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The Journal of Commerce

MONTREAL, CANADA

VOL. XLVIII, No. 40

GARDENVALE, P. Que., OCTOBER 5, 1920

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What Reciprocity would have Effected

Canadian Crop Statistics

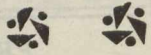
By ERNEST H. GODFREY, F. S. S.

No Price-Slashing in Canada

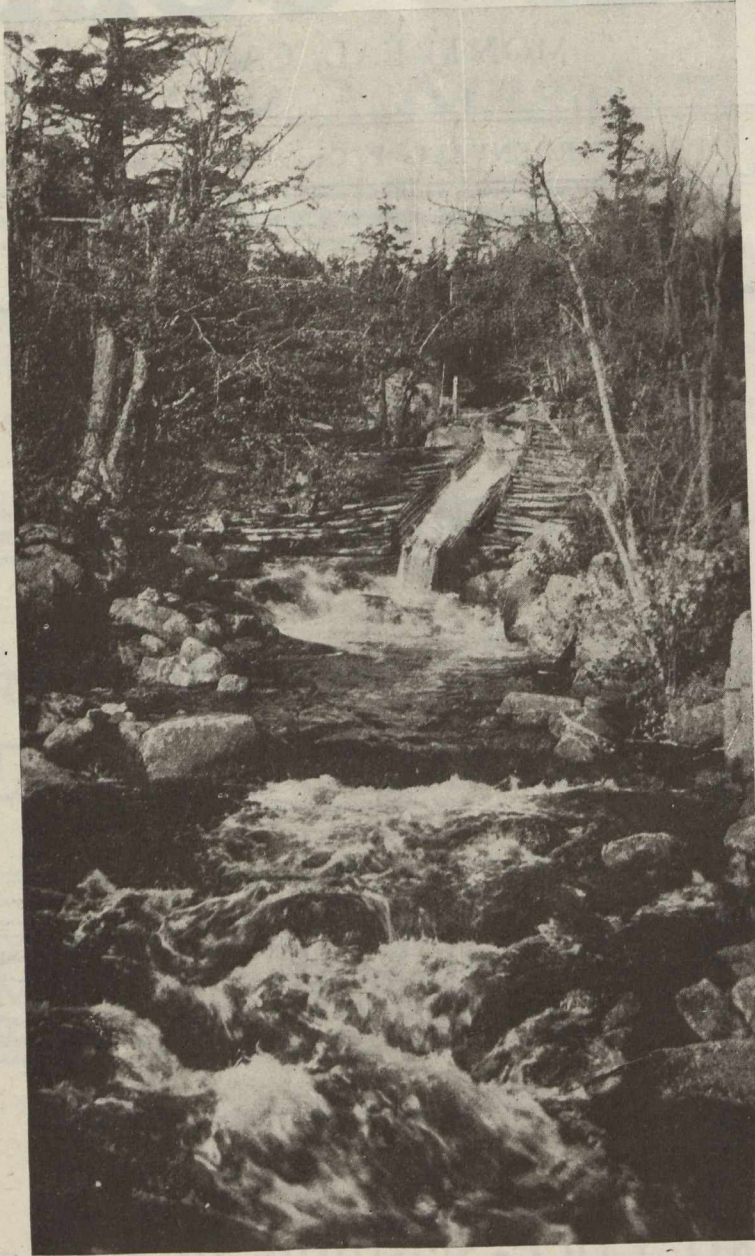
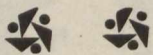
What new Customs Order means

Discrimination in Marine Insurance

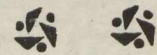
Nova Scotia Water Power



As a result of investigations carried on by the Nova Scotia authorities in co-operation with the Dominion Water Power Branch, Interior Department, Ottawa, revealing water power assets of considerable magnitude, The Nova Scotia Power Commission was organized under comprehensive legislation, to undertake the development of certain of these powers.



The first undertaking of the Commission is that of St. Margaret's Bay, of which a view is shown herewith, where 8,000 H.P. is now being installed, which will later be increased to 12,000 H.P. as a start to provide Halifax with an adequate supply of Hydro-Electric energy.



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Prices and Wages

There is at last a well-defined movement for reduction of prices in many commodities. Henry Ford's substantial reduction in the price of motor cars has been followed by similar reductions in the case of most other makers. Although the use of the motor cars is rapidly extending they can hardly yet be important to the mass of the people. To the great majority the question of the price of automobiles is of no consequence. Nevertheless, Mr. Ford's step is having considerable bearing on the price of things in which the mass are more interested. It is a recognition, by one of the greatest manufacturers of the day, that the period of inflation is at an end and that from this time forward there must be a movement, perhaps not rapid, but unmistakable, towards something like normal conditions. Hence the price cutting is extending to fields far removed from the garage. The consumer may find less evidence of the reduction than he desires, for it often happens that reductions which are easily apparent in the higher fields of business are slow in getting down to the retail shop in which the householder's transactions occur. Reasons—some of them good reasons—can be given for this slowness of the process which is to reduce the much complained of high cost of living. The retailer who purchased his stock when prices were high will naturally desire to sell at corresponding prices. But these are temporary conditions. The price-cutting movement in many commodities is distinctly seen and it will ere long get down to the ordinary consumer.

There is one commodity however—one that is a commodity and something more—in which there is no reduction movement, one as respect which the parties most concerned are resolved that there shall be no reduction. We refer to labor.

War-time conditions advanced nearly all forms of labor, manual labor especially, to prices previously unknown. Never before did those who are commonly spoken of as "the working classes" receive such high wages as during the past three or four years. Whether, in view of the high cost of living, the workers at the higher wages were any better off than in former times

is a question much debated. Workers who had but little responsibility of a financial character have had an opportunity to lay up some money against the rainy day. Those who had families to maintain have found the sources of supply in the form of wages no more than equal to the demands of the household. Any suggestion of wage reduction will naturally be unwelcome. Some of the leaders of organized labor have already gone on record against any reduction of wages. Organized labor will strenuously resist any such movement, and the resistance is not unlikely to lead to friction between the employer and the employee.

Wage reduction is not desirable, but can it be avoided? There is no probability of any return in the early future to the low schedules of wages of by-gone years. Nobody will expect or desire a return of the days when a dollar was deemed a sufficient wage for the ordinary laboring man. Time has brought about a higher standard of living and the workers will properly desire to maintain it. But will it be reasonable to expect that common labor can continue to command \$3.50 and \$4 per day and skilled labor the wages of today? Labor forms a large part of the cost of commodities. How that cost can be materially reduced without any reduction in the price of labor is not easily seen. If Mr. Gompers and those who agree with him that there must be no wage reduction can show how wages can be kept up and the cost of commodities brought down, they will render a very valuable service.

The Presidential Campaign

The Presidential campaign in the United States is now in full swing, the interest in it increasing as the day of election in November approaches. The opinion of impartial observers continues to be that the prospects of the Republican ticket are better than those of the Democratic candidates, but it is admitted that the vigorous work of Mr. Cox is giving him a fighting chance. He is making a whirlwind tour of the country and speaking to large audiences. Mr. Harding is making but few excursions from the porch of his home in Marion, but the party managers are making an energetic

campaign on his behalf. The most interesting feature of the contest is the manner in which the scheme of the League of Nations is being discussed. In the earlier days of the campaign the question was somewhat cautiously touched by both candidates. The Democrats naturally were disposed to support the League scheme, which was to a large extent the handiwork of their President, but many were willing to qualify their support by some kind of reservations. On the Republican side the League was attacked, but in view of the attitude of Mr. Taft and some other Republican leaders who had favored the scheme the attack was not very vigorous. Indeed, the moderation of Mr. Harding's condemnation of the scheme has alarmed the "bitter-enders" such as Senators Borah and Johnson. Mr. Borah, it is announced, has refused to carry out a speaking programme that had been arranged for him. He may refrain from open support of Cox, but that he no longer supports Harding is quite apparent. Senator Johnson is expected to take similar action. Now comes President Wilson into the campaign with the first of a series of statements designed to force the League of Nations as the supreme issue of the contest. In his most vigorous manner Mr. Wilson assails the position of the opponents of the League and calls on the people of the United States to avail themselves of the election as "a national referendum" to vindicate the country's honor and ratify the Treaty of Versailles.

The much criticized Article X is particularly mentioned by Mr. Wilson as a part of the League scheme that has been misrepresented. He claims that there is no warrant for the contention that that Article creates an obligation on the part of the United States to go to war in certain circumstances. He maintains that the Article in no way conflicts with the right of Congress to decide when the nation shall go to war.

Mr. Wilson is to issue some further statements dealing with other features of the controversy. A little while ago it was felt that Mr. Wilson's ill-health would prevent his taking any part in the campaign. It is evident now that he has decided otherwise. The Democratic managers have called on him to lend the power of his pen to the campaign, and apparently he has consented to do so on the condition that the League of Nations be made the chief issue.

Grey and Carson

The Irish situation is about as bad as it can be and no blue sky is to be seen. One of the wisest of British statesmen, Viscount Grey, formerly Sir Edward Grey, has made a contribution to the discussion in the form of a letter in which he virtually says that, excepting two or three things that are essential to Imperial unity, the Irish people should be allowed any form

of Home Rule that the majority may desire. Assurance of such a policy would, he thinks, satisfy the people. As for the Home Rule bill now before the British Parliament, he says truly enough that it satisfies nobody.

Sir Edward Carson has promptly condemned Viscount Grey's proposal, which he says would place Ulster at the mercy of a hostile Dublin Parliament.

Sir Edward, as usual, is ready to condemn the proposals of others, but he has nothing to propose that would have a ghost of a chance of being accepted by the Irish majority. He does not like the Home Rule bill now before Parliament, but is willing to accept it. Unfortunately Sir Edward's willingness does not seem to be shared by any considerable number of Irishmen. The Ulster men do no more than tolerate the measure, and the rest of Ireland will have none of it.

Nobody need question the honesty of purpose of Sir Edward Carson in his course on the Home Rule question. But his honesty has been almost that of fanaticism. A man of his great ability should have seen long ago that Ireland could not be governed successfully by coercion. A moderate measure of Home Rule would have satisfied Ireland in the days of John Redmond. If Sir Edward Carson had then been willing to co-operate with the English and Irish statesmen who favor Home Rule the old quarrel could have been happily settled. Sir Edward begins to see light now. But it is too late. What was once a lawful and reasonable movement for Irish liberty in local affairs has now become a treasonable movement, attended by crimes and violence that shock the world.

The New Brunswick Elections

The breaking down of the old party lines is well illustrated in the New Brunswick Provincial elections that are to take place next week. In former times political situations in New Brunswick were sometimes difficult to understand. Coalitions were frequently found necessary to carry on the public business. But in recent years regular party lines have been drawn. The Government of which Hon. W. E. Foster is Premier is recognized as a Liberal administration. The preceding Government represented the Conservative party. In the nominations that have just been made for the general election for the House of Assembly there is evidence of the breaking of old lines that is one of the characteristics of this day of unrest. In only four electoral districts is there a straight fight between the Liberal Government and the Conservative Opposition. The list of candidates includes, besides those of the two old parties, men who run under the banners of Farmers, Labor, Independent and Returned Soldier. In one county only—Madawaska—was there an election by acclamation returned. This victory by acclamation

probably presages the return of Mr. Foster's Government. But there may be, as there is in Manitoba, a sufficient number of independents to make a possibly embarrassing situation.

A Good Roads Question

The movement for better roads is everywhere attracting public attention and people who have hitherto taken little interest in the subject are now keenly appreciative of the value of good highways. In Quebec the Provincial Government have made large expenditures for roads with excellent results. Many of the Quebec highways will compare favorably with the roads of the adjacent American States which have been constructed at very heavy cost. In Ontario much good work is being done and the Government have announced an extensive programme of road building. In Nova Scotia similar efforts are being made, through the co-operation of the Federal and Provincial Governments. There a curious situation has developed which for the moment is interesting some of the politicians. With a view to "taking the road question out of politics," a phrase much used in these days, the Provincial Government appointed a Board of Commissioners, composed of men of both political parties, to have charge of the proposed expenditures. A good deal of work has been carried on. The other day the fact was discovered that in a couple of instances the work was being done on plans that would make the cost of certain short pieces of road very heavy—so heavy that extensive construction of that character would require more money than was available. Finding some dissatisfaction with this and some other features of the work, the members of the Road Board sent in their resignations and at the same time proposed an official enquiry. The Premier replied in effect: "You gentlemen have been clothed by the law with full authority to control this work. If there is anything wrong about it, are you not yourselves responsible? Why not exercise your authority? Why not hold on to your trust, at all events until you have fully inquired into the operations of your officials?" The members of the Board, with one exception, have accepted this reasoning and resumed their duties. To provide for any additional investigation that is required, under oath, it is stated that a commission will be appointed for the purpose. Doubtless between the two tribunals all the facts will be disclosed.

The incident illustrates a point of importance that is sometimes overlooked. When the public business is "taken out of politics"—that is, put into the hands of men not responsible to the people—the moment any trouble occurs the public ignore the irresponsible persons and look to the Government for a remedy. You cannot "take out of politics" effectively the business of the people.

What Reciprocity Would have Effectuated

U.S. Tariff Commission Reports on the Situation as it would have been to-day

A high degree of timely interest attaches to a report that has just been issued by the United States Tariff Commission. The report deals with Canadian Reciprocity, a subject of much excited discussion just ten years ago.

"There is strong likelihood that our trade relations with Canada will once more attract serious attention at an early date. The movement for preferential treatment of Imperial trade by all the dependencies of Great Britain, and the recent agreement between Canada and the West Indies providing for reciprocal concessions that the United States will not enjoy, may divert from this country much trade that nature seems to have intended should flow in this direction. The Dominion Government is now making preparation for a general revision of the tariff, and there are indications that this country within twelve months will be likely also to revise its commercial relations. In Canada, the official platforms of the Liberal party and of the Farmer-Labor party demand a renewal of reciprocity negotiations with this country. In the meantime, our former offer of reciprocity to Canada still stands upon our statute books, although a bill for its repeal passed the House of Representatives last year."

The report of the Tariff Commission is the first careful study of the effect on commerce that the measure would have had if the Canadians had accepted it.

From the Political Viewpoint.

The Commission outlines at some length the political situation in the United States and Canada at the time of the passage of the act by Congress and notes what appears to be the present feeling towards reciprocity in the Dominion. In the United States reciprocity was in accord with a movement against high duties which was felt in both parties. The Republicans who were opposed to the tariff of 1909 might have been expected to follow President Taft in his support of the measure. These so-called "insurgents" came, however, largely from agricultural constituencies, and because the chief duties removed were on agricultural products, many of them voted against the bill as a discrimination against the farmer. Both the "insurgent" and the "regular" Republicans showed a majority against the bill; but sufficient Democratic votes were cast for it to effect its passage. Reasons for the defeat of the measure in Canada, in addition to the opposition of the interests directly affected, were numerous. Among them were resentment arising from the earlier attitude of the United States towards reciprocity, the strength of the idea of Imperial unity and the fear, however ill-founded, that the agreement was prompted by political motives, and would lead to an ever growing dependence of Canada on the United States. Present Canadian support of reciprocity comes from the Liberal party, which was defeated on this issue in 1911, and the Farmer-Labor party, which has shown political strength in the Dominion during the past year.

Changes the Treaty Would Have Made.

The report contains an extended statistical study of the effect which the agreement would have had, if adopted (1) at the time it was drawn up, and (2) at present. At the first date the value of imports into the United States from Canada which would have been put on the free list or reduced in duty, was \$43,000,000; of those in the opposite direction, \$33,500,000. The proportion of trade affected would have been, however, very different for the two countries. Of imports into the United States from Canada, 45 per cent would have been changed, 5-6 of these going on the free list the remaining sixth being reduced in duty.

Of imports into Canada from the United States, 15 per cent would have been changed, 1-3 of these being made free, 2-3 reduced in duty. In the second comparison, trade figures for 1918 are used as indicative of the present situation. The changes which the adoption of the treaty would make under the rates now in force in each of the countries differ from those just given, most markedly so in the case of imports into the United States. For Canada, the rates taken are those in force since May 19, 1920, not considering the excise taxes laid by the Dominion Parliament and enforceable from that date, falling upon imported goods as well as those made in the Dominion. In 1918 imports into the United States from Canada which would have been affected amounted to \$31,000,000; those in the opposite direction, to \$126,000,000. The proportion of trade affected is not so markedly different as below; of imports into the United States from Canada, 7.2 per cent would have been affected, 23/24 of these being made free, the remaining twenty-fourth reduced in duty; of imports into Canada from the United States, 16 per cent would have been affected, 1/4 going on the free list, the remaining 3/4 being reduced in duty. The United States, the Commission concludes, would to-day be granting less of a concession to Canada through the adoption of the agreement now than at the time proposed, Canada a somewhat greater one.

The reason for the differences pointed out above between the effect of the agreement to-day and when proposed has been due, to a great extent, to the fact that the tariff of the United States has undergone a thorough revision, while the same tariff is in force in Canada as at the earlier date. Many changes, it is true, have been made, but these are slight as compared with the differences between the tariff acts of 1909 and 1913. A second cause for the difference lies in the large increase in the value of the trade between the two countries since the outbreak of the war in Europe, an increase largely attributable to the rise in prices, although to some extent due to an increase in the commodities exchanged by the two countries.

Where Canada Would Benefit.

The articles which would be especially affected by the present adoption of the proposed rates are flaxseed, oats, hay, and barley. The last of these is not of great importance. The bulk of the imports of hay into the United States from Canada go to the northeastern sections of the country, since the transportation costs for such a bulky commodity are high. As to oats, it may be noted that a portion of Canada's production is of fine grade, suitable especially for the manufacture of rolled oats. Although she produces only 1/3 as much as the United States, her annual exports are greater. With the present duty of 6c per bushel, which is more than the pre-war freights from Montreal to England, the bulk of the exports go to Great Britain, except in years of crop shortage in the United States. The removal of the duty, as contemplated in the reciprocity agreement, would, the Commission concludes, result in increased imports and in increased returns to the Canadian farmers, although not greatly affecting general oat prices in the United States.

Flaxseed, which, from the point of view of the value of the imports into the United States, is the most important of those articles now dutiable to be made free by the reciprocity agreement, presents unique features. It is essentially a frontier crop, the cultivation of which is now being extended rapidly in the prairie Provinces of the Dominion. It is not profitable when raised continuous-

ly on the same ground, is not a "weed fighter", and for these and other reasons is not a popular crop with the farmer. The present United States duty is 20 cents per pound, equivalent to 6 1/2 per cent ad valorem on the 1918 imports. With this duty, one-half of the United States requirements are imported, Canada's surplus has not been sufficient to meet the growing American shortage, and Argentina has become the chief source of foreign supply. The most marked effect which would result from the removal of the duty, the Commission concludes, would be an increase in the prices the Canadian grower would receive for his flaxseed rather than a reduction in the American price.

Wheat and potatoes, important articles of trade between the two countries, are now admitted free into the two countries.

Copies of the report may be obtained for twenty (20) cents each from the Superintendent of Documents, Government Printing Office, Washington, D. C.

Industrial Reference Book for Montreal. Chambre de Commerce makes Suggestion.

A joint meeting of the Industrial Relations Committee of the Montreal Branch of the Canadian Manufacturer's Association was held at their board room at the Board of Trade Building, with representatives of the Chambre de Commerce, for the purpose of discussing with the Chambre their proposition for the issuing of an industrial year book for the city of Montreal, in the near future. The purpose of the meeting was to get from the Chambre de Commerce an idea as to the details of their proposal, and to find in what way the C. M. A. would be able to co-operate with and assist the Chambre de Commerce in the project.

At the meeting the C. M. A. was represented by Mr. Paul E. Joubert, chairman of the committee; F. W. Stewart, chairman of the Montreal branch C. M. A.; James L. Waldie, and J. A. Richard, while the Chambre de Commerce was represented by J. A. Lambert, first vice-president and Léon Lorrain, secretary. Mr. J. Stanley Cook, secretary of the Board of Trade, also attended the meeting.

No definite action was taken as a result of the meeting, although the project was approved by most of the business men present, and it is likely that further meetings will be held.

It was stated by the representatives of the Chambre de Commerce that the proposed industrial year book would contain, in both English and French, a comprehensive review of all the industrial establishments of the city, with details regarding the harbor, factory sites, railway and general transportation facilities, freight rates, duties on raw materials, costs, etc., and a great deal of information of a trade nature that is continually being sought by outside manufacturers looking for trade through Montreal.

This, it was stated, would comprise a volume of ready reference regarding the business life and possibilities of Montreal which had never hitherto been collated for publication, although all the other cities of similar importance on the continent had such publications. Such information, it was stated, was continually being asked for by business men coming to Montreal, but, as matters stood, it was often very difficult to secure it readily.

Hopes were expressed that the movement might be taken up, and that eventually the Chambre de Commerce, the Canadian Manufacturer's Association and the Board of Trade might unite to organize an industrial committee to take such a publication in hand, and finally secure an industrial commissioner for the city, under control of such a committee. To this end, financial aid will be asked from the city, but control of such work will be retained in the hands of the proposed industrial committee, so as to avoid the possibilities of any connection with municipal politics.

Canadian Harvest Prospects

STATISTICAL REVIEW AND COMPARISON.
COMPARISON.

By ERNEST H. GODFREY, F.S.S.

The season is now sufficiently well advanced for us to form a fairly good idea of the Canadian harvest as a whole, although any figures that are put forth can only be regarded as preliminary and tentative until the year's estimates of the areas sown, and of the average yields per acre, have been definitely established. One important fact is already clear, viz., that the season for almost all crops is superior to that of any of the last four years, although not equal to that of the great bumper harvest of 1915.

The spring this year, and consequently the seeding season, was very late; but the favourable weather which immediately ensued caused an extraordinarily rapid growth which soon made up for the lateness of the seeding. Drought in Saskatchewan in the early part of July caused a setback; but rains before the end of the month came just in time to avert repetition of the previous year's disaster.

Forecast of Grain Yields for Canada.

A few days ago the Dominion Bureau of Statistics issued its usual preliminary forecast of grain yields, based upon reports of the average yields per acre made by crop correspondents at the end of August. These average yields were for wheat 16 3-4 bushels, oats 37 1-4 bushels, barley 27 bushels, rye 17 3-4 bushels and flax 9 1-4 bushels. We are consequently in a position to compare the yields of 1920 with those of previous years and with the ten-year averages for 1910-19. This is accordingly done in the following table:

Average yields per acre of Grain Crops, 1915-1920, compared with the decennial average, 1910-19.

Crops	1915	1916	1917	1918	1919	1920	1910-19
	bush.	bush.	bush.	bush.	bush.	bush.	bush.
Fall wheat	28.45	21.50	21.50	19.00	23.75	23.00	22.50
Spring wheat	25.87	16.85	15.50	10.75	9.50	16.50	16.50
All wheat	26.05	17.10	15.75	11.00	10.00	16.75	16.75
Oats	40.24	37.30	30.25	28.75	26.25	37.25	33.25
Barley	31.51	23.72	23.00	24.50	21.25	27.00	25.75
Rye	20.43	19.38	18.25	15.25	13.50	17.75	16.00
Flax	13.19	12.56	6.50	5.75	5.00	9.25	9.40

With the exception of fall wheat, the grain crops of last year were, owing to drought in the west, lower in yield than any since continuous annual estimates of Canadian field crops were started in 1908. This year's crops stand out therefore in marked contrast, and we shall get a truer notion of the results by comparing them with the averages struck over a period of ten years which include seasons both good and bad. For fall wheat, this year's average is 3 per cent below last year's exceptionally good yield, but is 2 per cent above the decennial average. Spring wheat is 74 per cent above last year's poor yield of 9 1-2 bushels and is just equal to the ten year average, viz., 16 1-2 bushels. For spring and fall wheat, taken together, the yield of 1920 is 68 per cent above that of last year and is equal to the average, viz., 16 3-4 bushels. Oats yield 42 per cent above last year and 12 per cent above average; barley 27 per cent above last year and five per cent above average, rye 31 per cent above last year and 11 per cent above average; and flax 85 per cent above last year, but 2 per cent below average. Due principally to the cold and backward weather of April, there was a considerable decrease in the area sown to spring wheat, amounting to as much as 10 per cent, as compared with the previous year; but the yields as applied to the latest estimates of the areas sown, indicate a total out-turn of 289,498,000 bushels of wheat, 583,359,000

bushels of oats, 67,647,000 bushels of barley, 12,915,000 bushels of rye and 11,211,000 bushels of flax.

The following table compares these yields with those of the previous five years, 1915 to 1919, the totals being given in thousands of bushels:

Crops	Total Yields of Grain Crops, 1915-1920.				
	1915	1916	1917	1918	1919
	bush.	bush.	bush.	bush.	bush.
Fall wheat	29,321	17,590	15,534	7,943	16,006
Spring wheat	364,222	245,191	218,209	181,132	177,254
All wheat	393,543	262,781	233,743	189,075	193,260
Oats	464,954	410,211	403,010	426,312	394,387
Barley	54,017	42,770	55,058	77,287	56,389
Rye	2,486	2,876	3,857	8,504	10,207
Flax	6,114	8,260	5,935	6,055	5,473

The figures in the above table give a clear idea of the general excellence of this year's harvest. The wheat yield is higher than any since the bumper crop of 1915 and is, with this exception, the highest on record. Oats is by far the largest crop on record, exceeding even the great year of 1915 by 118,405,000 bushels, and last year's total by nearly 189 million bushels. The area sown to this crop, estimated at 15,684,691 acres, is 4 per cent above that of last year and is the largest area sown to oats in Canada; but the large total yield is also due to the excellent average per acre, as already shown above. The total yields of the other crops in the table, though comparatively of less importance, all make an excellent showing, records being established for both rye and flax.

Forecast of Grain Yields for Prairie Provinces.

In view of the importance of the three Prairie Provinces as producers of grain, we set out in the table at the foot of this page, the total yields of wheat, oats, barley, rye and flax for each of these provinces in thousand of bushels for the same six years, 1915 to 1920, as in the preceding table for all Canada:

Provinces, 1915-1920. omitted)	Grain Yields of Prairie Provinces, 1915-1920.					
	1915	1916	1917	1918	1919	1920
	bush.	bush.	bush.	bush.	bush.	bush.
Manitoba—						
Wheat	69,337	29,667	41,040	48,191	40,975	40,305
Oats	50,750	48,439	45,375	54,473	57,698	61,328
Barley	16,658	13,729	15,930	27,963	17,149	19,895
Rye	208	557	638	3,936	4,089	4,349
Flax	120	210	147	1,091	520	605
Saskatchewan—						
Wheat	224,312	147,559	117,921	92,493	89,996	136,880
Oats	145,066	163,278	123,214	107,253	112,157	173,003
Barley	9,523	9,916	14,068	11,888	8,971	11,640
Rye	203	548	998	1,420	2,000	3,535
Flax	5,255	6,692	4,711	4,205	4,490	9,288
Alberta—						
Wheat	66,538	65,088	52,992	23,752	34,575	82,972
Oats	83,876	102,199	86,288	60,323	65,725	124,958
Barley	9,822	9,774	10,386	7,756	10,562	12,227
Rye	375	440	633	826	1,173	1,936
Flax	670	1,310	979	480	222	924
Totals—						
Wheat	360,187	242,314	211,953	164,436	165,546	260,157
Oats	279,692	313,916	254,877	222,049	235,580	359,289
Barley	36,003	33,419	40,384	47,607	36,682	43,762
Rye	786	1,545	2,269	6,182	7,262	9,820
Flax	6,045	8,212	5,837	5,776	5,232	10,817

Generally satisfactory as these totals are, the province of Alberta appears to have special reason for congratulation. The yields of all the crops of Alberta in the table are not only very largely in excess of those of last year; but for all the crops, excepting flax, they are the highest on

record. At the prices now ruling, the returns from these abundant yields will not only ensure the present prosperity of the farmers and sellers, but should also attract a large number of new settlers both from the United States and from overseas.

The Potato Harvest.

It is as yet too soon to make any definite estimate of the yield from potatoes; but, so far as Eastern Canada is concerned, and especially Quebec and Ontario, the reports of an abundant yield are exceedingly welcome after the stringency of the past few months during which potatoes, with prices of \$2.50 per bag upwards, have become to the many almost a forbidden luxury. The reports of the crop correspondents of the Dominion Bureau of Statistics show that the condition of this crop at the end of August is 2 and 3 per cent over average in Prince Edward Island and Nova Scotia, only 1 per cent below average in New Brunswick and 6 and 7 per cent over average in Quebec and Ontario, respectively. In the west, conditions are not so good, the figures falling below average by 12 per cent in Manitoba, by 7 per cent in Saskatchewan, by 6 per cent in Alberta and by 8 per cent in British Columbia.

The following table gives a forecast of the total yield of potatoes as indicated by the condition on August 31. The forecast is compared with the final estimate of 1919, and the indicated yield per acre may be compared with the actual yield per acre in 1919 and with the average yield for the ten years 1910-19.

Forecast of Yield of Potatoes 1920, as compared with 1919 and the Average, 1910-19.

Province	Average	Yield	Con-	Indi-	Area	Yield	Forecast
	yield	per acre	dition	cated		1919.	1920.
	1910-19.	1919.	August	yield	sown		
			31,	per acre,	1920.	000 bush.	000 bush.
	bush.	bush.	p.c.	bush.	acres		
Prince Edward Island	175.75	125.00	102	179.25	38,800	4,529	6,955
Nova Scotia	183.00	161.00	103	188.50	64,000	9,992	12,064
New Brunswick	176.25	142.75	99	174.50	78,000	40,790	13,611
Quebec	144.75	181.50	106	153.50	319,000	57,280	48,967
Ontario	114.75	96.30	107	122.75	154,500	15,145	18,905
Manitoba	150.00	126.00	88	132.00	40,900	5,288	5,399
Saskatchewan	148.21	170.00	93	137.75	62,800	11,250	8,651
Alberta	151.50	179.75	94	142.50	43,000	8,241	6,128
British Columbia	204.25	170.00	92	188.00	18,000	3,060	3,384
Canada	146.00	153.50	104	151.25	819,000	125,575	124,124

Note—For condition, 100—average yield for ten years 1910-19.

Condition of Later Sown Crops.

Finally, we may glance at the report on the condition of the later sown crops as at August 31. Their condition expressed, according to a scale in which 100 is equal to the yield per acre of the preceding ten years, is as follows, the figures for July 31, 1920, and for August 31, 1917, 1918 and 1919, being added for comparison:

Potatoes	94	95	91	104	102
Turnips, etc.	101	95	99	95	98
Fodder Corn	96	96	97	98	102
Sugar Beets	109	94	83	99	101
Pasture	107	87	89	96	95

The statement shows a marked superiority in 1920 over 1919. In six of the crops, the condition on August 31, 1920, indicates an average yield to the extent of from one to 5 per cent, and for three crops that are under the average the amount is no more so than by 1 or 2 per cent. Only in the case of pasture is the condition lower than the average by as much as five per cent.

The yield from hay and clover has been reported as 12,853,900 tons as compared with last year's record total of 16,348,000 tons and of alfalfa (first cutting) as 388,700 tons compared with last year's final total of 494,200 tons.

Condition of later sown. Field Crops. August 31, 1920, as compared with August 31, 1917, 1918 and 1919 and with July 31, 1920.

	1917	1918	1919	1920	1920
	p.c.	p.c.	p.c.	p.c.	p.c.
Peas	101	106	87	102	99
Beans	100	106	93	103	99
Buckwheat	105	91	95	101	101
Mixed grains	102	100	87	105	105
Corn for husking	89	89	89	95	101

New Customs Order Means Big Tariff Reduction

Customs Duties to be Collected on Present Value of European Currencies— Means a Cut of 66 per cent to France and of 75 per cent on Imports from Italy.

By an order, dated at Ottawa, July 22, but which has just been given general publicity, Customs Collectors in Canada have been instructed to collect duties on imports on the present value of the currency of the exporting countries, instead of, as has been the practice up till now, taking the par or ante-war value of foreign countries for Customs purposes. By the same order the British sovereign is held to be worth \$4.86 2-3.

The effect of this order will be to make a sweeping reduction in the duties on all European goods imported into Canada, except from Britain. One large importer, who has had much experience with Customs regulations, points out that British goods will be barred from the benefits by paragraph 4 which maintains the sovereign at \$4.86 2-3, although at the moment it is worth in Canada less than \$4. But German, Austrian, French, Italian and other foreign countries will receive preferential tariff treatment.

Under the previous order No. 2,323-B the Customs Department collected duty on goods imported, for example, from France, at the par value of a franc, namely 19 cents instead of its real value, namely, about 6 cents. If the tariff were 30 per cent, the duty would amount to 5.7 cents instead of 1.8 cents. A duty of 5.7 cents collected on a real value of 6 cents would be equal to customs tariff of 95 per cent. Similarly on goods from other European countries, the real protection in Canada amounted to enormously more than the nominal tariff. In some cases, if there had been imports, the duty would have amounted to 1,000 per cent. or more.

Startling Rates of Duty.

One Toronto firm which purchased linen scarves in Portugal at 29 cents for the escudo, was obliged to pay duty on the former valuation of the escudo, namely, \$1.08, which made the actual duty 183 per cent. By maintaining these European currencies at ante-war values for duty purposes the Customs Department practically prohibited the importation of goods from most of them.

But the new regulation changes all that except in the cases of British goods. On German goods to the value of 100 marks, for example, a duty of 30 per cent. would amount to 46 cents on the exchange basis of 12½ cents a mark, instead of \$7.14 on an assumed basis of 23 cents a mark. On Italian goods to the value of 100 lire a duty of 30 per cent. would amount to \$1.24 on the exchange basis of 4 cents a lira, instead of \$5.70 on an assumed basis of 19 cents. On French goods to the value of 100 francs a duty of 30 per cent. would amount to \$2 on the exchange basis of 6 cents a franc, instead of \$5.17 on an assumed basis of 19 cents. In reality, however, the effect is about 10 per cent. greater all round, for these calculations are based on New York exchange where Canadian funds are at a discount of about 10 per cent.

A student of exchange who points out that the new ruling involves a very large reduction in the revenues hitherto obtained from continental European goods imported into Canada says that, generally speaking, the new regulation will result in a lowering of the tariff on goods imported from France of about two-thirds, and of between

three-quarters and four-fifths on imports from Italy. The department still refuses to collect duties on the exchange value of foreign currency, he says, as measured against the value of the Canadian dollar. What it does is to recognize the very real and in some cases extraordinary difference in value between paper and gold currency in countries where specie is no longer in circulation.

Text of the Order.

The order reads as follows:—

MEMO.—NO. 2,410-B.
DEPT. OF CUSTOMS, CANADA.

Ottawa, July 22, 1920.

To Collectors of Customs.

(Superseding Memo. No. 2332-B., dated August 25, 1919.)

VALUE OF CURRENCY OF INVOICE.
(Vide Sec. 59 of the Customs Act.)

(1) When the value of any currency has been proclaimed by the Governor-in-Council subject to the provisions of Paragraph 2 hereof collectors of customs are to compute the value for duty according to the rate so ordered and proclaimed from time to time. The fair market value of the goods when sold for home consumption in the principal markets of the country of export, as of the date of export, should always be shown in terms of the standard coins of the currency of the country of export, whether this standard be gold or silver, and regardless of whether transactions in specie actually take place or not. If payments of business of the country have been suspended and the business of the country of export is carried on in a paper currency, the home market value of the goods exported may be shown in terms of the paper currency in relation to the standard coins be also shown. The governing value of the goods for duty purposes is the home market value in the terms of the standard currency of the country of export.

(2) Whenever (a) the value of the currency has not been proclaimed or whenever, (b) though proclaimed, there is no fixed standard value (and it is to be noted that where a currency is based on silver or on any other standard than gold there can be no fixed value in relation to the currency of Canada), there shall be attached to the invoice of the goods imported the certificate of some Consul resident in such place or country showing the true value of the currency in which such invoice is made out at the time when and in the place or country where such certificate is given as compared with the standard dollar of Canada.

(3) Whenever from any cause the value of any such currency, referred to in paragraph 2 above, headings (a) or (b), has become depreciated, there shall be attached to the invoice of the goods imported the certificate of some Consul resident in such place or country, showing the extent of such depreciation, and in such cases wherever the value of the depreciated currency is dependent upon the rate of exchange on London, it shall be optional with the importer, with the consent of the collector, to compute the value for duty at the rate of exchange certified by the bank through which the same is drawn, as current at the time and place when and whence the goods were exported to Canada.

(4) By Section 9 of the Currency Act, 1910, it is provided that the British sovereign shall pass current and be legal tender in Canada for four dollars eight-six and two-thirds of a cent of the currency of Canada.

R. R. Farrow,

Commissioner of Customs.

There is a big demand in Italy for Canadian agricultural machinery, according to the Canadian Trade Commissioner for Italy. A recent estimate of Italian requirements made by the ministry of agriculture includes 30,000 ploughs, 20,000 seeders, 9,000 mowers, and 1,500 threshers.

The Lower Cost of Living

No Spectacular Price-Slashing in Canada, but the downward trend seems to have definitely started

There are two outstanding features of what may be called the cost of living situation in Canada. The first is that there has been a decline in prices during the last two months. The second is that such decline in prices has been of a very gradual kind.

In the United States, the much-advertised price-slashing that has taken place seems undoubtedly to have accomplished something really substantial in the way of a general reduction in the cost of living. But in this country there has been no such sensational price-slashing. It is true that, if one were to judge only by the headlines in many of our daily papers, one would arrive at a very different conclusion. But unfortunately for the consumer, the diminutions in prices which are so spectacularly announced are, almost invariably, found to be of the most modest and mediocre description. For example, there was a jubilation in big type over the decrease in the cost of sugar which seemed to the average consumer, when he realized that this decrease only amounted to a couple of cents or so per pound, to be altogether disproportionate to the facts. Nor did there seem much warranty for the glaring headlines which announced the fact that some Toronto restaurants, which had recently raised the prices of certain of the commodities they sell, had decided to abate the recent increase in price in the case of some, though far from all, of the commodities in question.

The Main Present Significance.

Less than five per cent. came off the cost of living in August. When the figures for the last month are available, it will probably be found that the decline for that month was not so much. At the same time, it would be a grave error of judgment to overlook the significance of the downward price movement in this country. But that significance is to be found rather in the relief promised to the consumer in the future than in any actually afforded him in the present. It is the undoubted tendency of price reduction in Canada to "hasten slowly". But though coming slowly, it will come steadily. The downward trend that has set in, if deliberate in the extreme, is yet undeniably definite. The tide has turned at last. A really substantial reduction in price all round is expected by the Labor Department between now and next Spring.

Bread, Clothing and Boots.

It is just announced that bread is to go down in price one cent per 1½ lb. loaf while flour is now selling in Montreal at \$13.50 a barrel which is \$1.35 less than its price previous the 1st September. Bakers state that new flour is not yet in general use on account of the fact that it is too early as yet to use it satisfactory for baking. They further claim it satisfactorily for baking. They further claim that whereas, in former years, new flour was mixed with the older grades by the millers, this year they have been obliged to mix it themselves, and this has tended to keep the cost up. It is a curious feature, by the way, in connection with the bread situation in Canada, that we pay from five to seven or nine cents. (Its price differing in different localities) more for a 3 lb. loaf of bread than the people in Great Britain pay for a 4 lb. loaf. This notwithstanding the fact that much of the wheat from which the British bread is made comes from this country. And, although the British people have enjoyed a government bread subsidy, that subsidy has not been of any-

thing like sufficient amount to account for so large a discrepancy in price.

Canadian wool is low in price and stocks are large, but clothing is not made from the coarse wools. The fine kind is still largely under price control in England till the stocks are disposed of, but the price is declining and in yarns it is also becoming noticeable, so that clothing should be next to show a drop in price. Authorities say, however, that retail prices of clothing are more affected by the capacity of the public to buy. Nevertheless, there are indications that the prices of clothes are being, and are about to be reduced all along the line. Cottons are fluctuating, but the peak has been reached. A very big drop has taken place in silks, which have fallen tremendously in price.

With the big drop in the price of leather, boots and shoes may be expected to become cheaper before very long, but it is not anticipated that their prices will recede immediately to any great extent.

Slow Retail Movement.

In fact, speaking generally, while wholesale prices continue to decline, the retail price of goods has not correspondingly diminished. One reason given for this disquieting circumstance is that increasing labor, transportation, and other costs largely affect the decrease in the price of raw materials. To a certain extent, no doubt, there

is substance in that contention. But yet it is obvious that, owing to manipulations or machinations or both, too long a time is allowed to elapse before the benefit of any decrease in the cost of raw material filters through to the sorely-burdened consumer, and that, when it does filter through, it is inadequate in amount.

A case in point is that of bituminous coal. A substantial drop in the cost of this has been made at the mines, but apparently that has not affected its price in Montreal. It is stated by one dealer there that there will probably be a change of rates in the near future. But why not forthwith? That is the question, the consumer is asking. In the same way, it was intimated last week by one who should speak with authority that it is improbable that the cost of building operations in this country will fall to any appreciable extent. He emphasized the point that the factors of labor and wages predominate in the production of steel, brick, cement and other materials that go into building construction, and that there was little probability of any cheapening process.

All The Traffic Will Bear.

It may be that the Canadian consumer is more patient under his burden than is the consumer across the border, and that that accounts, in part, for the fact that we have seen no such sensational price-slashing here as has been experienced in the United States. It may be, again, that a precipitate decline in prices is being avoided, as a matter of public policy, to avert the creation of business dislocation. But, however all that may be, the Canadian consumer is becoming exasperated at the slowness with which price readjustment is proceeding here as compared with the same process across the border.

Rise in Pulp and Paper Prices

Exports for August Show Increase of 118 per cent.

Canadian exports of pulp and paper during August reached a total value of \$18,258,727, compared with \$8,348,179 in August, 1919, an increase of \$9,910,548, or 118 per cent.

Paper exports included 5,594 cwts., of book paper, valued at \$7,301,605, and other grades of paper valued at \$1,380,919. There was a falling off in quantity of 2,178 cwts. in book paper, although an increase of \$8,106 in value. Newsprint exports showed an increase of 262,677 cwts. in volume and of \$3,160,793 in value.

Large increases, both in volume and value, were recorded in all grades of pulp. Exports of sulphate (kraft) amounted to 267,418 cwts., valued at \$1,284,365, compared with 246,376 cwts. valued at \$829,129, in August last year; bleached sulphite 191,690 cwts. valued at \$1,598,001, compared with 77,998 cwts., valued at \$400,411; unbleached sulphite, 574,343 cwts., valued at \$3,820,278, compared with 466,757 cwts., valued at \$1,643,646; mechanically ground pulp, 816,081 cwts., valued at \$2,809,266, compared with 387,435 cwts. valued at \$475,735.

Summarized, the returns show:

August.	1919	1919	Gain
Paper	\$4,999,258	\$8,746,817	\$3,747,559
Chem. pulp.....	2,873,186	6,702,644	3,829,458
Mech. pulp .. .	475,735	2,809,266	2,333,531
Total	\$8,358,179	\$18,258,727	\$9,910,548

The countries of destination were:

Paper and manufactures of:	1919	1920
United Kingdom.. . . .	\$ 498,493	\$ 464,664
United States	3,950,483	6,672,399
Other countries	550,282	1,609,754
Wood pulp—		

United Kingdom	93,985	1,150,531
United States	2,961,963	7,765,335
Other countries	292,973	596,044

For the first five months of the current fiscal year pulp and paper exports reached a total value of \$70,752,774, compared with \$35,415,415 for the corresponding months of 1919, a gain of \$35,337,359 or practically 100 per cent. They exceeded in value the total for any full year prior to 1919.

Details for the five months' period follow:

	1918	1919	1920
Paper	\$18,332,587	\$22,531,667	\$35,170,271
Chem. pulp	13,319,092	10,776,812	26,821,398
Mech. pulp	2,174,521	2,106,936	8,761,105
	\$33,826,200	\$35,415,415	\$70,752,774

For the five months period of 1920 paper exports included 30,345 cwts. of book paper, valued at \$324,179, and 6,325,218 cwts. of newsprint, valued at \$29,218,154. Their destination was:

United Kingdom	\$ 2,012,766
United States	27,671,173
Other countries	5,486,332

Exports of manufactured pulpwood for August were:

	1919	1920
Cords	97,588	133,464
Value	\$944,877	\$1,695,088

For five months:

	1918	1919	1920
Cords	852,006	425,974	502,315
Value	\$8,110,266	\$4,205,118	\$5,756,464

The Spanish River Pulp and Paper Company are now operating the new machinery recently installed, the capacity of the mill being now 270 tons of pulp and paper as against the previous output of 170 tons.

Imports Increase, Exports Decrease

Trade Returns for August Aggravate Exchange Situation.

No reason for expecting substantial improvement in exchange between Canada and the United States in the near future is held out by preliminary figures of the Dominion's trade in August, which were made public last week. Canadians during that month bought in the United States to the extent of nearly eighty-six million dollars, as compared with sixty-two and a half millions, in August, 1919. They exported to the United States goods to the value of forty-six and a half millions, as compared with \$40,250,000 in August, 1919. The balance against Canada in trade with the United States was thus thirty-nine million dollars in August, 1920, as compared with twenty-two millions in August, 1919. In spite of the adverse exchange rates, thus Canadians have materially increased their purchases in the United States and tended to aggravate the condition causing depreciation of the Canadian dollar south of the international boundary line.

In trade with Great Britain, Canada still enjoys a favorable balance. That balance, however, in August was only about eleven and a quarter million dollars, as compared with forty-four and three-quarter millions in the same month last year. Canadian imports from Great Britain in August were valued at 21½ million dollars, as compared with 7½ millions in August 1919, but Canadian exports to Britain were only \$36,748,689 last month, as compared with \$52,238,338 in August, 1919. Exchange rates greatly in favor of Canada doubtless operated both to increase imports from Britain and to decrease exports.

During the month, Canadian total imports were valued at \$124,318,014, as compared with \$81,357,305 in August, 1919. Total exports amounted to \$112,000,000 approximately, as compared with \$116,000,000 in August, 1919.

In earlier months of the present year, Canada on the whole enjoyed a favorable trade balance. The movement of the wheat crop will make itself felt in the present and succeeding months of the year. It will swell exports to Great Britain, and if any considerable quantity goes to the United States under the arrangement for reciprocal free trade in wheat and wheat products, between the two countries, it may serve to reduce Canada's adverse trade balance in the Republic and to improve exchange conditions.

Railway Rates Appeal.

Premier Meighen and several of his colleagues in the government, spent two days last week in hearing the appeal from the decision of the Railway Board granting increased railway fares.

At the close of the arguments last Thursday evening, the Prime Minister stated that due consideration would be given to the representations made both in support of the appeal and in defence of the rates judgment. He remarked that many of the matters discussed before the Ministers were such as could only be determined by a properly constituted tribunal—such as the Railway Commission. Unless the Government proposed to reserve the decision of the board it would be necessary for it to confine itself to the question of whether or not a policy has been adopted which is repugnant to public policy. Should it appear that an error had been made by the board, a reference back to that body would be appropriate. However, much matter had been brought forward which could receive the consideration of the Government and a decision would be given as soon as possible.

Worldwide Coal Shortage a Menace to Industry.

As a result of the coal shortage which menaces the world, only the United States and Great Britain are assured of sufficient fuel to operate their industries at capacity during the coming winter, according to Joseph A. Broderick, Vice-President of the National Bank of Commerce in New York. In an article on the International Coal Trade in the October issue of Commerce Monthly, the bank's magazine, he points out that although eventually a balance will be reached between demand and production, this cannot be hoped for in the near future. Neither shipments from new and remote fields nor the increased use of fuel oil and other substitutes will solve the problem for the present.

The article indicates that at the present rate of monthly receipts, not a single importing country in Europe or South America is receiving a supply which is even approximately adequate. France is now receiving coal at about two-thirds the rate which would be necessary to assure operation of French industries at capacity; Netherlands is receiving only one-third the amount of coal required by its industries, and Norway is receiving approximately one-half. The situation is no better in the case of the other chief European and South American buyers in the international market.

Liberty Loan Refunding Will Be Necessary.

Refunding of the Liberty Loans at maturity will probably be necessary, according to the National Bank of Commerce in New York. In the current issue of its magazine, the bank points out that this is indicated by the relatively early period within which the bulk of their public debt falls due, together with the demand for tax reduction and the uncertainty as to repayment of the advances made to the allied governments.

"The policy which has been followed in American war loan financing will make necessary large refunding operations," the bank states. "From the Treasury point of view this may have its advantages, for it may be possible to issue some of the refunding loans at lower interest rates. In so far as lower rates can be secured, the policy will have justified itself. In any event the optional maturities in effect between 1927 and 1947 give the Treasury a satisfactory control over debt payment during that period."

The installation of a potash recovery plant at the works of the Canada Cement Company, Port Colborne, Ont., has been completed, and it is expected that in a short time there will be a daily recovery of 1,000 pounds of cement dust.

The French Loan

An Indication of the Current Price of Money.

The hundred-million dollar 25-year External Gold Loan of 8 per cent. Sinking Fund Bonds sold at par recently for the Government of the French Republic affords, aside from its other aspects, no little light upon the cost of capital at the present time. The sinking fund payments provided will be sufficient to redeem at 110 all of the bonds at or before maturity.

Assuming, as one must from the rapidity with which this large issue was taken, that there was full faith in the credit and soundness of the borrowing nation, the return and the sinking fund features must be taken as representing a fair approximation of the value of investment funds at this time.

The purpose of the loan is to repay in part France's share of the Anglo-French External Loan due October 15. This latter 5 per cent. loan was sold in 1915 at a price to yield 5.45 per cent.

Another comparison that suggests itself is the recent Swiss loan of \$25,000,000 of 8 per cent. bonds sold at par, while no longer ago than August, 1919, the Government of Switzerland placed here a loan of \$30,000,000 5 1-2 per cent. bonds at a price to yield 6 per cent. Still another comparison is that of the Belgian government 7 1-2 per cent. loan of \$50,000,000, offered at a price to yield from 7.95 to 24.89 per cent., depending upon the year in which the bonds are redeemed (at a premium of 15 per cent.) by operation of the sinking fund.

Railroad bonds of the first class have been offered recently for subscription on a 7 per cent. basis, while several large issues of industrials have been sold to the public at prices to yield approximately 7 3-4 per cent.

These figures, together with the prices at which older railway bonds and other securities are selling, tell their own story as to the valuation now placed upon money by those who have it to invest.

The fact that the French Loan was over subscribed, was no doubt due in part to the conviction that France is well on the way towards industrial and economic rehabilitation. This was shown impressively in such statements as that by Ex-President Poincaré (published by The Liberty National Bank, under the title "The Rebirth of France") and by the proven capacity of France to bear the burden of taxation imposed since the war.

The present schedule of taxation is twice that of last year and four times as great as that of 1914. Meeting the ordinary budget expenditure this year of 21,761,000,000 francs, to be covered by tax receipts estimated at 18,855,000,000 and about 3,000,000,000 francs from miscellaneous sources, is already shown to be practicable by reports of the collection of taxes largely exceeding the rate of return estimated in the budget.

Britain's Lead In Wireless.

The leading position which Great Britain has attained in wireless telegraphy and wireless telephony is due largely to enterprise inspired by commercial motives and that disinterested study of science by a few able men for which England has always been distinguished. During and since the War, however, more than one Government Department has had to interest itself in "wireless". The Admiralty, the War Office, the Post Office and the Air Ministry are all concerned from one point of view or another and the Government has formed a Radio Research Board which will act as a clearing House for all the experience gained by each department. Four sub-committees have been formed, and these will carry on research according to programme. The services of several independent British men of science have been secured on these committees.

1870 - OUR GOLDEN JUBILEE - 1920
ONE HUNDRED PER CENT. INCREASE IN
FIVE YEARS.

The Mutual Life of Canada is celebrating its Jubilee Year by "Rounding" the Two Hundred Million Dollar Mark, having doubled the amount of Assurances in force since the year 1915. This 100% increase in five years is without doubt due to the unsullied record for fair, liberal and equitable dealing with its policyholders, and in the second place to the increasing popularity of the Mutual principle in Life Insurance. The Mutual is becoming generally recognized as the most economical, the most democratic and the most equitable system of Life Insurance. The greatest and most powerful Life Insurance organizations in the world are Mutual, and the Mutual of Canada, organized on that basis, is meeting with a similar success. The assets of the Mutual are a source of satisfaction, amounting at present to approximately \$40,000,000 guaranteeing every contract and providing a substantial surplus.

— BE A MUTUALIST! —

THE MUTUAL LIFE ASSURANCE CO.
OF CANADA
WATERLOO, ONTARIO.

Newsprint's Inroads on Forests.

The newspapers of the United States and Canada consume 2,150,000 tons of newsprint annually. Stated in this way, it probably conveys little information to you respecting the effect upon our forests. You will better appreciate the situation when I say that it represents the denudation of the mature trees on an area of 1,000 square miles of forest land each and every year. This will give you an idea of the enormous inroads that newsprint manufacture is making upon the forests of North America.—James White, in address to the Vancouver Rotary Club.

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Convenience, security and economy are secured by the use of Travellers' Cheques issued by this Bank. They enable the bearer to identify himself and are readily converted into the current coin of any foreign country.

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OVER 500 BRANCHES.

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

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Incorporated 1869.

Capital Paid up . . . \$ 19,000,000
Reserve Funds . . . \$ 19,000,000
Total Assets . . . \$584,000,000

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Banks, Bankers and Banking

Currency Must be Deflated

Europe's Only Hope of Lasting Relief.

The greatest single factor contributing to the general demoralization of European finances, is the tremendous inflation of currency which, with few exceptions, has been general throughout the continent, says an United News despatch from Brussels.

Economic experts in session there declare that Europe can never expect lasting relief, even with a complete return to production of pre-war magnitude until the menace of too much paper money is removed.

It is conceded however, that increased production will go far towards settling the troubled finances of these countries.

Practically every report turned in by representatives of former belligerent and neutral countries confesses to the "crime" of inflation. It is also patent that the Central Empires, especially during the war, ran the money-printing presses at full speed, presenting what is in the eyes of experts a truly horrible example of tampering with monetary laws and principles.

It is pointed out, however, that in the case of France the charge does not hold true, although the burden of re-constructing her devastated regions and the consequent loss of production while this is being done operates to her extreme disadvantage.

In view of this situation, President Ador is authority for the statement that "the conference will appeal to every European nation to reduce its paper currency."

"Every delegate," said Mr. Ador, "is agreed that this move is imperative. The nations have met

and exchanged their financial data with frankness. The statistics presented have been of immense importance, and cannot but have an agreeable effect on the respective countries. Let me emphasize that the delegates are here as economic experts, not diplomats, and that they are voting according to their personal views rather than by delegations. It is significant that the Central Empires are on absolutely equal footing with the others, and that they have the same voting privileges.

Improved Banking Position.

Large Increase in Savings Deposits over Current Loans.

A considerably improved banking position for Canada is shown by the statement of the chartered banks of August, issued at Ottawa, last week. Notice deposits moved up over \$28,000,000, while current loans in Canada were only \$8,000,000 higher. It would appear that the demands on the banks for crop moving had not yet been seriously felt, or, if they had, there was reduction in the demand for money from other sources, thus keeping the loan account almost stationary. The increase in notice deposits doubtless reflected the receipts from farm crops or early autumn, and this phase of the deposits should rapidly increase toward the end of the year. The change in demand deposits was less than \$1,000,000 increase. Current loans outside Canada increased \$10,000,000. Call loans have been reduced appreciably, those in Canada by almost \$2,000,000, and outside Canada by over \$9,000,000. The latter change probably means the bringing home of money from foreign branches for use in the crop movement. Other changes in the month's statement are relatively small and unimportant, though it is of interest that note circulation is reduced by over \$4,000,000.



Your Best Friend

What about the future? Are you preparing for it? Are you saving and thus laying the foundation for an independent old age free from financial worries?

A savings account is your best friend; if the unforeseen happens you are prepared and when your earning power is gone it protects you. Start to save now.

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E. C. GREEN, Manager,

136 St. James Street.

Banking and Finance.

Canada's public revenue for the first four months of the current fiscal year, to the end of July, amounted to \$145,000,000 as compared with \$99,600,000 for the corresponding period in 1919, says the Monthly Commercial Letter issued by the Bank of Commerce. During the same time expenditures increased from \$76,500,000 to \$104,900,000. Subsequent to July, collections from special taxes were greater than anticipated, and it is now expected that the total revenue for the year will exceed \$600,000,000, a sum which is sufficient to pay all interest and other charges and leave a balance applicable to the principal of the Dominion debt, which stood on 1st July at \$2,235,000,000 or \$66,000,000 less than on 30th June.

In view of the steady growth which has taken place in the deposits of the Banks, it is difficult for some to understand why money or credit should become dear, especially at this season of the year. The Bank Return for July indicates that loans have increased \$11,000,000 during the month, bringing the total to \$1,377,000,000. Deposits payable after notice increased by a somewhat similar amount, while demand deposits fell some \$20,000,000. There is thus a contraction in the source from which loans can be made, but the demand for credit continues unchecked. With the crop-moving season approaching, the necessity for curtailing credit except for essentials is at once apparent. Increased prices, coupled with accumulations of stocks, as well as delayed deliveries, are largely responsible for the pressure for the credit at this time.

**Return to Hog-Raising in the West.
Packers Say Breed is not Suited to Canadian Trade Needs.**

Hog-raisers would do well to study the case of the Western farmer. Last winter, when the extreme shortage of feed and the fear of a controlled market cast a cloud over the industry, thousands in the three Prairie Provinces sold out, even to their breeding sows. To-day hundreds of them are regretting this rash act. The new crop of coarse grains is turning out well, especially in the Northern parts of Manitoba and Saskatchewan and the prospects of a drop in prices for these are apparent. But to many this will only add regret for there is no stock to which to feed it. All over the country, writes a special correspondent of the Industrial and Development Council of Canadian Meat Packers who is touring the West on a special enquiry, one hears of quite high prices being offered for breed sows but they are not available.

To some extent the late heavy slaughter may be an advantage, if one is to look for the silver lining to a cloud. American settlers who come in to the West in numbers during the war years, brought with them a large number of the fat, lard type hogs, especially the Duroc-Jersey and the Poland-China. To a certain extent these have met the domestic demand but they are wholly unsuitable for the export bacon trade. One of the reasons why hog-raising got into disfavour in the West in the last 18 months is due to three types. The American breeder, transplanted to a Northern climate, has been endeavoring — with an American type grown to the South where climatic conditions make corn-growing far easier and corn-fed lard hogs are required by the markets — to grow hogs for Canadian requirements. The result has been failure. It could not be expected to be otherwise. But the outcome has been a black eye to the whole of the Canadian hog industry, regardless of the fact that the type and method have both been impossible under our conditions.

With an abundant crop of coarse grain there now seems to be every likelihood of a return to hog-raising; not perhaps on a great scale for a season, but it is inevitable in the long run. If only this imported notion about an unsuitable breed for our essentially export bacon trade can be up-

rooted, the feed shortage out here may yet prove a blessing in disguise. The Provincial Governments, as well of course, as the Dominion officials are courageously preaching an extension of the Yorkshire and Berkshire breeds. Perhaps they could do nothing better in the West than a concentrated attack upon the lard type of hog, which is in every sense foreign to our Canadian trade needs.

Market for Canadian Goods in Denmark.

When our representatives paid a visit to Europe, says the Canadian Bank of Commerce, in their Monthly Commercial Letter, they were, unfortunately, unable to include Denmark in their trip, but our London, England, Manager has since visited that country and reports that there is a market for Canadian goods in Denmark which might well be looked into by Canadian manufacturers. There is not only Denmark to consider but also the fact that Copenhagen is a strategic point for the general development of trade in the Baltic; in fact, it is felt that, as soon as conditions in the Baltic regions are again normal, Copenhagen will become a very important centre for the distribution of manufactured goods throughout that territory. Our Canadian friends should, therefore, bear this in mind in anticipation of later developments.

Since Denmark is an important producer of farm commodities, with a thriving live stock industry, it is not likely to buy large quantities of food products from Canada, and the fact that it is adjacent to Norway, Sweden and Finland would indicate that timber and wood pulp could probably not be shipped from Canada with advantage. Nevertheless there are a great many manufactured articles in which Danish importers are interested, and our Canadian manufacturers, in establishing connections abroad, should include Denmark in their sphere of operations.

To indicate the nature of the trade of Denmark, we submit a list of some of that country's chief imports and exports:

IMPORTS: Agricultural implements, bicycles, bran, chemicals, coal and coke, coffee, flax, grain (barley, maize, oats, rye and wheat), iron and steel and manufactures thereof (pig iron, bars, plates, angles, rails, wire), machinery, manufactured goods of all kinds, oil cake, oils, paper, seeds, timber, tobacco, wood pulp, and woollen goods.

EXPORTS: Dairy produce, eggs, fish, grain (rye and wheat), living animals (including cattle), iron (scrap), meat and meat products, sugar, vegetables, and wheat flour.

THE MOLSONS BANK

Incorporated 1855.
Capital and Reserve \$9,000,000.00
Over 130 Branches.

REMITTANCES ABROAD

Drafts for Sterling, Francs or Lire sold at current rates of exchange.

Profit by present conditions to make your remittances. Consult our local manager.

Belgium.—La Banque d'Anvers.
EDWARD C. PRATT,
General Manager.

Fortune Is Built On Saving

If you have to work hard for your money make your money work hard for you.

Our Savings Department pays 3% per annum and this interest is added to your principal twice a year.

N. S. BOGERT,
Manager.

Bread dropped from 15½ to 14½ cents in Montreal yesterday, following two drops in the price of flour in the last month.

THE MERCHANTS BANK

Head Office: Montreal, OF CANADA Established 1864.

Capital Paid-up \$ 8,400,000
Reserve Funds 8,660,774
Total Deposits (31st July, 1920) over \$163,000,000
Total Assets (31st July, 1920) over \$200,000,000

President: Sir H. Montagu Allan, C.V.O.
Vice-President: A. J. Dawes.
General Manager: D. C. Macarow.
Supt. of Branches and Chief Inspector: T. E. Merrett.
General Supervisor, W. A. Meldrum



AN ALLIANCE FOR LIFE.

Many of the large Corporations and Business Houses who bank exclusively with this institution, have done so since their beginning.

Their banking connection is for life—yet the only bonds that bind them to this bank are the ties of service, progressiveness and sound advice.

391 BRANCHES IN CANADA EXTENDING FROM THE ATLANTIC TO THE PACIFIC.

Solid Growth

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

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

To-day they exceed by far those of any Canadian life assurance company.

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Established 1862.
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"Solid as the Continent" policies, coupled with splendid dividends and the great enthusiasm of all our representatives tell you why.

Get in line for success in underwriting. A North American Life contract is your opening. Write us for full particulars. Address E. J. Harvey, Supervisor of Agencies.

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Commercial Union Assurance Company Limited OF LONDON, ENGLAND.

Capital Fully Subscribed . . .	\$14,750,000
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

Head Office, Canadian Branch:
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Applications for Agencies solicited in unrepresented districts.
W. J. Jopling, Manager Canadian Branch.

Marine Insurance Rates

Discrimination Against Canada.

The Quebec Chronicle within the past few weeks has dwelt upon the necessity of regaining Quebec's lost position as a world port, to which end resolutions submitted to the recent Congress of Chambers of Commerce of the Empire by delegates of the local Board of Trade are most important. Not the least striking of suggestive statements made, was that by Mr. J. G. Scott relative to marine insurance, in which he draws attention to the urgency of some change, in the matter of charges which discriminate very heavily against Canadian sea-ports, as the diversion of the Western Canadian export grain trade to New York goes to prove, says the Chronicle, returning to the subject.

He pointed to a fact with which our readers are only too familiar, namely that Canada has made enormous sacrifices in the construction of three-transcontinental railways and is feeling the pinch even now of paying interest upon the cost of the two most recently built, in addition to the deficits from their operation which, it is hoped, will disappear as soon as the country through which they run becomes opened up and developed. At the time that these roads were projected it was promised in Parliament that they would reduce the cost of freight on western grain and would bring it to Canadian sea-ports for export but the result — in the latter respect at least — has been a bitter disappointment.

The roads in question are admittedly doing wonders in the development of the new country through which they run. Those built to the north and north-west of this city, for instance, pass through the finest spruce forests in America to the great water-powers of the Saguenay and the St. Maurice. They have caused the creation of industries that are estimated to have cost eighty millions of dollars and that give employment to twenty thousand men. Five new and prosperous manufacturing towns, moreover, have sprung into existence where, a few years ago, there was only the silent forest and, today, the Province of Quebec has become — or is becoming — the greatest manufacturer of pulp and paper in the world.

On the line of the Transcontinental, through only opened for traffic during the past four years, no less than thirteen thousand settlers have already located. Mr. Scott went on to say, upon the clay lands in Abitibi district of this Province, who are hewing out homes for themselves and furnishing a wonderful traffic in addition. All of which is very gratifying, but the reverse is the case with regard to the western grain trade. Instead of bringing the export grain all rail to Canadian sea-ports, as was promised, that grain is only brought by rail as far as Fort William and is carried cheaply to Buffalo by the ten thousand ton steamer running between those two places, thence by rail to New York because the size of our canals between Lake Erie and Montreal prevents the passage of boats carrying more than 2,200 tons, and makes the transshipment too expensive.

Mr. Scott quotes figures taken from Government blue books to show that in six years, from 1912 to 1918, nearly half of all the grain shipped by water from Fort William — or 518,762,749 bushels out of a total of 1,096,651,336 bushels — reached New York by way of Buffalo; nor did all of the 577,888,587 bushels shipped to Canadian lake ports, such as Goderich, Port Colborne, Tiffin or Port McNicoll find its way to Canadian sea-ports. More than half, he asserted, went to flour mills in Eastern Canada or was used for seed grain, and a considerable quantity was shipped

The Quebec delegate contended that there appears to be two reasons for the most alarming

diversion indicated by his figures; first, neglect to use the new railways for the purpose for which they were constructed and, second, because ocean freights to Europe from New York are lower than from Canadian sea-ports and tonnage easier to obtain, on account of marine insurance rates that discriminate against the latter in favor of the former.

The underwriters were said to have raised the rates charged before the war from St. Lawrence ports but had made no increase in the rates from New York, so that the present situation is as follows:

By regular lines: to Liverpool from New York 12½ to 15 cents per \$100; from Halifax and St. John, 20 cents; from Quebec, 24¼ cents; and from Montreal, 27½ cents. By first class tramp steamer: full cargo of grain to Liverpool from New York, 42 to 50 cents per \$100; from Quebec, 50 to 57 cents; and from Montreal, 55 to 62½ cents. All with further increases against the St. Lawrence route after 15th October. If the extra rates charged for hull insurance — presumably in the same proportion — are added, the heavy handicap against Canadian ports becomes evident.

"Should we not then," inquired Mr. Scott in conclusion, "make every effort to win back the export trade that has been taken away from us by our friends of New York, and try to get some return for the enormous expenditure we have incurred in building the transcontinental railways and to put more life into our Canadian sea-ports. We in Quebec feel very sore upon this question, though it also interests every Canadian port, because, although we have a harbor capable of receiving the largest vessel afloat; although the Government has spent millions of dollars in lighting the lower St. Lawrence and making it absolutely safe; and although we have the shortest possible railway — 214 miles shorter than before — to the western wheat fields, a railway whose costly construction and low gradients lend themselves to cheap transportation; our elevators and our docks have handled no grain this year. And the first step to accomplish this — apart from competitive freight rates, which we think the Government should grant on their railways and ocean steamers — is to get insurance rates to and from Canadian sea-ports down to the same basis as New York."

Difficulties of Marine Underwriters.

Marine insurance is a far more technical and complex subject than any other system of indemnity. Life insurance covers an event, the occurrence of which is inevitable, and the risk concerning which has been measured with great accuracy by the various tables of mortality. Fire insurance, whilst incapable of being reduced to the same scientific basis, provides against loss occasioned by a single occurrence, but marine insurance undertakes to indemnify a person against the loss of ship, goods, freight, anticipated profits, or any other insurable interest, through any of the numerous perils and adventures connected with navigation, such as the "perils of the sea," fires, collisions, pirates, thieves, seizures and restraints, jettisons, barratry of the masters or mariners, and all other perils, losses or misfortunes which might be assumed by the policy. It may be said with certainty that there is no other branch of insurance in which the sagacity, the keenness of observation, and the general specialised ability of the underwriter is so closely reflected in the results attained as in the marine section of the business. The marine underwriter has to know not only men, but he has to estimate the effect of climate, seasons, geographical localities, and numerous other considerations upon any of a large number of risks and the importance of the personal qualities of the underwriter cannot be over emphasised.—The Policy-Holder.

No More Cuban Sugar.

Refuse to Sell at Present Prices.

There is now little likelihood of Canada receiving more sugar from Cuba this year. In a despatch to the Department of Trade and Commerce, H. A. Chisholm, Canadian Trade Commissioner at Havana, Cuba, writes:

"Whatever may be the existing stocks of raw and refined sugars in the United States and Canada it is now a certainty that the world cannot count on any appreciable quantities of Cuban sugar until the beginning of the new year.

"The stocks of raw sugar in the Island at this time of the year are smaller than they have been for many years."

Mr. Chisholm adds that Cuba has determined she is not going to sell at present prices. Sugar mill-owners and cane growers are holding out. There are buyers in the Cuban market, but no sellers. Mr. Chisholm remarks, as he comments upon the recent landslide in the price of raw sugar.

"Cuban sugar interests", he says "have watched the price of their raw sugar gradually subside in the course of a few weeks from a record high of 23 cents a pound to the present figure of 8 or 9 cents — and that after supplies had been held back for a price of 25 or 30 cents. Many sugar holders were consequently forced to unload at 10 and 12 cents sugar which had been ground when the raw was selling at 18 and 20 cents."

The result of the fight for Cuban sugar will have a distinct bearing on the Canadian situation. Mr. Chisholm adds that, according to information, Canadian interests are in the market for several thousands tons of Cuban sugar for immediate delivery, but that they are finding no offerings.

Lull in Grain Exports.

Britain Waits for Lower Prices.

While there is considerable talk of easier prices in most lines, there has been very little change noticeable so far. Our paper industry seems to be growing by leaps and bounds; the exports for August reached a total value of \$18,258,727; these figures show an increase of \$9,910,548 over the same month a year ago, and equal 118 per cent increase. There is a lull at the present time in other exports.

Steamship companies are finding a difficulty in securing full cargoes. Several boats went out last week without any grain aboard. The English Government are not buying at the present time, expecting to buy at lower prices. They have sufficient stocks of wheat over there to last them till the end of the present year. Steamers sailing for Continental ports for November and December are heavily booked with grain.

The first cargo of the new wheat was sold this week for Antwerp account. Flour prices declined fifty cents per barrel; millfeed \$5.50 per ton. At the country boards butter prices advanced over 1 1-2c. per pound; cheese prices showed an advance of 1-2c. per pound.

The exchange situation is curtailing the export of egg trade. Apple exports show an increase. Refined sugars ruled easier, a further decline in price this week of \$1.50 per hundred pounds being recorded. Stocks of refined sugar are heavy.

Some line of industries are held up for want of material.

Retail trade is very active. Fruits and vegetables are very plentiful, and are selling at low prices.

Collections are good.

To Reorganize Maritime Board of Trade.

The twenty-second annual convention of the Maritime Board of Trade was held at Amherst, N. S., last week. Mr. Robert E. Armstrong, St. John, was selected as secretary in place of Mr. Williamson, who was forced to relinquish the work on account of illness.

Mayor Ralston, of Amherst, emphasized the need of united effort if the rights of these three provinces are to be safeguarded. Mayor Avar, of Sackville, expressed the feeling that the board as now constituted was not of great value.

Mr. John S. Smilie, secretary of the Amherst Board moved the following resolution, which was seconded by Blair McLaughlin and passed unanimously:

"Whereas, the Maritime Board of Trade is the only institution in the Maritime Provinces which fully represents the commercial and industrial interests of the said provinces.

"And whereas the said Maritime Board of Trade, by reason of lack of a permanent organization secretary, and the want of sufficient funds, is unable to effectively perform the functions for which it was designed.

"Therefore, be it resolved, that the Maritime Board of Trade place itself on record as being in favor of the appointment of a permanent organizing secretary at a salary to be determined by the executive."

A committee was appointed to go into the matter of reorganization and report back.

The British capitalists who have recently been investigating conditions in the Columbia Valley have purchased 56,000 acres of land there for ranching purposes and have taken an option on an additional 8,000 acres. The land will be heavily stocked with cattle and horses next spring.

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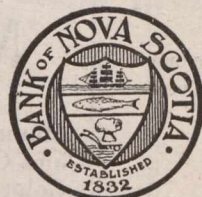
Founded in 1806.
THE LAW UNION AND ROCK INSURANCE CO., LIMITED
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ASSETS EXCEED \$50,000,000.
OVER \$10,000,000 INVESTED IN CANADA.
FIRE & ACCIDENT RISKS ACCEPTED.
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Agents wanted in unrepresented towns in Canada.
COLIN E. SWORD, Canadian Manager.
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ESTABLISHED 1832

Paid-Up Capital
\$9,700,000



Reserve Fund
and Undivided Profits over
\$18,000,000

TOTAL ASSETS OVER \$220,000,000

The strong position of the Bank of Nova Scotia not only assures the safety of funds left on deposit with the Bank but also places it in a position where it can readily care for any legitimate business needs of its customers. We invite business of every description.

THE BANK OF NOVA SCOTIA

New Process for Iron Piping.

Greater Production With Much Less Plant.

By obtaining the invention of a Brazilian engineer, Sensaud de Lavaud, a syndicate of Toronto men have secured the rights for the entire world of a new process which, it is claimed, will revolutionize the manufacture of iron piping. Senor de Lavaud was in Canada conducting a number of experiments when his invention was brought to the notice of Sir Henry Pellatt, Gordon F. Perry, president and general manager of the National Iron Corporation, Limited, and Mark Workman. After thoroughly investigating the process they formed a syndicate and obtained control of the rights.

Mr. Perry last week stated that the process was the greatest step forward in the industry since the commencement of the manufacture of iron piping and already it has resulted in revolutionizing the industry. The National Iron Corporation of Toronto has been operating the process for eighteen months and it has been found that the production has been increased in the ratio of 5 to 1 compared with the previous system of manufacture.

"The new process," stated Mr. Perry, "is entirely different from anything previously used and permits the manufacturing of iron piping that is much lighter than that made in the old way, but yet it is very much stronger and the process eliminates all the imperfections common in the ordinary cast iron pipe. As a result of the new system, the number of operations in the manufacturing of piping is reduced from 31 to 4 and this calls for very much less plant and gives greater production."

In Canada the process is controlled by the National Iron Corporation, Limited, and the rights for the British Empire, exclusive of Canada, have been obtained by the Stanton Iron Works, Nottingham, England, which are the largest manufacturers of iron piping in the world. The manufacturers of piping throughout the world have taken it up so that now the process is in general use all over the world. The K. Tsuda Iron and Steel Company of Osaka, Japan, has the rights for Japan, China and Siberia, the Centrifuge Cast Iron Pipe Company of New York for the United States, The Society Vulcain Cyclone, of Paris, for France, and the South American privileges are controlled by the Empresa de Talleres Metallurgicos of Rio Janeiro.

Many New Companies.

Several Montreal Concerns in Week's List.

Ottawa, October 1. — Incorporation has been granted to the following: The Clarke Trading Company, Limited, Quebec, capital \$1,000,000; Adolphe Huot Limitee, Quebec, capital \$200,000; Glovers, Tanning and Knitting Limited, Montreal, capital \$100,000; Quebec Marine Works Limited, Quebec, capital \$25,000; Continental Guaranty Corporation of Canada, Limited, Montreal, capital \$800,000; Beriault Company, Limited, Montreal, capital \$57,500; The Ault and Wiborg Company of Canada, Limited, capital \$500,000; Niagara Hats, Limited, Niagara Falls, Ont., capital \$500,000; Canadian Flashlight Limited, Vancouver, capital \$2,000,000; Ideal Investments, Limited, Montreal, capital \$100,000; Ramsay Kelly Company, Limited, Montreal, capital \$50,000; United Maple Products Limited, Granby, Que., capital \$1,000,000; Fulton Motors, Limited, Toronto, capital \$200,000; The Haupt Company, Limited, of Montreal, capital \$50,000; Norwesco of Canada, Limited, Toronto, capital \$50,000; National Castings Limited, Belleville, capital \$50,000; Abrasives Limited, Brantford, capital \$600,000.

Belgian Premier's Proposal.

A novel proposal with the object of furnishing a medium for compensation and balancing exchange, was laid before the International Financial Congress, sitting at Brussels, by Premier Delacroix, of Belgium, on Friday of last week. The plan advocated is the establishment of an "International Institute for Financial Control and Issue", by means of which commercial exchange might be balanced between countries without recourse to credits or loans other than those of the institute, the gold bonds of which would be guaranteed by the resources of the country utilizing its facilities.

M. Delacroix declared that compensation by well-conceived organizations appeared to him to be the only workable substitute for present methods. His proposal, he explained, was the nearest thing possible to exchanges in kind between countries, as the International Institute would take in pledge the products of prospective buyers, giving them interest-bearing gold bonds. These could be used to purchase necessities in any country.

The plan would exclude from the institute's workings all luxuries, in order to enforce economy.

Bonds of the institute would be of the short term variety so as to prevent accumulation by any one country and the traders taking bonds would be able to exchange them at banks for cash. The scheme, the premier pointed out, amounted to an international bank with branches in every country guaranteeing advances by other banks on these gold bonds in two ways, as follows:

First, by the general guarantee of banks in each country, and second, by a subsidiary guarantee by collateral consisting of products, crops, timber and manufactured articles.

Slump in C. P. R. Net.

Gross Earnings 17 Per Cent Higher.

The August earnings statement of the Canadian Pacific Railway, made public, last week, continues to disclose the now familiar exhibit of working costs out-distancing the excellent gains in gross receipts from operation, resulting in serious impairment to net results.

Gross earnings during the month of August increased by upwards of 17 per cent, but working expenses soared by over 37 per cent in the period, leaving the net figures lower by \$1,577,354 than in August of last year, a decline of over 41 per cent. As in the previous month's statement, the expenses include provision for the estimated increase under the new wage award.

The ratio of working expenses to gross earnings last month was upwards of 88 per cent, compared to rather in excess of 75 per cent during the corresponding period in 1919. The gross figures for the month constitute a record in the history of the road, as do the expenses. The August showings for the two years are given in detail in the following:

	Aug., 1920.	Aug., 1919.	Increase.
Gross	17,994,768	15,283,653	2,711,115
Expenses	15,793,956	11,505,486	4,288,469
Net	2,200,812	3,778,167	*1,577,354

*Decrease.
The net for the month is the lowest reported by the company for any August in many years past.

Massey-Harris Bonds.

A syndicate is being formed, it is announced in New York to underwrite an issue of \$4,000,000 Massey-Harris Company, Limited, ten-year 8 per cent gold bonds, which will be the joint obligation of the company and of the Massey-Harris Harvester Company, its subsidiary in the United States, it was announced here today.

The concern, which is a Canadian one, was established in 1847, and has combined assets of more than \$45,000,000. The company is the first large Canadian industrial concern to offer securities in the New York market in 1920. The bonds will be its only funded debt.

Electric Welding and Rivet Heating.

Electric welding has already been applied in Great Britain to the building up of the cutting edge of high speed tools which have become worn or chipped. A later development of electric welding in this connection is provided by a British machine which actually welds a tip of hard cutting steel on to the shank of the tool. The process takes only a second or two and the weld, which is made under pressure, is the strongest part of the completed tool. This device should appeal to users of machine tools in parts of the world where facilities for repairing tools are not ample.

Another British invention which should appeal to the same class of engineer is a new electric rivet heater. Electricity has been used for this purpose before, but always by way of direct heating in an electrically-heated element. In the new machine the rivet itself forms part of the electrical resistance which generates heat. The tip of the rivet is placed on the machine, completing the circuit. In a second or two it heats up to riveting temperature, the process being so rapid that no scale forms on the metal. As many as two hundred and fifty rivets (half-inch) can be heated in an hour by this machine; and the current consumption is so low that one unit of electricity can heat about 5lb. of rivets.

The wood alcohol industry is to be added to the activities of New Westminster and this city will possess the only plant of this kind on the Pacific coast. The Acetate Products Ltd., will utilize in the manufacture material that for years has gone to waste in the Fraser Valley and convert these into marketable products.

THE STEEL COMPANY OF CANADA LIMITED

Ordinary Dividend No. 15.

Notice is hereby given that a dividend of one and three-quarters per cent on the issued and fully paid Ordinary Shares of the Company has been declared for the quarter ending September 30th, 1920.

Preference Dividend No. 37.

Notice is also given that a dividend of one and three-quarters per cent on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending September 30th, 1920.

The above dividends are payable November 1st, 1920, to shareholders of record at close of business October 11th, 1920.

By order of the Board,

H. H. CHAMP,

Treasurer.

Hamilton, Ont., September 16, 1920.

Interlake Tissue Mills, Co., Ltd.

Manufacturers of a full line of White and Colored M. G. Tissues, Brown and Colored Light Weight M. G., Kraft, White and Colored Sulphite Wrap, all grades of fruit Wraps, Dry Proof Paper, A full line of Toilet Paper, Paper Towels, Paper Napkins, Decorative Crepe Rolls, Lunch and Outing Sets.

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TORONTO Mills at Merritton

Progress of Mining in Ontario

From our Toronto Correspondent.

Excellent progress is being made by the Lake Shore Mine in sinking the main shaft to a depth of 800 feet, and when lateral development begins at this level, there appears to be good reason for anticipating that Lake Shore will attain twice the size of a mine it is today. The fact of its principal vein system being proven to a depth of 900 feet upon Kirkland Lake Gold, adjacent to Lake Shore, those in charge of the shaft sinking are positive of results, and state the opinion that soon after underground work is started along the 600 and 800-foot levels, production will undergo a heavy increase. Milling operations this month are up to capacity and a gold output of \$50,000 is expected.

Cobalt Shipments.

During the week ending September 24 four Cobalt companies shipped a total of nine cars containing approximately 665,262 pounds of ore. The Nipissing was the heaviest shipper, as shown in the following summary: Nipissing 4 cars, 325,740 lbs.; Mining Corporation 2 cars, 192,928 lbs.; La Rose 1 car, 82,594 lbs.; O'Brien 1 car, 64,000 lbs.

Orr Gold Mine Development.

The annual meeting of the Orr Gold Mines was held on September 30th and in advance of it President C. E. Wettlaufer issued a statement regarding the status of the mine. It is stated that the mine has been dewatered, considerable exploration work done and the cross-cut extended, while the vein, which is supposed to be the No. 1 vein of the Lake Shore Mine, has been cut. This vein is about five feet wide and well mineralized and promises well for future development. Reference is also made to the proposed amalgamation of the Orr with "two operating companies" and without giving out any information the report indicates that something along this line has been arranged. The notice says nothing regarding the stock issue of 800,000 treasury shares to Hamilton B. Wills and which action the minority interests are opposing.

Ruby Silver Mines.

A second carload of medium grade ore has just been shipped out from the old Ruby Silver Mines, in the southwestern part of the township of Buck. The property is being worked by the McDonald Syndicate composed of Northern Ontario men. No stock is being sold at present although arrangements will likely be made at a later date to take out a charter.

The Coniagas Mines financial year has another month to run and while details are not yet available it is stated that approximately 500 tons of ore are treated by the cyanide process. It is understood mill heads are ranging from about 8 to 10 ounces per ton, which compares with 13.0 ounces during the previous fiscal year. Indications for the coming year are said to be favorable.

Ore containing 60,000 ounces of silver is broken and ready for lifting on the Castle property of the Trethewey. There is also said to be a great deal more in the stopes. This bears out the statement made by the late manager after he had retired that the property was at the stage where it could be called a mine. Sinking of the shaft to get the office vein at depth is proceeding at good speed. A crosscut will be run when the 110-foot level is reached.

Dislike Underground Work.

Word from Cobalt is to the effect that there are more surface men available than is required, but approximately 300 men, chiefly muckers and skilled miners, could easily find

lucrative positions there. A number of men are arriving at the Cobalt camp daily but show a dislike to underground mine work. This condition of affairs is not expected to prevail as with the number of new arrivals increasing materially, these objectors already are showing signs of a change of front.

J. B. McArthur, one of England's leading mining engineers, who is associated with the Associated Goldfields of Western Australia, arrived in Toronto this week and left for Porcupine where he will act in an advisory capacity with Major J. McIntosh Bell, E.M., in the re-opening of active mining operations at Vipond-North Thompson. After a visit to the Keeley Mine of South Lorrain, Mr. McArthur leaves for Australia and China where his associates are heavily interested in mining.

Rich Ore at Hattie Gold Mines.

John A. Hough, lately Mining Recorder at Matheson, Ont., has resigned in order to become the general manager of the Hattie Gold Mines. This property lies in the southern part of the Township of Coulson, 12 miles northeast of Matheson, and only a short distance from the famous Croesus Gold Mine, which has produced some of the richest ore ever seen in Ontario. Lately the Hattie has been refinanced by interests identified with one of the big banking institutions in Paris, France, and Jose Castellet, of New York, has been appointed as their representative and treasurer of the company. An up-to-date mining plant is now on the ground and development will be resumed on a large scale before October 15. The preliminary work has opened up about 20 veins, some of which are of large size. Most of the ore is unusually rich, yielding assays as high as \$720 per ton. Tellurides of gold also occur. John K. Papassimakes is president of the company.

Two new properties have recently been acquired by Thackery Mines, Limited, of Toronto, one a gold property of some 200 acres in the Lebel Township area, and the other a 120-acre silver property at Elk Lake. The gold property is in a good location being next to the Oro, Bidgood and the Munroe-Kirkland. Already a start in prospecting and development has been made. On the silver property at Elk Lake the shaft has been sunk 40 feet on a vein showing native silver. This will give this mining company a large holding, they having other properties in Thackery and Maionville township with a total acreage of 240.

Shaft Sinking at Crawford-Skead.

Shaft-sinking has started on the Crawford-Skead at Boston Creek and is being done by hand-reel. It is understood to be the intention of the company to take in a steam plant this Fall. The company is said to be getting good values over a width of eight feet. The vein at its narrowest point runs about two feet and up to six of a maximum. The majority of the owners of the property reside at Chatham, Ontario.

The work of installing the steam plant at the North Davidson is proceeding satisfactorily. The shaft is now down 63 feet and a sulphide vein carrying good values is across the shaft, which is to be carried down to the 150-foot level, where lateral work will start.

It is understood that the O'Brien interests, controlling the Miller Lake O'Brien Mine in Gowganda, have taken an option on the Kilpatrick claims in Gowganda. This is considered to be a property of promise and was held under option by the Gamburn Mining Company for some time. However, before the company could get sufficient exploration done a large payment fell due, and as the owners insisted on its being met, the property was dropped.

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Factors In Shoe Costs.

Small Likelihood of Cheaper Footwear.

Those who have expected that a big reduction in the price of boots and shoes is likely to ensue as a result of the recent slump in the prices of hides and skins will not find their expectation shart by the Shoe Manufacturers' Association of Canada. That body has just issued a statement which, after emphasizing the fact that there are many other items besides the cost of hides and skins which have to be taken into consideration, goes on to say in part:

"The three main factors of cost on shoes are materials, labor and overhead expenses. There is no prospect whatever of having these items reduced.

"For the last three or four months retailers have been clearing their stocks at very much lower prices than they can replace the same goods today.

"Stocks in the hands of shoe manufacturers and retailers are very low, as the retailers have not bought to any extent for the last three or four months, and the manufacturers have had either to shut down entirely, or work at 25 p.c. capacity. There is no surplus stock of shoes today; this surplus existed three or four months ago, but has been disposed of since.

"Prices are now at the lowest possible level under existing circumstances. The travellers of the manufacturers are at present on the road booking business for spring, and the orders they are receiving compare favorably with past seasons.

"The Board of Commerce during their investigation established the fact that there was no profiteering in the shoe manufacturing industry.

"No industry is compelled to follow more closely the condition of the worlds' markets. No industry is compelled to follow more closely the condition of the world's markets. No industry works on a closer margin of pay for its services.

"The manufacturers claim that the shoe industry was the first to feel the pressure of the universal readjustment which has gradually taken place during the last five months. Other industries are just starting their re-adjustment, while the shoe industry has already gone through this period."

Coal and Car Shortage in the West

By E. CORA HIND.

Winnipeg, Sept. 29.—The railway commission has been sitting in Winnipeg this week and was approached by the representatives of the organized farmers on the subject of car shortage. Chairman Carvell heard their complaint, as it were under protest, as they had not previously asked for a hearing. As a matter of fact the circumstances which made a hearing necessary are of recent occurrence and there had not been time to apply formally for a hearing.

Since September 25 there has been an embargo on grain loading on Canadian National railway lines in Alberta and more especially on what is known as the Goose Lake line, the line over which all coal from Drumheller mines must be hauled eastward and all box cars are being rushed to Drumheller for coal to the serious loss and detriment of the farmers.

Today Mr. Carvell has been closeted with railway officials and is demanding more coal for the east and it begins to look as if the farmers of the west were once more to be sacrificed for those potted provinces.

The east has known all summer that she could not get more than 2,000,000 tons of American coal as against 6,000,000 received in former years yet all summer long the western mines have been operating below capacity and would have been glad of occupation for their cars. The coal yards on the prairie provinces are all stocked up, in fact they are carrying the biggest load of coal they have ever carried having taken heed to the oft repeated warning of getting the coal out of the way of the crop. The crop along the lines of the Canadian National railways is very heavy and on this particular Goose Lake line it is the first heavy crop they have had since 1915, and very naturally there is urgent need for it to be moved quickly, yet for a week now, right at the thick of threshing not a car has been available for wheat along that line in Alberta. This delay may not only deprive farmers of immediate money receipts but it may mean a reduction in price or it may mean that they will have to stop threshing as elevators are either full to the roof or on the verge of being so.

Coal versus Wheat.

Then along comes Mr. Carvell and wants still more coal shipped east. The railway officials have been attempting to disguise the embargo on grain loading by stating that the elevators on this particular line are not full, but the embargo exists and is likely to continue unless a miners' strike comes to the rescue of the farmers. There is a miners' strike staged for next Monday and if they walk out the farmers may get their innings on cars while the dispute is being settled. It is rumored that the mine operators are not at all averse to the men going on strike, because the present rate of pay is so high that miners are abundantly supplied with money and their average of production is away below what it should be, moreover it is rumored that while the miners are nominally International Union men their sympathies are really O.B.U. and the operators would like a showdown. In fact there are rumors and counter rumors, but the concrete fact remains that if Mr. Carvell is to get the amount of coal he is calling for it is to be at the expense of western farmers in the matter of their wheat movement. A significant fact is that the daily car inspections at Winnipeg show that the Canadian National roads combined are hauling somewhat less than 50 per cent. of the grain being hauled by the C.P.R. alone.

Eastern Canada seems to have been lacking in foresight, to put it mildly, not to have taken all the coal possible during the summer months.

The Canadian National Railways, owing to the amalgamation, are in a state of flux and are not in any too good a position to handle the crop anyway.

Election at the Pas.

Word has just come in that the deferred election at the Pas has returned the Hon. Edward Brown with a very handsome majority. This is a significant fact. There is a large labor element in this constituency especially connected with the mines and every effort was put forth by labor people to win the election. The notorious F. J. Dixon, M.L.A., who was returned by such an overwhelming majority by the laborites in Winnipeg stumped the constituency for the Labor Candidate. No stone was left unturned, so that the victory of Mr. Brown shows that the public are alive to the fiasco they made of the election last summer and all other elements in the community combined effectively to defeat Labor at this bye-election. In the Pas, at least, there is no desire to help F. J. Dixon to be the next premier of Manitoba.

The old grain firm of James Carruthers and Company are opening a large private wire house here and will have as their correspondents in Chicago the firm of Jackson Bros. and in Minneapolis C. E. Lewis and Company.

Export business on the Winnipeg exchange shows no evidence of any trade with the British Isles and Canadian lake tonnage is handicapped for want of cargoes for Canadian Lake ports and a good deal of it is being chartered for taking Canadian wheat to American ports. The British buyers are evidently out to buy our wheat at their own price and if they dally too long may find that there is no tonnage available to take wheat to eastern Canadian ports.

American milling interests are keen buyers of our wheat and in the words of the immortal Mr. Dooley are taking it "in great gobs".

Express Rates Inquiry.

At the first session of the Board of Railway Commissioners held at Edmonton, Alta., last Friday, F. T. Fisher, representing the transportation section of the Board of Trade, stated that the granting of the application of the Canadian express companies for a rate boost of forty per cent. would mean that the tariff in Canada would exceed that across the border by thirty per cent.

The danger of such an adverse rate causing trade with American firms to be stimulated, was pointed out by Mr. Fisher, although F. H. Phippen, K.C., representing the applicants, later asserted that this was a matter more for the concern of the express companies than the shippers.

Regarding payment on freight shipments from the United States in Canadian currency, this being a matter that was brought up by Mr. J. Hutchinson, representing the Board of Trade, Mr. Carvell stated that there would be a conference of all railway companies within a month when some solution would be attempted. While in Washington he had discussed the question with the Inter-State Commerce Board and found that all that could be done to meet the situation created by the present exchange rate was being attempted.

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May Avert Miners' Strike.

Re-Ballot of the Men Will be Taken.

The late Mr. Labouchere used to say that politics was "the science of living from hand to mouth." If so, Mr. Lloyd George is a past master of politics. For he possesses the art of staying off a crisis in an unexampled degree. It now looks as though his genius in this regard will result in the averting altogether of the threatened miners' strike. Last Friday a decision was taken to call for a re-ballot of the miners on the question of ceasing work.

A re-ballot was expected to result in an acceptance by the men of an offer by the owners of an advance in wages of two shillings per shift when the output of coal reaches 248,000-000 tons yearly. This was the rate of the output for the first three months of the present year.

The coal strike notices which were to be effective last Saturday have been postponed for another fortnight, it was announced on Friday afternoon. This action resulted from a conference between Premier Lloyd George and representatives of the miners and owners.

The miners' conference has decided to ask the miners as a whole to vote on the question whether the dispute shall be submitted to an impartial tribunal.

Effect of Cheaper Sugar.

A despatch from Brockville, Ont., announces that Mr. J. A. Ruddick, dairy and cold storage commissioner, Ottawa, has notified the Brockville District Milk and Cream Producers' Association that the Borden Milk Company, one of the largest condensed milk operators in Canada, will close its plant at Huntingdon, Que., and that it has under consideration a twenty per cent. decrease in the production of its Ontario factories. The sweetened condensed milk, Prof. Ruddick says, has been selling for some time past on account of the sugar which it contains, but with the break in the price of sugar the demand has greatly decreased.

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A GIANT ELECTRIC POWER STATION: — The new electric power station at Glasgow, Scotland, takes rank as one of the largest in the country. It is designed for an ultimate capacity of over a quarter of a million horse power, and each generating unit — of which there are five in the first half of the station recently completed — will be of 24,000 horse power. Each boiler is capable of producing 62,000 lb. of steam in an hour. All the latest labour-saving devices for loading coal into the bunkers, stoking the furnaces, and removing the ashes are installed, and a very high degree of economy in the production of electricity on the large scale is assured.

INVESTORS WAIT OPPORTUNE MOMENT: — There are hundreds of thousands of pounds of British capital being held, awaiting favorable opportunities for investment in Canada, and these funds will be sent across the Atlantic as soon as the exchange problem has righted itself sufficiently to appeal to British investors, according to J. A. Robb, M.P., for Huntingdon, Quebec, who has recently returned from a trip to Britain. The high taxes being placed on idle capital in Britain are responsible for the desire to invest in Canada. M. Robb stated, saying that it would be necessary for Canada to exercise caution and refrain from penalizing investors too heavily by way of taxes which could be avoided. Otherwise, he thought, investors would be driven to seek other fields for the employment of their capital.

A NEW BRITISH UNDER-WATER PUMP: — In salvage operations, in well-making, and in many kinds of dock and harbour engineering great advantage is gained by using a pump which can work under water. Several types of submersible electric pump have been designed by British engineers, and the latest type has some special features of interest. The usual practice is to allow the water free access to the stationary part of the motor, thick rubber being used to insulate the electric circuits. In the new invention this part of the motor is cased in a special steel alloy, the casing being filled with oil. This arrangement makes the motor very compact and of high efficiency. By using suitable materials for the cas-

ing and pump parts, and a special incorrodible steel alloy in the rotating part of the motor, the pump can be adapted for handling weak acids and other corrosive liquids.

FUEL ECONOMY: — The British Association Committee appointed in 1916 to consider the vital question of fuel economy, has issued its third report. Successful experiments in the production of fuel alcohol at a British iron-works are mentioned. The alcohol was produced from coke oven gas, and the experiments show that over one and a half gallons of absolute alcohol could be recovered for every ton of coke. On this scale the coke ovens of Great Britain ought to be able to produce twenty four million gallons of absolute alcohol every year. Alcohol has proved satisfactory for driving motor cars, especially when it is mixed with benzol.

MEASURING MINE VENTILATION: — At the Cardiff meeting of the British Association, Professor Macgregor-Morris described a most ingenious instrument which gives direct readings of the speed of air currents. It is based on a simple electrical principle. When an electric current passes through a wire, the wire becomes heated and its electrical resistance changes accordingly. By using two identical wires, both carrying the same current, and by protecting one from the cooling effect of wind, the difference of electrical resistance between the protected wire and the unprotected wire affords a measure of the cooling effect and thus of the speed of the wind. On these lines the inventor has devised a portable apparatus which reads directly in miles per hour with remarkable accuracy. The chief use of this apparatus is for measuring the ventilation of coal mines, but it has many other applications.

"DRY" GALVANISING MADE EASY: — The process of galvanising iron to protect it from moisture is of special importance in countries where the atmosphere is humid. Complicated plant is generally required for the process, which consists of covering the iron with a layer of zinc. Recently, however, a British firm has introduced a simple apparatus which can readily be installed in any workshop. It consists of two parts, in the first of which the articles to be treated are placed in a bath of zinc dust and heated — the heating being done by electricity, gas, or oil. The zinc dust vaporises and forms a close covering adhering to the iron or steel. The second part consists of a rotating drum, in which the covered articles are revolved to shake off the excess dust. So simple is the plant that it can be operated by unskilled labour; and the results are better than by the old-fashioned process of galvanising in a bath. Screws, bolts, motor car parts, articles of art metal, and so on can be readily treated.

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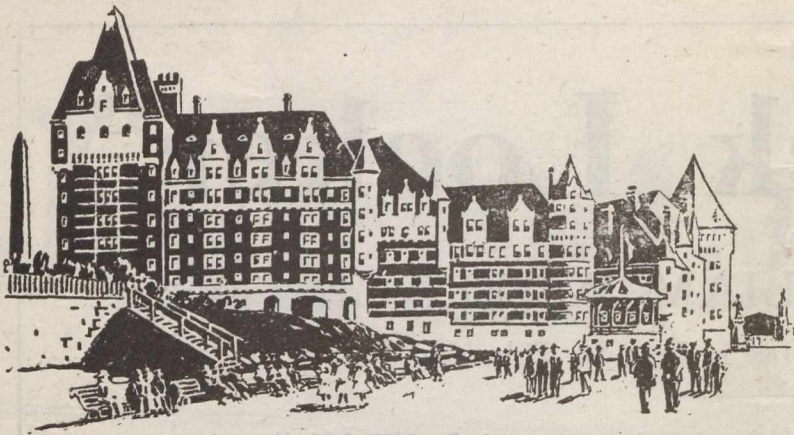
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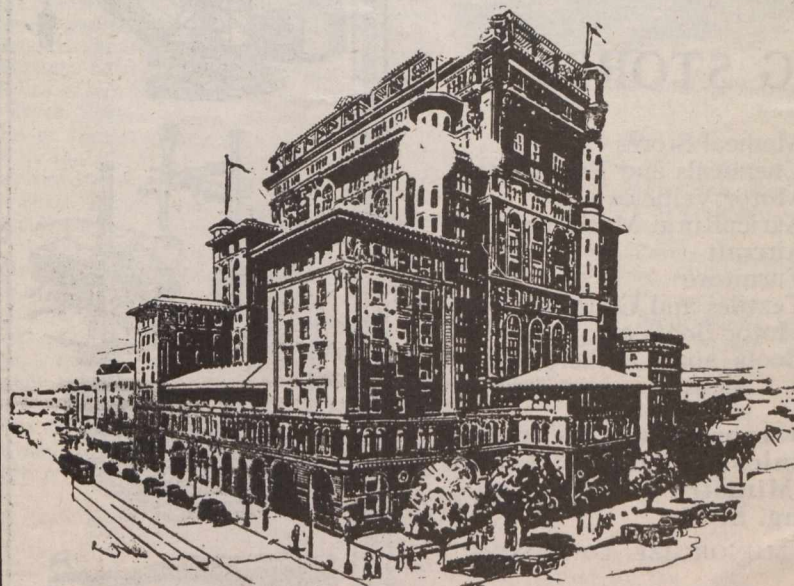
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