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Special Articles

Get Behind the Government.

By J. W. MACMILLAN.

Economic Factors Affecting Western Farmers

By W. W. SWANSON.

How the Mergers Affect the Bank Taxes.

By H. M. ECKARDT.

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Home Rule and Conscription

THE exciting war news of recent days has overshadowed Irish affairs, but the Irish question must quickly come to the front again. Notwithstanding the doubt and discouragement arising from the failure of the Irish Convention up to the present to reach a conclusion, the outlook for a favorable solution is hopeful. The first message of Mr. John Dillon, in his capacity of successor to the late Mr. John Redmond as leader of the Irish Nationalist party, was couched in terms that seemed to bear more of the old-time bitterness towards England than of the conciliatory spirit so strongly manifested by Mr. Redmond. More recent utterances of Mr. Dillon, however, give assurance that he is desirous of following the example of his predecessor in supporting only constitutional movements for the promotion of the Home Rule cause. He has courageously told the Irish people that the "Irish Republic," for which the Sinn Fein party say they stand, is an utter impossibility, and that those who are supporting the movement having that end in view are leading their friends into fields where only disaster can meet them. In several recent elections the Sinn Fein people proved strong enough to elect members of Parliament, who, of course, do not take their seats. It is a good omen that, in the latest contests with the Sinn Fein section, Mr. Dillon and his friends have won substantial victories. Captain Redmond, son of the late John Redmond, became a candidate for his father's seat as member for Waterford. The Sinn Fein party nominated one of their number, and after a strenuous contest, in which the issues between a constitutional Home Rule agitation and the mad movement of the disloyal section was clearly drawn, Captain Redmond won by a handsome majority. Young Redmond had represented East Tyrone, and retired from that seat to make the fight for his father's seat in Waterford. Now the election for East Tyrone has taken place, and the Nationalist candidate, Mr. Harrison, has won by a vote of 1,800 to 1,219 for his Sinn Fein opponent, Mr. Milroy. These events should be helpful to the Home Rule movement generally, and particularly should encourage the leaders of the Irish Convention just closing its labors, to renewed effort to find a ground of agreement between the several divisions of the Irish people.

That without a large measure of Home Rule there can be no settlement of the Irish question acceptable to the majority of the Irish people seems so clear that we may hope the dissenting minority in Ulster will recognize the fact and join their forces with those who, while advocating Home Rule in local affairs, stand for unity of the Empire. A settlement along these lines should bring to Ireland a

peace satisfactory to all but the Sinn Fein party, the numbers of which would, under such conditions, rapidly diminish into unimportance. On the other hand, if reasonable Home Rule efforts of the Nationalists are still resisted, the Sinn Fein section will gain strength and power, which will make for continued and increased disorder.

A union of the loyalists of the North with the loyal Nationalists of the South against the disloyal Sinn Fein men is the most desirable thing to-day in Irish politics. An embarrassing feature of the situation is the revival of the demand in many British journals for the application of the conscription law to Ireland, which has hitherto been exempt from its operation. To those who take only a superficial view of affairs there seems to be but one side to this question. The rest of the United Kingdom is subjected to conscription, why not Ireland? To many readers there seems to be no satisfactory answer to this question. Nevertheless there is another side that must be considered. In a country ruled by an autocracy, and supported as it usually is by a large standing army to enforce the ruler's will, public opinion counts for little; the wish of the ruler must prevail. It is not so in a democratic country—and the United Kingdom is to-day governed by democratic principles. Under these, laws can only be enforced where they command the approval of the community affected, or where there is at least a disposition to submit to them as the will of the majority. Unfortunately that is not the situation in Ireland. The feeling against conscription in that country seems to be as strong as ever. Leading Irishmen are found declaring that conscription, if applied will be resisted. If that attitude continues, it may be that the effort to enforce the conscription law will bring no strength to the cause of the Empire, but will be a weakness, inasmuch as it will call for an army of enforcement almost as large as the army that will be raised by compulsion. Strong though the argument for conscription is, the question may present itself in such a form that the Imperial Government will not feel warranted in taking the action demanded by so many advocates of compulsory service. The question is one full of difficulties, calling for the exercise of much wisdom by the Imperial authorities.

The Ottawa Debate

THE riot at Quebec was followed by a riot of words in the House of Commons. There was a pretty general feeling in the House that no good end could be served by the bringing on of a debate which was likely to evoke angry passions. However, there

were men on the Government side who were dissatisfied with the manner in which the Military Service Act was being used, and a discussion of that matter seems to have been the real object of the movers, the Quebec riots being used as a convenient peg on which to hang the formal motion to adjourn, which is employed under the rules to bring up a question of urgent importance.

The debate which, beginning early on Friday afternoon continued until daylight on Saturday morning, proved to be very interesting, and in the case of most of the speakers was marked by a moderation that was almost surprising. It afforded an opportunity for many of the new members on both sides to make their first appearance as speakers, and quite a number displayed oratorical powers of a high order. On the whole the debate was agreeably disappointing in its moderation, and perhaps it may do less harm than was feared when the notice of motion was given.

The Referendum

ALTHOUGH the "initiative, referendum and recall," the full programme of many of those who call themselves Progressives, may not be very widely accepted, the middle part of the plank finds much favor among public men who wish to avoid the responsibility of dealing directly with the issues that arise. At present in a number of the States of the neighboring Republic the referendum is being proposed as a way of settling the pending question of a prohibitionist constitutional amendment. The United States Congress, after a long contest, adopted an amendment of the constitution providing for total prohibition of the liquor traffic. The proposal now goes to the Legislatures of the States for ratification. There is, of course, in all quarters a strong prohibitionist party calling on the members of the Legislatures to endorse the proposed amendment. Opponents of the measure in a number of cases are endeavoring to avoid this direct action by way of a reference to the vote of the electors. In New York a referendum movement has just been crushed by Governor Charles S. Whitman. While the subject was still before the Legislature, without waiting for the presentation to him of a measure which he would be obliged to veto, Governor Whitman sent a message to the Assembly in which he strongly condemned the pending referendum bill. He would not object to a reference of the matter to the electors, he said, if under the constitution it could be settled in that way. But, as he pointed out, the constitution of the United States required that the proposed constitutional amendment be passed upon by the Legislature. Consequently, after all the trouble of the referendum, the matter would be left just where it was before: the Legislature, and the Legislature only, could confirm the proposed amendment. In concluding his message, the Governor said:—

"In other words, the result of a campaign under this proposed measure would be without meaning and without effect. It is an evasion and a deception, and I am not willing to be a party to the foisting upon the public of a dishonest measure.

"It is interesting to note that this plan, plainly a subterfuge, has been

proposed once before in the history of this State in its Legislature. This is not a new idea. It originated with the so-called Tweed minority in the Senate of 1869. It was the way the minority in the Senate, not conspicuous for loyalty to the Federal Government or to the interests of the State, endeavored to beat the Fifteenth Amendment to the Constitution, the amendment which provided that the right to vote should not be denied on account of race, color or previous condition of servitude.

"It is inconceivable to me that the method devised by William M. Tweed to defeat the provisions of the constitution of the United States, or at least for the purpose of avoiding the performance of a plain duty imposed by the instrument, should be adopted to-day by the Legislature of New York for the same purpose."

The Governor's vigorous message, and particularly his suggestion that the Republican Legislature of New York State was asked to follow the method established by the notorious Boss Tweed, of Tammany Hall, seems to have had the desired searing effect. The Assembly, by a vote of 110 to 35, decided to "postpone indefinitely" the referendum bill. The effect of this will be that the whole matter will go over for the consideration of the Legislature of 1919. In the meantime, no doubt, there will be an energetic campaign throughout the State in support of the ratification of the constitutional amendment proposed by Congress.

The French Generalissimo

THE announcement that the French General Foch has been chosen as supreme commander of the Allied armies—French, British and American—on the Western front, has not unnaturally produced some unfavorable comment in England. The Englishman does not like the idea of his chief military commander being placed in a position of inferiority. Sir Douglas Haig has acquitted himself well as the commander of the British forces on the Western front, and his admirers would be pleased to see him in the highest office at the seat of war. But there need be no doubt that the choice was made on military grounds, and that it was best for all concerned that the general command in France should be held by a French officer. The splendid record of General Foch will make it easy for the British commander to accept him as chief and to serve him with all loyalty. The concentration of authority over the whole field in one officer should make for greater efficiency. In view of the gallantry of the French soldiery, as well as the fine record of the French General, it is a pleasure as well as a duty for the British and American armies to be thus brought more closely into co-operation with the army of France.

There are times when a "one man power"—the concentration of authority in one cap-

able person—becomes necessary. This seems to be the situation of the Allies on the Western front, and General Foch seems to be the man for the duty.

War Loans

THE United States Government are now asking the people of the Republic to invest in the third "Liberty Loan." The amount to be asked for—three billion dollars—is less than was expected by the public. The Secretary of the Treasury has explained that the expenses of the war, enormous though they are, prove to be below the earlier estimates, and therefore he asks less than many thought would be required. He will, however, hold himself free to accept any amount that may be offered in excess of \$3,000,000,000. The rate of interest is to be 4¼ per cent. The Government have found it necessary, as has been the case in Canada, to increase the rate of interest on every new loan. The first Liberty loan was for \$2,000,000,000 at 3½ per cent. The total subscriptions were over \$3,000,000,000, but the excess was not accepted. For the second Liberty loan it was found necessary to offer 4 per cent. For the \$3,000,000,000 asked the Government received offers of \$4,617,532,300. They accepted 50 per cent. of the excess. Now the third loan comes with an interest rate of 4¼ per cent.

There is not much room for doubt that the great sum called for will be readily supplied. The organization which so successfully floated the last loan has been retained and enlarged, and is preparing for a whirlwind campaign which will arouse the patriotic enthusiasm of the country.

In proportion to population the calls upon our Canadian people for war money have been larger than those made in the United States. The development in Canada of the resources and the willingness to provide at home the vast sums needed for our war obligations is one of the most remarkable facts of war-time. Ere long we shall have need of another Victory loan, and there is no doubt that when the call comes it will be readily responded to.

Lawyers in the House

AN analysis of the list of members of the new House of Commons shows that the profession most largely represented is that of the lawyers, who number 75, or one-third of the House. Probably the discovery of this fact will cause some expression of disapproval among the rural voters, who are prone to think lawyers are no better than they ought to be. Perhaps some of the lawyer-members could comfort the farmers with the assurance that once was given by a member of the profession who was a candidate in Nova Scotia, in an agricultural constituency. Although admitted to the bar he was not in active practice. Learning that there was some dislike of members of the profession, he spoke of the matter at a public meeting, expressing a hope that he would not suffer on that account, since he could assure them that he "was not much of a lawyer." It may be possible to have too many lawyers in Parliament, but it is certain that a House without lawyers would be a weak and inefficient body.

Record Sugar Crop in Australia

For the first time in the history of the Australian cane sugar industry an amount of sugar has been produced greatly in excess of the Commonwealth's requirements. The Queensland crop is expected to exceed 350,000 tons (70,000 tons above the record yield of 1913-14), and New South Wales will probably produce 20,000 tons, making an estimated total of 370,000 tons. As the consumption is unlikely to reach 270,000 tons, there will be a surplus for the current season of at least 100,000 tons; and even if the 20,000 tons of raw sugar stored at Mackay should be lost, there will probably still remain, at the end of the season, a surplus of not less than from 85,000 to 95,000 tons, for it is an open secret that the total production has been under-estimated.

"The official explanation of this season's immense increase in yield," says the Australian "Industrial and Mining Standard," "is (a) exceptionally favorable weather conditions, (b) the fact that a large quantity of cane was allowed to 'stand over' from last season. This explanation ignores the incitement offered growers—ever since the beginning of the war—to increase planting by the unprecedentedly high prices fixed, through the benevolent intervention of the Commonwealth Government, and it makes no mention of the circumstance that a considerable amount of the current season's cane is being allowed to 'stand over' until next season. It also fails to remark that the Commonwealth Government supplemented the stimulus of unparalleled prices by returning all its mesne trading profits to the growers and by involving itself in a definite responsibility to purchase at an exceedingly liberal figure the entire Queensland production, whatever should be the quantity produced. The weather may have been favorable; the quantity of cane standing over from last season may have been substantial; but we take leave to insist that the policy of the Commonwealth Government was an important factor of the surplus."

"NO MARKET FOR SURPLUS."

"As things are, the national taxpayer has to bear the burden of the surplus to the tune of upwards of £2,500,000, and to that extent the industry profits immediately from the excess production. Two questions arise hereabouts. What is to be done with the current surplus? and Should we encourage the production of further surplus crops. Under existing conditions any over-production of sugar lacks economic justification. The present season's surplus cannot be consumed here, and it cannot be sold abroad except at a ruinous loss, if at all, on account of the dearth of shipping. The proof of our latter statement is to be found in the fact that Java holds at this moment more than 850,000 tons of sugar, of which she is quite unable to dispose. In October last the Commonwealth imported 4,371 tons 8 hundredweight at a fraction over £15 11s per ton. The fixed price for 1A quality sugar in

Australia is £29 5s per ton. Why did the Commonwealth import, and why is it importing, foreign sugar when we hold so much locally grown sugar that cannot possibly be consumed? We put this query, however, merely by way of parenthesis. The importing anomaly is but a detail in a big sum of economic muddling.

"Prior to the war the average price of 1A sugar in Australia was about £18 per ton, or something more than £6 per ton above the ruling price for similar sugar in the world's markets. Sugar is much dearer in famine-stricken Europe to-day than even in Australia, owing to the war; but the European situation profits our industry nothing now, and it is unlikely ever to help us—for nothing is more certain than that the world's price will fall sharply as soon as the war ends, because Europe in normal times is self-contained with respect to sugar, and can produce illimitably. It may be that the world's price of sugar will not return to the low level of 1912-13, but we can be sure it will eventually reach an equilibrium well under £14 per ton.

QUESTION OF PRICES.

"Now the point is that the present price of Australian sugar—£29 5s per ton—is positively declared by the industry to be insusceptible of reduction. If this be true, it follows that the continued existence of the industry beyond the war depends on the problematical willingness of the Australian people to pay about twice as much for their sugar as any other people in the world, and to consent to the raising of the customs duty on imported sugar from £6 to the neighborhood of £16 per ton. It also depends (to a less extent) on the willingness of Australian citizens, while paying £29 5s per ton for the local article, to feed the foreigner at their expense by permitting any surplus production to be sold abroad at less than half the fixed Australian price. Is the nation capable of rising to such a pinnacle of unselfishness? If it is not, the sugar growers of Queensland must do one of two things; they must either contrive to produce sugar at a greatly reduced cost and to sell at a much lower price, or they must go out of business.

"There, in a nutshell, is the problem of the future of the Australian cane sugar industry. We have been moved to present the case (with unsparing candor) for public consideration by a deep sense of sympathy for all engaged in this great and most important national work. For far too long there has been a conspiracy of silence on the subject. The people of Australia have been kept in a condition of utter ignorance as to the actual facts, and sugar growers and others directly interested have been permitted to dwell in a fool's paradise. That sort of conduct is not kind, and it is not statesmanship. It should be abandoned, and the position should be squarely faced forthwith."

GRAIN IN STORE AT THE HEAD OF THE LAKES.

Fort William, April 6, 1918.

Statement of stocks in store in public terminal elevators at Fort William and Port Arthur on April 5th, 1918, with receipts and shipments during the week.

Elevator.	Wheat.	Oats.	Barley.	Flax.
C. P. R.	205,537	184,534	49,936	23,162
Empire.	122,900	564,340	116,581	79,625
Consolidated.	60,944	163,488	46,581	96,694
Ogilvie.	335,861	110,546	73,910	.....
Western.	38,978	57,898	31,646	103,046
Grain Grocers.	302,405	1,040,932	209,349	.....
Fort William.	61,288	327,351	91,809	38,757
Eastern.	38,178	63,081	13,379	.....
G. T. P.	353,817	1,012,466	211,537	185,665
N. Western.	102,450	73,517	45,909	.....
Can. Nor.	1,249,165	1,537,887	591,132	155,340
Horn & Co.	10,892	27,787	2,764	16,089
Can. Govt.	171,589	129,101	48,285	78,637
Thunder Bay.	300,002	745,941	153,225	23,603
Dav. & Smith.	77,729	294,758	78,130	.....
Sask. Co-Op.	347,620	344,357	79,024	167,285
Total.	3,779,360	6,677,992	1,843,206	967,907

A year ago. 22,969,841 10,163,451 1,295,776 1,629,415

Receipts. 630,634 656,007 241,590 133,669
Shipments—Rail. 986,001 240,168 54,763 12,797

Winter storage—
Afloat. 2,691,868
A year ago. 89,245 101,331

STOCKS BY GRADE.

Wheat.		Oats.	
No. 1 Hard.	14,302		
1 Nor.	1,011,004		
2 Nor.	411,575	1 C. W.	2,258
3 Nor.	379,702	2 C. W.	54,423
No. 4.	191,624	3 C. W.	452,706
No. 5.	126,896	No. 1 Feed.	975,766
No. 6.	691,913	1 Feed.	1,756,509
Feed.	205,296	2 Feed.	1,523,107
Others.	747,545	Others.	1,423,220
Total.	3,799,360	Total.	6,677,992

other powers have been supplied. The victors must be the first to eat. We thus get our goods through the State. These goods are given over to our industrial, to our farmers, traders, etc. In this way the State would fructify all necessary channels in a way hitherto unimagined and, besides, in this way we gain a good start over all competitors among foreign nations."

Prince Loewenstein shows how Germany in this way could re-establish its national economics and avoid the catastrophe of unemployment, exorcise the spectre of want, and banish all danger. The manufacturer gets his material, the farmer his fodder, the trader his goods, the workman his earnings, the people their food, and the State its indemnity.

"England must supply tin and wool, and as for colonies like Canada, it must yield us copper, nickel, cobalt and leather. Australia must produce spelter, wool, grain and frozen meat, and other colonies jute, leather, fats and oils, rubber, rice, tea, cocoa, etc. South Africa will supply us with gold, and Egypt, should it still remain under British rule, with cotton. France will give us olive oil, other oils, and wine, and Algeria will give us cork and phosphates. Italy will supply vegetables, sulphur, raw silk, hemp and oil, and from Russia, wheat, barley, flax, oilcake, leather, eggs, platinum and bismuth."

This process of indemnification must be continuous until the entire indemnity, as far as possible, has been paid. "It is only in this way and by such means that the war and its consequences can be changed for us into a source of blessing which will again raise our land and people to their old heights, which will save them from the abyss of want, from crushing taxation, from mass emigration. Destiny compels us to these steps, and we must take them or perish. It would be a crime were we to allow false magnanimity or a palsied will to prevent us utilizing our victory to the full. If we neglect this opportunity our eternity will never give us such another chance."

Germany will Want Raw Material for War Indemnity

Evidence of Germany's pressing need for raw materials continues to accumulate. Prince Du Loewenstein Wertheim Frendenburg, writing in "Die Wirklichkeit," strongly urges the desirability of the German Empire demanding raw material as war indemnity.

After the war is over, he says, the German Empire will resemble a great store which has sold out its stocks. In the first three years of war goods, most of them raw material, to the value of \$4,000,000,000 were prevented from entering Germany. There is an absolute shortage of everything "from cotton to sulphur, from seal bacon to platinum." That shortage is a serious danger, for its stands to reason that just as a man out of breath cannot run, a pumped-out State cannot engage in a new war. She must first of all get her breath.

The Prince thinks it probable that a new war will follow the close of the present war. "Does anyone imagine," he asks, "that the peace will bring with it sudden quiet? Out statesmen cannot tell. Hitherto they have not been very reliable augurs. This war has surprised them, notwithstanding a hundred warnings. Our statesmen had dreamed of work-brotherhoods, and then war came. One lesson we have to learn — to be on our guard. We must cast away our amazing sentimentality — this dangerous inheritance of the Teutonic race. We must see things as they really are."

Prince Loewenstein points out that at the conclusion of peace things will be no better so far as

raw material is concerned unless steps are taken beforehand to make necessary provision for supplying German wants. "Peace will not bring us supplies. Even should peace open every market in the world, it would not prevent the wildest competition for raw material and food supplies. Every cotton spinner will struggle to obtain a quick supply of cotton, every gardener will strive for seeds, every farmer for oilcakes. English and German, French and Austrian, all will madly struggle for supplies. And those who in war were Allies will be economic enemies on the markets.

"The spinner must have cotton if the homecoming textile workers are to have employment and if he is to pay his burden of taxation. What will happen when these millions return from the front and cannot be employed because of the lack of raw material? We must not rely on the possibility of obtaining supplies simply by paying for them. Money will not bring in the goods, and will foreign countries accept our paper? Besides, tonnage will have almost disappeared, and our exchange will have sunk to the very lowest. Against these inevitable economic catastrophes, which in certain circumstances can be almost as destructive as war itself, there is only one possible course — prevention."

The scheme of "prevention" is thus developed. "The victors in the great war, that is to say, the Central Powers, must insert this condition in the peace instrument: 'We demand a portion of the war indemnity in raw material, and this immediately and before

How the Mergers Affect Bank Taxes

The mergers will have some effect in cutting down the provincial taxes payable by the merged institutions as well as those arising from the reduction of the municipal property taxes in cases where costly main offices in the large cities are transferred to other holders.

By H. M. P. ECKARDT.

Among the factors which have operated to induce various bank directorates to give consideration to the question of amalgamation, a prominent place must be assigned to the rapidly rising cost of conducting the business. In banking, as in other lines of activity, almost every half year since the opening of the war has seen a substantial increase of the cost ratio. The bills for stationery, which always represent an important outlay, have been growing larger and larger; the item of salaries, notwithstanding the enlistment of many employees commanding good salaries, tends to higher and higher figures, taxes have been increased, and various other costs have grown greater. In the cases of the recent mergers it has been estimated that consolidation will serve to neutralize or offset in some degree the generally upward tendency of the expenses. The mergers also promise to give a measure of relief from the staff shortage created by the voluntary enlistment of male employees and the drafts under the Military Service Act.

With reference to the effect of the recent mergers in giving relief from taxation, it is to be observed that the exigencies of the war have forced the Dominion, the provinces and the municipalities to impose new taxes and increase old ones; and the banks have had to meet their full share of the larger levies. The Dominion war taxes pressing most heavily on banks are the tax on note circulation, which virtually represents 1 per cent on capital; the increase of postage rate on letters; and the stamp tax on cheques and other bills. Banks are liable also for the excess profits tax, but if the amount due under this tax does not exceed the amount paid in the form of circulation tax, they are not required to pay any excess profits tax. If the excess profits tax for which a bank is liable is greater than the amount of its circulation tax, the bank is required to pay the amount by which the circulation tax is exceeded. Apparently the new Dominion income tax will not directly represent any additional burden upon the profit and loss account of the banks. A corporation is not required to pay income tax unless the 4 per cent on its net income exceeds the amount of its excess profits tax; and, as explained above, the circulation tax paid by the banks is counted as special taxation equivalent to the same amount of excess profits tax. So, as in most cases the banks' excess profits taxes have been fully covered by the payments in connection with the circulation tax, the income tax liability of the banks is likely to be covered by the circulation tax payments. In other words 4 per cent on the banks' net income is not likely to exceed the 1 per cent on capital stock now paid as circulation tax.

The municipalities in many instances have been obliged to increase their property tax and also the levies made on business done; and some of the provinces also have put new special imposts into effect. It will be understood that with the amalgamation of two banks, each of which has costly main offices in the principal cities, a large annual saving would be effected in case of the property tax as soon as arrangements were completed for bringing the business of the main offices in each city under one roof and for disposing of the discarded office. In some cases also there might be substantial reductions effected in municipal business taxes. The provincial taxes, too, would be cut down to some extent by means of the mergers. In east of these there is more definite information available than regarding the municipal taxes; and it will be interesting to note the results obtained in the several provinces.

ONTARIO TAXES.

Ontario taxes banks annually as follows: One-tenth of 1 per cent on the whole of the paid-up capital; \$1,500 for the principal office in Ontario; and \$50 for each additional office. Unless the merger resulted in a net reduction of the consolidated banks' capital, the capital tax would not be affected. If the capital were reduced, the reduction of the tax would be \$1,000 per year per \$1,000,000 of capital reduction. As tax upon the head or principal office in Ontario the consolidation would pay \$1,500 per year, this comparing with \$3,000 per year paid by the two banks while operating independently. Quebec province has a graded tax on bank capital—\$100 per \$100,000 of capital up to \$1,000,000; and \$50 per \$100,000 of capi-

tal in excess of \$1,000,000. Then the principal office in Montreal and in Quebec city pays \$200; each other office in those cities, \$150; and each office in the province elsewhere than in Montreal and Quebec, \$30. In this case the amalgamation would not effect an important reduction of the provincial taxes unless a considerable number of branches in the two principal cities were closed.

PRINCE EDWARD ISLAND.

Prince Edward Island is not affected by the recent mergers. The provincial tax there is on the volume of business—deposits and loans. New Brunswick and Nova Scotia are both interested in the Montreal-British merger. New Brunswick's provincial tax provides for an annual payment of \$1,000 for each principle office in St. John, and \$100 for every office in the province. The Nova Scotia tax calls for \$1,000 for the main branch in Halifax city; \$100 per year per branch for the next ten offices; and \$50 per year per branch for other branches. Only one branch in any city or town is taxed. So in the two provinces the merger referred to will apparently result in a saving of \$2,000 per year in provincial taxes, when the main offices in Halifax and St. John are combined.

MANITOBA.

Manitoba's tax is \$1,200 on the principal office in the province; on the next four offices \$300 each; on the next 10 offices, \$150 each; and all other branches, \$50 each. Only one branch in any city, town or village is taxed. Here, a reduction of \$1,200 per year will apparently be effected by each of the three mergers upon the going into effect of the amalgamation. Saskatchewan's provincial tax calls for \$300 per year from every branch in an incorporated city; \$100 from every branch in a town;

and \$25 from every other branch. All three of the mergers lately announced will apparently lead to reduction of the provincial tax payments in Saskatchewan, but the reductions will not be so important as in Manitoba.

ALBERTA.

Alberta taxes banks \$1,000 per year on the principal office in the province, and \$125 per year on each other office. All three of the merged banks are represented here and each consolidation will save at least \$1,000 per year in connection with the tax on the principal office. All three of them are represented, too, in British Columbia, in which province the principal office is required to pay \$1,500 per year, and each other office \$250 per year. In British Columbia it would seem that the Montreal-British consolidation will effect its greatest savings, as regards provincial taxes, when the offices of the two banks are finally combined in the places where they have been operating under competitive conditions. Besides the annual saving of \$1,500 in connection with the tax on the principal office in the province, there will be a saving of \$250 per year in regard to each branch point at which the business of the two banks is combined. As the Montreal and the British are in competition at five other points within the province, consolidation of the business at these five points would reduce the provincial tax in the Pacific Coast province by \$1,250 per year.

Thus it will be seen that the mergers will have some effect in cutting down the provincial taxes payable by the merged institutions, but, as remarked in a foregoing paragraph, the savings thus effected will probably be of less importance than those arising from the reduction of the municipal property taxes in cases where costly main offices in the large cities are transferred to other holders. In some instances such sales or transfers will not be easily or quickly effected during the term of the war; and large office buildings sold under present conditions might represent a considerable sacrifice. There is also the consideration that continuation of the war for several years would probably cause the various taxing bodies to increase their imposts; but even in that event, the probability is that the combinations would result in making the consolidated banks liable for a relatively smaller share of the increased taxes than if they had retained their separate existence.

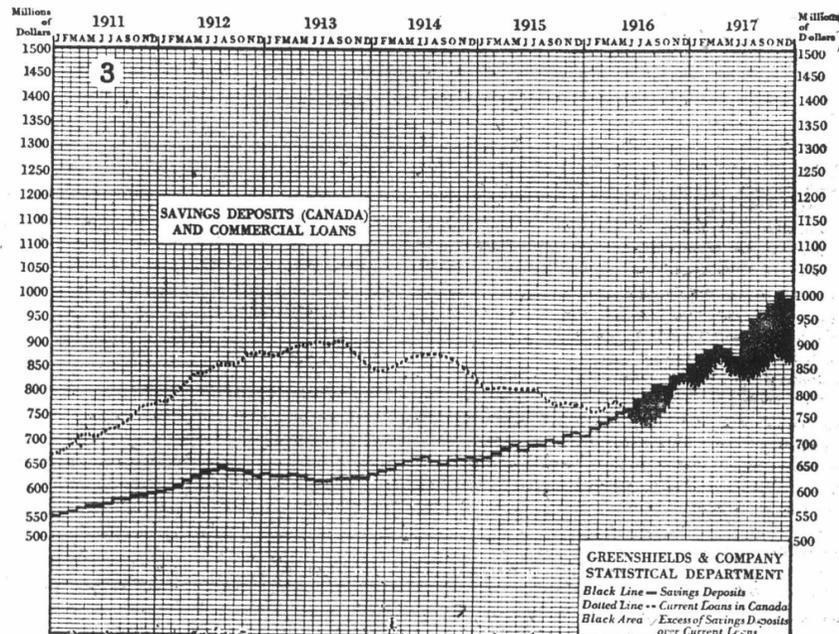
A BRIEF SUMMARY BASED ON AUTHENTIC STATISTICS, OF THE CURRENT STATE OF BUSINESS IN CANADA.

One of the danger signals to Canadian business in 1912-13 was the marked decrease in savings deposits while current loans continued to expand. As savings deposits are the basis on which the banks make advances to business, the banks were forced to take in sail; business expansion halted and some depression set in.

The radical change in the situation existing then and now is shown in the chart given above. The curve of savings deposits has caught up with and crossed the curve of current loans and the black area depicts what could ordinarily be considered as

the excess of the banks' loaning power for commercial purposes. Because of the large profits of the past few years, business is financing its needs at a period of the greatest activity in the history of Canada, with prices for labor and material abnormally high, with little more assistance from the banks than in 1912. Meanwhile, the increase in savings deposits is to be reckoned in hundreds of millions.

Because of this excess of loaning power, the banks have been able to make large advances to the Imperial government, continuing a flow of orders to Canada which became threatened by Britain's problems in finding means for payment.—Greenshields and Co.



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Economic Factors Affecting Western Farmers

By W. W. SWANSON, Ph.D.

The most vital problem in connection with farming is, after all, that of value. In season and out of season farmers have been urged to increase their output of agricultural products, and not only to extend the area under cultivation, but to secure a larger output per acre. Enormously important as mere output is, under war conditions, attention has at length been centered upon an even more important factor in the situation—namely, the market price of what is produced. In last analysis, and in a word, what is needed to establish on firm foundations the economic structure of the West is a larger output, in terms of value, per man, and not an increased yield per acre. From the patriotic standpoint everything must be sacrificed in behalf of increased food output for the term of the war; but thereafter the problems of price and of the standard of living for the farmers on our prairies will become of imperative importance.

The farmer especially will face a new economic situation and be confronted by entirely different world conditions at the close of hostilities. As a primary producer the whole machinery of distribution means much to him; and it is essential that he study carefully the present drift of the current in business and finance as well as the new economic instruments that are being forged in the fires of war if he is to adequately cope with the difficulties that are sure to confront him when peace shall have been proclaimed. At the heart of these difficulties will lie the problem of market prices. It is important therefore to grapple with this subject here and now if the right solution and the right measures adequate to the situation are to be reached in the future.

1916 CROP.

This is crystal clear if one recalls that the organized farmers of the West, through their leaders, offered the British authorities the 1916 crop of wheat at a minimum price of \$1.50 per bushel and a maximum of \$1.90, in lieu of Sir George Foster's offer of \$1.30 maximum. As everyone knows the price of the 1916 crop was fixed at \$2.40, under the pressure of economic facts that could not be ignored. Nevertheless, it cannot be forgotten that the farmers were bitterly arraigned by the Eastern press, as war profiteers, when they declined what was said to have been a fair and square, if not munificent, offer by the Canadian government. However that may be, this has become history, and we are more immediately concerned, both with what is and what must be in the field of market prices for agricultural products. The fixed-price question requires immediate attention.

Should space permit it would be a fascinating study to inquire into the problem of price-fixation historically considered. Many there are who imagine that fixed prices are something altogether new and an outcome of present emergency conditions only. It is a fact, however, that interest and prices were the chief subjects of economic discussion and state regulations during the middle ages. The church had much to say of "just" prices—prices, that is, that would be absolutely fair to both producer and consumer. Such a price, it was maintained, was one that would cover the cost of raw materials and afford a sufficient margin to sustain the laborer and his family in the position in which the Creator had been pleased to place them. The reign of Queen Elizabeth, 1558-1603, was the period, par excellence, of price-regulation and wage-fixing, when the whole economic life of the people was strictly regulated and when patents of monopoly were the order of the day. It is curious to reflect upon the fact that as strenuously as the laboring class protested against wage-fixations by justices of the peace in that day even more bitter was their protest during the period of the Industrial Revolution against the abandonment of this practice.

It is impossible to go into detail at this time, and it must suffice to point out that the laissez-faire policy and philosophy—the reign of nature and of natural law—that provoked the French Revolution and colored the Industrial Revolution in turn, brought about a new concept of what was just in the realm of economics and of industry. The natural sciences now claimed the attention of thinkers and philosophers, and had a tremendous effect in shaping legislation and altering the economic life of the nation. This movement culminated in the abolition of the Corn Laws in 1846, when the United Kingdom was

fairly launched on its Free Trade career. Contrary to the sanguine expectations of the industrial leaders of that time, the rest of the world did not fall into line, but on the contrary developed and established the protectionist system. Free competition and ruthless trade, carried on behind high tariff walls, inevitably led to the formation of trusts and combines and to a return to the outworn practices, abandoned for generations, of price-fixation.

Thus it developed that instead of prices being determined by the natural laws of supply and demand, the manipulators in almost every sphere of economic activity combined to agree on precisely what prices consumers should pay. The merger movement ran riot through the whole industrial world, and in transportation both by land and water. Even the retailer was ultimately forced to sell an enormously wide range of commodities, nationally advertised, at fixed prices. Whether one bought soaps or breakfast foods, gramophones, pianos or jew's harps, tobacco or snuff, boots or crockery, the same policy prevailed—the day of "higgling" over the counter to establish a price had apparently gone forever. Farmers, therefore, are not a little surprised to be told, in answer to their legitimate demand that the prices of primary necessities essential for agricultural production should be fixed, that it would dislocate industry and hamper production, as well as send prices sky-rocketing if such a demand were to be met. In the meantime farmers must accept a price for their biggest cash crop on a basis determined by mutual agreement—an agreement which concerns itself with the interests of the consumer as well as of the producer—while they are obliged to purchase farm machinery and all kinds of necessary supplies at prices determined by manufacturers and other producers alone. In this instance at least free competition, the laws of supply and demand, are sacrosanct—and apparently as immutable as the laws of the Medes and Persians as well.

A risk attaches to agriculture that is quite distinct from that applying to manufacturing, a risk in which the element of time and the operation of natural laws plays a large part. Farmers have little control over natural conditions, and the period between seed-time and harvest is so great that a quick turn-over of capital is an impossibility. In view of these indisputable facts, it requires courage to undertake the greatly extended responsibilities thrust upon the agricultural community by the exigencies of war. The future trend of prices, their probable rise or fall, becomes therefore a factor of surpassing importance in the situation. What, then, is likely to be the course of market prices during the next few years, and more particularly for the period ensuing after the close of the war?

Leaving aside for the moment the well-known facts of decreased production of all essential supplies—with the exception of iron and steel—since August, 1914, what other factors operate, and will continue so to do, in maintaining prices on a high level? The slaughter of 137,000,000 head of stock in Europe, the depletion of supplies of grain, the semi-exhaustion of the economic forces of the grain-producing States of South Europe—Roumania, Hungary, and the Ukraine—all make for continuing scarcity of food supplies. This does not lose sight of the fact that there is a surplus of wheat to-day in the Argentine, Australia and India; but nevertheless, shortage of shipping and the process of demobilization will retard the transference of wheat from these sources to Europe. The simple truth is that the great nations must go hungry for a long period after the war and until stocks shall have been again accumulated. Recall also that the railroads and the roads of Europe have been racked under the tremendous strain of war, that—notwithstanding the 5,000 new factories built in England and those in Germany, France and Russia—the whole economic equipment and machinery of Europe has deteriorated, and it will be readily seen that production on an ante-bellum scale will be a sheer impossibility at the establishment of peace. Moreover, it may be conservatively estimated that ocean tonnage will be reduced, in sum total, by at least 20 per cent.

But the other aspect, the money and credit aspect, of the price problem is of even greater importance. It is obvious that while the nations were still on a were steadily depreciating the value of the yellow sound financial basis, the increasing supplies of gold

metal. Up to 1900 the total world stock of gold was only some \$13,000,000,000, and since that year there has been poured upon the markets of the world—up to the outbreak of war—additional supplies amounting, each year, to between \$450,000,000 and \$500,000,000. Increasing gold supplies precipitated a crisis in the cost of living; but how much greater is the crisis in the markets of the world to-day! Every nation engaged in the war in Europe, with the exception of the United Kingdom and the United States among the Great Powers, has gone on a paper money basis. Keep in mind that the total paper money issues of the United Kingdom, France, Russia and Germany, before the war, amounted to only \$2,500,000,000 in round numbers; and that the same nations have increased their paper money issues to over \$19,000,000,000 since the outbreak of hostilities and it will be easily seen how greatly prices have been affected by this factor alone. The following table tell the story:

Paper money issued.	1917.	1913.
United Kingdom	\$1,293	\$ 144
France	4,467	1,185
Russia	9,181	850
Germany	4,200	488

In this table the figures represent millions, and to will be seen that the paper money issues of these four Great Powers by December, 1917, amounted to over \$19,000,000,000. When one remembers that the United States, during the Civil War, issued only \$450,000,000 of paper money, and that in July, 1864, it took \$2.85 in paper to buy \$1 in gold, it is clearly evident that prices must rule high in Europe until this paper is made as good as gold—that is, until it is made redeemable on demand in gold. But that is not all.

The national debts of the chief countries of the world have tripled since the outbreak of war, amounting to \$106,000,000,000 on August 1, 1917. It has been calculated by the Mechanics and Metals Bank of New York that, for each month the war continues, the cost to the belligerents is not less than \$5,000,000,000. At that rate of expenditure the minimum estimate for the debt of the world on August 1, 1918, will be the staggering total of \$166,000,000,000. As is well known this debt is largely in the form of consolidated debenture stock and bonds—securities which in themselves furnish the basis for additional circulation and hence for price-inflation. Holders of bonds may pledge their securities at the bank, and secure loans thereon to be left as deposits against which cheques can be drawn. Both the volume of the circulating media of exchange, as well as the rapidity of that circulation, increases the longer the war lasts. Hence, prices must reach new and higher levels.

It is a trite but true saying that the economic and social life of the world can never be again what it was at the outbreak of war. We protest against the formulation of any plan or programme to carry on a commercial or industrial war against the Central Empires after the concluding of peace; but nevertheless we must not be blind to the facts of the new economic situation. What are some of these facts? A group of American capitalists have formed the International Corporation, with a capital of \$50,000,000 to finance American exports after the war, and open up new markets abroad. The bankers of the United Kingdom have launched the Imperial Banking Corporation, with a capital investment of \$250,000,000, to take care of the foreign trade of the whole Empire in the neutral markets of the world. In addition important mergers in British shipping have recently taken place in preparation for the future commercial struggle; and the German government has advanced to the Hamburg-American and the North German Lloyd Steamship Companies \$75,000,000 for economic rehabilitation, with the promise to increase this to \$500,000,000 at the close of the war. Everywhere in Europe huge trusts and cartels are being organized to control, on a national scale, imports as well as exports in the days of industrial stress to come. It is perfectly evident that unified buying and selling will deeply affect the economic life of Canada, and especially its agricultural life, the vigor of which depends so largely upon export markets and prices.

What, then, remains to be done? The removal of customs duties on wheat, cattle and small tractors is a step in the right direction, but only a step. It is of imperative importance that a premium be placed upon agriculture; that all economic disabilities under which it, at present, labors be removed; that foreign markets and shipping and transportation connections be organized in the interests of farming; and that, above all, agriculture be furnished with abundant and cheap capital for long periods. In a word, it is time to consider the farmer both as producer and borrower, as well as the interests of the lending class. The agricultural worker rightly asks not only the opportunity to make a living but to live a life.

STOCKS ON THE MONTREAL EXCHANGE IN MARCH.

Sales.	Stocks.	Month			Last Net		Year	
		Open.	High.	Low.	sale.	chge.	High.	Low.
70	Asbestos	16	16	16	16	+ 1	16	16
108	Bell Telephone	132	h132	132	132	unch.	132	*130
785	B. C. Fishing	41	47	41	46%	+ 5%	47	40
1,538	Brazilian	36 1/4	37	34	36	unch.	40	32
299	Brompton	46	46	45	45	- 1	48 1/2	41 1/2
2,080	Can. Car & Foundry	23	h27 1/2	23	24 1/2	+ 1 1/2	27 1/2	18 1/2
2,698	Do., pfd.	57	h65 1/2	57	63	+ 1 1/2	64	*57
1,991	Canada Cement	59 1/2	h61	59 1/2	60 1/2	+ 1 1/2	61	*57
466	Do., pfd.	90 1/2	h91	90 1/2	91	+ 1	91	90
729	Can. Cottons	49 1/2	h59 1/2	49	*58	+ 10 1/2	50 1/2	48 1/2
86	Do., pfd.	*76	h*76	*76	*76	+ 1 1/2	*76	76
25	Can. Converters	43	.....	.....	.....	.....	43	43
25	Can. Con. Rubber	100	100	100	100	+ 1/4	100	100
205	Can. Gen. Electric	105	h105	*102 1/2	*102 1/2	+ 1/2	105	100 1/2
3	Can. Pacific	*146 1/4	.....	.....	.....	.....	.....	.....
218	Can. Locomotive	58	59	58	58	- 1 1/2	59 1/2	58
1,306	Can. S.S. Lines	39 1/2	40 1/2	39 1/4	39 1/4	- 1 1/2	43 1/4	39 1/4
150	Do., Voting Trust	39 1/2	39 1/2	39 1/4	39 1/4	- 4 1/4	43 1/2	39 1/4
794	Do., pfd.	77	77	*76	*76	+ 3/4	78 1/2	76
1,134	Civ. Power	75	75	73 1/2	74	- 3/4	75 1/2	68 1/2
828	Can. Min. & Smelting	25	25 1/2	25	*25	+ 3/4	26	25
56	Dom. Cannery	23 1/2	.....	.....	.....	.....	.....	.....
10	Do., pfd.	80	.....	.....	.....	.....	.....	.....
118	Dom. Iron, pfd.	93	93	*88 1/2	*88 1/2	.....	88 1/2	88
8,401	Dom. Steel Corp.	60	*61	*58 1/4	*60 1/4	+ 1 1/2	62	*53
875	Dom. Textile	85	h85	*83 1/4	*83 1/2	+ 2 1/4	85	80 1/2
33	Do., pfd.	100	.....	.....	.....	.....	.....	.....
7	Howard Smith	65	.....	.....	.....	.....	65	65
17	Illinois Traction, pfd.	80	.....	.....	.....	.....	.....	.....
25	Inter. Coal	30	30	30	30	unch.	30	27
125	Laurentide	154 1/2	155	154 1/2	154 1/2	- 1	156 1/2	152
45	Lake of Woods	130	131	130	130 1/2	.....	136	120 1/2
498	Lvall Construction	65	h68	65	*65	+ 1 1/4	68	*62
1,718	MacDonald Co.	15	h16 1/2	15	15	unch.	16 1/2	13 1/2
60	Mackay	*78	h*78	*78	*78	+ 3 1/2	*78	74 1/2
222	Maple Leaf	96 1/2	97	96	97	unch.	97	*95
211	Mont. Cottons	*50	*50	*50	*50	+ 1	*50	50
10	Do., pfd.	*99 1/2	*100	*99 1/2	*100	.....	.....	.....
98	Mont. Telegraph	120	120	120	120	unch.	120	120
1	Mont. Tramways	150	.....	.....	.....	.....	.....	.....
138	N. S. Steel & Coal	66	66	66	66	- 1	69 1/2	66
60	Ogilvie Milling	160	h165	160	165	+ 14 1/4	165	146
75	Ont. Steel Products	24	25	24	25	- 3	29	22 1/2
661	Penmans	74	h75 1/4	74	74	unch.	75 1/4	65
56	Do., pfd.	81 1/2	.....	.....	.....	.....	.....	.....
521	Quebec Ry.	17	17	15	15 1/2	- 1 1/2	19 1/2	15
668	Riordon Paper	121	121	117 1/4	117 1/4	- 3 1/2	122	117 1/4
5	Do., pfd.	94	.....	.....	.....	.....	.....	.....
320	Smart-Woods	58 1/4	58 1/4	57 1/4	58	- 1	60	57 1/4
1,082	Shawinigan	111	h114 1/4	110 1/2	112	+ 1 1/2	116 1/4	*107
857	Do., Rights	13	13	13	13	unch.	32	20 1/2
25	Sherwin Williams	60	.....	.....	.....	.....	.....	.....
15	Do., pfd.	99	.....	.....	.....	.....	.....	.....
252	Spanish River	13 1/4	13 1/4	13	13	- 2	15	13
12,612	Steel Co. of Canada	53	h58 1/2	53	57 1/4	+ 4 1/4	58 1/2	*49 1/2
130	Do., pfd.	87	90	87	89 1/4	.....	.....	.....
400	St. Lawrence Flour	53	53	50	50	.....	53	50
10	Do., pfd.	80	.....	.....	.....	.....	.....	.....

---BANKS---

1	Brit. North Am.	112	.....	.....	.....	.....	.....	.....
81	Commerce	185	185	185	185	unch.	185	185
12	Dominion	202	202	202	202	.....	.....	.....
4	Hochelega	140	.....	.....	.....	.....	140	140
68	Merchants	167	167	167	167	unch.	*167	167
9	Molson	179 1/2	.....	.....	.....	.....	.....	.....
50	Montreal	210	210	210	210	unch.	210	210
2	Nationale	148	.....	.....	.....	.....	.....	.....
28	Nova Scotia	248	.....	.....	.....	.....	248	248
2	Royal	208	.....	.....	.....	.....	208	208
23	Union	145	145	145	145	+ 2	145	143

---BONDS---

\$10,000	Asbestos	70	70	70	70	- 2	72	70
3,000	Bell Telephone	93 1/2	93 1/2	93	93	.....	92 1/2	91 1/2
1,000	Can. Cement	97	.....	.....	.....	.....	97	97
53,800	Can. Loan (1925)	93 1/2	94	93 1/4	93 1/4	- 1 1/2	95 1/2	93 1/4
29,800	Can. Loan (1931)	93 1/4	93 1/4	92 1/2	92 1/2	- 1	93 1/2	92 1/2
103,900	Can. Loan (1937)	92 1/2	92 1/2	91 1/2	91 1/2	- 1 1/2	93 1/2	91 1/2
20,000	Cedars Rapids	84	84	84	84	unch.	84	83 1/2
3,000	Dom. Coal	85	85	85	85	unch.	85	85
3,000	Dom. Cottons	97	97	97	97	- 1 1/2	97	97
40,000	Dom. Iron	84	84	84	84	- 2 1/2	84	84
3,500	Lvall	93	93	93	93	unch.	93	93
8,700	Mont. Tram. Debs.	76	76	76	76	unch.	76	72 1/2
500	Nova Scotia Steel	69	.....	.....	.....	.....	.....	.....
1,000	Quebec Ry.	57	.....	.....	.....	.....	60	60
1,000	Riordon	94 1/2	.....	.....	.....	.....	.....	.....
1,400	Steel of Canada	95	95	88 1/2	88 1/2	.....	.....	.....
1,500	Wayagamack	77	.....	.....	.....	.....	.....	.....

*-Ex dividend. h-New high for year.

APPLES IN STORE.

Ottawa, April 4.

The following is an approximate estimate of the apples in store at the following points on March 30th, 1918:

	Barrels.	Boxes.
Nova Scotia	34,000	.....
St. John, N.B.	5,300	800
Quebec, P.Q.	2,600	900
Montreal, P.Q.	13,000	9,000
Ottawa, Ont.	4,500	2,000
Toronto, Ont.	10,300	9,600
Winnipeg, Man.	5,300	21,300

SCARCITY OF JUTE.

A scarcity of raw jute for several years after the war is predicted by the British Government investigating the raw material situation.

Jute is produced only in British India, its cultivation being confined to Bengal, Eastern Bengal, Assam, Cooch-Bihar and Nepal. Attempts to cultivate jute elsewhere — China, Egypt and East Africa — have not been attended with success. The special features of the Bengal climate and the abundance of native labor have rendered India immune from attack on her monopoly. Jute is the cheapest textile material, and owing to its cheapness and durability is in constant and universal use throughout the world for the manufacture of bags, sacks, wrappers and packings of all sorts of raw and manufactured articles of commerce. Owing to its low price the only alternative materials for packing are cotton and cases made of wood, both of which are considerably more expensive.

The following figures of the acreage under cultivation are given by the Government of India:

	Acres.	Bales.
1911-12	3,106,422	8,234,700
1912-13	2,070,494	8,842,778
1913-14	3,169,614	8,751,775
1914-15	3,358,737	10,443,924
1915-16	2,377,300	7,428,700

These estimates have almost invariably been conservative to the extent of about 10 per cent. Jute is harvested, marketed and shipped between July 1st and June 30th, the first six months being the heaviest of the season. In the season 1913-14 the crop amounted to about 2,000,000 tons, and was distributed roughly, as follows:

	Tons.
India	1,100,000
United Kingdom	300,000
France	120,000
Italy	50,000
Russia	50,000
Belgium	20,000
Germany	100,000
Austria	60,000
United States	120,000
Others	20,000

The above table shows that more than half the jute crop is consumed in India chiefly by the Calcutta jute mills. The next largest consumer is the United Kingdom, where the manufacture of jute goods is almost entirely confined to Dundee and districts. Germany consumes the largest quantity outside of the British Empire, but the amount of jute goods manufactured in that country for export is negligible. India is also the most important jute manufacturing country, and it has been calculated that she retains about 40 per cent. of her manufactures for carrying her own merchandise, and exports about 60 per cent.

The general conclusion is that, while raw jute is essential to the United Kingdom, to a lesser extent to France and Italy, for the carrying on of a profitable export business, it is not essential for this reason to Germany and Austria. If these latter countries cannot obtain the raw material they will probably purchase the manufactured bags, since there is no practicable substitute for jute on a large scale.

The committee states that there is a prospect of a shortage of raw jute for several years after the conclusion of peace, taking into consideration the maximum consumption capacity of the world's machinery. This shortage will be particularly acute during the first few months of peace, when Russia, Germany and Austria-Hungary will require to replenish stocks which have been practically exhausted during the war.

Get Behind the Government

Much of the Idle and Harmful Criticism of Government Action, which is so prevalent in Canada, is born of patriotic fervor

By J. W. MACMILLAN.

This is a time for loyalty and submission, for sympathy and support, for postponement of criticism and antagonism, for silent obedience. It is not a time for murmuring and grouching, for handing on injurious rumors, generally with added condemnatory details, for unconscious sedition and playing into the hands of the Hun.

Strange as it may seem, much of the idle and harmful criticism of Government action, which is so prevalent in Canada, is born of patriotic fervor. The eager spectator is always impatient of the efforts of the man who is trying to get out of a difficulty. As he sits on the fence and views the attempts of the unlucky teamster who has been bogged in a mudhole he is continually thinking, "Why doesn't he do this? Why doesn't he do that? I'd like to show him how to get out of that mudhole." The strain on the man who would help and cannot is great. So he grows impatient and fault-finding.

He has nothing to do but feel. He does not think, because he lacks the materials for thinking. There are very few men in Canada to-day who are in a position to criticize the Government from first-hand knowledge. The great mass of the critics must draw upon their imaginations and wishes, with such supplement as rumors can supply, for their denunciation. Thus the denunciation, lacking those restraining factors which come from deliberation, is extremely vapid and futile. It does not understand. It comes from a mood, not from a decision. It has no rational policy, but is merely the angry utterance of impatience.

The emotional critic always thinks of doing something simple, direct and smashing. He is provoked at the apparent delay and hesitation of those in authority. His pent-up feelings seek discharge in some violent action. Relief for him dies that way. Hence he accuses those responsible for taking action of slackness, indifference, tardiness and all the sluggish vices. The real trouble lies in his own lack of self-control.

ANOTHER CLASS.

Then, there are critics of another class, those who put their selfish interests before anything else. Their detraction, it is true, is generally conceived in a spirit of lofty patriotism, and their arguments are drawn from the needs of the Empire, but their conclusions simmer down to this: "Do nothing to hurt us. Hurt somebody else." With them the right way is always the way which is profitable to their businesses. We need not accuse these gentlemen of insincerity. Most men take their opinions from the way in which they make their living. They probably are convinced of the truth of what they say. It would be impossible for them, perhaps, to think connectedly along any other line than one which helped their businesses, so completely have they identified themselves with these businesses. But if we do not blame them too severely, neither do we hearken to them with much attention.

It is inevitable that most of the current criticism should converge upon the question of food. Bread and butter are elemental substances. The instincts which underlie nutrition are stirred. From the days of Archbishop Hatto until now the man who deals with the people's food is a target of criticism. Hence the profits of packers and bakers excite ten times the interest that profits of iron-workers and munition-makers do. Hence, also, the food controller and all his doings are singled out for peculiar and censorious scrutiny. Hence all appointments, regulations, and enforcements of law which touch this dangerous subject of food are subject to reckless and prejudiced criticism.

A trip into the United States makes one proud to be a Canadian. Seen from that distance we are revealed as a people who have risen greatly to a great occasion. Our enlistments, our generosity, our constancy have won the admiration of our neighbors. It is just a little pathetic to hear the members of a proud nation such as the United States express the hope that they may do as well at home and in the battle fury as we have done. It would be well if some of our citizens who are busy finding fault with the government of Canada would take a short jaunt into the United States. They might learn to respect themselves more. Un-

doubtedly we have done well. Perhaps we might have done better. It is even possible that we might be doing better now. But how many of those who criticize really know what they are talking about?

SHORT CUTS IMPOSSIBLE.

I have pointed out that the emotional critic always thinks of doing something simple, direct and smashing. On the other hand the man in the responsible position sees that most of these short-cuts to success are impossible. He feels himself in the midst of a veritable web of circumstances and conditions. Every proposed action has to be considered in relation to many other matters. He feels that the balance of things is delicate, and must be preserved. He is conscious of the division of labor between himself and others, and that his activities depend upon theirs. Instead of cutting Gordian knots he is carefully disentangling intricate snarls. The cheap and easy methods recommended to him by his impulsive critics he knows to be ineffective. Is it not right to trust the man on the job rather than the man who really knows nothing about it?

If there are any pro-German influences at work in Canada, and it is highly probable that there are, they are certainly fomenting this spirit of fault-finding. We know that they have been detected

doing that very thing in the United States. They are undoubtedly trying to build on the foundation of the ignorant and interested criticism which spontaneously springs up. They pass around the whisper that such an official spends only one day a week in his office, that another gorges himself at high-priced hotels, that some malign personality is ruler of the Government, that the farmers are being sacrificed, that the manufacturers are being sacrificed, that some young fellow has been unjustly sent to the war, that another has been unjustly left at home, that a family in the next block is throwing beefsteaks into the garbage can—and all the other forms which idle and harmful criticism takes.

The Dominion of Canada is a democracy. Its government has been chosen by the people themselves. Shall the people not obey and trust the Government? Perhaps you did not vote for the Government which was elected. None the less must you obey and trust it, if you expect others to obey and trust a later Government which you may help to elect. The members of the present Government are as efficient a set of men as the people of Canada are likely to elect. They are probably bringing to bear upon the diverse and abnormal problems of the hour as much sagacity as could be assembled for the purpose. It is a patriotic obligation to support them. They need public opinion at their backs. They are busy men, whose time should not be wasted by distracting suggestions from people who have had no opportunity to study the situation from all its sides. They are giving great service to us, and deserve at our hands sympathetic and cordial acquiescence in their leadership.

To Prevent Hoarding of Food

Ottawa, April 4.

New regulations of far-reaching importance, prepared by the Canada Food Board and effective from to-day, will eliminate the speculative element from the Canadian produce business. The Food Board's order definitely limits the quantities of produce which a dealer may own, or have in storage for his account, to his reasonable requirements, and also makes it impossible for him to carry larger quantities of food than are required to provide for his Canadian trade requirements during the season of scant production of supply. The holding of excessive quantities of produce in storage after the expiration of the period of scant production is thus made illegal and subject to heavy penalties.

TO GIVE MONTHLY REPORTS.

Monthly reports giving details of supplies on hand, volume of business, profits, etc., will be required. These reports will be in such form that the Canada Food Board will at all times know the quantity of foodstuffs owned by each dealer. In this way hoarding, speculation and profiteering will be impossible, and the possibility of waste will be kept to the lowest point. These reports will also give accurate information as to waste where waste occurs, and profit or loss on various transactions.

TO LIMIT HOLDINGS.

The order requires that no person shall own or hold meats, lard or oleomargarine in greater quantities than are reasonably necessary to supply the dealer's own Canadian trade requirements for a period of sixty days unless permission in writing is first obtained from the Food Board.

No person will be permitted, after December 1 in each year, to own or hold more eggs than are necessary to supply his own Canadian trade requirements until March 1 of the following year. On March 1 he must not have more than sufficient for fifteen days' requirements.

Holdings of butter are similarly limited to the quantities necessary to supply the dealer's own Canadian trade requirements until May 1 in each year, on which date he must not have more than sufficient for fifteen days' requirements.

THIRTY DAYS' SUPPLY.

With cheese, holdings are limited to requirements during the period of scant production, that is until June 1 in each year, on which date the dealer must not have more than 30 days' supply. This extra holding is permitted so that a reasonable supply of old cheese may be available for the Canadian market.

Holdings of poultry must not exceed the dealer's own Canadian requirements until September 1 in

each year, on which date the dealer must not have more than 30 days' supply.

Similar restrictions are imposed on holdings of canned or condensed, evaporated or powdered milk, the period of scant production for the purposes of the order expiring on May 1 in each year, on which date no dealer may have more than sufficient for 30 days' requirements.

Produce definitely subject to the order of the purchasing agents of Great Britain or her allies may be held in addition to the quantities as limited above.

TO ENFORCE NEW ORDERS.

The order is issued under the new powers granted to the Canada Food Board, authorizing it to prescribe the amount of any kind or kinds of food that may be purchased or held by any person, and to seize any food or food product purchased or held in excess of the amount so prescribed.

Violation of these regulations or obstruction of any officer enforcing or carrying out any of the provisions of these regulations makes the offender liable to a fine of not less than \$100 and not more than \$1,000, to imprisonment for three months, or to both fine and imprisonment. The Food Board also has power to cancel the license of any dealer who does not comply with the regulations.

In case proceedings are instituted at the instance of any municipality or municipal officer, the fine shall be paid to the Treasurer of such municipality. When instituted by Provincial authority the fine shall go to the Provincial Treasury.

\$2.21 WHEAT.

The following statement was given out at Winnipeg on Thursday last, April 4: "The Board of Grain Supervisors, for Canada are of the opinion that the present price of Canadian western wheat, namely, \$2.21 per bushel for No. 1 northern wheat, Fort William and Port Arthur, is a reasonable price for wheat of the crop of 1918."

In reaching this conclusion the board have given full consideration to the necessity of stimulating the production of wheat; to the increased cost of production; and to the relative prices of coarse grains; which have not been fixed during the current year, either in Canada or in the United States.

"The board are also of the opinion that this price should be guaranteed, that the guarantee should be given immediately, and that if for any reason such a guarantee cannot be given the price stated, and all regulations connected therewith should and must be reconsidered and revised.

Mentioned in Despatches

MAJOR GENERAL LANDRY, who was in charge of the military in Quebec when the first rioting took place a few days ago is a son of Senator Landry and a member of one of Quebec's oldest families. General Landry has had a wide experience and is regarded as a very efficient officer. He received warm praise from General Lessard on the steps he had taken to deal with the situation. The later is now in command at Quebec.

MAJOR-GENERAL LOGIE who has relinquished his command of the Toronto Military District, and will go overseas was a lawyer by profession when war broke out. For over two years General Logie was head of the Toronto District and performed excellent work. Toronto has contributed a very large number of men to the overseas forces and in many other ways has been the backbone of patriotic movements — much of which is due to the Hamilton lawyer who turned soldier. General Logie is succeeded by Col. H. C. Bickford.

REV. DR. NATHENIAL BURWASH, ex-Chancellor of Victoria College, Toronto, and one of the leaders in the Methodist Church has just died. The ex-chancellor was born at St. Andrew's, P. Q., in 1839, studied for the ministry but later gave up his pastoral duties and devoted his life to educational work. In this he met with singular success and much of the progress made by Victoria College was due to his efforts. As a young man Dr. Burwash served with the Canadian forces during the Fenian Raid and was present at the Battle of Ridgeway.

MR. CHANG PO LING, the first Chinaman to address the Montreal Canadian Club created a very favorable impression. He is a famous college professor and educationalist in China, his school being taken as the model for the entire country. As a matter of fact he has been referred to by the head of the Rockefeller Foundation as "the Greatest College President I ever met." Mr. Ling's talk on China, Past, Present and Future was of unusual interest.

LORD MONTAGU, who was rescued from the torpedoed ship *Persia*, in the Mediterranean, is, notwithstanding, once more proceeding to India as mechanical warfare expert for the Government of India. A pioneer motorist in England, he is one of the foremost experts of aerial warfare in the British Army, and a member of the House of Lords. He is a most democratic type of man, and fond of introducing newly made acquaintances to his varied activities as shopkeeper, legislator, and landed proprietor. For he keeps a shop in Pall Mall, London, where he sells motor-car literature and edits *The Car*, and he has a magnificent estate in the New Forest at Beaulieu, which, by the way, is pronounced Bewly. Here his study is the huge refectory of the former abbey.

GENERAL SIR HENRY RAWLINSON, who has been appointed Commander of the Fourth Army facing the Germans has already made a big name for himself during the war. A short time ago he was appointed the British member on the Versailles War Council. As Commander of the Fourth Army he takes over the territory formerly held by General Gough, who has retired because of his failure to hold the Huns. Rawlinson joined the army away back in 1884 and has seen military service in all parts of the Empire. For some time he was A. D. C. to Lord Roberts while the latter was in India. He also served in the Burma war, in the Sudan and in South Africa. In the present conflict he made a big name for himself as a strategist and fighter.

MAJOR-GENERAL LESSARD, who is in command of the forces stationed in Quebec, is the best man in Canada for the job. A French-Canadian himself, but with the breadth and culture obtained through travel, a wide military experience and a long residence among English-speaking Canadians General Lessard is an ideal man for the post. He understands both the French-Canadian viewpoint and that of the Englishman. He was born in the Ancient Capital in 1860, served through the Northwest Rebellion and the South Africa War, where he was twice mentioned in despatches and promoted. During the present war he has assisted the military authorities in various ways. A short time ago he returned from a visit to the front.

SIR JAMES S. MESTON. — Another Scotchman has just given an important financial post. Sir James S. Meston, of Aberdeen, Scotland—where they carefully count the bawbees—has been made financial adviser to the Executive Council of the Viceroy of India. He is a financial expert and has long been associated with monetary matters, both at home and in India. He was knighted in 1911.

GENERAL SIR JULIAN BYNG is being acclaimed as the hero of the great battle which is just ended. This is not the first time that General Byng has come in for warm praise since the war commenced. His achievements are a matter of the greatest possible interest to the Canadians as he was the Commander of the Canadian corp last year when they took Vimy Ridge. Byng, who is regarded as a Kitchener protegee was Commander-in-Chief of the British Army in Egypt prior to the outbreak of hostilities. He won fame at the first battle of Ypres, and then when things began to look bad at Gallipoli he was sent there to help retrieve the situation. Later on he was in command of the Third Army, and last fall, with the aid of tanks won a brilliant victory at Cambrai, but later lost part of the ground in a counter attack. In the present fight he was in charge of the Third Army and although greatly out-numbered by the Germans held his ground and prevented them breaking through. Byng is 56 years of age and out of that period has spent 39 years in the army so that he is not a novice in the fighting game.

Montreal is to have a Commission of five to administer her affairs. These are composed of the following:—

Ernest Decary, chairman; Hon. C. Marcil, M.P.; Robert A. Ross, C.E.; Alphonse Verville, M.P., and Charles Arnoldi.

MR. DECARY, the new Chairman, is a notary practicing in this city. He is a native Montrealer, educated at Laval, and then commenced his practice of law. To-day he is head of the firm of Decary, Barlow & Joron. Mr. Decary is 40 years of age.

MR. ROBERT A. ROSS, C.E., is head of the firm R. A. Ross & Company, Consulting Engineers. He is a native of Woodstock, Ont., but has been practicing his profession in Montreal for a great many years, and is regarded as one of the best engineers in the country.

THE HON. CHARLES MARCIL, another member of the Commission, is a member of Parliament, an ex-speaker of the House of Commons, and was elected an alderman of the City of Montreal at the election held last week. He was born at St. Scholastique in 1860, and was educated at Ottawa University. For some years he was prominent in journalistic circles in Montreal, was first elected to Parliament in 1900, made Deputy Speaker in 1905, and Speaker in 1909.

MR. A. VERVILLE, M.P., is well known throughout the country as the only labour member of the House of Commons. He is a native of the Province, but resided for some years in Chicago, later returning to his native city, where he became prominently identified with the labour movement. He was elected to the House of Commons from Maisonneuve, in 1906, re-elected in 1911, and again last year from the new constituency of St. Denis. He is actively associated with various labour movements.

CHARLES ARNOLDI, the fifth member of the Commission, is Treasurer of the City of Montreal, and has been employed by the city for the past 43 years. As a matter of fact, Mr. Arnoldi retires from the services of the city on the first of May next.

MR. W. F. O'CONNOR, K.C., who has resigned as Cost of Living Commissioner, made a big name for himself during the few months in which he had charge of this department at Ottawa. His investigations and his exposures in regard to exorbitant profits, methods of conducting packing establishments and cold storage plants, aroused a great deal of hostility among interested parties, but won the cordial support of the people who are being forced to pay high prices for foodstuffs. Mr. O'Connor is a Halifax lawyer, who a year or two ago joined the staff of the Minister of Justice in Ottawa. Although retiring from the "cost of living" branch he retains his position in the Justice Department.

PRINCE LICHNOWSKY, German Ambassador to the Court of St. James, prior to the outbreak of the war, has been publishing some memoirs which have caused a big sensation in Germany. Briefly, the Prince shows that England did everything possible to avoid war. He points out in the clearest possible manner that Germany was responsible for the war—revelations which have caused no end of a sensation in the Fatherland. Prince Lichnowsky is the head of one of the oldest and wealthiest of the Polish families, but served first in the German army and later in her diplomatic fields. In turn he served his country at Stockholm, Constantinople, Bucharest, Vienna and London. He always posed as a true friend of England's, and the fact that he published "inside" history, proving that his own country was in the wrong, goes far to prove that his claims to English friendship were well founded. It is said that the German Government will prosecute him for his revelations.

IN A CHOP-HOUSE.

Ichabod! The glory has departed!

See where the manager despairing stands,
He who was once so blithe and genial-hearted,
And mutely spreads apologetic hands.
Each waiter seems a funeral procession
Bearing in dismal state the ravished tray,
Choking the sob that scarcely bear suppression,
This is their meatless day!

Where once amid the incense of his altar
There stood the great high priest of boiled and roast,
Whose flashing blade would never stay nor falter,
I seem to see a wan, despairing ghost.
At the mere thought of armored prawns in curry
Or tiny denizens of ocean's deeps,
Poor fare o'pr which once leisured diners hurry,
He bows his head and weeps.

And yet, while I regard my meatless platter,
I take a somewhat broader point of view;
It seems, in fact, a very trifling matter
That joint and chop to-day should be napoo.
It may be that the erstwhile food-hog blanches
To think he cannot eat another's share,
But while there's meat for Tommy in the trenches
My soul will not despair.

—("Touchstone," in London Daily Mail.)

STANDARD CHEMICAL CO.

Standard Chemical, Iron & Lumber Co. of Canada, Ltd., reports sales of \$4,327,056 for 1917, an increase of \$807,932 over 1916, but manufacturing profits at \$563,123 were \$133,341 lower. The decrease of about 23 per cent. in profits in the face of a gain of practically the same proportion in sales is explained as due to the increased cost of operating.

After providing for interest, depreciation, taxes and donations for the year, the balance of profits earned would be \$287,594, equal to about 8 per cent. on \$3,602,700 preferred stock, on which no dividends have been paid since 1913. The surplus earnings, as in the improved year of 1916, went largely to adjustments of old accounts. Thus \$136,967 was applied to a special reserve to provide for over-valuation of some of the company's properties, following an appropriation of \$275,000 for the same purpose a year ago. A net balance of \$150,626 was added to profit and loss surplus, which stands at \$154,402, against a deficit of \$98,222 at the end of 1915.

Decreased profits as compared with 1916 apparently further defer a consideration of some payment on dividend arrears such as was held in prospect a year ago.

Comparisons of profit and loss figures for three years years follow:

	1917.	1916.	1915.
Profits	\$563,123	\$696,464	\$301,859
Less:			
Bond inter.	53,048	67,588	62,668
Bank inter.	52,712	42,717	40,064
Deprec.	150,972	123,269	.....
Do., adjust. . . . .	.....	85,000	65,000
Spec. reser.	136,967	375,000	.....
Income tax	11,983	.....	.....
Donations	6,814	5,000	.....
Loss, etc. . . . .	.....	.....	30,018
Total deduct.	\$412,496	\$698,574	\$197,751
Balance	\$150,626	\$2,110	\$104,108
Prev. bal.	3,776	5,885	*\$8,222
Tot. P. & L.	\$154,402	\$3,776	\$5,885

*—Deficit.

Public Opinion

THE ZORRA OF FRANCE.

(Toronto Globe.)

The Huns will "no tak' Vimy"—the Zorra of France.

SPEED UP.

(San Francisco Journal of Commerce.)

The food problem at home and abroad demands that we send over the railroads 8,000,000 tons of cereal products a day, and up to date we haven't been able to do half that.

ADDED EMPHASIS.

(Ottawa Citizen.)

After the result of the poll in Waterford showed that Captain Redmond had been elected over Dr. White, Sinn Fein, somebody hit the latter on the head with a brick. The Irish are so emphatic.

HAD PLENTY OF TIME.

(New York Herald.)

Recalling the frequency with which it was announced that old General Winter was fighting on the side of Russia—what a pity it is that Russia could not have been given some of this winter's backbone?

A STERN REMINDER.

(Philadelphia Public Ledger.)

More Americans than were killed in action in the whole Spanish-American war have already met their death at the front in France. This single fact is a stern reminder of the nature of the contest we are now engaged in.

MILITARISM AND HEREDITY.

(New York World.)

U. S. Grant called upon Robert E. Lee in camp the other day. It is characteristic of a peaceful country that the grandson and grandnephew of two world-famous Generals both entered the new army from civil life. Neither is a professional soldier—another thing that a Prussian Junker might find it hard to understand.

UNCLE SAM'S DEBT.

(San Francisco Journal of Commerce.)

The grand total of United States loans to the Allies is \$4,960,600,000 to date, including \$11,200,000 which was extended to Belgium on Saturday. England has received the largest amount, \$5,520,000,000, France is second with \$1,400,000,000, while Russia received \$325,000,000. The national debt of the United States now stands at something like \$9,500,000,000, which means that every man, woman and child in the United States has lent his Government approximately \$95. At the beginning of the war the American national debt stood at only \$1,000,000,000, or \$10 per capita.

JAPANESE POCKET STOVE.

(Popular Science Monthly.)

The Japanese pocket stove has made its way around the world. It consists merely of a metal box with a sliding lit, and covered with cloth. The unique feature of the stove is the fuel, which is sold in the form of sausage-like rolls. These will burn for about three hours without giving off any smoke or fumes.

The fuel consists of vegetable materials, converted into charcoal, mixed with saltpeter, and pressed into cylindrical form. These are dried in the sun and then wrapped and packed.

This kind of stove was extensively used by the Japanese soldiers in the Russo-Japanese war.

REAL POVERTY.

(Atlantic.)

Poverty is a variable term and much subject to comparison. Some will allow it only to those who have been born to it. To have been always half-starved, these think, and to carry a basket from door to door—that is to be poor. But it is idle to think of cold and hunger to the point of beggary as the only cold and hunger there are. Not alone are there degrees of cold and hunger of the body—discomfortable and ill-nourished living—but there are, as well, things which seem to me even more difficult to endure—unsatisfied hunger of the mind and heart and a most cruel and persistent chill of the spirit.

MUST WIN OUR OWN VICTORY.

(Ottawa Citizen.)

The lesson for us is that we must win our own victory. The German people are not going to win it for us. We must continue to regard the enemy as being as strong, morally and militarily, as when he began the war. We must continue to make our preparations in men, munitions and resources of all kinds as though we were but in the preliminary stages of the conflict—as, indeed, we may be.

KIPLING TURNED DEMOCRAT.

(Editor and Publisher.)

Rudyard Kipling has turned democrat. In his speech at Folkestone he paraphrases President Wilson and Lloyd George. In former times he was the spokesman for Imperialism and the idea of world dominion. Now he exorciates "the Hun ideal, the Hun's root-notions of life, under whose dispensation man would again become the natural prey, body and soul, of his better-armed neighbor." Incidentally, somebody may suggest to the German "High Command" the time interest that one of Kipling's greatest poems should hold for them just now—"The Truce of the Bear."

FRANCE IS NOT "BLED WHITE."

(The Outlook.)

The following figures, given by Mr. Stephane Lauzanne, editor in chief of the Paris Matin, director of the official bureau of French information, show better than any words that France is far from being exhausted or "bled white."

In 1914, at the battle of the Marne, France had in the field an army of 1,500,000 men; to-day after more than three years of war, France has in the field an army of 2,700,000 men. In September, 1914, the French war plants were manufacturing 12,000 shells per day; to-day France is manufacturing 300,000 shells per day. According to an agreement signed by the French High Commissioner in Washington with the war department, it is the French war industries which manufacture all the light artillery for the American army.

ENGLAND.

(Chicago Evening Post.)

Trust the battle line of England, the Indomitable! Of all the peoples of history, none more than the English have shown the strength that comes in the fight with back to the wall. The last ditch is where England fights best, and there she will fight best to-day if forced to it by the most tremendous military pressure the world has ever known. Thank God our boys are fighting at her side, even if it be but a few of them! May they carry to her the assurance of our faith and glory in her. May they sweep aside the ancient prejudices that have made us grudge England her fair meed of trust and honor.

THE WESTERN SCHOOLS.

(Edmonton Journal.)

The school convention at Saskatoon has demanded that "no language except English be used as the language of instruction in any school of the province," while in Ontario the regulation which has been at the bottom of the bilingual agitation there allows French as the language of instruction during the first two years.

Ontario makes most liberal provision for the study of French. All that the famous regulation 17 seeks to guard against is the condition to which Bishop Fallon drew the Provincial Government's attention, under which French was used to the exclusion of English and to the creation of a general state of educational inefficiency. But this Saskatchewan convention resolves that "no language except English be taught during school hours in any school which comes under the provisions of the school law."

This is going much further than any of the Ontario leaders in the bilingual controversy were disposed to go. In The Journal's opinion it is too extreme a position.

But it was inevitable with the unreasonable attitude which the Quebec agitators have adopted with regard to Ontario, that a movement should arise such as we now see in Saskatchewan. Those behind it apparently argue that with such pretensions being made it is not safe to make any concessions to them whatever.

JOHN BULL IS SAFE INVESTMENT.

(London Daily Mail.)

It is the duty of the people of the country to deny themselves, save every penny they can, and lend their savings to the State. In that way workers can lay up reserves against the lean days which may come with the end of the war. There could be no safer investment. "When owls shall hoot and foxes litter in St. Paul's"; when Westminster Abbey with all its glorious memories is a crumbled ruin; when Nelson's shadow no longer falls across Trafalgar-square; when England forgets him and the mighty host of those whose selfless heroism saved England—then, and then only, will the money entrusted to the British State in this hour of need be lost.

HEAVY LOSSES.

(Boston News Bureau.)

The Kaiser and his press are prating of "decisive moments." But the allies stand ready for whatever onsets or feints may come. After Verdun and Ypres they have no occasion to shiver now. Instead, this is apt to be a decisive season, in a preliminary sense. And it will be the more so, according as the Teutons are more earnest in attack.

For the Achilles' heel of the enemy is man-power. The one sure and simple formula for the anti-Teuton side—ignoring all peace traps—is this: To kill, cripple or capture as many Germans in battle as they can.

Hence the significance of "heavy losses."

THE SIBERIAN QUESTION.

(Chicago Tribune.)

It is to be hoped any policy adopted by our government respecting action by Japan in Siberia will be pragmatic rather than sentimental.

We fully realize the delicacy of the problem confronting the president, and we are not disposed to trample on Russian susceptibilities. But we are at war, a war of force, not a war of words, and it seems advisable to prevent if possible, the impracticality, doctrinarism, and dislike of England and America cherished by Trotsky and Lenin from further playing the hand of Germany. We do not wish to give the Russian people any excuse for suspecting our motives or to support the Bolshevik leaders' absurd charge that we are in this war to exploit any one. But it is probable that our motives will be impugned whatever we do. And meanwhile cannon are cannon, supplies are supplies, and we shall be very foolish if we permit the Bolsheviks to hand them over to Germans or use them to set up on the Pacific a pseudo-independent Bolshevik state dominated by Prussia.

UNCLE SAM'S NEW COOK.

(Wall Street Journal.)

A private in the army entered the customer's room of a Wall Street brokerage house and proceeded to entertain the cashier with tales about his duties at a great cantonment in the South.

"When I was first ordered to the kitchen I was reluctant to go. But soon the work appealed to me. If we are to win the war our boys must have good food and well cooked, so I plunged in. In the beginning, I could only boil water. I procured books on modern kitchens and cooking and studied them. Before many days I was actually taking pride in my work. Now I do not hesitate at eating the very food I cook for others."

Later, after Uncle Sam's new cook had left, one of the customers approached the cashier and said: "I was very much impressed with that young man. Does he work here?"

"No, not yet," was the reply, "but he will some day. His father is the senior member of the firm."

THE DUTY OF PARENTS.

(Milwaukee Evening Wisconsin.)

What better legacy can parents leave their children than to teach them that success and prosperity are surer if they begin by doing everything well; by being so careful and exact in the performance of every duty, and making themselves so useful that their friends or employers "cannot do without them;" and that when success begins to crown their efforts they will "be happier and no poorer" if they use some proportion of their wealth in aiding those less fortunate? Let parents and employers, both by example and precept, teach their children and their employees to be industrious, faithful, economical and scrupulously honest, and the daily papers will not send through our community so many records of crime and immorality.

AMONG THE COMPANIES

CANADIAN CONSOLIDATED FELT CO.

Canadian Consolidated Felt Co., Ltd., reports net sales amounting to \$763,481 for the year 1917 against \$577,766 in 1916. The net profit for the period was \$43,339 against \$4,150 in 1916. This net profit was carried forward bringing total surplus in profit and loss account up to \$180,234.

NEW COMPANIES.

The following new companies are announced in the various gazettes:

QUEBEC CHARTERS.

La Meunerie Modele, Ltd., Fraserville, \$15,000.
L. Mercier & Fils, Ltd., Montreal, \$3,700.
Boucher, Lacroix & Fisette, Ltd., \$49,900.

ONTARIO CHARTERS.

Coulter's, Ltd., Toronto, \$100,000.
Traders' Financial Co., Ltd., Toronto, \$40,000.
Queen City Vinegar, Ltd., Toronto, \$90,000.
Auto Electric Service Co., Ltd., Toronto, \$40,000.
Pioneer Collapsible Tubes, Ltd., Toronto, \$50,000.
British Canadian Credit Clearing House, Ltd., Toronto, \$100,000.
I. Ambrose Woods, Ltd., Toronto, \$40,000.
Marmona Cheese & Butter Mfg. Co., Ltd., Marmona, \$2,500.
John Price, Ltd., Toronto, \$200,000.
The Weyburn Townsite Co., Ltd., Toronto, \$10,000.

FEDERAL CHARTERS.

The Merchants' Purchasing Association, Ltd., Montreal, \$150,000.
Great West Electric Co., Ltd., Winnipeg, \$300,000.
W. & P. P. Currie & Co., Ltd., Montreal, \$150,000.
Dominion Lamp Co., Ltd., Montreal, \$100,000.
Leitch Anderson Grain Co., Ltd., Winnipeg, \$200,000.
The International Exchange Co., Ltd., Montreal, \$45,000.
Interocean Transportation Co., Ltd., Montreal, \$1,000,000.
Trenton Coopers Mills, Ltd., Trenton, \$100,000.

ALBERTA CHARTERS.

The Scottish Canadian Merchant Co., Ltd., Edmonton, \$20,000.
The Larson & MacCulloch, Ltd., Killam, \$20,000.
Retlow Hardware Co., Ltd., Retlow, \$25,000.
Morinville Store Co., Ltd., Morinville, \$25,000.
Northern Billiard Parlor, Ltd., Edmonton, \$5,000.
Groceries Stores Co., Ltd., Calgary, \$45,000.
Northern Boat Building Co., Ltd., Edmonton, \$10,000.
J. H. Morris & Co., Ltd., Edmonton, \$20,000.
A. B. C. Agencies, Ltd., Calgary, \$20,000.
C. H. & D. Drilling Co., Ltd., Calgary, \$25,000.
S. Gambord & Co., Ltd., Edmonton, \$20,000.

BRITISH COLUMBIA CHARTERS.

The Mutual (Vancouver) Ltd., Vancouver, \$25,000.
The Empress Stock Co., Ltd., Vancouver, \$10,000.
Anglo-Canadian Fisheries, Ltd., Vancouver, \$200,000.
Oriental Business Mens' Assn., Ltd., Vancouver, \$10,000.
McDonnell & Burke, Ltd., Fanny Bay, \$30,000.
Motor Accessories, Ltd., Vancouver, \$10,000.
Armstrong's Departmental Store, Ltd., Merritt, \$100,000.
Crowley Logging Co., Ltd., Vancouver, \$10,000.
New Westminster Industrial Finance Co., Ltd., New Westminster, \$100,000.
Kingsley Navigation Co., Ltd., Vancouver, \$100,000.
Gibson Mining Co., Ltd., Kalso, \$20,000.
Trifolium Oleomargarine, Ltd., Vancouver, \$100,000.
Emigrant Mines, Ltd., Vancouver, \$250,000.
Mutual Fruit Co., Ltd., Vernon, \$50,000.
The Malaspino Fuel Co., Ltd., Vancouver, \$10,000.
Commercial Products, Ltd., Vancouver, \$100,000.
Highland Lumber Co., Ltd., Duncan, \$25,000.
The Columbia Hardware Co., Ltd., Revelstoke, \$25,000.
Continental Draftite, Ltd., Vancouver, \$25,000.
Vancouver Simonizing Co., Ltd., Vancouver, \$10,000.
Alberni Pacific Lumber Co., Ltd., Vancouver, \$1,500,000.
Douglas Fir Timber Co., Ltd., Vancouver, \$25,000.
Harmony Association of Vancouver, B. C., Ltd., \$10,000.
Fish Oil & Products, Ltd., Vancouver, \$25,000.
Glen Mountain Mines, Ltd., Vancouver, \$1,000,000.
Mountain Lumber Co., Ltd., Vancouver, \$10,000.
Harrison Lake Logging Co., Ltd., New Westminster, \$25,000.



MR. T. H. RIEDER,
President Canadian Consolidated Rubber Co.

TORONTO RAILWAY CO.

At the deferred meeting of the shareholders of the Toronto Railway Company held in Toronto a few days ago the organized opposition, headed by H. H. Pitts of Ottawa, failed to affect the situation and the number of directors was increased from 7 to 9.

As the directors held proxies for but 71,000 shares, and the by-laws of the company provide that two-thirds or 80,000 shares, must be represented before business can legally be conducted, it was necessary that Mr. Pitts, with his 18,300 shares of proxies, should fall into line.

"CIVIC" CHANGES TO "POWER."

Last week notification was given by the Stock Exchange authorities that trading in Civic investment will be carried on in the future under the name of Montreal Light, Heat & Power Consolidated, though the ticker abbreviation will continue as "C. P." As a result the stock of this concern will once again be referred to by the popular cognomen of "Power," instead of "Civic."

Recently the company sent out notification that the change alluded to above had taken place in its name, but that there was no intention to recall for exchange the stock certificates. It is understood, however, that new certificates will be sent out in the name of the company.

THE KIPAWA FIBRE CO.

A subsidiary of the Riordon Pulp and Paper Company to be known as The Kipawa Fibre Company will shortly commence business. The company's mill will be at Temiskaming, Quebec, and will be managed jointly with the plants of the Riordon Pulp and Paper Co., Ltd. Charles Riordon will be president, Carl Riordon, vice-president and managing director; C. B. Thorne, second vice-president and manager of manufacturing, and F. B. Whittet, secretary-treasurer.

The company will issue \$500,000 bonds, \$6,000,000 cumulative 7 per cent preferred stock and \$6,000,000 common stock. The bonds it is expected will be retired early out of the proceeds of the sale of the preferred shares.

It is estimated that the construction of a 100 ton mill, with a 7,200 horse-power development, timber limits, etc., and provision for \$750,000 working capital will take \$5,400,000 to be provided by the sale of the \$6,000,000 preferred stock at 90. The prospectus estimates that bleaching sulphite pulp can be produced at a cost of \$35 a ton, against \$63, the lowest delivered quotation for European bleached sulphite in the United States. The present price is about \$160 a ton. On the basis of \$63 a ton, the company estimates a profit for the 100 ton unit, an amount equal to 14 per cent on the \$6,000,000 preferred stock.



MR. CARL RIORDON,
Vice-President and Managing Director Kipawa Fibre Co.

CANADIAN COTTONS, LTD.

The Canadian Cottons Limited fiscal year, which has just closed, was one of the most successful periods in the history of the company. The net results are not yet obtainable but the general feeling is that the company has enjoyed remarkable prosperity during the twelve months.

The outlook for the present year is very encouraging. The volume of business now in sight is greater than the amount on hand a year ago.

The manufacturing profits of a year ago, plus the rentals received, amounted to \$792,543. After deducting bond interest, war tax and dividends the company carried forward \$218,248.

SIDE LIGHTS ON A GREAT CANADIAN INDUSTRY.

A very interesting booklet has been issued by Mr. A. L. Dawe, secretary of the Canadian Pulp and Paper Association, dealing with the history, growth and extent of the pulp and paper industry in Canada. Perhaps no controversy in recent years has aroused more bitterness than the war waged between the newspaper publishers and the newsprint manufacturers — a dispute into which the Government has been dragged.

Speaking of the booklet the Pulp and Paper magazine says in part:

"The distribution of such information as is contained in this booklet, for which there has been already a very extensive demand, is a move that might well have been taken a year ago. It is more than likely, however, that the timeliness of its publication is not seriously affected by the delay of its appearance. There is undoubtedly a lack of general appreciation among the people of Canada of importance to them of this industry. It touches every phase of Canadian life and every element of Canadian labor as well as being involved to a considerable extent in the financial history of the Dominion. If we follow the manufacture through from the beginning, we find the industry first benefiting the public by the payment of fees and taxes on limits and holdings, and furnishing employment for large numbers in the lumbering operations which supply the mills with pulp wood. The mills also are good customers of farmers who are clearing agricultural land and wish to dispose of the timber that must be removed. The transportation of the wood to the mill involves a large outlay in many cases, for railway transportation, the railways again come in for a share in the disbursement of the mill in hauling other raw materials as well as in transporting the finished product to the market. Even trans-atlantic shipping benefits by a large and growing export trade in pulp and paper."

AMONG THE COMPANIES

G. T. R. SURPLUS LOWER.

Gross receipts of the Grand Trunk Railway for the year ending December 31, were £10,725,000, an increase of £905,800. Net revenue was £1,709,600, a decrease of £863,500; surplus for the year was £26,300, a decrease of £776,000.

WM. A. ROGERS, LTD.

The directors of Wm. A. Rogers, Limited, have decided for the present to cease dividend payments on the preference stock. The announcement is made in a circular to the shareholders calling the annual meeting. The reasons advanced for this decision are the disturbed business conditions following the entry of the United States into the war, the increased cost of labor and material, a falling off in the silverware trade during the last quarter of the year, which is usually the best selling period, and the need of increased working capital. As the Rogers Company has been a large earner in past years it is expected that this suspension of dividends will be of short duration.

The annual report shows profits of \$81,855.14, from which bond interest of \$10,421.34 should be deducted, leaving net amount of \$62,433.57. This compares with profits of \$240,648.84 for 1914 and \$189,810.45 for 1913. The report states that the purchase of the Simeon L. & George H. Rogers Company has been completed, and that Mr. R. E. Sage, the former President and General Manager of the Simeon L. & George H. Rogers Company, has been appointed General Manager of Wm. A. Rogers, Limited. The balance sheet of Wm. A. Rogers, Limited, shows \$222,800 of preference stock issued in connection with the purchase of the Simeon L. & George H. Rogers Company.

BRITISH AMERICA ASSURANCE.

In his report, Mr. W. B. Meikle, president of the British America Assurance Co. presented at the eighty-fourth annual general meeting of the shareholders, held in the Company's Offices, corner Front and Scott Streets, Toronto, on Thursday, the 28th day of February, 1915, reported a total balance to the credit of the years operations of \$726,791.36.

Out of this amount dividends due on the preference stock up to the 30th June, 1914, amounting to \$96,250.00 were paid, a special reserve of \$30,000.00 was made for possible taxes, and \$44,931.63 (the year's profit on the Hail business) was carried to a special reserve—the more quickly to comply with the new Dominion Insurance Act whereby one-half of each year's profits on the Hail business shall be set aside as a Hail Insurance Surplus Fund until a total of one-half of the year's net premiums is thus reserved. Sundry accounts amounting to \$891.99 have been written off and also the sum of \$6,958.38 to write off the item hitherto in assets for insurance maps. In addition \$49,843.67 has been written off to cover decrease in market values of securities and the value of the real estate has been written down by \$16,086.14. After deducting these payments, accounts written off, allocations to special reserves, etc., the balance at 31st December, 1914, amounts to \$1,285,698.75 which is an increase during the year of \$482,029 over the corresponding item at the end of the previous year.

Assets—The assets have been included in the statement at their actual market values instead of at the more favorable values fixed by the insurance department for the annual statements of insurance companies.

SECURITY TO POLICYHOLDERS.

Total assets of the company on 31st December, 1914, amounted to	\$3,522,019.73
Less outstanding Liabilities	\$ 887,291.19
The liability for unearned premiums on unexpired risks, calculated in accordance with the long established practice of the company, is—	
for the Fire Department	\$1,127,053.39
for the Marine Department	107,096.57
	1,234,149.96
	2,071,441.15

This makes a SURPLUS TO POLICYHOLDERS of

Adopting the Canadian Government Standard under the last Dominion Insurance Act, the Liability for unearned Premiums is—	\$1,450,578.58
for the Fire Department	\$1,502,737.86
for the Marine Department	142,795.42
	\$1,645,533.28

Making the SURPLUS TO POLICYHOLDERS on the latter basis

	\$1,039,795.26
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DIVIDEND INCREASES.

According to a recent compilation made it is shown that the common stocks of 26 companies listed on the local exchange have increased their dividends in the past three years.

As a record of the accomplishment in this respect the following table showing the dividend status, leaving bonus distributions out of the reckoning, of 26 common stocks on December 31, 1914, April 1, 1917 and April 1, 1918, may be of interest.

	Dec. 31, 1914.	Apr. 1, 1917.	Apr. 1, 1918.
	R.C.	P.C.	P.C.
B. C. Fishing	3 1/2	4	5
Can. Cement	0	6	6
Can. Cottons	0	4	6
Can. Forgings	0	12	12
Can. Loco.	0	0	6
C. G. Elec.	7	8	8
Detroit Ry.	6	7	8
Dom. Steel	0	4	5
Dom. Textile	6		7
Kaministiquia	6	11	8
Lake of Woods	8	3	10
Laurentide	8	8	10
Lyall	0	0	8
Mackay	5	6	6
Maple Leaf Mill	10	10	10
Mont. Power	10	12	12
N. S. Steel	0	0	5
Ogilvie	8	10	12
Penmans	4	4	6
Price Bros.	0	6	6
Provinc. Paper	0	4	4
Riordon Pulp	0	6	6
St. Lawrence Flour	0	0	5
Steel of Canada	0	6	6
Smart Woods	0	0	7
Shawinigan	6	7	7

x—Allowing for return on stock bonus.

As against the constructive record shown above, there is chiefly on the other side of the statement the passing of the Brazilian Traction dividend and the reductions in the case of Toronto Railway and Twin City. Among the industrials, changes have been entirely on the favorable side, not excepting the erratic record of Dominion Bridge, for, if the distribution has fallen from 20 per cent (including bonuses) to 8 per cent, the 8 per cent compares with 5 per cent at the end of 1914.

THE MONTREAL STOCK EXCHANGE.

Business on the local exchange for the past week (five days) amounted to \$14,816 shares of listed stocks. A decidedly better tone characterized the market and several pronounced advances were made by such stocks as Steel of Canada, Dominion Iron, Lyall, St. Lawrence Flour and Quebec Railway.

Steel of Canada was the most active with 5,674 shares and registered a net gain of 3 1/2 points. St. Lawrence Flour, a comparative new comer to the board was the most spectacular performer with a net gain of 12 points on sales of 2,155 shares. Dominion Steel was another active issue with sales of 1,550 shares.

The whole list was stronger and trading has broadened out considerably during the past few days. Commencing Monday, April 7th, the local exchange opens at 9, closes at noon at 12, and then operates from 1 to 2. This is in keeping with daylight saving in the United States.

RAILWAY EARNINGS IN MARCH.

The gross earnings of Canada's three principal railroads in March were the largest ever reported for the third month of the year and aggregated \$20,960,579, an increase of \$993,142, or 5 per cent, as compared with the previous record established in March, 1917.

The 15 per cent rate increase went into effect in the middle of the month and would be one factor in the showing. But the figures probably reflect as well some clearing up of the traffic difficulties brought about by the severe cold and heavy snowfalls of mid-winter.

Aggregate gross earnings of Canadian Pacific, Grand Trunk and Canadian Northern in March of each of the past seven years are tabulated below:

Year	Aggregate Gross
1918	\$20,960,579
1917	19,967,437
1916	17,344,242
1915	13,612,704
1914	15,254,971
1913	17,329,581
1912	16,041,930

The March gain of 5 per cent compared with a gain of 3.3 per cent for February and a decrease of .5 per cent for January.

Each of the three roads showed an increase for the month, the Grand Trunk's being the first monthly increase this year. The gross aggregate earnings of the three roads for March showed an increase over the total for February of \$5,399,198 and over the total for January of \$3,591,917.

Following are the individual earnings of the companies for March and for the last week in March with the changes from a year ago:

Company	1918.	Increase.	P.C.
C. P. R.	\$12,265,000	\$573,000	4.9
G. T. R.	5,259,279	257,042	5.1
C. N. R.	3,436,300	163,100	5.0
Total	\$20,960,579	\$993,142	5.0
Week—			
C. P. R.	\$4,305,000	\$374,000	9.5
G. T. R.	1,796,678	*18,893	1.0
C. N. R.	1,248,700	101,900	8.9
Total	\$7,351,378	\$457,007	6.6

CAR ORDERS.

An order has been placed by the Canadian Government with the Hart-Otis Car Co., Limited, for 650, fifty-ton capacity improved Hart Convertible Ballast and Construction cars, worth in all about \$2,200,000.

These cars are to be used in the maintenance and construction of the Canadian Government and Canadian Northern Railway Lines.

The company, of which F. H. Hopkins is second vice-president and general manager, will have the order manufactured in Canada.

This is understood to be part of the large equipment order placed about the middle of March, and in which the Canadian Car and Foundry Co. participated to the extent of \$16,000,000. Other orders placed at that time were as follows: Eastern Car Company, Trenton, N.S., 750-ton steel frame flat cars and 650 50-ton steel cola cars, worth in all \$3,750,000.

National Steel Car Company, Hamilton, 1,000 40-ton steel frame box cars, worth in all about \$2,750,000. Locomotive orders were placed with the Canadian Locomotive Company, and the Montreal Locomotive Works at the same time.

PORTO RICO GROSS EARNINGS.

Porto Rico Rails had a particularly good month during February. The gross earnings were \$83,185, compared with \$72,851 for the corresponding month of 1917, an increase of 14.18 per cent. The increase in the net, while not so marked, was substantial, the total being \$40,412, compared with \$35,794 a year ago, a gain of 12.90 per cent. For the two months the gross earnings were \$165,307, and the net \$76,354, an increase of 15.40 and 12.91 per cent respectively.

ESTABLISHED 1832

Paid-Up Capital \$6,500,000		Reserve Fund \$12,000,000
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TOTAL ASSETS OVER \$130,000,000

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 banking business of every description.

THE BANK OF NOVA SCOTIA

WEEKLY BANK CLEARINGS.

The bank clearings for the week ended April 4th at 21 cities in Canada, aggregated \$201,376,729, a decrease from the corresponding week a year ago of \$9,937,242. The decrease, which was general in the eastern half of the Dominion, and in three cities in the west, was due to the Easter holidays, which this year came a week earlier than last. The greatest decrease was shown by Montreal, followed by Winnipeg and Toronto, the declines in the clearings of these three more than accounting for the decrease in the aggregate.

Following are the clearings for the past week, with those of a year ago:

	1918.	1917.
Montreal	\$65,764,864	\$71,606,189
Toronto	50,999,000	53,548,356
Winnipeg	40,870,564	50,260,106
Vancouver	7,886,664	6,150,628
Ottawa	6,633,167	5,838,456
Hamilton	4,662,055	4,670,258
Quebec	3,639,534	4,222,915
Halifax	2,666,393	3,141,611
Regina	2,953,703	3,010,399
Edmonton	2,785,871	2,568,605
London	2,548,742	2,548,128
St. John	2,131,555	2,144,611
Saskatoon	1,566,597	1,689,821
Moose Jaw	1,134,644	1,119,367
Brantford	926,830	661,287
Sherbrooke	787,995	663,194
Lethbridge	670,438	569,775
Fort William	580,780	553,962
Peterboro	575,268	643,709
Kitchener	569,325	640,657
Brandon	547,724	532,155
Totals	201,376,729	211,313,971

U. S. BANK CLEARINGS.

Total bank exchanges last week at the principal cities in the United States, according to Dun's Review, amounted to \$5,230,392,121, a decrease of 1.6 per cent from the same week last year, but a gain of 21.0 per cent over the corresponding week in 1916. New York City again reported a falling off from a year ago, the decrease being 8.0 per cent, but, as compared with 1916, when exchanges were in record volume for the period up to that time, there is a gain of 10.3 per cent. The cities outside the metropolis continue to make a very satisfactory comparison with all former years, the aggregate at all points being 11.7 larger than for the same week last year and 44.9 per cent in excess of the similar week two years ago. Gratifying improvement appears at nearly every point, indicating that well-maintained business activity is the rule, but the expansion as compared with last year is especially marked at Boston, where there is a gain of 10.3 per cent; Baltimore 54.3; Cincinnati 28.2; Cleveland 3.2; Chicago 8.4; Kansas City 35.1; Louisville 20.9, and New Orleans 16.3 per cent.

Average daily bank exchanges for the year to date are given below for three years:

	1918.	1917.	1916.
April	\$877,705,000	\$887,411,000	\$717,525,000
March	855,161,000	810,518,000	700,334,000
February	868,834,000	867,567,000	704,387,000
January	876,845,000	861,252,000	690,362,000

BANK OF ENGLAND STATEMENT.

Reserve Proportion to Liability Still Lower at 17.09 p.c.

London, April 4.

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

Total reserve, increase	£ 637,000
Circulation, increase	181,000
Bullion, increase	217,913
Other securities, increase	1,181,000
Public deposits, decrease	7,555,000
Other deposits, increase	12,724,000
Notes, reserve, increase	677,000
Government securities, increase	3,357,000

The proportion of the bank's reserve to liability this week is 17.09 per cent.; last week it was 17.22 per cent.

Bank rate, 5 per cent.

MARCH CLEARINGS.

The bank clearings for twenty-five Canadian centres, for the month of March, amounted to \$958,875,369, an increase of \$29,997,341 over the same month a year ago.

Of the cities reporting, Montreal showed the only decrease. The Montreal bank clearings for the month of March amounted to \$305,158,929, a decrease of \$22,866,681 from the corresponding month a year ago. Toronto led the increases with a gain of \$14,830,339, while Vancouver and Winnipeg followed with increases of \$8,000,000 and \$7,000,000 respectively.

In March, 1917, the Montreal figures recorded an advance of about \$75,000,000, due largely to the fact that Canada's third internal war loan was brought out in this month. In view of this increase, this year's figures are anything but discouraging. The figures from leading Canadian centres, with comparisons, follow:

	1918.	1917.
Montreal	\$305,158,929	\$328,025,610
Toronto	246,559,204	231,728,865
Winnipeg	182,505,002	175,164,866
Vancouver	37,633,399	29,080,730
Calgary	26,689,970	24,580,616
Ottawa	23,677,409	21,569,295
Hamilton	19,799,662	18,672,519
Quebec	15,929,450	17,046,979
Edmonton	13,091,114	10,988,506
Regina	12,212,186	11,660,715
Halifax	14,457,473	10,543,125
London	9,179,200	9,231,757
St. John	9,169,416	8,929,619
Victoria	7,267,730	6,205,324
Saskatoon	6,660,566	7,061,202
Moose Jaw	4,711,094	4,398,083
Brantford	3,907,885	2,217,375
Sherbrooke	3,335,467	3,254,748
Lethbridge	3,253,970	2,967,697
Peterboro	2,715,629	2,492,826
Fort William	2,553,839	1,960,004
Brandon	2,471,144	.....
Kitchener	2,431,998	.....
Medicine Hat	1,927,294	.....
New Westminster	1,576,375	1,107,323

\$958,875,369 \$928,878,028

FAILURES LAST WEEK.

Commercial failures last week reported by R. S. Dun & Co., in Canada, numbered 14, against 19 the previous week, 23 the preceding week and 16 last year. Of failures last week in the United States, 83 were in the East, 51 South, 59 West, and 24 in the Pacific States, and 79 reported liabilities of \$5,000 or more, against 93 the previous week.

DOMINION IRON AND STEEL CO.

The dividend on Dominion Iron and Steel preferred shares at the rate of 7 per cent per annum is one of the few remaining on the local list which has remained on the semi-annual distribution basis of 3½ per cent, and it will be good news to the shareholders that hereafter they will receive them on a quarterly basis, conforming to the widely adopted corporation practice now in vogue.

BANK OF FRANCE STATEMENT.

Paris, April 4.

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

	Francs.
Gold in hand, increase	479,000
Silver in hand, decrease	459,000
Notes in circulation, increase	668,556,000
Treasury deposits, increase	36,637,000
General deposits, increase	317,787,000
Bills discounted, increase	488,473,000
Advances, increase	11,079,000

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The Canadian Bank of Commerce

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President.

SIR JOHN AIRD, General Manager.

H. V. F. JONES, Assistant General Manager.

Capital Paid Up, \$15,000,000

Reserve Fund, - \$13,500,000

TRAVELLERS' CHEQUES

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.

STEEL TRADE FEATURED.

(The Iron Age, New York.)

"Government wants figure so largely that ordinary consumption has become quite incidental. The pending award of 100,000 cars, of which about half will be box cars, is the immediate market feature. A total of 1,000,000 tons of plates, and 250,000 tons of shapes is now the estimate on these orders, but deliveries will be distributed over many weeks. The designing of standard freight cars means that a good many patented car specialties will be omitted and the makers are not a little disturbed.

There is greater pressure from Washington for ship plates, which could have been produced fast enough to meet all needs had not plate mills been compelled to close in January and February, while fuel went to non-essential industries. Now plate mills are notified that at least 75 per cent. of their output must go to Government works. As to the remaining 25 per cent., full details must go to Washington as to shipments and consignees. The long delayed settlement with Japan involves the shipment to that country of 100,000 tons of steel, mostly plates. Some of this tonnage is already in storage on the Pacific Coast, but the long-standing Government embargo wiped off the books many Japanese contracts at nine and ten cents for ship steel.

It is understood that the Government rail requirements will add 300,000 tons, or more than ten per cent. to the total which the railroads had already put on the books of the mills for delivery this year. The sheet trade is still awaiting the distribution of 50,000 tons of No. 24 corrugated sheets for hangars in France, and for the small steel buildings, of which many will be used in the restoration of French villages.

CATHOLIC SCHOOL BOARD BONDS.

The Catholic School Commission of Montreal is offering at par \$2,500,000 of its securities, divided into \$1,500,000 6 per cent. five-year bonds and \$1,000,000 6 per cent two-year treasury notes.

Instead of selling the securities to a banking syndicate, as has been done in the past, the School Commission proposes to sell direct to the public with the co-operation of the Hochelaga Bank. The bank will receive subscriptions at any of its branches, beginning April 8th, and arrangements are also made for the filling of subscriptions with officials of the School Commission.

In making the offering the School Commission is advancing not only the merits of the securities as investments, but also the necessity that the public of Montreal should come to the assistance of the commission in its effort to raise money for the building of new schools.

CANADIAN CONSOLIDATED RUBBER CO.

The Canadian Consolidated Rubber Company made new high records last year. In the annual report just issued it is shown that sales for the year totalled \$16,323,431, against \$12,094,695 in 1916, which is a gain of \$4,228,736 or 35 per cent. Net profits after all manufacturing expenses, repairs, depreciation, interest charges and business profits tax were \$1,208,018, an increase of \$302,813, or about 33 per cent. After paying preferred dividends the net surplus for the year was \$998,034, or 35.6 per cent earned on the common stock. The net surplus a year ago was \$617,061, equal to 22 per cent earned.

The main features of the income statement and the balance sheets of the past three years compare as follows:

THE BANK OF BRITISH NORTH AMERICA.

The report for the year ending November 30th, 1917, of the Bank of British North America, presented at the Eighty-Second Yearly General Meeting on Tuesday, March 5th, 1918, shows that the Bank enjoyed a most successful year.

The profits for the year, including \$104,222.14 brought forward from 30th November, 1916, amounted to \$772,226.02, of which \$194,666.66 was appropriated to an interim dividend paid last October, leaving a balance of \$577,559.36, out of which the directors propose—To declare a dividend of 40s. 0d. per share, payable, less income tax, on the 5th April 1918. To pay the usual bonus of five per cent. to all the staff estimated to cost about \$43,800.00 and also a special war bonus to those members of the staff remaining on duty and of not less than six months' service to meet the increase in their necessary expenditure, estimated, to cost about \$34,066.66, and to carry forward \$166,309.55.

The above dividend will make a distribution of 8 per cent. for the year.

During the year the sub-branches at Quesnel, B.C., at Boucherville, P.Q., and at Varennes, P.Q., were closed, and a branch was opened at Kamsack, Sask.

The directors made a donation of \$10,000 to the Halifax Relief Fund, and the following appropriations were made for the benefit of the staff:

To the Officers' Widows' and Orphans' Fund	\$ 8,456.29
To the Officers' Pension Fund	4,743.89
To the Officers' Life Insurance Fund	11,680.00
The following statement prepared by request of a proprietor at the last annual general meetings shows the present distribution of the Bank's capital:	
In Canada	533
In Great Britain and Ireland	1,295
Elsewhere	67
	1,895
Proprietors hold	6,356 Shares
Proprietors hold	12,993 Shares
Proprietors hold	651 Shares
	20,000 Shares

Dinner was a little late. A guest asked the hostess to play something. Seating herself at the piano, the good woman executed a Chopin nocturne with precision. She finished, and there was still an interval of waiting to be bridged.

In the silence she turned to an old gentleman on her right and said: "Would you like a sonata before dinner?"

He gave a start of surprise and pleasure. "Why yes, thanks!" he said. "I have a couple on my way here, but I think I could drink another."—Stray Stories.

	1917.	1916.	1915.
Sales	\$16,323,431	\$12,094,695	\$7,522,147
Profit	1,208,018	905,205	534,978
Pfd. div.	209,984	209,979	192,123
Surplus	998,034	617,601	342,854
Total surp.	4,305,934	3,307,900	2,690,298
Cur. ass.	11,189,120	7,780,761	4,994,417
Cur. liab.	2,688,735	3,939,780	1,331,783
Work cap.	8,500,385	3,840,981	3,662,634
Tot. ass.	23,394,740	18,995,906	15,096,664

The balance sheet shows a marked change in the working position of the company as a result of some financing in conjunction with the United States Rubber Co., the parent concern. The \$6,900,000 five per cent refunding gold bonds then sold retired all but \$135,000 of the \$2,500,000 five per cent debentures, maturing the latter part of the current year.

: THE :

Molsons Bank

Incorporated by Act of Parliament 1855.

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

Head Office - Montreal

98 Branches
Scattered
Throughout
Canada

Edward C. Pratt, - General Manager

THE

Royal Bank of Canada

Incorporated 1869

Capital Authorized \$25,000,000
Capital Paid-up \$12,911,700
Reserve Funds \$14,564,000
Total Assets \$335,000,000

HEAD OFFICE: MONTREAL

SIR HERBERT S. HOLT, President.
E. L. PEASE, Vice-President and Managing Director; C. E. NEILL, General Manager.

365 Branches in CANADA and NEWFOUNDLAND; 56 Branches in CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA and BRITISH WEST INDIES.

LONDON, Eng. NEW YORK
Princes Street, E. C. Cor. William & Cedar St.

SAVINGS DEPARTMENTS at all Branches

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

— THE —

BANK OF BRITISH NORTH AMERICA

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

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

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

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

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

The Standard Bank of Canada.

Quarterly Dividend Notice No. 110.

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 30th of April, 1918, and that the same will be payable at Head Office in this City, and at its Branches on and after Wednesday, the 1st day of May, to Shareholders of record of the 20th of April, 1918.

By order of the Board,
C. H. EASSON,
General Manager.

"THE HOME BANK MONTHLY"

The March issue contains the opening pages of "Breckenridge's History of Banking in Canada."

"Toronto's 84th Birthday" presents historic material in a comprehensive form.

Some twenty-five copies of the December issue, containing a sketch of the career of Sir Frank Smith (1822-1901) are available for distribution.

Post paid to any address upon request. Address: Editor, "The Home Bank Monthly."

THE HOME BANK OF CANADA

8-10 King Street West, Toronto

Victory Loan Securities

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

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

THE DOMINION BANK

160 St. James Street, - Montreal

C. A. BOGERT, General Manager

THE Dominion Savings AND Investment Society

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

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

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

ESTABLISHED 1872.

BANK OF HAMILTON

Head Office: HAMILTON

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

Business Founded 1795

AMERICAN BANK NOTE COMPANY

Incorporated by Act of the Parliament of Canada
ENGRAVERS AND PRINTERS
BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
and other MONETARY DOCUMENTS.
Head Office and Works: OTTAWA.

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

Are Bank Amalgamations Desirable?

One of the satisfactory results of the war is to be found in the way in which there has been disclosed, and that in no uncertain manner, the strength of the English banking system. Whatever faults may be found with the system, whether it be that it is inelastic or unresponsive, or whatever particular charge may be formulated, it cannot be gainsaid that the manner in which it has withstood the cataclysm of the world-war, and, indeed, has risen superior to it, has commanded universal admiration. In spite of the disturbance and dislocation of trade and finance, British banks have not only assisted in maintaining the carrying on of business, but at the same time have been of inestimable service to the country in providing the necessary means for carrying on the war. Not that the banks would pose as philanthropists, or that they are in business, to use an Americanism, for the sake of their health, for they have prospered in spite of the war, and 1917 has been in all probability the most prosperous year that they have ever experienced. But, had our banking system at the outbreak of war been that prevailing fifty years ago, when there were in existence a large number of small institutions, some, doubtless, strong and powerful, but others weak and deficient in resources, it can scarcely be doubted that there might have been serious trouble. Even assuming, however, that all would have been prepared for the catastrophe and taken precautions accordingly, it would not have been possible for the large number of small concerns to have provided the sinews of war to the extent that our large joint-stock institutions have done. For it should be recalled that the first year's financing of the war was largely done through the big investments made by the banks, while subsequently aid has been forthcoming by bankers helping investors by placing facilities at their disposal. This exhibition of financial strength could not have been made except by the powerful institutions now in existence.

It is scarcely too much to claim, therefore, that the extremely satisfactory way in which our banks have met the very difficult situation is almost wholly due — if indeed not entirely so — to the policy of amalgamation that has been a feature of the system during recent years. This has resulted in the practical disappearance of the small and often weak institutions which have been merged into the large and powerful banks of to-day. The extent to which the policy has been carried out during recent years may be gathered from the fact that whereas in 1891 there were 37 private banks in existence, the number by the end of 1917 had been reduced to less than half that number, while in the case of the joint-stock banks, the number has fallen from 109 in 1886 to 34 at the end of 1917. Allowing for the amalgamations since announced, the number of joint-stock banks is reduced to 30.

From the outbreak of the war, up to a few weeks ago, very few amalgamations were carried through, but the recent recrudescence of the policy, and more particularly the union of forces between powerful London banks, have brought about a revival of public interest in the matter, and aroused once again a certain amount of doubt and questioning among the more cautious and timid as to the advisability and soundness of the policy. Indeed, the matter has received attention in the House of Commons, and the Chancellor of the Exchequer was asked on February 5th whether his attention had been called to the numerous amalgamations between joint-stock banks, "and the possible dangers to the commercial community by the concentration of the banking business in the hands of a small number of powerful monopolies." Mr. Bonar Law replied that without expressing any opinion, he recognized that the scale on which amalgamations have recently taken place makes the matter one of public importance, and accordingly the Government proposed to appoint a committee of bankers, merchants and manufacturers to consider and report "to what extent it is desirable in the public interest to interfere with such arrangements."

The chief complaint urged against the policy is that it tends to restrict banking facilities. It is said that under the present system of big joint-stock banks the small trader especially does not receive as much consideration as in the days of the old private banks. Formerly, it is claimed, a small man could obtain assistance without security from the partners of the old private banks who had sympathetic knowledge of local affairs, and that such sympathy cannot be obtained from joint-stock institutions, directed from London and out of touch with local circumstances and heedless of local needs. And it is feared that with further reduction in numbers this restriction of

facilities would become more pronounced.

Such complaints rest on a false basis. The large London institutions are not out of touch with local circumstances. On the contrary, through local managers, and in some instances local boards in addition, the connection between London and the smallest country place enjoying banking facilities is very close and intimate. Moreover, it should not be forgotten that a few years ago it was only the large country towns that had banking facilities at all, and it is only with the development of the big joint-stock banks and branches have been opened in small country places, which now enjoy facilities undreamed of a hundred or even fifty years ago. And while it may possibly be true that advances are not made without security quite as frequently as was the case, it is equally certain that no one possessing fair security fails to obtain all reasonable accommodation and that there is still a very great deal of banking facilities afforded upon the strength or character of the borrower without any cover. Moreover the tendency of modern industry is away from the old individualistic basis and towards the system of combination and amalgamation that is objected to in the case of the banks. And, of course, this applies to the small bank. Useful and necessary in its day, that day has passed, and it would not be sound, economically, to attempt to perpetuate the old system. Indeed, the commerce of industry has already been revolutionized: the commerce of finance must follow suit.

The claim for increased facilities for home trade is also made the occasion for an unfavorable comparison with Continental banks. But the essential difference between the two systems should be borne in mind. The greater part of the money employed by British bankers consists of deposits payable on demand, and consequently bankers rightly refuse to lock up their funds by making advances which cannot be repaid for a considerable period, or which involve any serious amount of risk. Continental bankers, on the other hand, have much larger amounts of their own capital and reserves, and these may fairly be used for trading purposes. Moreover, it should be remembered that Continental bankers who provide facilities in this manner practically control the management, and usually take a large share of the profits of the companies they finance. Such methods would not be in favor in this country, and those persons among us who clamor for Continental methods are the last to favor banking control of business, nor do they desire to share their profits with bankers. They wish to secure money on easy terms, retaining profits for themselves. In effect, they wish bankers to take a large share of the risk for a small share in the profits. The formation of the British Trade Corporation and similar institutions would appear to meet the demand of those who plead for the extension of facilities that our present banking system cannot reasonably be expected to provide without endangering the stability of the edifice that has so magnificently withstood the financial cataclysm of nearly four years ago.

This stability has been largely secured through the policy of amalgamation and concentration, and there is no doubt that the policy will be carried on for some time to come until the smaller and weaker institutions still surviving decide to sink their individuality and consent to absorption by the larger and more powerful banks that can make better use of the businesses than the smaller concerns could ever hope to do. The fear sometimes expressed that carried to its logical extremity, the policy will lead to the formation of a Money Trust is too far-fetched to need much notice. The competition prevailing for business bids fair to become keener rather than less. And, in any case, there is nothing to prevent the formation of new banks — which would inevitably happen should a trust ever be attempted. — Lloyd's Bank Monthly Financial Report.

CUSTOMS COLLECTIONS IN MARCH.

An increase of \$13,731,938 in the customs collections of the Dominion for the fiscal year which ended on Saturday is shown by the monthly report of the Customs Department.

During the twelve months ending March, duties collected totalled \$159,681,046. For the previous twelve months the amount collected was \$145,949,107.

For March alone collections totalled \$13,558,859, a decrease of \$1,650,259 as compared with March, 1917, when duties collected amounted to \$15,209,118.

FOREST FIRE LOSSES.

A loss of \$1,358,600 to the government from forest fires last year is reported by the Forest Service. There were 7,814 fires reported in the national forests, of which 5,682 were due to preventable causes. Lightning was responsible for 2,132.

PREVALENCE OF TUBERCULOSIS.

The military examinations have opened the eyes of the medical profession to a prevalence of this disease which they did not suspect. In the United States at least 50,000 more tuberculosis hospital beds will be needed within the next two years to make possible adequate control of this disease and to check its ravages under war conditions. This estimate is made by the National Association for the Study and Prevention of Tuberculosis, and is based on a revised conception of the prevalence of the disease as the result of the examination of recruits and drafted men.

Until recently it was estimated that for every death from tuberculosis there were five active cases of the disease. It is now believed that the true ratio is twice or three times as great. Instead of about 1,000,000 active cases in the United States there are supposed to be between 2,000,000 and 3,000,000.

The Indianapolis News points out that these results are corroborated by the records of the community health demonstrations at Framingham, Mass. About 5,000 people, one-third of the population, have been rigidly examined, including all classes, and 160 definite cases have been discovered. The average annual death list in this town from tuberculosis is 15. If not another case should be found amongst the rest of the population this would give a ratio of disease to death twice as large as formerly estimated.

ACCIDENTS AT HOME.

Many people are under the delusion that accidents happening at home amount to nothing, and when they do occur, the accident is slight. From the experience of the Travelers' Insurance Company of Hartford, it is shown that the facts are otherwise, for home accidents caused 27.3 per cent. of the number of accidents occurring to policyholders, thus contributing the largest number of accidents.

The following statistics of accidents resulting from causes to which all men are exposed without regard to their employment, for which the Travelers' Insurance Company paid claims in 1917, are of interest; Automobile, 21.7 per cent.; at home, 27.8 per cent.; travel, 7.3 per cent.; pedestrian, 19.7 per cent.; sports and recreations, 16.1 per cent.; horses and vehicles, 3.3 per cent.; bicycles and motorcycles, 2.2 per cent.; miscellaneous, 1.9 per cent.

LOOKING FOR FIRE LOSSES WHERE THEY ARE.

The president of the Missouri Fire Prevention Association believes that the way to reduce fire losses is to pay the most attention to those communities where the loss ratio is greatest and to the causes of fire in those communities which are most prominent in the reports. In carrying out this idea he obtained the five years' experience of about thirty of the largest fire insurance companies in approximately 700 towns in that State. This directed attention to certain of these towns, and in these towns directed special attention to the subject of defective chimneys and flues and to the factor of human carelessness in conjunction with the use of matches. A campaign is being planned at the present time to bring the fire losses of these communities down to a reasonable normal through special attention, to these two causes.

BRITISH AMERICA ASSURANCE COMPANY
INCORPORATED 1833
FIRE, MARINE AND HAIL INSURANCE

STATEMENT AS OF DECEMBER 31ST, 1917.

Fire and Hail Premiums for 1917	\$2,442,577.36	
Marine Premiums for 1917	1,390,785.47	
Interest and Rents		\$3,833,362.83
TOTAL INCOME		\$3,913,976.46
Fire and Hail Losses	\$1,236,646.55	
Agents' Commissions	534,700.77	
Taxes	66,760.49	
General Expenses	337,512.42	
		2,175,620.23
Marine Losses	748,934.48	
Agents' Commissions	7,987.57	
Taxes	7,987.57	
General Expenses	20,450.07	
		1,011,564.87
		3,187,185.10
PROFIT FOR THE YEAR		\$ 726,791.36
CAPITAL STOCK (fully paid up)		\$1,399,029.79
TOTAL ASSETS AT 31st DECEMBER, 1917		\$3,522,019.73
LOSSES PAID SINCE ORGANIZATION IN 1833, OVER		\$43,000,000.00

BOARD OF DIRECTORS

- | | |
|------------------------------|--------------------------------------|
| SIR JOHN AIRD | W. B. MEIKLE, President |
| ROBERT BICKERDIKE (Montreal) | DR. JOHN HOSKIN, K.C. |
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LONDON OFFICE, 14 CORNHILL, E. C.

Head Offices, Corner Scott and Front Streets, Toronto

UNION ASSURANCE SOCIETY LIMITED
OF LONDON, ENGLAND
FIRE INSURANCE, A.D. 1714.

Canada Branch, Montreal:
T. L. MORRISEY, Resident Manager.
 North-West Branch, Winnipeg:
THOS. BRUCE, Branch Manager.
AGENCIES THROUGHOUT THE DOMINION

HERE IS YOUR OPPORTUNITY

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

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

Correspond with
 E. J. HARVEY, Supervisor of Agencies.
NORTH AMERICAN LIFE ASSURANCE COMPANY
 "SOLID AS THE CONTINENT"
 HEAD OFFICE TORONTO, Can.

Founded in 1806.
THE LAW UNION AND ROCK INSURANCE CO. LIMITED
OF LONDON.

ASSETS EXCEED \$48,000,000.
 OVER \$12,500,000 INVESTED IN CANADA.
 FIRE & ACCIDENT RISKS ACCEPTED.

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

The London & Lancashire Life and General Assurance Association, Limited

Offers Liberal Contracts to Capable Bold Men
GOOD OPPORTUNITY FOR MEN TO BUILD UP A PERMANENT CONNECTION

We Particularly Desire Representatives for City of Montreal.
Chief Office for Canada:
164 ST. JAMES STREET, MONTREAL.

ALEX. BISSETT - Manager for Canada.

FIRE LOSSES IN CANADA.

Toronto, April 5.
 The Monetary Times' estimate of Canada's fire loss during the month of March, 1918, is \$1,682,286 compared with the February loss of \$2,243,762 and \$2,050,650 for March, 1917. The municipal bond sales in Canada during March totalled \$9,191,643, compared with \$5,243,279 in February and \$229,013 in March a year ago.

ONE CIGARETTE—\$1,500,000.

Despite all the arguments of fire underwriters against carelessness, and despite the appalling total of our annual fire losses, once more the harmless cigarette indulged in by a workman in a storage warehouse in Jersey City has caused a loss of \$1,500,000. Words indeed, fall those who look into this question of preventable fire losses. And when one pictures a careless workman tossing the cigarette butt on to a floor covered over with the dust of chlorate of potash and then grinding it into the dangerous material with his heel, there is nothing left to be said. All the other incidents that are accessories before and after this fact are hardly worth talking about. But if punishment for the crime of carelessness of this kind will prove a deterrent, let us have the punishment in the extreme, since some day we must learn our lesson if we are ever going to get over our easy-going childhood, in which irresponsibility and indifference to consequences play so fatal a part.—Philadelphia Ledger.

NEW RECORDS

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

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

**SUN LIFE ASSURANCE
COMPANY OF CANADA**
HEAD OFFICE—MONTREAL

AN IDEAL INCOME

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

Union Mutual Life Insurance Company
Portland, Maine

on its

MONTHLY INCOME PLAN

Backed by a deposit of \$1,688,902.65 par value with the DOMINION GOVERNMENT in cream of Canadian Securities.

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

WALTER I. JOSEPH, Manager.

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

Commercial Union Assurance Company, Limited.

OF LONDON, ENGLAND.

The largest general Insurance Company in the World.

Capital Fully Subscribed	\$ 14,750,000
Capital Paid Up	1,475,000
Life Fund and Special Trust Funds	76,591,535
Total Annual Income Exceeds	51,000,000
Total Funds Exceed	151,500,000
Total Fire Losses Paid	193,774,045
Deposit with Dominion Government	1,245,467

(As at 31st December, 1916.)

Head Office, Canadian Branch:

Commercial Union Bldgs., 232-236 St. James Street,
Montreal, Que.

Applications for Agencies solicited in unrepresented districts.

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

A Free Course in "Salesmanship"

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

A GOOD LIVING WAGE
A PROFITABLE FUTURE
A PROVISION FOR OLD AGE

We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "The best paid hard work in the world."

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

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

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

All correspondence strictly confidential.

Head Office, Toronto.
CANADA LIFE
ASSURANCE COMPANY



MONTREAL BUSINESS GROWING.

The Union Mutual Life Insurance Co. of Portland, Me., announces that, on account of the increasing business of its Montreal department, the Company has found it necessary to secure more commodious and centrally located offices, and so has moved to Suite 414 and 415, Dominion Express Building.

INSURANCE HEADQUARTERS.

The subjoined announcement has been issued by Lawrence Priddy, president of the National Association of Life Underwriters:

"I beg leave to notify you that the Hotel Astor has been selected as the headquarters for the 1918 convention of the National Association of Life Underwriters and the Life Underwriters' Association of Canada, which associations will this year hold a joint convention.

U. S. FOREST FIRES.

Forest fires laid waste an area of 962,000 acres in the United States during 1917, causing a loss of \$1,358,000. Of the 7,814 fires fought in the national forests, all but 2,132 were preventable, and of this number 952 were of incendiary origin. Through failure to comply with the law requiring the use of spark arresters, the railroads caused 1,003 fires. The other preventable fires were due to various forms of carelessness.

LET A LITTLE SUNSHINE IN.

The population of the world is about 1,623,300,000. The average age at death is 33 years. Fifty-seven million three hundred and seventy-two thousand seven hundred and twenty-seven die annually.

Nine hundred and eight thousand five hundred and sixteen die weekly.

Five thousand three hundred and eight persons die every minute.

About three die every two seconds.

Sixty persons have died while you were reading this item.—From Sunshine.

THE LAW OF AVERAGES.

To maintain what is claimed for the law of averages, there must be a plurality of instances of the same kind. The theory that the law of averages applies with equal force to a limited field of instances was exploded, as far as Thomas A. Edison is concerned at least, in connection with fire insurance, says the Wall Street Journal. For many years Edison held that by establishment of a self-formed fire insurance fund the law of averages would pertain, and that with ordinary care the fund would at all times be equal to loss from any fire.

When Edison's West Orange plants were destroyed by a fire which did damage amounting to more than \$5,000,000, there existed fire policies in amount of \$2,000,000 only, in addition to the Edison fire protection fund, to which had been credited each year an amount equal to premiums payable for full protection. The net loss from that fire, it has been computed, would have equalled premiums payable for full protection for 99 years.

THE SERVING OF TWO MASTERS.

Possibly one trouble with fire insurance business, particularly in the smaller places, is the fact that it is frequently combined with the real estate business or handled by the local bank.

A long, long time ago it was said that no man can serve two masters, and we oftentimes hear this quoted as applicable to present-day methods. The man who operates a bank or is running a real estate office and handling fire insurance, whether as a side line or his principal occupation, is serving two masters whose interests must conflict at times.

The real estate dealer may know that a tenant is skating on thin ice, and all the more desire to insure the building. Under such circumstances he cannot be fair to both masters.

So the bank that is loaning money to a merchant wants its loans protected by insurance, particularly if its customer is losing money. How can it then deal that even-handed justice which Mr. Shakespeare recommends so highly?—Insurance Monitor.

"A Little Nonsense Now and Then"

The Politician—I see you farmers believe in putting good men in office. The Farmer—Yep! The best that money can buy.

"What became of that young man who used to win all the debates in college?" asked a Detroiter, quoted in the Free Press of that city. "Oh," said his companion, "he married and hasn't won a debate since."

Edith—"Dick, dear, your office is in State street, isn't it?"

Dickey—"Yes, why?"

Edith—"That's what I told papa. He made such a funny mistake about you yesterday. He said he'd been looking you up in Bradstreet."—Pittsburgh Dispatch.

Landlady—That new boarder doesn't talk about himself, does he?

Housemaid—No.

Landlady—Wonder if he's married?

Housemaid—Sure he is.

Landlady—How do you know?

Housemaid—He only uses one hook in the wardrobe in his room.—Buffalo Express.

"I told Henrietta that I was proud to see her vote just like a man," said Mr. Meekton.

"Did that please her?"

"No. The choice of phrase was unfortunate. She said that if she couldn't vote better than a man there would have been no need of her troubling about the ballot in the first place."—Washington Star.

In a certain western state, relates the Argonaut, two farmers were conversing about their periodical trips to town. "How is it you no longer put up at the Golden Buck when you drive to market?" "Why, they are regular take-ins," replied the second farmer. "Last winter, when I lodged there for the night, they made a great fuss and gave me a big bottle to take to bed with me, and when I opened it, what d'ye think it was? Nothing but hot water."

"I hear that Swiddler has written a new three-act comedy."

"Yes; he read it to me and two other of his oldest friends yesterday."

"And what did you think of it?"

"Well, we all three thought one of the acts superfluous."

"Which act was that?"

"Oh, we each chose a different act."—London Opinion.

"Charley is simply wonderful," exclaimed young Mrs. Torkins. "I never dreamed that anyone could run a motor car the way he can!"

"What has happened?"

"We took a ride yesterday and went along beautifully in spite of the fact that he had forgotten some of the machinery."

"Running without machinery?"

"Yes. We had gone at least eleven miles before Charley discovered that his engine was missing."

The following is a Munchausen tale, showing the quality of the mud in Flanders at the present day.

A soldier walking along a road noticed a hat, which he attempted to kick out of the mud. What was his surprise to find a head under it, and to hear a voice calling for help.

When the man was extricated, he said: "I was on horseback." So together they proceeded to dig out the horse. The horse's mouth was found to be full of hay taken from a wagon which had sunk still farther down.—Everybody's Magazine.

A man who was travelling in the mountains stopped at a cabin and asked for a drink of water. An old woman brought it out to him, and after drinking he had quite a talk with her, telling her great stories about some of the wonders he had seen in the outside world. Finally, when he stopped to take breath, the old woman took her pipe out of her mouth and said:

"Stranger, if I knowed as much as you I'd go som'erc and start a little grocery."—St. Paul Pioneer Press.

News of the Week

TUESDAY, APRIL 2.

Yesterday, after sustaining a very costly check at Grivesnes, on the west of the Avre, the enemy struck farther north at Hangard, northeast of Moreuil, and at the British positions in a large wood between Hangard and Moreuil. They held the village only a little while, and a late report states that British cavalry, in a brilliant counter-attack, recaptured the wood.

To the north of the Luce Brook and due east of Amiens, there was German artillery fire and heavy fighting all day, in which the British not only held what they had, but re-established themselves to the northeast of Auber court.

The Australians are now holding the line between the Ancre and the Somme. The Germans attacked them there on Sunday north of Morlancourt, and were beaten back with heavy losses.

In Mesopotamia the campaign goes well. British troops pursuing the fleeing Turks have now advanced to a point almost midway between Hit, on the Euphrates, and Aleppo, the Turkish Headquarters in Syria.

Germany has served notice on Russia that Red Guards must leave Finland.

The city of Sebastopol is threatened with capture by Turks and Kurds marching from opposite directions.

The steamship Celtic, one of the big White Star liners, has been torpedoed by a German submarine.

The threatened strike of miners and steel workers of the Nova Scotia Steel and Coal Company has been averted.

During the past few weeks not less than six million dollars' worth of liquor has been shipped from Montreal to various parts of Ontario.

The London and Port Stanley Railway has been permitted by the Railway Board to raise its freight rates on coal by 15 cents a ton and its passenger rate by 15 per cent.

Rioting occurred again in Quebec last night, firing taking place by both civilians and soldiers. Four civilians were killed.

The embargo on high-class automobiles, shutting out the United States trade, went into effect yesterday. Eleven hundred cars were passed through Customs at Winnipeg in the past few days.

King George has returned to London from the West front.

The presence of Bulgarian and Austrian troops has been established on the British front.

The cutting of the Hedjaz Railway by the British severs communication of the Turks with forces in Arabia.

General Begoyevsky, Assistant Chief of the Don Cossacks, is reported to have surrendered voluntarily to the Bolsheviks.

WEDNESDAY, APRIL 3.

The battle has died down temporarily all along the front from Arras to the Oise. The shelling of Arras and St. Pol. continues, and doubtless also of the fine highway between the two cities.

The British troops, who in raiding operations east of the Jordan destroyed several miles of the Hedjaz Railway and an important bridge on the line have been withdrawn, their work being completed. The Turks offered stubborn resistance in prepared positions near Amman, and the attack there was not pressed. They also attacked the rearguard of the retiring raiders, but were easily repulsed. East of the Jordan, during the past week, 700 prisoners, four guns and other spoils of war were captured. West of the Jordan the Turks have been more alert of late, and several encounters have taken place.

The State of Indiana went "bone dry" at midnight. Massachusetts is now supporting the Federal prohibition movement. The State Senate has ratified the prohibitory amendment.

Exchange of the instruments of ratification of the peace treaty concluded between the Central Powers and Russia took place on March 30.

Mayor Mederic Martin was re-elected in Montreal by a majority of 7,270 over Controller Ainey.

The Daylight-saving Bill was passed in committee in the House of Commons and stands for third reading.

THURSDAY, APRIL 4.

The Japanese Government will turn over to the United States at once 150,000 tons of shipping at the regular charter rate paid by the Allies, although that rate is much below the rates now obtainable on charter in the Far East. New ships of 100,000 tons burthen will be turned over between May and December as they are completed, and 200,000 tons additional at

a later period. This total of 430,000 tons, added to the Dutch ships recently taken over and the output of American yards it is estimated, should provide the Government of the United States with all the shipping needed to keep up the reinforcements, food and munitions required by the army in France.

The British have recaptured Ayette, a little village on the Arras-Bucquoy road, which has been the scene of much hard fighting since the battle began.

The Germans state that by a surprise attack they gained possession of the heights southwest of Moreuil. The French report says of the same incident that the Germans made a spirited attack between Morisel and Maily, which is a distance of over two miles, but were unable to gain a footing save at a single point.

There have been several small actions, including local advances by the French, near Lassigny, which have resulted in a capture of two or three hundred prisoners.

Bombing of German cities is causing great damage to property.

A neutral observer who has just left Germany says the public begins to believe that offensive is a failure.

The United States will take measures to hasten the operation of the programme calling drafts to colors.

Premier Clemenceau of France gives direct denial to Count Czernin's statement that Austria's terms had been asked for.

Armand Lavergne has been debarred from entering St. Roch district of Quebec city.

Oleomargarine regulations were the subject of lengthy and vigorous debate in the Commons.

The new regulations for bakeries are reported to be working advantageously to both bakers and customers.

Reports of the Quebec rioting from Military Headquarters and from Lt.-Col. Machin were read in the Commons by Premier Borden.

FRIDAY, APRIL 5.

The battle of Amiens is resumed on a great scale. The Germans made some progress near the south bank of the Somme and in the region between the Luce Brook and the Avre. On the right and centre of the British lines the attacking German infantry were repulsed, but on the left the weight of the assault succeeded in pressing back our troops for a short distance in the neighborhood of Hamel, on the south bank of the Somme.

In the attack upon the French about a hundred thousand men were used by the Germans on a nine-mile front. The enemy came forward ten times under French artillery fire, taking the village of Morisel, on the left, or south bank of the Avre, opposite Moreuil, and two other villages, Maily and Ainal, still farther south. Grivesnes, the central feature of the French defensive position, was attacked with particular violence, but the French counter attacked here and advanced their lines. They also hold the heights to the west of the captured villages. Farther south, in the Montdidier-Lassigny sector, the French are aggressive, and there is intense artillery activity.

A telegram from Moscow says the Armenian army has recaptured Erzerum from the Turks. As the latter are fully occupied just now in Mesopotamia and Palestine, the Armenians may be able to put up a successful fight for their liberty.

Finland is being invaded by large bodies of German troops. "Reds" upset what they regarded as a "middle class" Government opposed to the revolutionary programme.

A revolution has broken out in Southern Costa Rica.

The Daylight Saving Bill was read the third time. Quebec is about normal again, but the military are still in charge.

Important regulations to prevent food hoarding have been made by the Food Board.

Canada's gold reserves still exceed by some millions the Dominion notes outstanding.

W. F. O'Connor, K.C., has resigned from the post of Cost of Living Commissioner.

Of the Victory Loan subscriptions 77 per cent was paid in by the 1st of March, though only 60 per cent was required by then.

So far about 32,000 men have been drafted under the Military Service Act, the cost of administering which to date has amounted to nearly a million and a half.

SATURDAY, APRIL 6.

The Germans make progress toward Amiens at a terrible cost.

English repulse a series of strong infantry attacks along all that portion of the battle front which lies between the Somme and Bucquoy.

The fighting on the French front enabled the French by vigorous counter attacks to improve their

positions, especially at Maily and Cantigny. The outskirts of the latter town on the west and north-west are held by the French. In this region the fighting has been so furious, and the enemy losses have been so great, that probably 40 per cent of all the infantry engaged, and certainly not less than 35 per cent, have been put out of action.

The capture of Ekaterinoslav, an important commercial and industrial centre in Southern Russia, 250 miles northeast of Odessa, is announced by the Germans.

The Austrians are believed to be moving a considerable part of their army in the Trentino to the west of Lake Garda, where it will menace the plains of Lombardy and threaten Milan. The snow in the mountains is still too deep to permit of a general advance. It is said that there are now sixty Austrian divisions on the Italian front, representing over three-quarters of the country's present military strength.

Lord Robert Cecil declares that Count Czernin has shown clearly that he is favorable to Prussian policy and ideals.

Two men held up the staff of the Royal Bank branch at Cote des Neiges, Montreal, and escaped with \$5,000 in notes.

The Provincial dairy conference at Guelph unanimously passed a resolution looking to the formation of a Provincial Dairy Committee.

Ernest Decarie, M.P., Robt. A. Ross, C. E., Hon. Chas. Marcell, M.P., Alphonse Verville, M.P., and Mr. Arnold, City Treasurer, have been appointed by the Provincial Cabinet Commissioners for the City of Montreal.

MONDAY, APRIL 8.

The Germans push southward on the French front and take several villages on the Oise sector as well as 1,400 prisoners. Everywhere else the line has been held.

Turkish troops are advancing over a wide front in the Caucasus, says an official statement issued by the Turkish War Office, virtually all of Turkish Armenia having been cleared of the Russians.

The bombardment of the Paris district by the long range German gun continues.

INSURANCE AND HAPPINESS.

(U. S. Secretary of War, Newton D. Baker.)

Every man and every woman will agree that fear is the thing that makes life a burden. The wage earner who toils day by day and brings home at the week's end his pay envelope has always the fear that his job may not last. The man of business, the man of affairs, the manufacturer and the merchant, no matter how prosperous the present may be, has the fears of his business always about him, and the thing about life that we are always trying to overcome and cast out is this fear.

Now life insurance is one of the great contributory eliminators of fear, and when the young man has married and set up his domestic establishment, when he has insured his life and paid his premium he looks his family in the face, not as a family which may be stricken down and totally destroyed by an accident happening to him, but as a man without fear and with confidence as to their future.

PROFESSIONAL

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The Economic Present and Future

By ALEXANDER D. NOYES,

(Financial Editor of "The Evening Post.")

The United States has now been almost exactly a year at war, and no summary of the period could touch the core of the financial situation without taking account, first, of the financial effort of the United States in its new relations to the war, and, second, the course of the economic situation both before and since we engaged in the conflict. There are few Americans who could honestly have foreseen in April, 1917, the United States Government lending nearly \$4,000,000,000 on its own account to its allies, the entire American railway system under governmental operation, Congress appropriating money by the thousands of millions to build ships to meet the ravages of the submarine, issues of American war loans which in a single year will approach if not exceed \$10,000,000,000, a fuel famine of the first magnitude in midwinter which was met by the Government edict forbidding the use of coal for heat or light during a series of Mondays to all but certain exempted industries, and the virtual rationing of the citizens' consumption of bread in a country which produces the second largest wheat crop in the world, and which once produced the largest. Since these things, which no one would seriously have predicted a year ago, have all come to pass within the twelve-month, it would be rash to attempt exact prediction of the future, near or distant. Nevertheless, the economic movement of the future must to a large extent be shaped by the character of the past year's movement, and that of the preceding years of the war.

When any one familiar with the markets undertakes to sum up the economic panorama of the war to date, and especially of the past year of war, he will be confronted with five or six main phenomena. The enormous increase of the war loans, both here and in Europe, would no doubt come first. Next to it, and of even greater interest in the mind of the ordinary citizen, must be classed the rapid advance in prices. In England a month ago they were 125 per cent. higher on the average than in July of 1914; the estimated average of commodity prices there being nearly up to the highest of the Napoleonic wars, and in this country being far above any since the Civil War. How much of this world-wide advance has been due to the abnormally large governmental purchases of all kinds of material and how much to the depreciated money on the European Continent, is still a matter of controversy. Both causes have undoubtedly operated.

The third consideration would be the progressive inflation of European currencies. Taking belligerent Europe and the United States together, the increase in paper money outstanding since July, 1914, has been from \$1,600,000,000 at the earlier date to \$26,700,000,000 at the last returns. Russia alone has increased its paper issues from \$800,000,000 to \$9,000,000,000. The continuing character of this movement is shown by the fact that during the past year currency issues of five European belligerents alone have increased more than \$9,500,000,000. Nothing exactly like this was ever seen in the history of the world.

Depreciation of the currencies, as measured in the foreign exchanges, has been a notable episode of the period. German exchange has been down within a year to a discount of 50 per cent., Austria and Russia to a still lower discount, and France and Italy to a level nearly as bad. It has been insisted, by Germany especially, that this was purely a matter of balance of trade, and not of depreciated currency. No doubt the abnormally large imports of war materials had their influence, at any rate in the case of France and Italy. More recently, however, during the past few months, dealings have begun on various markets in the actual currencies of certain belligerents.

In Switzerland, German Reichsbank notes were lately sold at a discount of 46 per cent., Austrian banknotes at 60 per cent. under normal valuation. In Wall Street the Russian paper ruble notes sold a few weeks ago at 10½ cents per ruble, whereas their par value was 52¼ cents—representing no less a depreciation than 80 per cent. This is fairly equivalent to the gold premium of our Civil War and the Napoleonic period; the more so in that the measuring of depreciation through the discount on foreign exchange alone has been in numerous cases corrected of late through the raising of large credits in neutral countries.

The position of labor during the war, and especially during the past year, has been a striking incident. In other wars, labor has suffered most of all. Even in our Civil War, average increase of wages was hardly one-third the average increase of prices, and organized labor was not a political or economic factor. In this war we have not only seen the wages of common and skilled labor rising in a more rapid ratio than the remuneration of any other class, and fairly matching the rise in cost of living, but organized labor has become increasingly a power in the state and in the war. The attitude of the English and American labor unions regarding peace proposals shows one side of this picture. But its striking manifestation has been the seizure of the Russian Government by the Bolshevik group, which represented what we should call an association of labor unions.

Finally, every European nation has been confronted after two years of war, and the United States before its first year of war was over, with such scarcity of foodstuffs and necessary materials as not only raised prices to abnormal heights, but made necessary governmental intervention—partly to regulate prices and partly to limit home consumption. Nothing like this has ever occurred in any former war. But that is easily enough explained by the fact that never in the previous history of the world have these various forces operated on such a scale as now—a fact which resulted inevitably from the huge complexity of that machinery of international commerce which was struck down by the war.

If, now, one undertakes to look ahead to the probable economic movement during the rest of the war, the first conclusion must be that the issue of war loans, in progressively larger sums will certainly continue, and that a further rise in prices is inevitable, except as they are artificially restrained. The world's production of many articles is already at maximum capacity, and war-time consumption is limited only by transportation facilities.

In Continental Europe there will be further inflation of the currencies. It is going on with great rapidity to-day in Germany, France, and Austria. Of Russia no reports have been received since the Bolsheviks gained control, but currency inflation has certainly continued. As to how much further the currencies will actually depreciate, that is a matter of somewhat more uncertainty. The rates of exchange have recently shown a tendency towards greater steadiness; this, however, results largely from credit operations designed primarily to prevent further depreciation. One question of large interest in the remainder of the war will be the action of the exchanges and the currency valuation in the case of the nations which lose the conflict.

Undoubtedly, the restrictions on consumption and the strain on producing facilities will increase up to the end of the war—always supposing that the building of new ships or the invention of new implements for destroying submarines does not reach a point where the undersea blockade will be virtually terminated. As for labor, it would appear from the position taken in the Allied countries, at any rate, that the problem may not be greatly changed until the war is over. The truth is that labor is to an unusual degree getting the pecuniary benefit of the war—a fact which may possibly have large influence on its attitude.

When the war ends, what then? Civilization has never faced a more obscure problem; whose answer, indeed, aside from all the other exception perplexities, depends on the character of peace which is established. Only a few conclusions can be confidently asserted. One is that in Europe, at any rate, a long period of inflated currencies must follow return to peace. As far back as 1915, the late Leroy-Beaulieu predicted that ten years after peace would be necessary to bring the paper currency of France back to normal par, and the outstanding currency in that nation is now larger by 25 per cent. than then.

England and the United States have the special advantage of their power not only over existing gold resources, but over new gold supplies, and both have kept their currency expansion reasonably in

hand. Other nations will reproduce for many years, and on a vastly larger scale the incidents that followed our own Civil War. There may be some nations—Russia comes to mind—which will imitate revolutionary France in 1797 in first scaling down, then possibly repudiating, war-time issues of paper money.

The public debts will present a problem of the first magnitude. Russia is thus far the only state which has openly asserted the purpose of repudiation, and it is still a matter of much doubt as to how far such a decision by the Bolshevik Government can bind the Russia of the future. That the expedient of repudiation would be extremely dangerous, in view of every embarrassed Government's future needs for foreign credit, is recognized even in Russia. The problem of Russia is, however, singularly complicated at this time through her political and territorial disintegration. If the four or more separate states which have been carved out of Russian territory have to face the question of division of the debt between them, one is reminded of the fact that the highly similar problem as between the States of Virginia and West Virginia after the Civil War was not finally settled until after fully thirty years of controversy. Back of all these considerations stands the question, which has been discussed not only in Continental Europe, but in England, of the "capital levy," whereby 5 or 10 or 25 per cent. of existing individual accumulations might be sequestered at one stroke by the state with a view of paying off its debts. The arguments against such action, alike from financial, political, and moral viewpoints, are extremely strong; yet it is one of the problems which the world must face.

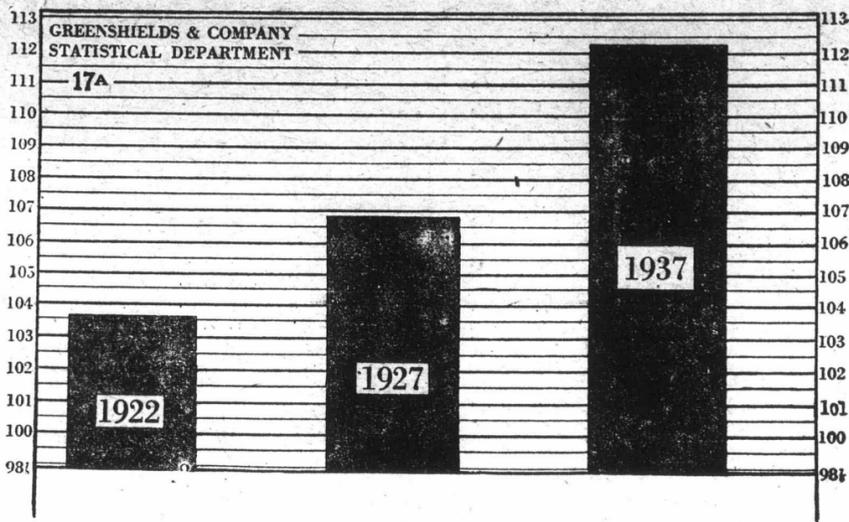
As for industry and prices, the most that can now be said is that the prevalent ideas of 1915 and 1916 have been modified, if not reversed. In those days prices used to break, in what was called a "peace panic" on the Stock Exchange, whenever news arrived of what seemed to be the forerunner of a responsible movement by any belligerent for negotiations. Since the United States became involved in the war, this point of view has largely changed. This has been so, partly because the seriousness of the economic strain has been realized, and because therefore, the economic relief which peace will bring is more widely appreciated.

But beyond even this, economists and financiers have begun to understand that after so wholly unparalleled an exhaustion of natural resources, both agricultural and mineral, many years will be needed to replenish supplies in our industrial states. While this process continues, there is reasonable probability that prices will maintain an abnormally high level. How long the period will be, is purely a matter of conjecture. The only apparent certainty of this part of the unknown future is the great advantage which will necessarily be enjoyed, through their vast natural resources, by the United States and Russia.

Beyond this it is difficult to draw any confident conclusions. Problems of labor and capital, problems of governmental relations to industry, problems of Germany's trade relations with the rest of the civilized world are at present in a status which makes prediction difficult if not impossible. To the United States, the foremost matter of reassurance is the financial independence which it has shown throughout the war and is showing at the present day. Through its advances to other countries both before and after our own entering into the war, its existing foreign credits have been increased by not less than \$6,000,000,000; to which, when comparison is made with dollars before the war, must be added the \$2,000,000,000 or more of our own securities which have been brought back from European holders. To a considerable extent Great Britain has acquired during the war a similar power over its allies, to whom its own advances have been \$5,000,000,000.

As to how and by what means these debts will be redeemed or met or liquidated, or even what their influence will be on the trade relations of the various countries after war, it is most difficult to say. Presumably the result must be that American and English capital will very largely have to finance the industries of these debtor states, and that through the product the nations will be enabled to meet the requirements arising from their foreign obligations. What precisely this process meant to the economic history of England after the Napoleonic wars, the commercial and industrial history of the nineteenth century is witness.

The Three Victory Bonds



The government plan for handling the initial transactions of Victory Bonds, prior to their listing on the Montreal Stock Exchange, has proved a wise one; briefly the plan is as follows:

All bond dealers and Stock Exchange houses are co-operating with committees which have been formed throughout the country. All buying and selling orders have to pass through these committees and all transactions take place at the fixed price of 97% to 98% and accrued interest, representing approximately the price at which the bonds were originally issued.

In a large issue, such as Victory Bonds, with its numerous subscribers, there are bound to be people, who through force of circumstances, have to sell. By this organized method of handling the initial transactions, holders of the bonds are protected against any needless sacrifice. They know that if they have to sell they will receive approximately the amount they paid for the bonds originally. There are many buyers in the market for these bonds who are quick to take advantage of any offerings.

The thorough distribution amongst investors that these bonds are receiving is a factor which will prevent for all time any material decline in their price, unless the war should continue indefinitely and the government be forced to pay a higher rate of interest, but the investor in Victory Bonds to-day is protected against any such decline because his bonds are exchangeable at par into any similar issue that may be made in the future.

We have received a good many inquiries from clients asking advice as to the respective merits of the five-year, the ten-year and the twenty-year Victory bond. One of our good reasons for recommending the twenty-year bond as the best purchase for the average investor is presented in the graph given above.

The securities of the Canadian government are selling to-day at prices to yield about 5% p.c. against a normal rate of 3½ p.c. to 4½ p.c. When war borrowings cease, interest rates will decline in due course and the purchaser of a Canadian government bond at a price to yield about 5% p.c. may look forward with reasonable certainty to seeing his security selling at a price to yield new buyers only about 4 p.c.

When that time comes the present-day buyer will have a double advantage — he will be receiving a return in excess of the then current return on such securities, if he continues to hold, or he can realize a substantial increase of his invested capital if he sells.

The graph shows the price a holder of a Victory bond could count on selling at if Canadian government securities were selling to yield 4 p.c. half way through the life of the five-year issue, half way through the life of the ten-year issue or half way through the life of the twenty-year issue. It would be 103.53 for the five-year bond; 106.74 for the ten-year and 112.26 for the twenty-year.

Further, if it should happen that the 4 p.c. basis would be reached in 2½ years, the twenty-year bond would then command a price of 118.74 against 103.53 for the five-year and 109.63 for the ten-year; or if the 4 p.c. basis should be reached in five years, the twenty-year would command 116.79 against 106.73 for the ten-year, while the five-year would be in course of retirement at par.

The chances of appreciation in market value all rest with the long-term bond and this is important from the standpoint of the average investor when the long-term bond is yielding an abnormally high return.

Short-term issues of course give a higher interest return from which the investor receives immediate benefit, important to many people at the present time as an offset to the high cost of living.

We continue to recommend the Victory bonds as the best investment offering to Canadians to-day, and one that will be looked back upon as an unparalleled opportunity. With the price 98%, or close to par, the full return on an investment is dependent to but a slight extent on the premium that will be realized at maturity.

Thus on the money invested a Victory bond yields 5.55 p.c. a year, irrespective of the 1½ p.c. premium that will be paid the holder when the bond is redeemed at par. On the assumption that the war bonds of the earlier loans will be held to maturity those issues and the Victory bonds give practically the same return. But on the basis of the return from the coupon, and disregarding the premium to be collected at maturity, the 5.55 p.c. return offered by a Victory bond compares with about 5.33 p.c. for the earlier loans.

In calculating his return, the average investor is interested chiefly in what his coupon is giving him, not in the premium he may collect at the maturity of the bond, for no investor knows how soon circumstances may arise compelling him to sell. He has the definite certainty of slightly better than the 5½ p.c. of the coupon when he buys Victory bonds and he can count on that every year he holds the bonds.

to 4d. by December. Almost the whole of the increase in the price of fish occurred during the autumn, in which connection it might be mentioned that the food controller now announces a list of fixed prices for the sale of fish.

Bread rose from 10d. for 4 pounds in January to 11½d. in May, where it remained until the introduction of the subsidized 9d. loaf in September. The movements of flour were practically similar. Potatoes, the shortage of which was so felt during the winter, ranged from 10½d. to 7¾d. per 7 pounds in the first half of 1917, but resulting from the heavy crop the price has fallen to between 6½d. to 7d.

The price of British meat increased by about 3¾d. per pound during the first half of the year, but by the end this was reduced to about 1½d. above that of twelve months earlier. In the case of imported meat the increase in the summer and the subsequent decrease were both less than with British meat.

Similarly, owing to shortage of supplies, the average price of tea rose from 2s. 4d. in January to about 3s. 2d. at the end of November, since when there has been a slight reduction. Milk, after averaging 5½d. a quart from January to September, began to advance until 7d. was reached at the end of the year. Butter fluctuated considerably during the first half of the year, but since August 1 great scarcity has been experienced, and the price has been increased by 5d. Supplies of margarine have also been far below the demand, with the result that its price rose from 9d. per pound on January 1 to a maximum of 1s. 0½d. on July 1, and most rigid control has only resulted in a fractional reduction. Incidentally it might be mentioned that the food controller anticipates a decided improvement in supplies of margarine resulting from increased production in this country, for which arrangements have been made. Cheese rose by 4d. between January and June, but Government control has now reduced the price to within 1½d. of that of a year ago.

The following table reproduced from the Labour Gazette shows for each of the above articles the average percentage increase in retail prices at January 1, 1917, and January 1, 1918, in comparison with July, 1914:—

Article.	United Kingdom.	
	Jan. 1, 1917.	Jan. 1, 1918.
Beef, British—	1917.	1918.
Ribs	64	81
Thin flank	84	101
Beef, chilled or frozen—		
Ribs	85	116
Thin flank	101	137
Mutton, British—		
Legs	59	77
Breast	84	92
Mutton, frozen—		
Legs	86	134
Breast	122	162
Bacon (streaky)	56	139
Fish	131	196
Flour	88	52
Bread	73	54
Tea	51	98
Sugar (granulated)	170	189
Milk	57	99
Butter—		
Salt	71	105
Fresh	73	103
Cheese	75	91
Margarine	25	66
Eggs (fresh)	175	242
Potatoes	122	37
All above articles (weighed percentage increase)	87	106

ARGENTINE WHEAT PURCHASE.

A report received by the Department of Trade and Commerce at Ottawa, from B. S. Webb, acting Trade Commissioner at Buenos Aires, gives details of the agreement signed by the English and French Governments under which the Argentine Government undertakes to finance all cereal purchased up to the value of \$200,000,000 in gold.

The purchasers agree to purchase and export before November 1st, 1918, 2,500,000 tons of cereals at minimum prices of \$5.30 per one hundred kilos for wheat, \$2.97 per one hundred kilos for oats and \$6.37 per one hundred kilos for linseed.

The convention is not a contract of sale but rather a loan contracted. The Argentine Government does not requisition any grain, neither does it impose any sort of obligation on holders.

Retail Prices in Great Britain

According to the Labour Gazette the general level of retail prices of the principal articles of food, on January 1, 1917, was about 87 per cent above those of July, 1914, and on January 1, 1918, the corresponding increase was 106 per cent; so that the total increase during the year amounted to about 19 per cent on the prices of July, 1914, or about 10 per cent on those of January, 1917.

As an illustration of the restricting effect of Government control, it should be noted that almost the whole of the increase took place between January 1 and July 1, or before the food controller took the

action which has resulted in the control of the distribution and fixing of price of almost every article of food, since which time the percentage has only advanced from 104 to 106.

It is stated that between January 1, 1917, and January 1, 1918, the advance of the percentage increase from July, 1914, was greatest with bacon, eggs and fish; while for bread, flour and potatoes a net decrease was reported. In bacon the increase was nearly continuous throughout the year and amounted to 9d. a pound. The fresh egg, after declining from 3½d. in January to a minimum of 2d. in April, had risen

TEA, COFFEE AND COCOA EMBARGO.

The French embargo on the exportation of tea, coffee and cocoa is effective in the French colonies also. Though it was possible, until this latest decree was issued, to export these products to the allied countries, now such shipments can be made only under special license.

COAL IMPORTATION VARIES.

Fluctuations in Canada's importation of coal used in industries are shown by the report of the minister of customs for the fiscal year 1917. The importations of anthracite, on the other hand, show a fairly steady advance. The figures do not, however, include the undoubtedly abnormal imports since the end of March, 1917. The statistics are as follows:

ANTHRACITE COAL:		
Year.	Tons.	Value.
1913	4,237,310	\$20,399,279
1914	4,385,709	20,734,126
1915	4,383,407	20,927,539
1916	4,429,143	20,460,571
1917	4,572,440	22,806,156
BITUMINOUS.		
1913	11,060,910	20,447,587
1914	13,754,244	26,140,676
1915	9,124,499	16,135,920
1916	9,631,101	10,219,206
1917	12,931,075	19,270,270

KNIT GOODS.

The recent report issued by the United States Department of Commerce on knit goods is decidedly interesting dealers announce. The reports show that between 1909 and 1914 there was only a negligible difference in knit goods prices. During those five years, however, the output increased 23 per cent, while the population increased only 10 per cent. In other words, in 1909 there were 8 pairs of stockings made for each unit and by 1914 a fraction more than 9 pairs per unit were being manufactured. Since 1914 the production has increased to fully 2 pairs for each individual per annum, exclusive of imported hosiery.

The increase in underwear per capita is negligible. A comparison of the quantity and value of two-piece garments and union suits in the reports of 1909 with those of 1914 is as follows: 1909, two-piece garments, 25,337,779 doz., valued at \$69,592,817; 1914, two-piece garments, 21,758,775 doz., valued at \$57,523,051; 1909, union suits, 2,473,193 doz., valued at \$14,853,536; 1914, union suits, 6,272,515 doz., valued at \$35,596,034.

The trade has frequently claimed underwear made of wool or part-wool were on the decline. The following figures prove the correctness of this contention. 1909, wool and part wool shirts and drawers, 2,714,636 doz., valued at \$18,876,146; 1914, wool and part wool shirts and drawers, 1,807,500 doz., valued at \$12,677,267; 1909, wool and part wool union suits, 414,489 doz., valued at \$4,900,721; 1914, wool and part wool union suits, 633,349 doz., valued at \$8,196,917.

KEPT PRICES REASONABLE.

"The feature of 1917," says the London Economist, "was an ever-increasing interference with and control of commodity prices, especially foodstuffs, by the Government, in spite of which the general level has risen a good deal. It will be seen, however, that cereals and meat actually show a slight decline on the year; prices tumbled down in the late summer, as the chart clearly shows, on the institution of the nine-penny loaf, and controlled beef and mutton quotations. But even this group was creeping up again before the end of the year.

"Subsidiary foodstuffs rose sharply in the period in which cereals and meat fell, but declined again towards the close of the year. The most sensational movement of 1917 was that of textile prices, and was due very largely to the remarkable happenings in the cotton markets. Minerals as a whole (many of the markets being, of course, under official control) ended the year only a trifle higher, while the miscellaneous group was almost always moving upward, and finished 20 per cent higher on the year.

It is plain to all students of the economic position that, however numerous the faults of bureaucratic domination, drastic and ever-increasing Governmental control has alone prevented the prices of many prominent commodities from soaring to fantastic heights.

WAR DEBTS.

Washington, April 7.

Three and a half years of war have caused an increase of \$111,700,000,000 in the public debt of the twelve leading warring nations, according to tabulations made by the Federal Reserve Board, announced to-day.

Of this sum, \$72,400,000,000 represents the debt increase of the Allied nations, and \$39,300,000,000 that of the Central nations. The United States debt incurred since the country entered the war is given as \$6,550,000,000, the standing on January 31.

The enormous debt tide has not begun to ebb, the report explains, since governments are borrowing more and more to meet the rising costs of materials, which in turn are increased directly by credit expansion caused by borrowings.

Great Britain, up to February 16, showed an increase of \$24,178,000,000 in public debt, including \$7,027,000,000 advanced to the Allies and dominions. Russia ranked second with \$20,291,000,000 last September 1st, and France third with \$15,629,000,000 last January 1st. The United States was fourth and Italy fifth with \$3,884,000,000.

Germany's war debt, reported last December, was \$24,243,000,000, and Austria-Hungary's at the same time was \$15,033,000,000.

AUTO IMPORTATIONS.

According to the department of customs report for the fiscal year 1917, which has been tabled in the Commons at Ottawa, the total importations of automobiles for the fiscal year included 12,037 cars, valued at nearly \$8,000,000, or \$1 per head for the population of Canada. There was almost as large a sum spent in the importation of parts, but these were largely for the manufacture of new automobiles in Canada — a Canadian industry. If the importation of entire passenger automobiles were prohibited outright, Canada would lose nearly \$3,000,000 in duty. The figures for 1917 follow:—

	Value.	Duty.
Passenger automobiles	\$7,981,177	\$2,790,256
Freight automobiles	423,824	148,338
Motorcycles, etc.	177,621	62,071
Motor vehicles, parts.	7,200,017	2,171,723

Jewellery, which is another form of merchandise, whose importation may fall under the ban, paid \$326,984 in duty, this being the levy on \$966,605 of dutiable goods. Unset diamonds, which are on the free list, accounted for \$1,492,418 of importations, as compared with \$795,299 in 1916.

SHIPPING LOSSES.

London, April 3.

There was a sudden and marked decrease in the losses to British shipping through mine or submarine in the past week. The Admiralty reports that only six British merchantmen of 1,600 tons or over, and seven under that tonnage, were sunk in the week ending March 30. Five fishing vessels also were sent to the bottom.

The Admiralty statement continues:

"Fifteen British merchant vessels were unsuccessfully attacked by submarines.

"The large vessels reported sunk includes one sunk during the week ending March 16 and the smaller vessels reported sunk includes one during the week ending March 23.

"The arrivals during the week ending March 30 were 2,416 and the sailings 2,379."

The losses to British merchantmen through submarines and mines in the past week are less than one-half the losses of the previous week, when twenty-eight merchantmen were sunk, sixteen of the vessels over 1,600 tons.

The Admiralty report for the preceding week showed the loss of seventeen vessels, while for several weeks prior to that the weekly loss was eighteen.

ONE ITALIAN VESSEL.

Rome, April 3.

In the week ending March 30 Teutonic submarines sank three Italian steamships of more than 1,500 tons, and destroyed one sailing vessel of more than 100 tons, and nine sailing vessels of a tonnage under that figure.

WEEK'S RECORD OF ACTIVE MONTREAL STOCKS.

Sales.	Stocks.	Open.	High.	Low.	Last Sale.	Net. change.	— Year. —	High.	Low.
585	Brazilian	34½	36¾	34½	36	unch.	40	32	
195	Brompton	45	45	45	45	unch.	48½	41¾	
170	Can. Car	26¼	26½	26¼	26½	+1¼	27¾	18½	
720	Do., Pfd.	62	65	62	65	+2	65½	49½	
442	Can. Cement	*59¾	*60	*59¼	*59¾	+½	61	*57	
151	Do., Pfd.	90	90	90	90	—1	91	90	
100	Can. Steamship	39¾	39¾	39¾	39¾	unch.	43¾	39¾	
1,550	Dom. Steel	60¼	60¾	60	60¾	+½	62	*53	
340	Dom. Textile	83¼	84½	83¼	84½	+1	85	80¾	
280	Dom. Iron, Pfd.	91	91½	91	91	+2½	91½	88	
385	Lvall	68	72	68	72	+7	72	*62	
150	McDonald	15	15	14¾	14¾	—¼	16¾	13¾	
250	Mont. Power	74	74	74	74	unch.	75½	68½	
173	Penmans	74	74	73½	73½	—½	75¼	65	
610	Quebec Ry.	16	19½	16	19	+3½	19½	15	
2,155	St. Lawrence	50	63	50	62	+12	63	50	
5,674	Steel of Canada	57½	60½	57½	60¾	+3¼	60½	*49¾	
125	Do., Pfd.	89¾	91	89¾	91	+5¾	91	89¾	
—BONDS.—									
\$10,100	Can. Loan, 1931	92½	92½	92½	92½	unch.	93¾	92½	
10,000	Nat. Breweries	75	75	75	75	+1	77½	75	
—UNLISTED SHARES.—									
730	Tram. Power	23¾	23¾	23½	23¾	—¼	33	23¾	

*Ex-dividend.

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Role of the British Fleet

(New York Journal of Commerce.)

It has been suggested that as a sequel to Germany's supreme effort to force a peace of her own making, there will be a sortie of the German High Seas Fleet from the secure shelter where it has lain for the last three and a half years. Now that Germany has been freed from the menace of Russian naval power in the Baltic and is able to concentrate all her cruisers, destroyers and submarines in the North Sea bases, it is natural to expect a display of the naval daring which, in minor enterprises, has been by no means lacking. But the German High Command have made no secret of their decision not to engage in battle at sea unless they could do so with the odds in their favor. When, on May 31, 1916, the German High Seas Fleet put to sea on "an enterprise directed toward the north," it was hoped to fall in with the British cruiser fleet under Vice-Admiral Sir David Beatty and defeat it before Admiral Sir John Jellicoe's battleships could reach the scene of action. The expectation proved baseless, and the German admiral, realizing that he was in danger of annihilation, ordered the detached sections of his fleet to get back to security as quickly as they might. The Germans claimed that they had won a victory, but events showed that they had not achieved even the moral success of displaying superior fighting efficiency. If they had, it is hardly conceivable that they would have permitted month after month to pass without making an attempt to gain some advantage from the discovery that they were able to handle their ships better and fight them better than the British. Since the battle of Jutland, as Mr. Archibald Hurd and others have pointed out, the Allies have been using the seas by day and by night in order to strengthen the military forces which confront the Central Powers in the various theatres of war. Allied naval power, represented chiefly by the British fleet, has robbed the enemy of the chance of sending out his cruisers; it has forced him to submit to the banishment of his commercial flag from the seas; it has made him the impotent spectator of the downfall of his colonial empire, and it has brought to ruin all the oversea trade, commerce and prestige on which Germany was building with the assurance of eventually dominating the world. More than this, it has been the essential support of the allied armies, since without it the war would long since have ended with a German victory.

Nor must the fact be lost sight of that while the war of the big ships waits on Germany's acceptance of the challenge which has been offered by the Grand Fleet for three and a half years, there are the wars of the small ships in which the German inferiority is not so well marked as it is in respect of battleships and battle cruisers. Manifestly, the Germans are now in a position to use all their light cruisers and destroyers as they think best, without being hampered as are the British by the necessity of retaining near the Grand Fleet the attendant craft without which it would be unsafe for the big ships to put to sea. That is to say, the High Seas Fleet in its defended ports need not always be ready for action, since the moment when it will accept the challenge of the German Fleet rests entirely with the German Command. The strategical situation in the North Sea favors surprise movements by German cruisers and destroyers, and quite apart from the danger of mines, the North Sea is also infested by submarines. The enemy, choosing his own time for action, has the benefit of interior lines and initiative for employing his light cruisers, destroyers, or submarines, in a water area of 140,000 square miles. Briefly, freed from the Russian menace, Germany can employ her light sea forces as she likes, because until her "selected moment" arrives, she need take no part in the big ship war for which the British Grand Fleet must always be in a state of preparation. It is true that while month succeeds month, and the silence of the British Grand Fleet remains unbroken, that very silence spells victory. The Grand Fleet, to do justice to the part it has played and will continue to play in this war, must be regarded as the complement to the army, its support, and the sentinel over its lines of communication. It supports the army not merely by guarding its transportation, but by blockading the enemy armies, thus robbing them of the material which they urgently need to be able to maintain the struggle.

On the other hand, the burden which is being borne by the British navy, happily reinforced by major and minor ships of our own navy, is one of extraordinary complexity. It has been pointed out that the returns

of submarine losses show that the enemy is offered between 4,000 and 5,000 "targets" for submarine, destroyer, or raider attack every week. That does not mean that there are 4,000 to 5,000 ships at sea, but it does mean that every week an unknown number of merchant ships enter or leave British ports 4,000 or 5,000 times. The same ship may appear 5, 6, or more times, but however many times she goes in or out of harbor she is liable to be sunk, and the navy has to give her as large a measure of protection as possible against any one of four forms of attack — raider, destroyer, submarine, or mine. Considering the extent and character of the work which the British fleet is doing — the dangers its officers and men face from day to day — the fact becomes rather impressive that the British navy consists of less than 450,000 men, as compared with about 7,000,000 men who are either in the army or supporting the army. It is on this relatively small force of seamen, only about one-third of whom had been on board a man-of-war before 1914, that the Allied control of the sea primarily depends. All things considered, an "offensive policy" on the part of the Grand Fleet is hardly among the possibilities. There is no stretch of coast as heavily defended as that of Germany fronting the North Sea. It is dominated by heavy artillery of long range, with Heligoland as an advance sea-girt fortress. German waters extending far out into the North Sea are under the surveillance of aircraft which watch every movement; elaborate mine fields have been laid; destroyers and submarines are constantly on guard against surprises. The Grand Fleet upon which the future not only of the British Empire but of all the allied countries depends, is not at all likely to rush in and court disaster against any such odds. Whether the High Seas Fleet, taking counsel of desperation, will stake everything on one more sally into the North Sea remains to be seen.

SHIPPING LOSSES IN MARCH.

To say that marine insurance men and shipping men generally were anything but disappointed with the British Admiralty's weekly statement of sinkings, as published recently would be untrue. The loss of sixteen vessels over 1,600 gross tons and 12 vessels of lesser tonnage is the worst week since that ending January 5 last as far as large ships go. In respect to the total number of vessels lost the week is the worst since that ending September 16, 1917, when the total was also 28, though only eight of them were vessels over 1,600 gross tons.

The weekly average sinkings since March of last year, made up monthly, are as follows:

Month—1917—	Over 1,600 Under 1,600		Total.
	gross tons.	gross tons.	
March	15.25	7.	22.25
April	26.4	10.4	36.8
May	19.5	9.25	28.75
June	21.25	6.25	27.50
July	16.	3.75	19.75
August	17.	3.	20.
September	13.25	7.75	21.
October	14.25	5.	19.25
November	8.25	5.75	14.
December	14.6	3.	17.6
1918—			
January	9.75	3.25	13.
February	12.25	4.5	16.75
March	13.5	6.75	20.25
56 weeks	15.6	5.7	21.4

It will be noted that the average for March is the highest in respect to large vessels lost since December, and that in respect total number lost it is the highest since September, 1917. The March sinkings of large ships are, however, two ships a week below the average for the whole period of 56 weeks.

From now on it will be possible to make a comparison between the sinkings of 1917 and those of 1918, month by month, though sometimes corresponding months will contain different numbers of official weekly announcement due to the way in which the latter are made by the British Admiralty. For March, however, a fair comparison can be made, as in this month in each year four official announcements of sinkings were made, as follows:

March, 1917		March, 1918	
Over 1,600	Under 1,600	Over 1,600	Under 1,600
tons.	tons.	tons.	tons.
14	9	12	6
13	4	15	3

MARCH SUBMARINE LOSSES.

16	8	11	6
18	7	16	13
61	28	54	27

From the above figures it will be seen that there is some improvement in March of this year over those for March of 1917, although the decreases are not very large. In large ships there were sunk in March last year 61 large ships, as against 54 during March this year. The decrease in smaller vessels is only one ship.

Speaking to a representative of The Journal of Commerce in regard to the general situation, Samuel Bird, Jr., of the Aetna Insurance Company, said:

"I think the comparison will be better each month as we go along, but the all-important thing to my mind is to make every possible headway with our shipbuilding programme. Unless we get 4,000,000 gross tons of new shipping this year we stand a chance of being in a very unfortunate position. We cannot send several million men overseas as well as vast quantities of munitions and food unless we get the ships.

"There are many factors which make a reduction of our losses probable. Our armed steamers are getting a better and better grip of the situation, and are increasingly able to repel attacks. They have gained a lot of experience. The convoy system is also an aid, and to this is to be added the alertness and earnestness of the destroyer fleets of this country and Great Britain. The two fleets are working together beautifully. Depth bombing, zigzag navigation and many other preventive measures are being improved all the time."

Valuable figures were published this month by the British Embassy at Washington in regard to losses of shipping, both war and marine. At the same time shipbuilding figures were also published. Below these figures have been put into tabular form.

WAR AND MARINE RISK LOSSES.

	(Gross Tons.)		
	Other Allies	Total	
	Britain. & Neutrals.	gross tons.	
1914 (Aug.-Dec.)	468,728	212,635	681,363
1915	1,103,379	621,341	1,724,720
1916	1,497,848	1,300,018	2,797,866
1917	4,009,537	2,614,086	6,623,623
Total	7,079,492	4,748,080	11,827,572

SHIPBUILDING (Gross Tons.)

1914 (Aug.-Dec.)	675,610	337,310	1,012,920
1915	650,919	551,081	1,202,000
1916	541,552	1,146,448	1,688,000
1917	1,163,474	1,539,881	2,703,355
Total	3,031,555	3,574,720	6,606,275

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COMMODITY MARKETS

Week's Wholesale Review

Dun's Bulletin says of Montreal trade: Between the Easter holidays, the feast of Passover, closely observed by our numerous Hebrew citizens, and a hot civic election on the 2nd inst., attention has been considerably diverted from business, and there is comparatively little new to report since last writing. General trade conditions, however, continue of a healthy character, and complaints regarding payments are notable only by their absence.

Dry goods orders, both from travellers and by letter, are still coming in in goodly volume. Cotton prices keep firming up. The Wabasso Co. has this week advanced its special makes of lawns and other fine lines 10 per cent, and other mills are reported sold a year ahead in a good many lines.

Fur travellers are now starting out with regular samples, and are expecting to do a large business despite constantly advancing prices. American shippers of raw furs are said to have been realizing very high figures on consignments to London, notwithstanding war conditions. It is reported black muskrats have sold as high as \$2.50. The fur for summer furs will, it is said, be accentuated this season.

The movement in groceries is up to the average, and no recent changes are reported in leading staples. There is a possibility that there may be some firming up in canned goods. The American Government has commandeered all stocks of canned fruits and vegetables, and Canadian packers are apparently anticipating some orders from across the border. In confirmation of last week's remarks about salmon, it is now definitely reported that sales of 1918 pack of cohoes have actually been made on the Coast at \$4.00 a dozen, unlabelled and unwrapped. The maple sugar season is proving a short one and new maple syrup is retailing as high as \$2.50 a gallon.

In the shoe and leather trade, conditions are unchanged, the actual volume of business being light. Six district failures are reported for the week, with liabilities of \$58,000.

Bradstreet's Montreal Weekly Trade Report says: Weather conditions during the past week have been ideal. So many holidays during the past few days have more or less upset routine business. Advices from the Western districts report that seeding has commenced, and is more general all over the provinces.

In Quebec snow still covers the ground in most districts. Stocks of butter show a decrease of over 13,000 packages as compared with a month ago. The estimated stocks of cheese held in Montreal is 6,000 boxes less than what was in store last month. Maple syrup and sugar are arriving in more liberal quantities, prices are considerably higher than those previously at the opening of the season a year ago. Potatoes are selling at much lower prices, in a wholesale jobbing way.

Owing to the numerous restrictions between Canada and the United States, travel for the Easter holidays between the two countries was greatly curtailed. It is expected that the daylight saving bill will become effective in this country about the middle of the month. In the meantime all trains to and from the United States are stalled for an hour at the border line.

The volume of orders taken by the paint trade exceed last year's big record, notwithstanding the fact that prices are all higher. The demand for leather for Government requirements has considerably fallen off, and prices rule lower. This has had an effect on the hide market, which rules quiet at lower values.

American consuls in Canada have been notified that after April 15th the admission of a number of articles to the United States will be refused, unless under special license. Amongst the principal articles are the following: Agricultural implements, live animals, all breadstuffs (except wheat, wheat flour), eggs, fresh meats, nickel, oilcake, fruits, vegetables, nuts, honey, hay, hops, etc.

Collections have been upset by the holidays. Retail trade has been very good.

PROVISIONS.

Live hogs are scarce and receipts continue light, and as a consequence the prices of all lines of provisions was light owing to the fact that dealers have sufficient supplies on hand.

We quote wholesale prices as follows:—

Abattoir killed	29.00	30.00
Hogs, live	22.50	23.00
Hams:—		
Medium, per lb.	0.33½	0.34½
Large, per lb.	0.30½	0.31
Bacon:—		
Plain, per lb.	0.41½	0.42½
Boneless, per lb.	0.44½	0.45½
Bacon:—		
Breakfast, per lb.	0.40½	0.42½
Roll, per lb.	0.32½	0.33½
Dry Salt Meats:—		
Long Clear Bacon (ton lots), per lb.	0.27	0.29
Do. (small lots), per lb.	0.28½	0.29
Cooked Meats:—		
Hams, boiled, per lb.	0.47	
¼ Do., roast, per lb.	0.47	
Shoulders, boiled, per lb.	0.40	
Do., roast, per lb.	0.46	
Shoulders, boiled, per lb.	0.40½	
Do., roast, per lb.	0.42	
Lard:—		
Tierces, per lb.	0.31	
Tubs, per lb.	0.31½	
Pails	0.31¾	
Cartons, per lb.	0.32¾	

LIVESTOCK.

MONTREAL: The offerings at Montreal's two markets for the week ending April 6th amounted to 550 cattle, 55 sheep and lambs, 2,950 calves and 1,950 hogs. The market for all grades of livestock was very quiet last week, and while offerings were unusually small they were sufficient to meet all requirements. The offerings of calves were fairly large, and the market for them became easy.

We quote the following prices:

Steers, per 100 lbs.—		
Choice	\$12.75	\$13.25
Good	12.25	12.50
Fairly good	11.75	12.00
Fair	11.25	11.50
Light steers	10.75	11.00
Common	10.00	10.50
Butchers' bulls—		
Choice	11.75	12.00
Good	11.25	11.50
Medium	10.75	11.00
Common	9.50	10.00
Butchers' cows—		
Choice heavy	11.50	11.75
Good	11.00	11.25
Medium	10.50	10.75
Light weights	10.00	10.25
Common	9.00	9.50
Canners' cattle—		
Bulls	6.00	6.50
Cows	5.00	5.50
Sheep, per 100 lbs.—		
Ewes	0.00	12.00
Bucks and culls	11.00	11.50
Ontario lambs	0.00	16.00
Quebec lambs	0.00	15.00
Calves, per 100 lbs.—		
Good milk-fed stock	11.00	12.00
Good	9.00	10.00
Fair	8.00	9.00
Common	5.00	7.00
Hogs, per 100 lbs.—		
Selected lots	21.50	22.00
Sows	21.00	21.25
Stags	17.00	18.00

We quote the following prices for livestock at the Toronto markets:

Heavy steers, choice	\$12.25	\$12.90
Do., good	11.25	11.75
Baby heaves	12.50	13.50
Butchers' steers and heifers, choice	11.50	12.25
Do., good	11.00	11.50
Do., medium	10.25	10.60
Do., common	8.75	9.75
Butchers' cows, choice	9.75	10.50

Do., good	9.00	9.50
Do., medium	8.00	8.75
Do., common	6.75	7.50
Do., canners	6.00	6.25
Butchers' bulls, choice	10.25	10.75
Do., good	9.25	9.75
Do., medium	8.50	9.00
Do., common	7.75	8.25
Feeders, best	9.50	10.50
Stockers, best	9.00	9.50
Grass cows	7.00	7.75
Milkers and springers, choice	100.00	135.00
Do., common to medium	65.00	90.00
Calves, choice	16.50	17.00
Do., medium	14.00	15.00
Do., common	8.00	10.00
Heavy fat	10.00	12.00
Lambs, choice	19.50	20.85
Sheep, choice handy	18.00	14.50
Do., heavy and fat bucks	11.50	12.75
Hogs, fed and watered	21.00	00.00
Do., off cars	21.25	00.00
Do., f.o.b.	19.75	20.00

Less \$1 to \$2 on light or thin hogs; less \$3 to \$3.50 on sows; less \$4 on stags; less 50c to \$1 on heavies.

COUNTRY PRODUCE.

BUTTER.

The receipts of butter for the week ending April 6th, 1918, were 703 packages, which show a decrease of 209 packages as compared with the previous week, and a decrease of 1,290 packages with the same week last year, while the total receipts since May 1st, 1917, to date show a decrease of 146,716 packages as compared with the corresponding period a year ago. A shortage of supplies and an increased demand led to the development of a strong tone in the market for butter last week, and prices showed an increase of a cent a pound compared with those of the previous week.

We quote the following prices:

Finest Sept. and Oct. creamery	0.50	0.51½
Fine Sept. and Oct. creamery	0.49	0.49½
Finest dairy	0.43	0.44
Fine dairy	0.41½	0.42½
Margarine:—		
Prints	0.29½	0.34
Bulk	0.31	
Cottonseed (Shortening):		
Tierces, per lb.	0.26	
Tubs, per lb.	0.26½	
Pails, per lb.	0.26¾	
Cartons	0.28	

CHEESE.

The receipts of cheese for the week ending April 6th, 1918, were 6,325 boxes, which show an increase of 4,442 boxes, as compared with the previous week, and an increase of 4,554 boxes, with the same week last year, while the total receipts since May 1st, 1917, to date, show a decrease of 423,558 boxes as compared with the corresponding period a year ago. The trade in cheese for domestic account was very quiet during the week, but as supplies on spot were small, prices are being firmly maintained.

The Commission is paying the following prices:

No. 1 cheese	21¾c
No. 2 cheese	21¼c
No. 3 cheese	20¾c

EGGS.

The receipts for the week ending April 6th, 1918, were 8,976 cases as compared with 9,179 for the previous week, and 12,943 for the same week last year. The total receipts from May 1st, 1917, to date were 354,848 cases, as against 688,980 for the corresponding period a year ago. The increased supply of eggs due to the favorable weather last week led to the development of an easier tone in the egg market, and a decrease in prices. Sales of fresh gathered stock were made at 44c. per dozen.

We quote wholesale prices as follows:

Strictly new laid eggs	0.44	0.45
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POULTRY.

The supplies of live and fresh killed poultry were very light, and as the demand was good prices for all grades scored an increase.

We quote wholesale prices as follows:

Turkeys, per lb.	0.33	0.40
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Milk fed chickens	0.39	0.40
Roasting chickens	0.37	
Old fowls	0.32	0.33
Ducks, per lb.	0.32	
Geese, per lb.	0.30	

MAPLE PRODUCTS.

A stronger tone developed in the market for maple syrup last week, and prices rose from 5c. to 10c. a tin. Supplies are not coming forward very fast, and the demand is keen. In a wholesale jobbing way sales of 13-lb. tins were made at \$1.80 to \$1.90, and 3 1/4-lb. tins at \$1.40. The trade in maple sugar has been quiet owing to the fact that only a few small lots have as yet come forward, which sold readily at 18c to 20c per lb. as to quality.

HONEY.

The market for honey showed no change last week, although prices were fully maintained, due to the limited supplies on hand. The volume of business was small, No. 1 white clover honey in comb, in a wholesale jobbing way is quoted at 21c to 22c per section; No. 2 white at 19c to 20c; No. 1 brown at 18c to 19c; No. 2 brown at 17c, and white extracted in 30-lb. pails at 18c to 20c per lb.

POTATOES.

The trade in potatoes last week was fairly active, and as there was a scarcity of stocks on spot the tone of the market was steady, with sales of Green Mountains at \$1.65 to \$1.70 per bag, of 80 lbs., ex-store, and car lots on spot were quoted at \$1.50 to \$1.60 per bag of 90 lbs., ex-track.

BEANS.

Very few Ontario beans are coming forward at present, and as stocks of such on spot are light the trade has not been brisk. Handpicked white beans are quoted at \$8.75 to \$9, and other grades at \$8.25 to \$8.50 per bushel.

LOCAL FLOUR.

There was great activity in the export trade last week, and a large volume of business was done at an increase in price of 5c per bbl in bags on account of the increased freight rate from Fort William to eastern points, which went into effect on March 15th. The offerings of Government standard wheat flour from millers has been fairly liberal, and the Export Department of Wheat Export Co., Ltd., bought this week 225,000 sacks of 140 lbs. each, and 50,000 sacks of 80 lbs. at \$10.85 per bbl. in bags f.o.b. vessel St. John, N.B., and Portland April shipment.

The demand on domestic account for spring wheat flour in car lots was limited, but a moderate amount of business was done, as there was a fair number of orders for broken lots. Buyers have ample stocks of winter wheat flour on hand, so trade was dull. Supplies on spot in first hands are fair, but dealers say that the offerings from Ontario millers are very light, which is attributed to the limited supplies of wheat coming forward, as they state that farmers in many sections of the country are feeding their wheat, as it is comparatively cheaper than other feedstuffs, and in addition to this most of them now are busy with their field work. Another factor in the situation is the fact that this grade of flour is dearer than spring wheat flour, which is tending to curtail the consumption to some extent. The tone of the market is firm, and prices are unchanged, with sales of odd broken lots at \$11.40 to \$11.50 per bbl. in bags ex-store. The demand for rye flour is steady, and prices are fully maintained at \$7.20 per bag in broken lots. Corn flour scarce and wanted at \$8.50 per bag.

ROLLED OATS.

A steady demand for rolled oats and oatmeal for export account continued throughout the week, and sales of 15,000 sacks of 93 lbs. each of the former were made at \$11.40 per bbl. in bags, f.o.b. vessel, St. John, N.B., and several lots of 140 lbs. sacks at \$1.80. On spot car lots of rolled oats are quoted at \$5.40 per bag of 90 lbs. in jute, and at \$5.30 in cotton, while in broken lots the former are selling at \$5.50 delivered to the trade.

MILLFEED.

The market for millfeed remains unchanged. The offerings are still very limited, and buyers are finding it difficult to fill their wants.

Flour:	per barrel
New Government standard grade	11.10 11.20
Cereals:	

Rolled oats, 90 lb. bag	5.30	5.40
Feed:	per ton.	
Bran	35.40	
Shorts	40.40	
Moullie, pure grain grades	73.00	75.00

LOCAL GRAIN.

The option market for oats showed very little change last week, prices at Winnipeg closing on Saturday 1/4c. lower than those of the previous week. The Chicago market was firmer on Saturday, and prices showed an advance of 1/4c to 1/2c per bushel. Prices of cash oats on the local market showed a decrease of 1/4c per bushel compared with those of the previous week. The demand from domestic and country buyers throughout the week was very limited, and the volume of business was smaller than it has been for some weeks past, which to some extent was attributed to the breaking up of the country roads, and the fact that operators on spot had ample supplies on hand for immediate requirements. At the close of the market on Saturday car lots of No. 3 Canadian western and extra No. 1 feed were quoted at \$1.06. No. 1 feed at \$1.04 1/2; No. 2 feed at \$1.02 per bushel, ex-store, while sales of odd cars of Ontario No. 3 white were made at \$1.01 1/2 to \$1.02 per bushel ex-track.

Fluctuations in grain on Saturday at Winnipeg were:—

Oats:	per bushel.
No. 2 C. W.	0.94 1/2
Do, No. 3 C. W.	0.90 1/2
Do., Extra No. 1 feed	0.89 1/2
Do, No. 1 Feed	0.87 1/2
Do., No. 2 Feed	0.94
Barley:	
No. 3 C. W.	1.65
No. 4 C. W.	1.69
Rejected	1.45
Feed	1.40
Flax:	
No. 1 N. C. W.	3.98
No. 2 C. W.	3.83
No. 3 C. W.	3.64

GRAIN & FLOUR STOCKS.

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

	April 6, 1918.	Mar. 30, 1918.	April 7, 1917.
Wheat, bush.	415,132	126,145	276,264
Corn, bush.	39,381	35,946	52,362
Peas, bush. . . . .	.....	.....	1,033
Oats, bush.	312,538	258,500	1,076,359
Barley, bush.	75,634	69,300	88,976
Rye, bush.	50	1,127	28,522
Buckwheat, bush.	20,439	20,338	1,565
Flax, bush.	1,676	.....	.....
Flour, sacks.	37,942	36,612	26,901

RECEIPTS OF BUTTER AND CHEESE.

The following table shows the receipts of butter and cheese in Montreal for the week ending April 6th, 1918, with comparisons:

	Butter, Pkgs.	Cheese, Boxes.
Week ending April 6, 1918	703	6,324
Week ending March 30, 1918	912	1,882
Week ending April 7, 1917	1,933	1,770
Total receipts May 1, 1917 to April 6, 1918.	371,008	1,839,465
Total receipts May 1, 1916 to April 7, 1917.	517,724	2,263,023

TRADE INQUIRIES.

The following were among the inquiries relating to Canadian trade received at the Office of the High Commissioner for Canada, 19 Victoria Street, London, S. W. I., during the week ended March 22nd, 1918:—

A Liverpool firm having a London branch, ask for names of Canadian canners of fruit and fish not already represented in Great Britain.

A Belfast firm of wholesale druggists and manufacturing chemists stated to have spacious show-rooms, both in that city and in other Irish towns, wish to secure post-war agencies of Canadian manufacturers of chemists' sundries of all kinds, also hardware, toys, stationery, firescreens, glass, curios, etc.

A firm in South Wales are in the market for codfish packed in four or five cwt. casks.

A company at Barcelona, having agents in the principal cities in Spain, wish to enter into relations for post-war trade with Canadian exporters of dried codfish, canned salmon, wood pulp and other produce.

PROPERTY TO BURN.

On the same day the weekly U-boat report is published it is announced that fire losses in the United States were \$30,000,000 greater than in 1916, and \$70,000,000 greater than in 1915. The fire insurance companies intend to apply a "supercharge" of 10 per cent. to cover extra expenses. We are appalled by the wastage of ships and material caused by the submarine warfare, but we pay scant attention to the wastage caused by fire within our own borders. We establish fire departments, take out fire insurance, and trust to luck. The reward for our trustfulness is indicated in the enormous amount of property destroyed each year by fire. We are urged to save food and money. Only a rigid conservation of our resources, we are told, will win the war. Yet in 1917 we permitted, through carelessness or otherwise, nearly \$250,000,000 worth of property to be destroyed. We only failed to keep the total down to an average level—we actually allow it to increase by a very large amount. We think we have a strongly developed sense of the sacredness of property and property rights, but it is a legal fiction.—Chicago Tribune.

INCREASES IN STAMP BILL.

An expenditure of \$23,174,601 for postage stamps during the fiscal year ended March 31, 1917, is recorded in the annual report of the post office department, which was tabled in the House at Ottawa on March 27th. This expenditure is more than three times as large as that of a similar period in 1907, and \$1,719,424 greater than a year ago. On March 31, 1907, the issue of postage stamps was valued at \$7,576,748. The increase in ten years amounts to \$15,597,853.

Statistics with regard to the number of dead letters originating in the Dominion are furnished by the report. It is shown that a total of 214,450 letters belonging to this class were returned by the British post office during 1917. The United States post office returned 188,281 letters, and other British colonies and foreign countries 14,131. This makes a total of 416,762 letters returned from outside the Dominion. It is exclusive of registered letters which come into this class.

DOMESTIC FUEL FROM LIGNITE.

The Advisory Council for Scientific and Industrial Research has been informed by the Government that the council's recommendation that a plant be erected in the province of Saskatchewan for the production of a high grade domestic fuel from the lignite of eastern Saskatchewan has been approved. The Government has provided a sum of \$400,000 for the construction and operation of this plant.

In this undertaking the Dominion Government is acting in co-operation with the Governments of the provinces of Saskatchewan and Manitoba.

The council has received a request from the Ontario Government asking that R. A. Ross, C.E., one of the members of the council, be appointed to act with Arthur Cole, C.E., as a committee to take immediate steps for the development of the peat bogs of Ontario and the production from them of a merchantable fuel. The Research Council has concurred in these appointments, and the investigation will be proceeded with.

The council has arranged a conference with the tanners' section of the Canadian Manufacturers' Association for the consideration of the possibility of applying modern methods of scientific research to the improvement of the Canadian tanning trade.

Leslie R. Thomson, C.E., who is at present on the staff of the Dominion Bridge Co., has been appointed secretary to the council.

Edgar Wallace, the English journalist, whose "Tam o' the Scots," series of stories about the Royal Flying Corps appears in Everybody's, was a private in the Mashonaland Rebellion of 1896. He tells a story of an emergency amputation which he was called upon to perform in his campaign. "I'm blessed if I like this," he said to his emergency assistant, a rough and ready Cockney soldier; "there isn't an anesthetic in the medicine chest." "What's an anesthetic?" asked the puzzled soldier, "Something to make him insensible," said Wallace. "Oh, that's all right," said Tommy, brightening up. "I'll 'it 'im on was discovered and the operation was successfully performed. The 'ead with an 'ammer!" Fortunately a "dope" performed.

The Bank of British North America

ESTABLISHED IN 1836

INCORPORATED BY ROYAL CHARTER IN 1840

PAID-UP CAPITAL, \$4,866,666.66

RESERVE FUND, \$3,017,333.33

Eighty-Second Annual Report and Balance Sheet

Report to the Directors of The Bank of British North America, Presented to the Proprietors at Their Eighty-Second Yearly General Meeting on Tuesday, March 5th, 1918.

The Court of Directors submit the accompanying Balance Sheet to November, 1917.
 The Profits for the Year, including \$104,222.14 brought forward from 30th November, 1916, amount to \$772,226.02, of which \$194,666.66 was appropriated to an interim Dividend paid last October, leaving a balance of \$577,559.36, out of which the Directors propose—
 To declare a Dividend of 40s. 0d. per Share, payable, less Income Tax, on the 5th April next.
 To pay the usual Bonus of Five per cent. to all the Staff, estimated to cost about \$43,800.00, and also—
 A Special War Bonus to those members of the Staff remaining on duty and of not less than six months' service to meet the increase in their necessary expenditure, estimated to cost about \$34,066.66, and to carry forward \$156,309.55.
 The above Dividend will make a distribution of 8 per cent. for the year.
 The Dividend Warrants will be remitted to the Proprietors on the 4th April next.
 The Directors have made a Donation of \$10,000 to the Halifax Relief Fund, and although the disaster did not occur until after the close of the Bank's financial year, they have included it in the Accounts now submitted.
 During the year the following Branch and Sub-Branches have been closed:—Quesnel, B.C., Boucherville and Varennes, P.Q.
 And a Branch has been opened at Kamsack, Sask.

The following appropriations from the Profit and Loss Account have been made for the benefit of the Staff:—
 To the Officers' Widows and Orphans Fund \$ 9,456.29
 " " Pension Fund 44,743.89
 " " Life Insurance Fund 11,680.00

The following statement prepared by request of a Proprietor at the last Annual General Meeting shows the present distribution of the Bank's Capital:—

In Canada	533	Proprietors hold	6,356	Shares
" Great Britain and Ireland	1,295	" "	12,993	"
" Elsewhere	67	" "	651	"
	1,895		20,000	"

LONDON, 26th February, 1918.

The Bank of British North America, BALANCE SHEET, 30th NOVEMBER, 1917.

LIABILITIES.		
Capital—20,000 Shares of £50 each fully paid		\$4,866,666.66
Reserve Fund		3,017,333.33
Dividends Declared and Unpaid		2,850.61
Profit and Loss Account		
Balance brought forward from 30th November, 1916	\$332,955.46	
Dividend paid April, 1917	\$194,666.66	
Bonus to Staff	34,066.66	
	228,732.32	
	104,222.14	
Net Profit for the year ending this date after deducting all current charges and providing for bad and doubtful debts	668,003.88	
	772,226.02	
Dividend paid October, 1917	194,666.66	
Deduct:		
Transferred to Bank Premises Account	\$5,169.61	
Transferred to Officers' Widows and Orphans Fund	9,456.29	
Transferred to Officers' Life Insurance Fund	11,680.00	
Transferred to Officers' Pension Fund	44,743.89	
Canadian Patriotic Fund	18,000.00	
Canadian War Tax on Circulation	48,666.66	
Halifax Relief Fund	10,000.00	
American Red Cross Fund	1,000.00	
	148,716.45	
Balance available for April Dividend		428,842.91
Notes of the Bank in Circulation		5,708,882.04
Deposits not Bearing Interest		18,223,720.63
Deposits Bearing Interest, (including Interest accrued to date)		40,860,087.12
Balances due to other Banks in Canada		44.04
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries		443,337.25
Bills Payable		2,200,107.80
Acceptances under Letters of Credit		803,651.65
Liabilities and Accounts not included in the Foregoing		1,127,319.19
Liability on Endorsements \$451,941.64		
		\$77,682,843.23
ASSETS.		
Current Coin and Bullion	960,750.00	
Dominion Notes	5,079,117.00	
Notes of other Banks	6,039,867.00	
Cheques on other Banks	980,277.82	
Balances due by other Banks in Canada	2,770,543.39	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	16,607.15	
Dominion and Provincial Government Securities not exceeding Market Value	2,388,353.47	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian—(including £300,000 Exchequer Bonds, £100,000 3½ per cent. War Loan. The War Stocks taken at cost)	8,570,334.69	
Railway and other Bonds and Stocks	46,884.37	
Call and Short Loans in Canada on Bonds, Debentures and Stocks	2,607,013.55	
Call and Short Loans elsewhere than in Canada	4,849,124.91	
Other Current Loans and Discounts in Canada (less Rebate of Interest)	28,776,590.96	
Other Current Loans and Discounts elsewhere than in Canada (less Rebate of Interest)	7,791,248.46	
Liabilities of Customers under Letters of Credit as per contra	803,651.65	
Real Estate other than Bank Premises	29,038.65	
Overdue Debts (estimated Loss provided for)	283,059.32	
Bank premises at not more than Cost, Less Amounts Written off	2,374,639.83	
Deposit with the Canadian Minister of Finance for the Purposes of the Circulation Redemption Fund—		
Cash	245,821.58	
Deposit in the Central Gold Reserve	2,420,000.00	
Other Assets and Accounts not included in the Foregoing	339,786.43	
		\$77,682,843.23

H. B. MACKENZIE, General Manager.

E. A. HOARE, G. D. WHATMAN, Directors.

We have examined the above Balance Sheet with the Books in London and the Certified Returns from the Branches, and we report to the Shareholders that we have obtained all the information and explanations we have required, and that in our opinion, the transactions of the Bank which have come under our notice have been within the powers of the Bank. As required by Section 56, Clause 19, of the Bank Act of Canada, we visited the Chief Office (Montreal) of the Bank, and checked the cash and verified the securities and found that they agreed with the entries in the books of the Bank with regard thereto. We further report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books and returns.

LONDON, 4th March, 1918.

N. E. WATERHOUSE, FRANK S. PRICE, Auditors.