has kept it in a foremost place among the Provinces. Under his administration Quebec has made marked progress in the field of affairs which falls within the sphere of local government. Retiring, he will have the satisfaction of knowing that he leaves the Province in a flourishing position, in a sound financial condition, with more than ordinary contentment among the people, and with all its great industries giving promise of continued prosperity. Quebec has much reason to remember, and surely will remember, with satisfaction the long and honorable service of Sir Lomer Gouin.

## A Democratic Dictator

MR. W. M. HUGHES, the Premier of the Commonwealth of Australia, is a gentleman whose numerous talents occasionally outrun his discretion. He is an able man and eloquent speaker. Occasionally in his many speeches in England he manifested a disposition to govern the Empire generally. It is evident that at home he is inclined to monopolize the powers of the Government and that he expects his colleagues who go abroad to regard themselves as his deputies. During his long absence from Australia the duties of Acting Prime Minister were discharged by the Treasurer, Mr. W. A. Watt. Mr. Watt recently came to England on a political and financial mission. That anybody but Mr. Hughes himself should do anything of importance in Australian affairs seems to be regarded by the Premier as an interference with his authority. Mr. Watt, apparently, has suffered embarrassment from this disposition on the part of his chief. While the Treasurer has been carrying on negotiations in London respecting his mission, the Premier has been cabling to the British Government on the same subject. Mr. Watt, it seems, had also been authorized to act as a plenipotentiary for Australia at the approaching Spa conference, and here also Mr. Hughes intervened by issuing instructions which Mr. Watt was unwilling to receive. "I decline," said Mr. Watt, to act as plenipotentiary with the powers of a telegraph messenger." So Mr. Watt has resigned. It looks as though Mr. Hughes will have to come again from Aus-

tralia and take up personally the duties that he seems so unwilling to entrust to his colleagues. A democrat Mr. Hughes has always claimed to be. A democratic dictator he seems to be.

## A Machine that Fails

OUR American neighbors think they are the most democratic people in the world. Certainly they use a large amount of machinery designed to make democracy safe for the nation. But much of it fails to work. On this side of the border, as in the mother country from which we obtain most of our ideas of government, there is in our statute law an almost complete absence of recognition of political parties. The party system is usually the very foundation of our political organization, yet, except in rare instances in Canada, no reference to parties can be found in our laws. In the United States parties are recognized in many ways. There is frequent reference in the statutes to the selection of men for public offices as representatives of the respective parties—so many men to be of one party, so many of another, etc. On our side of the line parties are free to form their own organizations and go their own way about making nominations. In the United States, in recent years, this freedom has been treated as an opportunity for "bosses" to govern. As a remedy for this alleged evil, and to ensure a true and independent expression of opinion, the State has undertaken to manage what are called the "primaries," elections being held to allow the voters to indicate their preference in the selection of candidates. It is only at the first stage of the election game that this system prevails. In the end, the results of the primaries are entirely ignored.

The story of the recent Republican convention in Chicago indicates how completely the primary system fails. These preliminary trials very clearly marked Messrs. Wood, Lowden and Johnson as the leaders of Republican opinion. Yet when the convention met at Chicago the fact soon became apparent that none of them could be nominated. The convention ignored all these preliminary tests and selected as candidates men who had received but a small degree of support in the primaries. In the light of the proceedings connected with the Republican nomination thoughtful Americans must wonder what good is accomplished by the primary system. If it was designed, as some believed, to shut out the leading politicians from party activity, and nominate candidates without their help, it is a complete failure. Indeed, it was only when all the leaders whom the primaries had set in front had been eliminated and the "old guard" of politicians took the matter in hand that a nomination became possible. And in the end, as usual, the political managers had their way.

## Mr. Hoover's Position

A LARGE portion of the American public not tied very closely to old party organizations formed such a favorable impression of the character and capacity of Mr. Herbert Hoover, as manifested in his handling of food problems at home and in Europe, that they regarded him as the right man for the office of President. While playing a very prominent part in American affairs for some years, he had not participated in any party movements, and nobody seemed able to tell whether he should be called a Republican or a Democrat. Within the ranks of both parties there were influential movements toward a Hoover nomination—not organized and well financed movements such as supported the candidature of several other men, but quiet independent efforts to put forward Mr. Hoover's name. Even after he had acknowledged that his political sympathies, so far as he had any, had been with the Republican party, there were men in the Democratic ranks who still thought he could be a Democratic candidate. At the Republican convention at Chicago there was no Hoover organization. Mr. Hoover obtained a few votes at the beginning and held them. Many there were, however, who, feeling assured that the leading candidates would have to stand aside, thought that when the time arrived to drop them and concentrate on another, Mr. Hoover's name would come to the front. There is not much room for doubt that if the party leaders could have been brought to an acceptance of Mr. Hoover, his election would have been assured. But the party leaders evidently feared that a man of Mr. Hoover's independent character would not be a docile instrument in their hands. They turned to Mr. Harding, and that gentleman, a respectable Senator accustomed to the party discipline, received the nomination.

How the dissenters and their friends will regard the Harding nomination is not yet quite clear. Senator Johnson, for example, sent a personal telegram of congratulation to Mr. Harding, but it is noticed that when Mr. Johnson returned to Washington he was not among the many who called on Mr. Harding. Mr. Johnson is discontented; a bolt on the part of himself and his friends is still a possibility. Mr. Hoover, however, has promptly taken the public into his confidence and declared his intention to support Mr. Harding. His declaration to that effect cannot fail to have a wide influence in rallying thousands of independent voters to the Republican standard. Mr. Hoover's statement of the situation contains some political wisdom that is worthy of consideration, even beyond the boundaries of the United States.

# The Three Factors in Wages

Rate of pay seems to be the only thing considered—Two other important factors are security and opportunity.

By J. W. MACMILLAN

Here in Toronto, as I write, we are facing the possibility of a street-car strike. The laborers at Chippawa, digging a canal for the Hydro-electric System of the Province, have just walked out, after negotiations which drew the attention of the public and induced the Legislature to send an investigating commission. Newspapers and current conversations are concerned with the comparative earnings of would-be strikers and less dissatisfied workers. For the most part these discussions confine themselves to the rate of wages which is being paid. Now, there are two other factors in wages as worthy of notice, and, without the dissolving of the difficulties which these two less evident factors present, there will be no final solution of the wage question. These disregarded factors are security and opportunity.

It is well enough known that the rate of wages does not determine the earnings of a worker. The average wage-earner is off work for some reason or other perhaps ten per cent of his time. But employment conditions vary so much, when viewed over a space as long as the average working-period of life, that this percentage cannot be taken as stable. All that it is safe to say is that one must not multiply the wage-rate by the actual number of working days in a year and claim that the worker's annual income has been found. Sickness interrupts the constancy of his labors, as does short-time, lay-offs, voluntary absences and the intervals between changing jobs from one plant to another. For some of these wageless days the worker is responsible. Nevertheless it is just to apply the same philosophy to his persistency of effort as has been adopted in the Compensation Acts for his casualties. He is human, like the rest of us, and too much is not to be expected of him. The propertied classes by no means keep their noses to the grindstone all the year round, and it is fatuous to expect one class of society, and that the least privileged, to display a heroism which the other lacks. Men are what they are, whether employers or employees, and time and chance happen to them all, and they never do their best, none of them. The work of the world is done by the average man, and our calculations must take account of that fact. Nevertheless, so many of the wageless days are due to causes over which the worker has no control, including very often the failure of his employer to find work for him to do, that, blame him as much as we will, we must yet remember that he cannot possibly make his rate of pay multiply into the maximum income it could provide.

It is, however, of the security of income that I am more anxious to write. All wage-earners are without assurance for tomorrow. Least of all classes in the community are they able to lay up against the days of adversity. With some exceptions, their incomes are the lowest. They commonly receive no notification of impending dismissal. They receive no dismissal wage when discharged or laid off. Their job makes no provision for their times of sickness, nor for the possible illness of their wives or children, which are constantly near to the ragged edge of poverty.

It is in this respect that the salaried classes enjoy a great advantage. When pay is reckoned by the month, rather than by the hour or piece, the boundaries of employment immediately enlarge. The clerk gets holidays, with pay. He is at liberty to take an occasional day off when sick. He gets a month's notice before being dis-

charged. And this more human scheme of treatment fosters itself, so that he is treated more like a man and less like a bit of machinery on any occasion of hardship or suffering which may emerge.

But, though all wage earners are insecure in their employment, there are degrees and differences between one set of employees and another. A bricklayer, for instance, cannot count on more than eight months work in the year, in the climate of Canada. A motorman or conductor on a street car works twelve months in the year, a fact which is exciting attention in view of the threatened strike. When the bitumenious coal-miners asked for six hours work on five days in the week, the public gasped. It seemed that these men were demanding less work and inviting decreased production. But it was explained that the men wanted more work, and wanted it to be given to them with some irregularity. Few of them had worked thirty hours a week in years. And men soon grow old in coal mines.

One great failure of our industrial order lies here. It promised to improve the lot of man. Steam was to be harnessed to serve him. Machines were to multiply goods, so that there would be plenty for all. The social deficit was to be turned into a surplus. Life was to grow kind to humanity by reason of the toil of the natural forces he had tamed and disciplined. But the reverse has happened. The factory-hand has less hold on tomorrow than the journeyman had under the domestic system. At last after a century of delay, suffering and injustice, the Compensation Acts have taken from his shoulders one load. Think of four generations enduring the accidents of industry under the old common law! It may be that other schemes of social insurance, for sickness, for child-bearing, for unemployment, may be adopted as the means, for taking other loads off his shoulders. Meanwhile, he struggles to carry those burdens, or sinks under them.

The other forgotten factor in wages is opportunity. Here again the whole wage-earning class, especially in city employments, are handicapped. There are opportunities for the farmhand, owing to the prevalent aversion to farming, which would no doubt disappear as soon as agriculture took rank with manufacture in attractiveness. But in the dominant factory-system of our day the worker is without opportunity for advancement. The chances for escape through promotion are so few that they are negligible in a discussion of the problem. Once in a while you hear some one urge that all the workingman has to do is to make the most of himself in order to rise to power and affluence. And the example is always to hand. "So-and-so used to work at the bench; look at him now!" But how many so-and-sos are there, or can there be? Industry cannot be organized like the famous Cuban regiment where every man was a colonel. The mass must remain as mass, though every one in it were a saint and a hero, under present conditions.

It is the prize that lures. So the country suffers in comparison with the city. The young man born on the farm has quite as much assurance of food and shelter, of moderate comforts and peaceful old age if he remains on the farm as he is likely to find in the city. He knows it right well. But it is not food and shelter and their accompaniments that his hot young heart muses upon. It is the thrones of power. It is

the blazonry of prominence. It is the delight of vast wealth. So he goes to the city, and generally remains poor enough, but is kept there by his hopes until new habits are formed, and by that time he is too old to change his habits.

So professions like the law and medicine allure men beyond the teaching and preaching professions. In spite of all the outcry against the underpayment of teachers and preachers I think that they earn not much less than very many lawyers and doctors. But the topmost teacher earns less than the topmost doctor pays for his annual jaunt to Pinehurst or Florida. The topmost preacher gets less for a year's work than a great lawyer gets for a single day's pleading. It is the prize, the opportunity, the chance for great things, which crowds these callings and accounts for the silence of the majority who pursue them for small returns.

But the preacher and the teacher have other compensations than can be measured in money. Probably no rational young man enters them for the sake of the money in them. He may simply drift into them, or he may enter them because he wishes to do something which seems better to him than spend his life making money. If this mood persists he will not feel himself disgraced by comparative poverty. Nor will other men so judge him. But the machine-ender, the man with a kit of tools, or the man who drives another's team have no such considerations. Their employment opens no doors to the soul. They are shut out from both the material and the spiritual opportunities, at least in the prosecution of their life's work. This should not be. All the passion of the youthful period of life, aflame for adventure and success, resents it.

A few weeks ago I recounted the experience of an employer who went in overalls, a modern Haroud al Raschid, to find out what the workers did and thought. He came home reflecting that one reason for hot-headed radicalism was that ambitious young men were denied opportunity within the precincts of their work. Hence they sought it in the class-organizations they belonged to. It seemed to him that thus a powerful force was being misdirected, and that some means should be found whereby the clamant impulses of youth should find gratification in their tasks.

It is reported from Cobalt that the chore boy in a mine gets \$135 per month. In the same locality the teacher gets \$83 a month, and the preacher gets \$75. Yet if any one of the three goes on strike for higher pay it will be the chore boy. This article has attempted to suggest some of the reasons which would explain so apparently strange an action on his part.

## Electric Purification of Clay.

The most novel application of electricity to industry is the purification of clay. A machine designed for this purpose was recently exhibited before the Royal Society, London, England. It consists of a trough with a cylinder which slowly revolves over a grating through which the "slip"—a mixture of clay and water—is forced. When the cylinder is connected to one pole of an electrical circuit and the grating to another, the electrical effect separates the fine particles of clay from the water and deposits them on the cylinder, whence they are removed by a scraper. By this simple and ingenious process, known by the name of "electrical osmosis," low grade and dirty china clays can be used to produce pure fine clays for pottery and for the manufacture of "art" paper. The clays used for fire-clay are made more plastic and also more fire-resisting as a result of the electrical treatment. The same process can be applied in tanning leather and in the preparation of glue or gelatine.

# Who Pays Excess Profits Tax?

Has the excess profits tax any effect on the cost of goods?  
—Various definitions of profit—How new capital is kept away.

B. K. SANDWELL

Opinion continues to be divided as to the real incidence of the Excess Profits Tax which, instituted as a temporary measure for securing for the state a participation in certain abnormal profits resulting from war conditions, has now been maintained for many years and is regarded by many as a proper and desirable permanent branch of the national revenue.

Theorists maintain with a lively show of argument that this tax has no effect upon prices, that it cannot be passed along by the tax-payer to any other person, and therefore that it actually secures for the state a substantial portion of the very incomes which are most properly liable to taxation, viz., those which are abnormally large in proportion to the capital invested for their production. The objections which have been taken to it in the last year or two are two in number: (1) that it falls equally on profits which are the result of sheer good fortune and on profits which are the result of taking exceptional risks, and which are therefore liable to be offset in subsequent years by corresponding losses; and (2) that it encourages a specific form of extravagance, viz., the abandonment of any effort to make profits above a certain percentage and the expenditure upon luxurious buildings, unnecessary advertising, etc., of that portion of the gross income which would otherwise constitute the excess profit. A third objection, that the valuation of capital by the tax collector is grossly incorrect, and is often influenced by the mere paper capital shown in the balance sheets, and that the real profits are frequently concealed by expert manipulation of the books, is obviously rather a charge against the manner in which the tax is applied than against the tax itself.

It may possibly have been true, in the first year of its operation, that the excess profits tax was actually paid once and for all by the makers of the tax profits. That such is the case when the tax is more or less of a permanency is open to the gravest doubt. It is possible to adduce many facts today which largely suggest that the excess profits tax itself contributes largely to the existing high price level, and that much of the money collected by the state under this schedule is actually taken from the pockets of the consumers, in other words, that the excess profits which are regarded as so legitimately taxable are themselves to a large extent the result of the tax, and would not be nearly so excessive if the tax did not exist.

## Profit Definitions Vary

The economic assumption underlying the theory that a tax upon profits cannot be passed on by the tax-payer is the theory that profits are the margin between the production costs of the ablest producer of any given commodity or service and those of the least able producer who can just manage to remain in the business. This is the definition of profits as provided by the economists, and for their sense of the term profits it is a valid enough definition for general working use, but the economists, as everybody knows, have a habit of using words in a very different sense from that in which they are employed in every day business; and the meaning of the term profits, as employed by the economists and set forth in the above definition is totally different from the meaning of the same word as employed by ordinary business men and by the legislators who imposed this tax. Profits to the economist do not include any allowance for the

remuneration of capital, that remuneration being provided for under the heading of interest; nor do they include that additional payment to capital, over and above the prevailing general interest rate which is necessary to compensate it for whatever degree of risk may be incurred in the enterprise. Both of these items are regarded by the economist as elements of cost; they are the same for the ablest producer as for the marginal producer since both are engaged in the same business for the same market. To the tax-collector, on the other hand, both these items are regarded as profits—except to the extent to which capital is represented by bonds and is therefore paid by interest coupons, and this varies greatly between different companies in the same business. It is true that the excess profits tax exempts from taxation an amount of income which should be sufficient to pay the bare interest upon a fair valuation of the capital employed; for it may presumably be said that the prevailing rate of interest upon capital invested in a fixed form but not subject to any serious risk of loss is now between six and seven per cent in the Dominion of Canada. But this exemption allows for interest only, in the strict and proper economic sense of the word; it does not extend to any compensation for risks incurred by capital invested in an uncertain business. The instant the profits exceed seven per cent they begin to be subject to taxation, yet a corporation which is only earning seven per cent upon the real value of the capital which it employs is by no means in a prosperous condition, and unless its business is extraordinarily stable, secure and unvarying, it is not earning enough to compensate its owners for the chances they are taking with their capital.

## Preventing Growth of New Industries

It is upon new capital undertakings that this burden of taxation presses most seriously, for the simple reason that it is the new undertaking which necessarily involves the largest amount of risk. A million dollar plant which has earned \$100,000 a year on the average for a period of ten years, can reasonably be expected to earn an average of \$100,000 a year or better during the next ten years. But no man can say that an additional million dollars worth of plant put into that same business will commence immediately to earn at the same rate and will continue to earn at the same rate for ten years to come; while another million dollars entirely separate from the first million, and entrusted to an entirely separate and untried management, has even less certainty of achieving this same level of earning power. The plain fact is that the investment of new capital, even in a well established enterprise, and under tried management, to say nothing of new enterprises and untried managements, involves either the taking of a very considerable risk or the payment of a heavy price for the financial and managerial advice for the elimination of that risk. New capital is therefore entitled to a remuneration considerably in excess of that which is being currently earned by capital which has become matured in the business in which it is employed. Unless that remuneration is forthcoming, new capital will not adventure itself in business enterprise. If that remuneration is subject to a special tax, new capital will demand that the remuneration be increased by a sufficient amount to offset the facts, or it will not adventure itself in business enterprise.

## The Cost of Capital

During the period in which the existing supply of capital in any given industry continues to be sufficient to meet the demands of the market, the price of the commodity or service produced by that industry will not be influenced by the price demanded for new capital. But that is never a condition which can last for very long at a time. There is no industry in any part of the world, except the dyeing industry, which does not from time to time require additional supplies of capital, and in a growing country like Canada, the need for additional capital is practically constant, and the price that has to be paid for it is a major factor in determining the price at which the article or service can be sold. If, then, the effect of the excess profits tax is to increase the remuneration or prospect of remuneration which must be offered in order to enlist new capital, it follows that the whole range of profits which can be exacted by the existing producers is materially increased.

Let us endeavour to illustrate this point by an example. Let us suppose that a certain standard quality of men's linen collar can be manufactured by a new plant at a cost of eight-and-a-half cents without any allowance for return from the capital employed. Let us suppose further that the risks attendant upon the adventuring of new capital in this business are such that capital must be assured of a prospect of a remuneration of fifteen per cent (and here let it be stated that this is very moderate remuneration indeed for any absolutely new enterprise, and that there is probably not a farmer or a business man in the Dominion of Canada who would put his money into any fixed investment from which he could not easily extract it again without insisting upon a reasonably good prospect of at least that rate of remuneration; and that in order to make this fifteen per cent the output of collars must be sold at a profit of one-and-a-half cents each, making a total price of ten cents. If, now, there is a profits tax upon these earnings which has the effect of taking away one per cent out of the fifteen per cent earned by this enterprise, with collars at ten cents at the factory, new capital will not be adventured in the production of collars unless more than ten cents can be secured for them; it will not, let us suppose, be adventured until there is a prospect of something like ten-and-a-half cents being secured for collars, yielding a profit of twenty per cent upon the investment before taxation, but only 17½ per cent after the profits tax has been deducted. Here we have an extremely obvious example of the operation of the profits tax in preventing the influx of new capital.

## New Capital Must be Encouraged

But the influx of new capital is surely the most important and efficient of all factors for the reduction of price. Indeed, a growing community, with growing demands, such as Canada, the absence of an influx of new capital means that the existing body of capital in any industry enjoys a monopoly market, limited only by the competition of foreign producers who are handicapped by the cost of transportation and by the protective tariff. At the present moment, in a great many industries, even this limitation of foreign competition is of no effective value, for in many lines of production the United States and Great Britain, which are the sole sources of such competition for Canada, are themselves short of production and incapable of cutting into the Canadian market. In such industries, the sole effective limit to the rise of prices in capital and thus increasing domestic competition. Any tax which acts as a deterrent to capital enhances the monopoly position of the existing capital in the industry. A tax of \$10,000 upon the output of a new collar factory may quite conceivably add half a cent to the wholesale price of every collar worn

(Continued on Page 17.)



## Banks, Bankers and Banking

# Widening the Economic Unit

Canada is handicapped by her climate in supplying fully the needs of the people—She has to import from warmer countries—Why not trade with another part of the Empire and form a more self-contained economic unit?

By B. K. SANDWELL

It is undoubtedly a handicap to the economic development of Canada as compared with that of the United States that her territory is so entirely confined to the north temperate zone. With the exception of a few hundred square miles, which thanks to the configuration of the Great Lakes, project into the zone otherwise occupied by the United States, the whole of Canada's territory lies to the north of the forty-fifth parallel, and the major part of it, from Lake Superior to Vancouver Island, north of the forty-ninth. With the exception of the afore-mentioned peninsula, and the southern portions of British Columbia, the whole of this territory is subject to extreme cold in winter and obtains only a moderate though highly beneficent warmth in summer. The United States, on the other hand, possesses territory ranging from the extreme north, in Alaska, to the sub-tropical latitudes of Florida, and has acquired a considerable amount of tropical territory in her insular possessions. It would be quite possible for the United States to attain a very high degree of economic development without exchanging her products for those of any other nation on the surface of the globe, and indeed in normal times the internal trade of the United States is of incalculably greater importance than her external trade, and was, until the war, growing more rapidly.

It is only recently that Canadians have realised that it is within their power to achieve something of the self-containedness of the United States: that there are territories, forming like Canada a part of the British Empire, which need but little solicitation to induce them to enter into relations with Canada which would practically constitute them a single economic if not political unit with ourselves. It is now fairly generally recognised that it is better to trade with one's friends than with one's potential enemies, and better to trade with oneself than with any outsider—always assuming that the purely economic aspect of the trade is the same in either case. Advocates of domestic trade are sometimes apt to forget this last mentioned and very necessary condition. It is, for example, in no wise desirable that Canadians should buy their bananas from fellow-Canadians because there are no fellow-Canadians who are in a position to produce bananas except at a much greater cost than they can be produced elsewhere. But bananas can be produced in the British West Indies on much the same terms as on the American islands, and the same is true of sugar, lemons, grape-fruit and a score of other tropical and sub-tropical products which we urgently need. This being so, it is highly desirable that we should buy our bananas in the British West Indies rather than in the American possessions, and it is desirable that we should buy them under an agreement, and transport them by a shipping system, which will encourage the West Indies to buy their steel, their wheat, their cement, their lumber, their paper and their machinery from us instead of from the Americans. Trade is like the quality of mercy; it blesteth him that gives and

him that takes. And while Canadians are perfectly willing to bless the United States to any necessary extent, they should and undoubtedly do prefer to bless their fellow British subjects in the other British possessions of the Western Hemisphere, especially upon terms which involve those fellow subjects blessing us in return.

### Better Transport Will Make for Unity

It is largely a matter of overcoming certain important but not serious geographical disadvantages. The United States economic unit, on the North American continent, is, with the exception of Alaska, a solid oblong, every point in which can be reached from every point without passing through any foreign territory—and is indeed most conveniently reached in that way with the exception of the traffic between the Great Lake States and the northeastern sea-board, much of which passes for reasons of convenience through the Ontario peninsula. On such advantage attaches to the British possessions in North America, viewed as a whole. The all-British trade route from Montreal to the West Indies involves a very wide circuit to get around the intervening states of New England; although this is partially compensated for by the fact that for seven months in the year the all-British journey from the West Indies to Montreal can be performed as an unbroken sea-going trip, whereas any such journey by the direct route through the United States involves a combination of sea and land carriage. In winter, the combination of sea and land carriage is necessary for the all-British route as for the route via the United States, and the railway journey at least, if not the ocean journey, is materially longer.

### Must Change Our Purchasing Habits

This Geographical difficulty, and the unfortunate habit into which both Canadians and British West Indians have fallen, of purchasing their

needed commodities in American markets, simply because they happen to be the largest and the easiest to reach, constitute the two obstacles to economic unity among the British possessions in North America which have to be overcome. There seems to have been a general disposition at the Canada-West Indies Conference, recently ended, to adopt a generous measure of reciprocal tariff concessions, though doubtless impossible without them, is the provision of direct shipping communications between the various parts of the proposed economic unit. There must, it is true, be a certain volume of trade before these shipping connections can be established without ruinous expense. But there must be shipping connections before the existing volume of trade can be subsequently enlarged. The value of our purchases from the West Indies is now almost equivalent to the value of our sales to them—purchases 12½ millions, sales, 11½ mil. But how insignificant this sum compared with the 466 mils. of our sales to the United States in the twelve months ending last April, and the 822 millions of our purchases from that country. Moreover while the British West Indies appear to have been expanding their purchases from us at least at the same rate as the increase in prices (1918, 7½ mils., 1920, 11½ mils.) our own purchases from the West Indies have not increased over the figures of 1918 in proportion to the rise in the price level (1918, 10½ million, 1920, 12½ million). There is evidently room here for a very substantial increase in the mutual trade of these two portions of the British Empire. All that is necessary is a deliberate effort to overcome the slight geographical difficulties and the psychological inertia which at present drive so much of the trade of both these British territories to the United States. It is unfortunate that the delegates to the Canada-West Indies Conference were not able to do more in the way of missionary work while they were in Canada, and that their deliberations, carried on behind closed doors, attracted so little attention. In order to overcome the two obstacles, we need not only tariffs and shipping, but an alert public opinion which will lead British subjects in the Western Hemisphere to demand the products of other British subjects rather than those of foreign nations. Lieutenant-Colonel Amery seems to have been the only vocal personage at the conference, and his position as a representative of the central government may, we fear, have made his words of less influence than if they had been uttered by some of our fellow British subjects outside of the central country of the Empire. However, his definition of the problem, while naturally expressed in somewhat Imperial language, was accurate and penetrating.

(Continued on Page 19.)

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Capital and Reserve \$9,000,000.  
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Our correspondents in Great Britain and on the continent are as follows:

England—London County Westminster & Parrs Bank Limited.

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E. C. Pratt,

General Manager

Orders have been received to provide quarters at Valcartier Camp for the first week in July to accommodate 3,500 Czecho-Slovaks who are due here at that time on their way from Vladivostock via Vancouver and Quebec to Northwestern Hungary after serving with the allied troops in Siberia. Valcartier Camp was established in 1914 for the mobilization of the first Canadian contingent for overseas service and has accommodation for thirty thousand men.

## BUSINESS LOANS

This Bank is at all times prepared to assist legitimate business enterprises requiring banking accommodation, either by way of secured loans or the discount of approved trade paper.

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PAID-UP CAPITAL . . . . . \$15,000,000  
RESERVE FUND . . . . . \$15,000,000

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Total Assets . . . . . \$550,000,000

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## Banks, Bankers and Banking

### Foreign Market Conditions Better

Further assurance that foreign market conditions are growing more encouraging daily with the increased European effort to stabilize exchange, is derived from latest trade reports by the Guaranty Trust Company of New York in the current issue of its fortnightly trade review, "American Goods and Foreign Markets." The bulletin says:

"Notwithstanding the depressing effect of unsettled conditions in some markets, foreign trade developments of the last fortnight have brought forth tendencies decidedly encouraging to merchants anxiously watching for further signs of a return to normal trade conditions. Recent reports of industrial and commercial conditions show the beneficial results of the supreme efforts that European countries are making to bring their exchange rates to stronger levels.

"Continued improvement in production, both for home consumption and export, which is one of the most effective remedies for a weak exchange can be seen in most European countries, particularly Great Britain, Belgium, France and Italy. One development, which will likely react favor-

ably on French exchange, will be the final adoption by the Government of that country of a wheat policy for the coming year. The new wheat bill provides for the purchase by the State at a fixed price of all foreign wheat to be imported in the country during the year. The exact extent to which this monopoly of wheat importation by the government will relieve France of the necessity of importing American wheat cannot be determined now, of course, but it becomes almost obvious that her wheat purchase in this country will be lessened materially as a result of the policy and the exchange situation bettered accordingly.

#### British-Soviet Russia Trade.

"The recently announced British project for arranging trade relations between Great Britain and Soviet Russia through a Russian Soviet Minister of Trade and Commerce has not and probably will not result in any change in the stand already taken by the U. S. on the question. The departure has found practically no support in other Allied countries and seems destined to meet with considerable opposition among conservative groups in England."

### Bradstreet's Weekly Trade Report

Bradstreet's trade report for the last week is as follows:—Wholesale trade at the present time is on the quiet side; buyers are not as enthusiastic as they were, and are getting rid of their stocks as quickly as possible. This is due to the uncertainty of what prices will be, but with the general shortage of merchandise, and the attitude of labor, we are of the opinion that it will be some time yet before we can look for much lower prices, especially as the raw materials that manufacturers have on hand was bought at the high water mark.

In the grocery trade, the chief feature of the week was the investigation by the government into the profits on sales of refined sugars. The recent advance of two cents per pound on all grades of refined sugars carries with it new regulations as to profits on sales. The small amount of two cents per pound allowed to the retail trade is causing a good deal of criticism by our retail friends.

The hide market has gone to pieces; not only are prices now lower than before the war, but it is difficult to make sales at any figure; leather merchants have a good stock on hand from high-priced hides. Boot and shoe manufacturers are in the same predicament, the demand showing a considerable falling off.

Recent reports from the North-West grain fields at the present time predict a crop of three hundred million bushels of wheat, as against one hundred and sixty million bushels last year. There is considerable opposition by the leading grain men all over Canada to the continuation of the Government Wheat Board, and the control of prices in wheat and flour, especially as the American Government relinquished its control of prices of the coming crop. A deputation of grain merchants from the leading cities were in Ottawa this week interviewing the Government on this subject.

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Reserve Fund  
and Undivided Profits over  
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TOTAL ASSETS OVER \$220,000,000

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## THE BANK OF NOVA SCOTIA

## Banks, Bankers and Banking

# Norwegian Banks Consider Increase of Discount Rate

There has been considerable discussion lately and frequent rumour that the Norges Bank would increase its discount rate to 7 per cent, the prevailing rate in England and other countries, but late reports from Norway as this is written state that while such an increase would not be a surprise, it is not expected on the basis of present conditions. On the other hand it is reported as the general banking opinion that an increase in the rate from 6 to 7 per cent will probably not be necessary unless the Bank of England announces a further rise.

One of the most potent reasons for maintaining the present rate and one that has considerable weight because of its popular appeal, is that any such raise by the Norges Bank, it is believed, would be reflected in increased cost of production and manufacture and that in its final effect it would be borne by the consuming public.

The Government financiers as well as other leading bankers in the country are also believed to be working together toward the common end of preventing if possible any further increases in living costs.

Recent reports of the condition of the Norges Bank itself show a continually stronger tendency. For the month ending May 15 there was an appreciable increase in deposits and a decrease in note circulation with gold holdings remaining unchanged.

In the discussion of the general financial situation Professor Jaeger, a prominent economist, published an article which was widely quoted, advocating a further increase in the discount rate to 7½ or even 8 per cent. Herr Sandberg, head of the Norges Bank, in commenting upon Professor Jaeger's statement said, however:

"I believe that in the near future an increase can be successfully attempted and that Norway should raise her rate in conformity with other countries, if only to protect herself. I agree with Professor Jaeger that we should try to protect the value of the krone through our discount policy, but I cannot agree that we should go to 8 per cent at once. The rate is two-edged. It protects the market and at the same time it may put a burden on the market which it might not be able to carry.

### Characteristics of a Fake Stock.

The surest sign we know of, of an incompetent management, or a dishonest promotion, is the kind of lead type they use in their promotion literature. We list this first because it is the most elementary characteristic; but it will be found remarkable how accurate and positive a gauge this is. We believe it could be made a blanket statement that any new company whose stock is offered in type of more than one color or more than three sizes is either a fake or just an "unwarranted exaggeration."

Where a company or a promoting broker fails to state exactly who the officers and directors of the offering concern are, shun it as you would the plague. Under existing conditions it is almost impossible for a cheated investor to obtain damages for his deception; but if he knows the

names of the men who made themselves parties to that deception, he will at least be forewarned against them another time. It is, moreover, almost a foregone conclusion that where officers and directors hide their identity they do so for a very distinct and apparent purpose.

Where an oil company claims that a large production is immediately likely from acreage that has not been proven; where initial production is not admitted to be such, or is spoken of as though it would continue to flow forever; where "bank" officials are quoted as saying "oil is sure to be found here!"; where the presence of oil in fields miles distant is advanced as proof that oil will be located on the property in question; in any or all of these cases, fold the circular up and throw it in the waste basket.—From "The Earmarks of a Swindling Circular," in The Magazine of Wall Street.

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Reserve Fund & Undivided Profits . . . . .	8,660,774
Total Deposits (April 30, 1920) . . . . .	163,000,000
Total Assets (April 30, 1920) . . . . .	197,000,000

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SAVINGS, Thrift, Independence — all these are the outcome of the same impulse and attain the same objective—PROSPERITY. The Standard Bank of Canada can help you to attain it. 292

## THE STANDARD BANK OF CANADA

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Assurances in Force have more than doubled in the past seven years, and have more than trebled in the past eleven years.

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### LONDON AND SCOTTISH Assurance Corporation Limited.

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Capital Paid-Up . . . . .	7,375,000
Life Funds and Special Trust Funds . . . . .	99,147,565
Total Annual Income Exceeds . . . . .	75,000,000
Total Funds Exceed . . . . .	209,000,000
Deposit with Dominion Government as at the 31st December, 1919 . . . . .	1,416,333

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W. J. Jopling, Manager Canadian Branch.

## Our Desultory Trade with Mexico

By HAROLD H. METCALFE.

Jack Danciger a former Mexican Consul in the United States, writes an interesting article in Commerce and Finance of New York last week. He characterises the downfall of the Carranza Government as the downfall of Pan-Latinism and predicts that Pan-Americanism will now hold sway. Most important is the statement that Obregon, "The Man of the Hour," who is likely to become the next President, and all the men who are associated with him, condemn article 27 of the Constitution of 1917, which made petroleum the property of the surface owner instead of the state. This law in Mexico has been the cause of constant turmoil.

Present economic conditions in Mexico leave much to be desired. To a large extent, fields have been abandoned and all lines of industry are partially paralyzed, due to the feeling of insecurity brought on by the Carranza regime, and numerous decrees, together with the impossible new Mexican Constitution of 1917. But the country is now emerging from the lethargy of the past few years. That Mexico is now on the threshold of permanent peace and prosperity such as she enjoyed during the days of President Diaz there seems little doubt, and as a result, the interventionist finds himself without supporters among men familiar with the outlook.

Until the stern hand of the law of the Obregon Government reaches out into the sparsely settled communities, as it surely will, foreigners who go there should for the present remain in the larger towns where they will be safe, but they should remain long enough to get into the vernacular of the country. Most foreigners who have resided there as long as one year have a great desire to return to Mexico and usually do.

The fact that only 16,000 square kilometers have been explored of Mexico's 600,000 square kilometers of territory, said to be underlaid with mineral oils, is ample evidence that there is room for the pioneer who acts quickly.

Mexico is a vast country encompassing 767,005 square miles, and owing to its geographical situation and immense natural wealth is unquestionably destined to occupy a prominent place among the producing countries of the world in the near future.

Here are virgin forests of mahogany, ebony and innumerable other valuable woods and fibres, fertile areas, producing oranges, sugar, rice, wheat, cotton, coffee, tobacco, rubber, textile fibres, tinctoria plants and cereals. Its mines are rich in gold, silver, copper, zinc, iron, lead, tin, graphite, mica, manganese, cinnabar, tungsten, vanadium, platinum, rock salt, antimony, radium, and other metals, many of which are found in a pure state in some sections. There is also to be found marble, gypsum and precious stones. Mexico's subsoil holds the greatest deposits of petroleum the world has ever known, as well as coal, sulphur, chemicals and mineral waters. Its deposits of guano are almost inexhaustible.

Speaking of Americans who go to Mexico, Danciger says that few of them speak the Spanish language. They seldom get the proper viewpoint or perspective and unconsciously assume the role of critic for which they are unfitted. He claims that ninety per cent of the Mexicans are good, simple minded people, who want nothing but peace, an opportunity to work, and enjoy life and who are not in sympathy with revolutions as is popularly supposed. Under the new regime, he predicts progress and that the government will deal fairly with foreign capital invested in the country.

The bulletin of the Department of Trade and Commerce for the week shows Canada's trade with

Mexico for the fiscal years 1917-20. No doubt the belief that Mexico may yet join the more progressive countries of this continent will make many business men study conditions there more carefully.

With the growing use of oil as a fuel and because Canada is in need of tropical products which she cannot produce herself, more attention will be paid to this trade if internal political conditions in Mexico give the slightest encouragement.

The trade figures show that our relations with Mexico have been greatly lacking in constancy. In 1917 the total goods imported from Mexico were valued at \$677,551, in 1918 these fell to \$664,799, and in 1919 they were only \$584,047. In 1920, however, they jumped to \$2,648,915. The increase is attributable to importation of over a million and a half dollars worth of crude petroleum in 1920 while in the other years we imported none. Importation of furs, hides, leather and their products amounted to only \$11,281 in 1918, nil in 1919, and to \$103,031 in 1920. The only products showing any constancy in the table of imports are green coffee, which grew steadily from \$50,922 to \$118,624 in 1920; gums and resins, chicle or sappato gum, crude, which was \$528,632 in 1917, and increased each year to \$610,857 in 1920.

If Canada needs the semi-tropical products of Mexico she can no less expect that Mexico would need a great many things which she is able to manufacture. The export tables are rather discouraging as they show that in 1917, Canada's exports to Mexico amounted to \$70,330, in 1918 to \$482,428; in 1919 to \$568,593; but in 1920 these fell back to \$410,825. In very few of these articles or lines enumerated is there any constancy, forcing the conclusion that our selling agencies there are not permanent and are left too much to chance. In fact whiskey is the only article of trade in which exports to Mexico have consistently grown. Cotton fabrics sold Mexico in 1917 amounted to \$1,026; in 1918, to \$8,670; in 1919, to 16,056 and in 1920 they fell back to \$8,721. Newsprint paper exported to Mexico since 1917 has steadily diminished. Chemicals exported to Mexico in 1917 were valued at \$40,640, in 1918 at \$441,715; in 1919, at \$323,586 and in 1920 at only \$3,816.

There is certainly an opportunity for more consistently pursuing trade relations as shown in the fact that extensive trading one year falls off entirely the next and vice versa.

### Canadian National Railways.

Eastern Lines.  
Quebec District.

Sealed tenders addressed to the undersigned and endorsed "Tender for Concrete Structure, Quebec District," will be received at this office until twelve o'clock noon, Saturday, July 3rd, for the construction of eight structures on the Quebec District.

Drawings, specifications of contract may be seen and form of tender obtained at Division Engineer's office, C.N. Tunnel Terminal Station, Montreal, and at District Engineer's office, Champlain Market Building, Quebec.

Tenders will not be considered unless made on the form supplied by the Railway Company and accompanied by an accepted cheque on a Chartered Bank for the sum of Thirty-five Hundred Dollars (35,000.00) payable to the order of the Treasurer of the Canadian National Railways.

Note:—Blue print copies of the drawings may be obtained at the above offices by depositing an accepted cheque for the sum of Ten Dollars (\$10.00) payable to the Treasurer of the Canadian National Railways, the said cheque being returned if the intending tenderer submits a regular tender.

The lowest or any tender not necessarily accepted.

P. F. BRADY,  
General Manager,  
Can. Nat. Rys.

## Insurance News and Views

### Street Risks and Accident Insurance

To any who have had experience in the business of casualty insurance underwriting it must some time have appeared anomalous that men who were about to start on a journey involving considerable railway or steamship travel, should so readily realize the value of accident insurance when they have so persistently ignored the necessity for it in their usual occupations.

This, however, is perhaps natural enough as the business of insuring against accident had its inception in the idea of the unusual hazards involved in railway travel in earlier days, and the traditions, to an extent, still exists. These hazards are now regarded by the Casualty Companies as so relatively small that insurance covering them can be purchased for a much less premium than is charged for that covering the ordinary hazards of everyday life.

Amongst these hazards there are none more real and few greater than those to be met with on the streets of our larger cities, as any one who has given the matter any serious thought or consideration cannot fail to observe.

While it is probably true that many of the accidents that are of such frequent occurrence are preventable, the fact remains that they are not prevented, and, under present traffic regulations, themselves inadequate, and the perhaps still more inadequate means employed for putting them into effect, the injuring of people, for which some of our cities are fast gaining an unenviable notoriety, is bound to continue.

In one of his books, H. G. Wells says that in order to avoid accident God requires more of a man than mere righteousness.

It might be said that in these days upon our busy streets more also is required than ordinary vigilance, and that, without our righteousness and vigilance combined, the chances of meeting with disaster are so great that the wise man, who buys insurance when about to take a railway trip or ocean voyage, will take care to have it also while he travels about the streets of his own home town or neighboring cities, on foot, in an automobile or on the trolley cars.—Observer.

### The "In-and-Out" Fails With Hogs

An obvious moral may be drawn from the present market prospects for hogs. It is that the "in-and-out" in breeding and feeding is usually the man who fails. Look at the facts a little.

Last fall prices for hogs dropped rapidly. Two of the causes for this were the condition of export markets and the high prices of feed grains. So much American bacon had been purchased by the British Government under war contracts that, in the few months after the armistice, there was an unprecedented glut in Great Britain. In addition, the British people, being relieved of the stern necessity of eating a class of bacon to which they had never before been accustomed, refused longer to buy it. The reduction of hogs undoubtedly was accelerated by the unprecedented rise in the domestic prices for feeds. Hundreds of hog raisers concluded it would be better to sell at any price rather than to carry over the winter. The combination of conditions resulted in a rush of hogs to the market. Prices went down naturally, because, while farmers were selling widely, buyers were temporarily embarrassed with the stocks they had on hand.

To-day, however, things have swung back. Prices have considerably recovered. There is a scarcity of breeding sows throughout the Dominion. Young pigs are selling at high prices.

Meanwhile the man who dropped out because he saw no immediate profit in sight must to-day pay high prices for renewing his breeding stocks. Had he only had a longer faith last fall, he would have "stayed in the game". He would not so readily have sold his breeding animals. He would have made a little temporary sacrifice to keep these over the winter, and have been in a position to take full advantage of a rising market.

"We find our farmers going into certain lines of production for a year or two and then getting out of them in a hurry, leaving the market short," said the Minister of Agriculture in the House of Commons on May 14th. He added: "An excellent illustration of this is the hog industry, which requires stabilization to a certain extent. Hogs have been brought from Winnipeg to the Pacific Coast merely to meet local requirements.

In addition, hundreds of carcasses have been imported from the American side. This should not be. It is largely due to lack of faith on the part of farmers in the present market conditions."

The quick change in hog prospects is only another proof of the shrewd observation that the producer of live stock who "stays in the game" in the unfavorable season, will be best able to recoup his losses and make good average profits when the inevitable turn in the market comes.

But the real tragedy caused by the "in-and-out" is the way he destroys the markets. During a period of high production the packer extends his markets. He establishes a demand for the product of the farmer's animals. If during a period of temporary depression breeding stock is heavily disposed of, it causes great fluctuations in supply. This destroys the customer's confidence. If he cannot secure steady supplies from one source, he must abandon that source and look elsewhere. Thus the "in-and-out" not only loses money himself but he becomes a seriously disturbing factor throughout the whole industry.

There is both virtue and profit in reasoned patience, especially in the livestock industry.

#### Canadian Pacific Railway.

##### Montreal-Toronto.

In addition to three trains daily in each direction between Montreal and Toronto, Union Station, The Canadian Pacific Railway provide a most convenient train service between Montreal, Windsor Street Station, and Toronto, Yonge St., Station, as follows:

##### Westbound.

(Eastern Standard Time.)

Lv. Montreal . . . 9.30 p.m. Daily Except Saturday  
Ar. Toronto . . . 7.00 a.m. Daily Except Sunday

##### Eastbound.

Lv. Toronto . . . 9.30 p.m. Daily Except Saturday  
Ar. Montreal . . . 7.00 a.m. Daily Except Sunday

It will be observed that trains arrive at both Montreal and Toronto at a most appropriate time. The above train carries very modern equipment, including first and second-class coaches, standard sleepers and buffet compartment sleeper.

Yonge St. Station is in the heart of the residential section of Toronto and as the Yonge Street cars pass its door, it is very conveniently situated also for the downtown business section.

The two new industries at Vancouver which have leased acreage from the Harbor Board will commence on the operation of plants on Granville Island this summer. Both are interested in the development of the natural resources of the province. The Alunite Company will manufacture potash, alum, alunite, alum fertilizer and glass, obtaining the raw products from the great deposits of alunite rocks in British Columbia. The Silica and Talc Company, which owns large deposits of talc on Vancouver Island, will prepare the raw product for the market at the Vancouver plant.

## BUSINESS INSURANCE

on the lives of the men who run the business is just as important as fire insurance on the property. Fire is a possibility but death a certainty.

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### Last Day for Tax Returns

is April 30th. But we suggest that you do not wait until then to obtain and fill out the proper forms.

Do two things now. Send to the Post Office or your local Inspector of Taxation for the Income Tax forms, and write for our pamphlet: "The Income Tax and the Average Man."

Its contents will enable you to fill out the forms more accurately. It will be sent free for the asking.

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## The Pulp and Paper Industry

# Book and Coated Paper Advance

Pulpwood is scarce—Speculation on the outcome of proposed Ottawa legislation—Ontario advances rates for timber, wood etc., cut on Crown lands.

Speaking generally the week has seen no change in Canadian Paper trade conditions, although in one or two lines notably coated book and kraft papers, price advances have been recorded. Both mills and jobbers have but one theme—the shortage of supplies and the sustained, inordinate demand—although there are many variations of it, while the jobbers and consumers tell of the high prices they have to pay for what supplies they can get. Several mills, which announced several weeks ago that they were not taking orders, are still following that policy by reason of the fact that they are still a month or two behind in their deliveries. Some of the manufacturers are in the market themselves to buy paper. Shortage of raw stock, the car and coal scarcity and the mounting prices for raw stock are still acutely felt and are having their effect on an output that for months has been inadequate to meet the heavy demands that are being made on all classes of paper manufacture. In every branch of the paper trade prosperity reigns and the horizon is scanned in vain for any signs of falling prices in any where near the immediate future.

### Wood Pulp Conditions

A side-light on wood pulp conditions is thrown on the general situation by a letter received from Charlton, Ont., which states that the peeling season has started in respect to timber, but very little actual peeling has been done as far as the settlers, who do most of the work, are concerned. It is gathered that there is a rather small peeled wood output in prospect as labor is scarce and men will not face the heat and flies, the latter being worse than in any previous peeling season. There is a very limited amount of poplar being taken out in and around Charlton and the last price quoted the contractor for this class of wood was \$10.50 for summer delivery. The price for rough pulpwood, spruce and balsam, ten per cent mixed, is from \$8 to \$9. Poplar in the rough is not bought. Peeled spruce is \$16 to \$18 and balsam is the same. Spruce and balsam (fire-killed) is quoted at \$11, summer delivery. The price paid for pulpwood in the long (12 and 13 feet) on the creek and river banks this spring, is from \$6 to \$7 a cord, according to driving distance. A considerable quantity of wood was left in the bush by reason of the early thaw, although quite a lot of it has since been gotten out by slooping, skidding, etc., which are expensive methods. Owing to the very sudden thaw most of the flood water got away before the ice broke up or rose in the creeks and there has been practically no rain this spring. Consequently the driving has proved very unsatisfactory and expensive and much of the timber is stranded for the season unless heavy rains come.

### Newsprint.

The newsprint situation continues to loom large in paper trade circles and speculation is rife as to the outcome and effect of the legislation now under consideration at Ottawa authorizing the licensing of articles necessary or desirable for consumption by the Canadian people, included in which, at the instance of the Canadian publishers, is newsprint. At the present time it is predicted that the mills will be inclined to make a rate of \$100 without recognizing the claim of publishers

to consideration in connection with the exchange situation when the mills make money on their shipments to the United States. It is stated that some mills are showing a disposition to adhere to the \$100 rate to Canadian publishers under contract, in face of sales being made at from \$200 to \$300 in the spot lot market.

### Pulp

Prices of pulp are still mounting. The past week saw transactions in ground wood as high as \$150 a ton and while these were rather rare it is known that \$140 a ton was paid in quite a number of instances. News grade sulphite is selling at \$175 and \$185 a ton and easy bleaching is bringing as high as \$190 a ton. Bleached sulphite is quoted as high as \$200 a ton, while kraft pulp rules at \$160. All lines of raw stock are exceedingly hard to get and buyers are scouring the country with little success. The mills are anticipating a slightly lower production during the next few weeks owing to low water and the coal and car shortage and it is not expected that foreign imports, that were looked for some time ago will materialize. That the Ontario Government is more or less alive to the importance of the industry is evidenced by the increased rates on all timber, saw logs, and pulpwood cut under any license which may hereafter be granted on Crown lands. The advances amount in some cases to 100 per cent, but it is stipulated that the rates shall not be increased again for a period of five years. The Crown dues on spruce pulp wood per cord were formerly 40 cents and today they are 80 cents. On balsam and other pulpwoods and dues were 20 cents per cord and now are 40 cents. The dues on spruce per thousand feet b.m. which were \$1.00 are now \$2.00 and on hemlock, tamarac and other similar woods the rate is \$1.50 per thousand feet b.m., the old rate being 75 cents.

### Book Papers

The feature of the week in book papers was the advance by one big firm of coated book, two and three cents having been added to the price and the commodity now selling by one mill at 19 cents per pound. Other mills are still quoting 18 cents but it is anticipated that the lead of the one mill in raising their prices will be followed shortly by the others. In this, as well as in other lines of book papers the shortage is still very acute, supplies simply cannot be secured, according to the statements of the jobbers, who are it their wits end to keep their customers conciliated and there is no sign of the difficulty abating. Several lines of book paper were increased half a cent this week and all orders are taken subject as to price at date of shipment, which is in the more or less rim and distant future. Coated board is also very scarce and it is next to impossible to get supplies.

### Tissues and Toilets

Fluctuation of prices and uncertainty of delivery in respect to raw and finished stock have produced a situation in the tissue and toilet branches of the trade that is little less than chaotic. Manufacturers are experiencing the greatest difficulty in getting supplies of pulp for their machines and have to pay fancy prices for

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Head Office, 331 Telephone Building  
TORONTO Mills at Merritton

## The Pulp and Paper Industry

what they do get. There is no set price in any line and the jobbers and consumers are glad to get stock under almost any circumstances.

### Wrapping Papers.

Stocks of wrapping papers in the warehouses are very meagre and jobbers and manufacturers alike have orders ahead for months that they have been unable to fill. Kraft, which has been selling at 12 cents for the past week or two, took another jump of half a cent a pound this week and is now quoted at 12½ cents for immediate delivery f.o.b. mill but a comparatively small quantity is being sold owing to the shortage and as the sale price depends upon that prevailing when the goods are shipped buyers do not know just what they will have to pay for their shipments.

### Stationery Manufacturers

Stationery manufacturers report a continuance of an exceptionally busy season with a continued demand for all lines of papeteries, blank books,

pads and envelopes and are hampered in their operations by the prevailing shortage of all lines of paper. Help, both male and female, is hard to get, and in many cases female help that has been recruited from the ranks of girls coming over from the Old Country has proved restless with a consequent moving on to other lines of work.

### Bag and Paper Stocks

Mixed paper and print manilas are increasingly scarce and both rag and paper stock have undergone substantial increases in prices in most lines. News and magazine papers are showing signs of slackening and some of the mills are going out of the market in these grades. There is an excellent demand for all of the white grades. All grades of new cotton cuttings are in excellent demand and prices are on the up grade both in Canada and the States. The only grades not moving freely are flocks and satinets, of which there seems to be a good supply in the mills. Other grades are not plentiful.

## March Exports of Pulp and Paper

Dominion trade returns for the fiscal year ending March 31st, give the total value of the pulp and paper exports for the year as \$104,636,901. This is the first time they have reached the hundred million mark. In 1919 they were valued at \$82,568,771 and in 1918, \$63,344,143. They were made up as follows:

Paper and mfgs of.. . . .	\$63,253,419
Chemical pulp .. . . .	33,000,063
Mechanical pulp .. . . .	8,383,419

### iSesnP

Total.. . . . \$104,636,901

The year's paper exports included 14,272,513 cwts. (approximately 713,625 tons) of newsprint valued at \$53,203,792, constituting more than 50 per cent of the total.

The unmanufactured pulpwood exported during the year amounted to 838,732 cords, valued at \$8,454,803, compared with 1,597,042 cords, valued

at \$15,386,600 in 1919, and 1,002,127 cords valued at \$8,339,278 in 1918.

Pulp and paper exports for March, the final month of the year, were valued at \$11,668,796, a gain of \$3,668,236 over the corresponding month of 1919, as follows:

	1919	1920
Paper mfgs. of .. . . .	\$5,732,122	7,231,207
Chemical pulp .. . . .	2,041,884	3,875,281
Mechanical pulp .. . . .	226,554	562,308

Totals \$8,000,560 \$11,668,796

Exports of newsprint for the month were 1,426,149 cwts. (71,307 tons) valued at \$6,186,305.

Unmanufactured pulpwood during the month amounted to 47,904 cords valued at \$497,984, a drop of over 100,000 cords in quantity and of \$910,159 in value compared with the corresponding month of 1919.—Issued by Canadian Pulp and Paper Association.

### Canadian Pacific Railway.

#### Montreal-Quebec

The Canadian Pacific Railway operate an excellent passenger train service between Montreal and Quebec, including the "Frontenac" from Montreal and the "The Viger" from Quebec.

(Eastern Standard Time)

"The Frontenac"—Daily

Eastbound.

Lv. Windsor St. Station .. . . .	9.45 a.m.
Lv. Westmount .. . . .	9.51 a.m.
Lv. Montreal West .. . . .	9.57 r.m.
Ar. Trois Riverieres .. . . .	12.40 p.m.
Ar. Quebec .. . . .	3.00 p.m.
..... "The Viger"—Daily except Sunday. ....	

Westbound.

Lv. Quebec .. . . .	4.20 p.m.
Ar. Tois Rivieres .. . . .	6.20 p.m.
Ar. Mile End .. . . .	9.05 p.m.
Ar. Place Viger Station .. . . .	9.20 p.m.

Both trains carry very modern equipment, consisting of first and second-class coaches, parlor car, observation parlor car and dining car.

#### Other Trains.

Eastbound.

In addition to the above service, trains leave Montreal, Place Viger Station at 7.50 a.m. and 4.15 p.m. daily except Sunday and 10.45 p.m. daily, arriving Quebec at 1.55 p.m., 9.15 p.m. and 5.30 a.m. respectively.

Westbound.

Trains leave Quebec at 7.50 a.m. daily except Sunday and 2 p.m. and 10.45 p.m. daily, arriving Montreal, Place Viger Station at 2.20 p.m. Montreal, Windsor St. Station, 7.15 p.m. and Montreal, Place Viger Station, 5.30 a.m. respectively.

## St. Maurice Paper Company Limited

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Montreal

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Sault Ste. Marie - - Ontario

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35 Tons Board

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Pulpwood, Sulphite and Groundwood

Pulp, Newspaper, Cardboard, &c.

## QUEBEC

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### SAW MILLS:

Batiscan      Montmagny      Cape St. Ignace      Rimouski  
Matane      Salmon Lake      Saguenay District

### PAPER AND PULP MILLS:

Kenogami      Jonquiere      Rimouski

An American securities firm has entered negotiations for the acquisition of a million and half acres of wood pulp forests in south Labrador to supply wood pulp to newsprint manufacturing concerns in England.

### 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.

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## Review of Newest Books

By H. S. ROSS

### THE NEGOTIABLE INSTRUMENTS LAW.—

Joseph Doddridge Brannan, Professor of Law Emeritus in Harvard University. Third Edition. Re-Arranged. Enlarged. Publishers, The W. H. Anderson Company Cincinnati.

This is a carefully annotated text book. There are many references to the English Bills of Exchange Act. There are comments and criticisms on the Negotiable Instruments Law, by leading American authorities including former Dean Ames of the Harvard Law School. The work will be found of value to Canadian lawyers as The Negotiable Instruments Law is based upon and largely copied from the English Bills of Exchange Act, which Act was a codification of the law of England as to Bills of Exchange, promissory notes and cheques, which was drawn by the famous Judge Chalmers and enacted by Parliament in 1882.

The Negotiable Instrument Law was drafted by a Committee for Promoting Uniformity of Legislation in the United States and has been adopted in the District of Columbia and in the thirty-four States and Territories, in a few cases with slight modification.

### THE REVELATION OF JOHN.—

A Historical Interpretation by Shirley Jackson Case, Professor of Early Church History and New Testament Interpretation in the University of Chicago. Publishers, The University of Chicago Press. Price \$2.000 net.

Dr. Case is a native of New Brunswick, a graduate of Acadia College and has for a number of years been considered one of the outstanding authorities in early church history and new testament interpretation. The central theme of the book is to explain the meaning of Revelation as its author intended it to be understood by those to whom it was first addressed. The volume aims to tell us what John meant to say. It furnishes a new English translation in which the obscure language of the book is rendered clearly and intelligibly. The author gives special attention to the explanation of such words as the "Beast," the anticipated end of the world, the millennium, and the new Jerusalem. The needs of the general reader have been kept in mind. The detailed discussion of critical problems have been avoided, but their importance has not been ignored. The present interpretation has been made, the author claims, in strict accord with the findings of modern historical study, and the controlling purpose of the book has been to give in untechnical form an exposition of what John's language meant to himself and his contemporaries.

### IS VIOLENCE THE WAY OUT OF OUR INDUSTRIAL DISPUTES?

 By John Haynes Holmes, Minister of the Community Church of New York, author of "New Wars for Old," etc. Publishers Dodd, Mead & Company.

An attempt to apply to the perilous industrial situation of our time the doctrine of non-resistance, of which Dr. Holmes has long been an advocate. This doctrine, contrary to popular conception, is not a plea for acquiescence in evil or surrender to tyranny. It presents a program of courageous action and comparative reform, based on the fundamental idea of goodwill. In the industrial, as in the international field, it offers in the author's judgement, the only way of escape from the sufferings we now endure, and the catastrophes toward which we move.

### PARLIAMENT AND REVOLUTION.—

By J. Ramsay MacDonald. Publishers, Scott & Seltzer.

This work is a scientific and entirely unbiased argument against Bolshevism in favor of democratic representative government by majorities. The force of Macdonald's logic goes home all the

more surely, because it is the reasoned conviction of a man of undoubted integrity and unimpeachable moral courage. This book is probably as important a contribution for our day as was the essay on "Liberty" by John Stuart Mill for his time. At any rate the cause of Democracy as against Dictatorship has found an able advocate in Ramsay Macdonald in his book "Parliament and Revolution." The book should be welcomed by all friends of democracy.

### THE GOVERNMENT OF THE BRITISH EMPIRE.—

By Edward Jenks, B.C.L., M.A. Publishers, Little Brown & Company, Boston. Price, \$2.50 net.

In this volume Mr. Edward Jenks, an experienced English writer and teacher in political and constitutional matters, presents a comprehensive view of the system under which the British Empire is governed, expressed in simple untechnical language. The plan adopted is mainly descriptive, the different political institutions of the Empire being treated one by one. But it is impossible to really understand British institutions without some knowledge of their history, and the author has added interest and value to his work by a rapid sketch of the rise and progress of all the more important institutions dealt with.

There are interesting chapters dealing with local government of Great Britain. The district councils, the counties and boroughs, the county councils also the courts of the empire are dealt with in detail. There is also an interesting chapter on the established churches.

### Canadian National Railways

#### Canadian Northern Quebec Railway.

#### Tenders for Railway Construction.

Sealed Tenders endorsed "TENDER FOR CONSTRUCTION" will be received at the office of the undersigned until twelve o'clock noon on the 1st July, 1920, for the work of clearing, fencing, grading and building trestles, culverts and bridge structures on the following deviations of main line on the St. Lawrence Subdivision of the Canadian Northern Quebec Railway.—

- 1—Burril Deviation, between Mile 87 and Mile 92 (between Glenada and St. Boniface).
- 2—East Yamachiche Deviation, between Mile 94.5 and Mile 96.5 (between St. Boniface and Charette).
- 3—St. Paulin Deviation, between Mile 100 and Mile 106 (between Charette and St. Paulin).
- 4—St. Ursule Deviation, between Mile 109 and Mile 116 (between Premont and St. Justin).

Separate tenders will be required for each deviation and each tender must show in its heading the deviation to which it applies.

Plans, Profiles, Specifications and form of Contract and Information for Bidders may be seen and forms of Tender obtained on and after Monday the 14th June, 1920, at the offices of the General Superintendent, C. N. R. Champlain Market, Quebec; the Resident Engineer, 411 Dorchester St. West, Montreal, the Superintendent, C. N. R. G. N. W. Building, Ottawa, and the Engineer's office, Canadian Northern Railway, Eastern Lines, 27 and 29 Wellington St., East, Toronto; or, one copy of Plan, Profile, Specifications, etc. may be obtained by mail from the office of the Chief Engineer, 27-29 Wellington St. East, Toronto, on payment of ten dollars made by a certified cheque on a Chartered Bank of Canada payable to the Treasurer, Canadian National Railways.

Tenders must be submitted on the printed forms supplied by the Company and in accordance with the information for bidders. Each tender must be accompanied by an undertaking from a Surety Company licensed to do business in Canada that, if the tender is accepted, it will enter into an Indemnity Bond to the Company, of a form and containing the provisions required by the Company, indemnifying the Company against non performance by the Contractor of any of the requirements and terms of the Contract.

The amount of Indemnity Bond required for each deviation will be as follows:—

- Burril Deviation, Sixty-Five Thousand Dollars (\$65,000.00).
- East Yamachiche Deviation, Eight Thousand Dollars (\$8,000.00).
- St. Paulin Deviation, Twenty-Four Thousand Five Hundred Dollars (\$24,500.00).
- St. Ursule Deviation, Fifty-Two Thousand Dollars (\$52,000.00).

The Company reserves the right to reject any or all tenders.

F. P. BRADY,

General Manager,  
Canadian National Railways,  
Bank of Toronto Building,  
Montreal, Quebec.



# Windstorm Injures Wheat Crop

Most of the western points are reporting favorably on condition of the crops—Southern Alberta crops were injured by a windstorm.

By E. CORA HIND.

Winnipeg, June 22.—The crop continues to occupy the stage pretty much to the exclusion of all other business topics. Weather on the whole has been good since last report was sent in, with the exception of one portion of Southern Alberta, namely the districts immediately surrounding Lethbridge, where a terrific wind storm occurred on the eighth of June which blew out large areas of crop, amounting to 75 per cent on some farms and dwindling to 10 per cent on others. The wind seems to have funneled through the Crowsnest pass and followed the valley of the Old Man River in a North Easterly direction. The track of the storm by no means covered the whole of Alberta south of the main line of the C.P.R., but the territory contains some of the largest wheat areas of the province. In the path of the storm was the farms of the Nobleford Foundation where 19,000 acres were in crop. There, owing to special method of cultivation and the protection of wind breaks of winter rye the loss was not more than 900 acres. The blowing soil filled some of the irrigation ditches, but on the whole the irrigated land suffered very little.

The Lethbridge Board of Trade through its president G. H. Marnoch, is calling on the Alberta Government to immediately start the much talked of northern irrigation project in order to give work to the farmers and their teams where the loss is heaviest and also this board is urging the procuring and distribution of a large quantity of winter rye which could immediately be seeded and which would help to prevent further drifting and would furnish hay this year and grain next summer. There are a few complaints of cutworm in Southern Alberta, but in the centre and north of the province conditions seem to be particularly favorable. In both centre and north there has been heavy seeding of oats for sheaf feed and this is only just completed. An official report from the Grand Prairie country Peace River indicates that crops are doing well but are late as oat seeding, especially, was delayed by rains.

Manitoba has had ideal weather throughout the past week, and long distance phone calls this evening from some twenty points in the grasshopper areas reported that the hoppers were being held in check and the poison system was giving good results. It is expected the peak of the danger will be passed this week, as practically all the eggs are hatched out on light land and they are coming out fast on the heavier land. The actual loss of grain so far is comparatively small. Fall rye fully headed and 58 inches high has just been cut in Manitoba for hay, flax crops are up 3 to 4 inches and looking remarkably healthy, indeed Manitoba today looks like a garden, and in old settled districts like the Portage Plains, much of the wheat is in the shot blade.

### Bond Dealers Hold Meeting

The Bond Dealers' Association of Canada has been in session here today. Meetings were not open to the press and only the briefest and most colorless statement was handed to the press by the secretary. J. H. Gundy of Wood, Gundy and Company, Toronto was elected president.

Mr. Gundy is at present in Britain having been appointed by the Dominion Government to represent Canada at the financial conference of the Allies in Brussels. A. L. Crossin, of Winnipeg, was elected vice-president and chairman of the western section. The executive committee elected

was for the eastern section:—A. J. Nesbit, Vice-President; Russel Bell, J. A. Eccles, Gerald Hanson, N. L. G. Mather, of Montreal; J. M. Robinson, St. John, and A. F. Mackintosh, Halifax. Central section: J. W. Mitchell, Vice-President; J. H. Gundy, H. B. Housser, W. L. McKinnon, R. A. Daly and F. J. Coombs of Toronto. Western section:—A. L. Crossin, Vice-President, Sir Augustus Nanton, J. A. Anderson of Winnipeg, G. H. Sneath, Regina; E. E. Taylor, Calgary and Stanley Burke, Vancouver. Toronto has been decided upon as the next place of meeting.

J. A. Kingsmill, secretary, in his annual report gave 24 new members and the total membership at 101, of these firms 23 are in the western section with headquarters at Winnipeg.

The marketing committee's report showed that they had been able to do effective work in confining depreciation on Victory bonds to those who had actually been obliged to sell, thereby saving millions of dollars to Dominion War bond holders.

The party is spending one day viewing the power plants on the Winnipeg River, especially one in which the Winnipeg Street railway is interested and which, it is understood, large amounts of capital are required to complete. The city of Winnipeg would like to have the party out over the greater Winnipeg Water district, but they claim their time too limited for this additional trip.

## Who Pays Excess Profits Taxes?

(Continued from Page 8.)

by a male Canadian during the year. Let us estimate the collar-wearing population at 3,000,000 and their collar consumption at the very low rate of ten collars per year. This gives us a total of 30,000,000 collars, and gives \$150,000 as the amount which the existing collar makers are able to extract from the Canadian public as a result of the fact that no new collar-maker can offer collars at less than ten and a half cents. In no case will the whole of this amount have to be paid to the Government in excess profits taxes, so that the existence of the Excess Profits Tax and the manner in which it works to prevent new competition actually gives to the old established collar-makers a power to extract profits greatly exceeding the amount which they have to pay to the Government.

We need hardly say that we have selected the collar industry purely as an imaginary example, and that for all we know this industry may be setting its prices without any reference to the cost of new capital, or may even be giving its collars away at a loss. But whatever may be the facts in this particular industry, we are quite confident that there are many other industries in which the price is largely governed by the cost of new capital; in which old and inefficient plants are allowed to continue to operate and to constitute the marginal producers whose high costs establish the price level, simply because the natural advantages normally enjoyed by new plants in the shape of modern appliances and modern organization—advantages which normally offset to a large extent the special risks of new investments—are now being neutralized by the Excess Profits Tax in such a way that capital will not come forward for new undertakings.



## Cool off on the Great Lakes

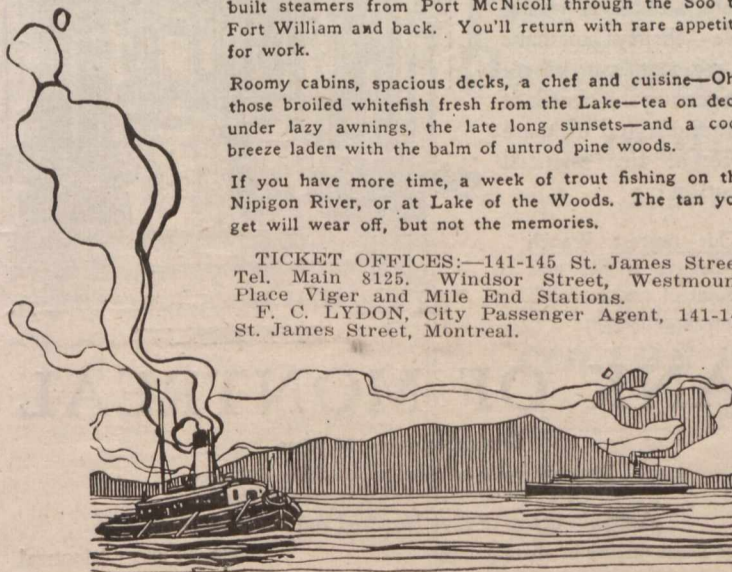
DO you realize the waters of Lake Superior never rise above 40° — that while you are sweltering, it is as cool as May on the Lake?

What if you can't take time for a regular vacation. Take a five-day trip on the Canadian Pacific Railways Clyde-built steamers from Port McNicoll through the Soo to Fort William and back. You'll return with rare appetite for work.

Roomy cabins, spacious decks, a chef and cuisine—Oh! those broiled whitefish fresh from the Lake—tea on deck under lazy awnings, the late long sunsets—and a cool breeze laden with the balm of untrod pine woods.

If you have more time, a week of trout fishing on the Nipigon River, or at Lake of the Woods. The tan you get will wear off, but not the memories.

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F. C. LYDON, City Passenger Agent, 141-145 St. James Street, Montreal.



# Labour Organization in Canada 1919

The Ninth Annual Report on Labor Organization in Canada, containing statistics, etc., for the calendar year 1919, has been issued by the Department of Labor. The report deals with the advent of the One Big Union and also gives a review of the progress of the national Catholic unions in the province of Quebec. Notwithstanding these two forces, the international organizations have made a very substantial gain in their following, while the non-international bodies and independent units show losses. The figures given in the report show that trade union membership in the Dominion has reached the highest point recorded since the Department commenced the publication of these annual reports in 1911, the total reported membership for all classes of labor bodies in Canada at the close of the year 1919 being 378,047. There are in all 2,847 local branch unions in the Dominion, of which 2,309 are affiliates of international organizations, comprising 260,247 members, an increase over 1918 of 412 branches and 58,815 members; 325 local branches with 33,372 members and connected with what are termed non-international bodies, these figures showing a loss of seven branches and of 4,556 members; 29 are independent units, a decrease of 16 and the reported membership was 1,249 less than that re-

ported in 1918; the national Catholic unions number 83, comprising a membership of 35,000; the One Big Union reported 101 units with a membership of 41,150. These figures show a gain of 573 in local branches of all classes of labor bodies operating in Canada, and the remarkable increase in membership of 129,160. The membership of all classes of organized labor in Canada, as reported to the Department for the past nine years, has been as follows:—

1911 . . . . .	133,132
1912 . . . . .	160,120
1913 . . . . .	175,799
1914 . . . . .	166,163
1915 . . . . .	143,343
1916 . . . . .	160,407
1917 . . . . .	204,630
1918 . . . . .	248,887
1919 . . . . .	378,047

### Trade Union Membership by Provinces.

Including all classes of trade unions operating in the Dominion, the standing by provinces is as follows: Ontario, 1,223; Quebec, 513; British Columbia, 263; Alberta, 231; Manitoba, 170; Saskatchewan, 158; Nova Scotia, 157; New Brunswick 124, and Prince Edward Island, 8.

### Trade Union Membership in Chief Cities.

There are 32 cities in the Dominion having not less than 20 local branches of the international and non-international organizations and independent units, and between them they represent 57 per cent. of the branches of these bodies and comprise 56 per cent. of the local lodges of all classes of labor organizations in the Dominion, as well as containing approximately 49 per cent. of the trade union membership of 378,047 as reported from the headquarters of the central organizations. Montreal leads the cities with 203 local branches of all classes of unions, 130 of which reported 45,289 members; Toronto stands in second place with 159 branches, the membership of 95 which reported, being 24,822; Winnipeg occupies third position with 101 branches, 54 of which are reported, 10,741 members. Other cities in order of number of branches of all classes are: Vancouver, 85 branches, 60 reporting 29,596 members; Ottawa, 80 branches, 58 reporting 9,271 members; Hamilton, 75 branches, 57 reporting 5,253 members; Quebec, 70 branches, 47 reporting 7,388 members; London, 68 branches, 49 reporting 5,053 members; Edmonton, 62 branches, 40 reporting 3,760 members; Calgary, 58 branches, 40 reporting 4,718 members; St. John, 50 branches, 32 reporting 4,599 members; Victoria, 48 branches, 32 reporting 4,164 members; Halifax, 35 branches, 23 reporting 2,946 members; Regina, 35 branches, 25 reporting 1,163 members; Saskatoon, 35 branches, 27 reporting 2,946 members; Moose Jaw, 34 branches, 26 reporting 3,251 members; Windsor, 33 branches, 25 reporting 1,987 members; Fort William, 32 branches, 25 reporting 1,368 members; Kingston, 31 branches, 15 reporting 978 members; Brantford, 29 branches, 24 reporting 1,404 members; St. Catherines, 28 branches, 19 reporting 858 members; Peterborough, 28 branches, 20 reporting 1,080 members; Sault Ste. Marie, 27 branches, 17 reporting 1,592 members; Brandon, 27 branches, 19 reporting 1,034 members; Stratford, 25 branches, 20 reporting 1,991 members; Niagara Falls, 23 branches, 17 reporting 3,012 members; Sarnia, 23 branches, 16 reporting 757 members; Moncton, 22 branches, 17 reporting 2,937 members; North Bay, 21 branches, 16 reporting 1,448 members; Kitchener, 21 branches, 12 reporting 646 members; Welland, 20 branches, 12 reporting 459 members.

### Benefits Paid By Central Labor Organizations.

Nearly all of the international labor organizations operating in Canada provide for the payment of benefits to members on a varying scale. The report contains a table showing the reported disbursements made for this purpose in Canada, the United States and elsewhere, the expenditure for 1919 totalling \$15,550,052, a decrease of \$1,252,040 as compared with the payments made in 1918. The amount expended for each class of benefit was as follows:—

Death benefits . . . . .	\$10,436,671
Unemployed and travelling benefits . . . . .	298,902
Strike benefits . . . . .	1,789,961
Sick and accident benefits . . . . .	1,828,218
Old age pensions and other benefits . . . . .	1,196,300

Four of the non-international organizations reported having made payments for benefits, the total expenditure amounting to \$23,035, an increase of \$6,140 over the disbursements in 1918.

### Benefits Paid By Local Branches.

The report also contains a statement showing the amount paid in benefits for the year 1919 by local branch unions in Canada to their own members, the disbursements aggregating \$583,093, an increase of \$151,589 over 1918. The payments made on account of each class of benefit were:

Death benefits . . . . .	\$185,784
Unemployed benefits . . . . .	15,306
Strike benefits . . . . .	198,438
Sick benefits . . . . .	120,327
Other benefits . . . . .	63,238

(Continued on Next Page.)

## The Strength of a Bank

ESTABLISHED in 1817 with modest capital, the Bank of Montreal for over a hundred years has followed a conservative, aggressive policy, until today it has assets in excess of FIVE HUNDRED MILLION DOLLARS

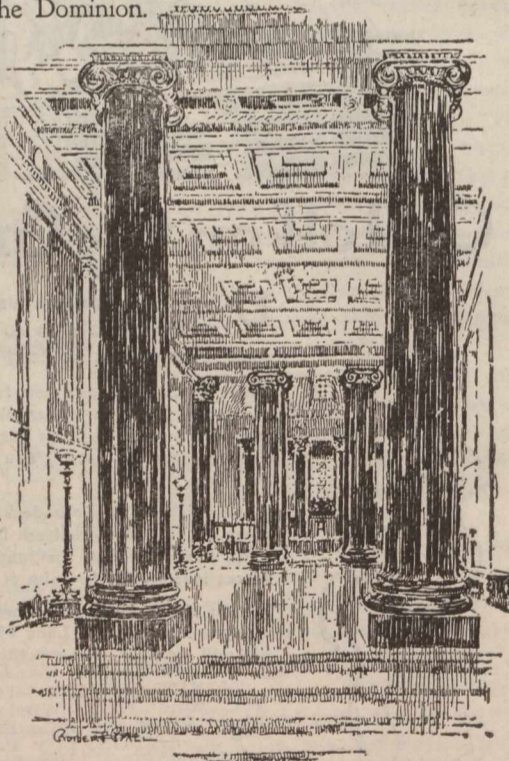
LIKE Canada herself, Bank of Montreal has grown stronger with the service it has rendered and the obstacles it has overcome.

TODAY the Bank is stronger than ever, prepared to render ever-increasing service to the people and the business concerns of the Dominion.

With Branches in every important centre of every Province and with direct banking connections throughout the world, we are fit for the task of helping Canadian business to grow to full stature.

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# May Traffic through Canadian Canals

The Transportation Division of the Dominion Bureau of Statistics publishes the following on the traffic which during May, passed through the Canadian Canals, all of which were open for the full month.

The total number of vessels passed through all canals was 3,258 with a net tonnage of 1,833,527 tons and carried cargoes of 1,264,303 tons including Bituminous coal 305,284 tons, wheat 245,169 tons, Iron Ore, 243,667 tons, Sand, 89,044 tons, Ooats, 61,496, Merchandise, 57,415 tons.

Compared with May 1919 there was a total decrease in cargoes of 1,031,339 tons, the main items being decreases in Iron Ore, 816,113 tons, Wheat, 171,253 tons, Anthracite Coal, 32,852, Flour, 31,982 tons, Petroleum and other Oils, 27,686 tons, and Barley, 27,021 tons. The total decrease in net tonnage of vessels passed through was 530,883 tons.

The total net tonnage of the vessels from the opening of navigation to May 31st was 1,961,248 tons, a decrease of 905,695 tons from 1919 and the total cargoes was 1,318,669 tons, a decrease of 1,364,660 tons. A portion of the decrease was due to later opening of the Sault Ste. Marie, St. Lawrence and Ottawa Canals.

The totals for each canal for May and comparisons with May, 1919, are:—Sault Ste. Marie Canal, 664, vessels, net tonnage 969,451 tons; decrease 323,837 tons, cargoes 524,743 tons, decrease, 948,626 tons, including Iron Ore 243,667 tons, decrease, 816,113 tons; Wheat, 71,071 tons, decrease, 177,256 tons; Oats, 51,281 tons, increase 37,013 tons; Bituminous Coal, 31,900 tons, increase, 5,252 tons.

Welland Canal:—361 vessels, net tonnage, 296,802 tons, decrease, 105,180 tons, cargoes 270,192 tons, decrease 40,536 tons.

St. Lawrence Canal:—909 vessels, net tonnage 436,646 tons, decrease, 109,574 tons, cargoes 348,959 tons, decrease 57,972 tons, including Wheat, 85,316 tons, decrease, 6,806 tons, Anthracite Coal, 24,028 tons, decrease 28,215 tons; Bituminous 142,679 tons, increase, 11,264 tons.

Trent Canal:—327 vessels, net tonnage, 11,606 tons, increase, 2,787 tons, cargoes, 6,180 tons, increase, 3,630 tons.

Ottawa Canal:—249 vessels, net tonnage, 41,567 tons, increase, 4,289 tons, cargoes, 36,128 tons, increase 5,123 tons.

Rideau Canal:—293 vessels, net tonnage, 20,013 tons, increase, 3,240 tons, cargoes, 18,594 tons, increase, 6,605 tons.

Chambly Canal:—235 vessels, net tonnage, 23,532 tons, increase, 5,477 tons, cargoes, 35,608 tons, increase, 8,071 tons.

Murray Canal:—98 vessels, net tonnage, 21,277 tons, increase, 2,481 tons, cargoes, 18,095 tons, increase, 10,091 tons.

Owing to the lack of ocean steamship service, Austria has been unable to export her surplus crop of applies since 1917. An embargo, effective July 18, 1917, was placed against the importation of applies into Australia. This was removed on May 19 last.

## CUNARD ANCHOR ANCHOR-DONALDSON

### REGULAR SERVICES

MONTREAL—GLASGOW		
July 3	Aug. 7	Sept. 11 . . . . . Cassandra
July 17	Aug. 21	Sept. 25 . . . . . Saturnia
N.Y.—GLASGOW (Via Merville)		
July 3	July 31	Aug. 28 . . . . . Columbia
NEW YORK—LIVERPOOL		
June 26	July 24	Aug. 21 . . . . . *Caronia
July 15	Aug. 12	Sept. 9 . . . . . Vasari
July 17	Aug. 14	Sept. 11 . . . . . *K. Aug. Vict.
N.Y.—PLY. CHER. & LONDON.		
Oct. 16	Nov. 13	. . . . . Caronia
N.Y.—CHERBOURG, SOUTHAMPTON		
July 1	Aug. 5	Sept. 2 . . . . . Mauretania
July 15	Aug. 12	Sept. 9 . . . . . Imperator
July 31	Aug. 28	Sept. 22 . . . . . Aquitania
*Via Queenstown		

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### The Bank of Nova Scotia. DIVIDEND No. 202.

Notice is hereby given that a Dividend at the rate of four per cent on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30th next, and that the same will be payable on and after Friday, the second day of July next, at any of the offices of the Bank in Canada. The Stock Transfer Book will be closed from the 16th to the 30th, proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,  
General Manager.

Halifax, N.S., May 21st, 1920.

### Labor Organization in Canada 1919.

(Continued from Previous Page.)

#### Other Features of the Report.

The report follows closely along the lines of earlier reports on Labor Organization in Canada, the various phases of the plan of organization which has been developed being given due consideration.

Chapters dealing with the advent of the One Big Union and the national Catholic union movement in the province of Quebec are discussed, as are also the activities of the Industrial Workers of the World, and other important incidents in Labor matters which have occurred during the year 1919.

The report serves as a directory of trade unions for the Dominion for 1920, containing as it does, particulars not only of every known local trade union in Canada, (including branches of international, non-international, independent, national Catholic and One Big Union bodies), but also a list of all central organizing unions, together with the names and addresses of the chief executive officers.

### Widening the Economic Unit.

(Continued from Page 9.)

In a speech at Toronto, last week, he said:

"Canada became federated to remain a part in the Empire and fought in the late war to preserve the unity of the Empire. Now she is expected to do her share in developing herself and the Empire. There are two futures open to Canada. She may remain a more or less self-contained area, trying to develop herself to the limit and stand aloof from the other parts of the Empire. In this manner she might possibly grow to be a big nation, but climatic conditions are such that she would not be entirely independent of the other parts. Then there is the future development similar to that of the United Kingdom with not only internal, but world-wide trade. She should cultivate a world-wide trade and develop her own great industries within. Canada's possibilities are such that her development may be greater than that of the United Kingdom and also of the United States.

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Childrens Memorial Hospital, Montreal	Hospital
Steel Company of Canada, Montreal	Nut & Bolt Works
Canadian Cottons Ltd., Cornwall	Weave Shed & Warehouse
Canadian Cottons Limited, Milltown, N.B.	Weave Shed.
Canadian Cottons Limited, Marysville, N.B.	Dam.
Canada Amusement Company, Montreal	Loft Building.
Merchants Bank, Toronto	Bank Building.
Belding, Paul Corticelli Co., St. Johns, Que.	Factories.
Belding, Paul Corticelli Co., Montreal	Factory
Dougall Varnish Company, Montreal	Factory
Canadian Hart Accumulator Co., St. Johns, Que.	Factory
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Montreal Abattoirs Ltd., Montreal	Rendering Building
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