

# The Journal of Commerce

MONTREAL, TUESDAY, MARCH 27, 1917

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## The Journal of Commerce

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## How the Town can Aid the Country.

THE need of cordial co-operation of town and country in the services which are important in their relation to the war is emphasized by many speakers and writers. One of the most practical suggestions comes, through the Halifax Chronicle, from the Secretary for Agriculture of Nova Scotia and Principal of the College of Agriculture at Truro, Mr. Melville Cumming. Principal Cumming thinks that, in view of the scarcity of farm labor, we cannot look for much, if any, increase of the acreage to be cultivated this year, when the need for increased production is being pressed upon public attention. The next best thing to increase of acreage is that there shall be better farming, and increased production, on the land that has already been worked. One thing of much importance to this end is a larger use of fertilizers. How much can be done in this way is explained by Principal Cumming. "It is possible, for example," he says, "on a well cultivated field to produce from three hundred to four hundred bushels of potatoes per acre instead of one hundred and fifty to two hundred bushels, simply by adding one thousand to fifteen hundred pounds more fertilizer per acre than it was planned to use. Some farmers are not afraid to buy this extra amount of fertilizer, but others, because of shortage of capital or lack of confidence or fear of the fall market, will not do so, and consequently hundreds of acres in Nova Scotia that might be producing maximum crops will be producing only 50 per cent. to 75 per cent. of that maximum."

Principal Cumming's aim is to have the city men co-operate with their farmer friends, or with other farmers with whom they may be brought in contact, by supplying quantities of approved fertilizers at cost, and agreeing to take payment in the productive season in vegetables at a fixed minimum price. As a concrete example of how the transaction would operate, Mr. Cumming says:

"A city man sends to a farmer one thousand pounds of high-grade fertilizer at a cost of \$18. He agrees with the farmer to accept repayment for this in potatoes at the fixed minimum price of 70 cents per bushel, which means that the farmer is to ship him 25 5-7 bushels of potatoes, which the city man accepts as full payment even if the prevailing price should be only 50 cents. The city man's additional reward in this case comes from the fact that he has done something to increase the food supply of the country. If, on the other hand, the prevailing price for potatoes should be \$1 per bushel, the city man

would not prevent the farmer from taking advantage of this and so would expect only 18 bushels in payment for the fertilizer."

The farmer has the safe side of this transaction, since he cannot receive less than the minimum price, and he gets the benefit of any advance the market may have. The city man takes a little risk in the possibility that by the autumn prices may fall and he might be able to buy his potatoes at less than the price he has agreed to pay the farmer. But everybody realizes that increased production is necessary, and that the farmer must have some assurance of a satisfying market to induce him to put forth the greater effort. This has been recognized in England in the scheme of Mr. Lloyd George's Government to encourage agriculture, which gives the farmers assurance of a minimum price for their crop.

Principal Cumming's proposal is a very interesting contribution to the literature of the war. It is a well-devised and well-considered plan that deserves careful consideration by all who are interested in that important part of the war service.

## The Averted Strike.

AFTER a vigorous effort to resist, temporarily at least, the Adamson eight hours law, the American railway managers yielded to the President and public opinion, and made concessions to the brotherhoods of railway operatives, thus averting the strike which had been ordered to take place on the 19th inst. The recent history of the movement is worth remembering. Several months ago, in view of the widespread agitation of the railway workers, President Wilson recommended legislation to grant the eight hours day, with ten hours' pay, and also legislation somewhat similar to that of the Lemieux Act of Canada, to require investigation before strike. The first part of the recommendation naturally pleased the railway men; the second part they did not view with favor. While the matter was engaging public attention, the workmen determined not to wait for legislation, but to call an immediate strike if their demands were not complied with. Such a strike, if adopted, would have paralyzed the business of the country. To avert it President Wilson decided to defer the second part of his recommendation for future consideration, and to ask Congress to grant at once the eight hours law. This policy, adopted against the strong protests of the railway companies, was enacted into what is called the Adamson law. Thus defeated in Congress, the railway companies determined to challenge in the courts the constitutionality of the new law. In the meantime

they refused to pay the men on the basis of the law, but announced that if the Supreme Court upheld the law the men would receive the back-pay. The brotherhoods have been complaining of this action, and apparently had some fear that the decision of the court would be against them. They therefore ordered the strike which was to have taken effect on Monday, the 19th inst. The prospect of this strike disturbed the country much. Strenuous efforts were made by officials of the companies and the brotherhoods, whose good offices the President had sought, to bring about an agreement. Only at the eleventh hour was this accomplished. The representatives of the railway companies yielded and agreed to terms that virtually reproduced the Adamson law. On Monday morning, immediately after the agreement had been reached between the companies and the men, the Supreme Court gave judgment (with three of the judges dissenting), declaring the Adamson law to be constitutional.

Thus twice within a few months has the business of the country been threatened with a paralyzing railway strike, and in both cases the disaster has been averted only by a yielding to the demands of the workmen. The representatives of the men, while ordering the strike, gave President Wilson an assurance that if the country entered the war they would not refuse to operate trains for military purposes. This, however, was not regarded as a sufficient meeting of the situation. In the end the position of the nation in relation to the war influenced the representatives of the companies in making the concessions necessary to prevent the strike.

The effect of the strike on the railways is to increase the pay of about 300,000 men, and to add to the pay lists of the railways about sixty million dollars annually. The companies will, of course, endeavor to get this additional sum from the public by increased charges on the traffic of the country.

## The Woman Lawyer.

REFORM which the Legislature of Quebec has refused to accept is making much progress elsewhere. The member of the Quebec Assembly who championed the cause of the women's right to be admitted to practice at the Bar is no longer in the House. Doubtless another will take up the measure, and at the next session the question will be threshed out again. That in the end Quebec will grant the women's request in this particular matter may safely be predicted. Public opinion is fast accepting with satisfaction measures concerning the rights of women which a few years ago were regarded with little favor. Quebec may be slower than some other countries to feel the force of this movement, but that it will yield to some extent is almost certain.

England, usually slow to undertake important changes, is appreciating the strength of the women's movement. In some form women's suffrage will be one of the after-the-war measures. As to the admission of women to practice as lawyers, quicker action is likely to take place. A bill to provide for such a change came before the House of Lords a few days ago. It was introduced and cordially supported by Lord Buckmaster, who was lately Lord Chancellor. The present Lord Chancellor, while opposed to the measure, stated that the Government proposed to leave the question en-

tirely to the judgment of the House, a plain intimation that the Government could not be persuaded to set itself against the measure. Earl Halsbury, the most conservative of Conservatives, strongly opposed the bill. He admitted the propriety of allowing women to practice medicine, but argued that they were entirely unfitted for the duties of the legal profession. Lord Sumner, Earl Selborne and Earl Loreburn supported the bill. In reply to Lord Halsbury, one of the speakers reminded him that the bill did not propose to compel any woman to practice law, or to compel anybody to employ a woman lawyer, but urged that if a woman was prepared to undertake the long period of study necessary to qualify her, and to submit to the severe examination provided by the Bar Society, there was no reason why she should not be admitted to the right to practice. Although several of the Lords thus took strong grounds against the bill, they did not press for a division. The measure passed practically unanimously. The House of Lords, noted for its strong conservatism, having thus passed the measure, there is little doubt that the Commons will assent to it, and that it will become law at an early date.

Nearer home, the same question has been engaging the attention of the Nova Scotia Legislature. Mr. Graham, one of the members for Pictou, himself a lawyer, introduced a bill to admit women to the Bar. A meeting of the Bar Society was at once called. There was an impression that the society would not view the change with approval. But only one or two of the members dissented from a resolution approving of the proposal. The bill has since passed the House of Assembly unanimously. The possibility of opposition in the Legislative Council is suggested, but there is little doubt that that chamber also will pass the bill.

## After the War Trade.

THE question of what can be done to stimulate trade after the war is engaging the attention of business men in many countries. That new conditions will arise is, of course, generally recognized. How each country can meet these conditions is the problem presenting itself. The latest expression of opinion comes from the little colony of Bermuda. The Bermuda Chamber of Commerce appointed a committee to study the question. The committee has now made a report. While the desire for the strengthening of the Empire is very properly exhibited by the loyal Bermudians, they modestly observe that the authorities in England are better able to decide what industries are essential to the future of the nation, and what steps should be taken to maintain or establish them, though the committee suggest that a Board of Commerce, made up of representative men of business, would seem to be an indispensable part of Great Britain's future trade policy. Preferential trade arrangements between the various parts of the Empire are cordially approved, subject, however to this important proviso:

"In this connection, however, Bermuda is dependent upon the markets of the United States to absorb over 90 per cent. of our agricultural produce, and in the event of that country retaliating by increasing the tariff upon said produce, Bermuda should have the privilege of entering into a reciprocal trading agreement with the United States."

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In Canada we have all recognized the necessity of refraining from the publication of news which, while it would be interesting to the reader, might possibly convey information that would give aid and comfort to the enemy. The regulations of the censor may not always seem marked by wisdom. Sometimes the reasons for excluding certain information from the press are not easy to understand. But most people are content to assume that the authorities know what they are about, and therefore the rules are complied with readily.

In the United States there is likely to be more difficulty in enforcing such restrictions than in Canada. Our American neighbors frequently carry the demand for publicity to an embarrassing point. European diplomatic representatives who come to this side of the ocean are surprised by the extent to which the Washington correspondents supply to their respective newspapers information and criticism of matters that are engaging official attention. The vigilant Washington writer is not content to report conclusions when they are reached; he deems it his duty to find out and make public the course of negotiations from day to day. He is slow to recognize any law on the subject except that which demands of the newspapers all the news about everything. In time of peace this insistence on the fullest publicity often proves an embarrassment to the authorities. It is likely to prove more embarrassing now that the nation, on the verge of war, is in the midst of widespread operations of "preparedness." It will be a hard task for the war and naval departments to resist the pressure of the correspondents for information concerning all the steps that are being taken to prepare for the great conflict that seems to be inevitable. Already a large amount of information concerning the plans and operations of the authorities has been made public. The Christian Science Monitor, of Boston, has taken notice of this, and in the course of its comment says:

"Let it be sincerely hoped that the agents of no watchful, possible enemy nation have been engaged in gathering the facts with reference to the defensive position of the United States, which have been so generously and foolishly exposed and distributed by the free press of the country during the last ten days, and that no harm may come of so much prodigality of governmental and editorial confidences. Possibly no injury to the nation or to its people will follow, at this time, a revelation of facts that should have been kept behind locked doors. But, if no lamentable consequences ensue, credit for such an escape from folly will not be due the press that indulged in it, the people who encouraged it, or the authorities who permitted it."

## The Retailers' Position in Advertising Campaigns

The Manufacturers Must Realize that Trading is an Economic Function in which both Producer and Buyer Should Gain

By W. W. SWANSON, Ph.D.

Manufacturers and wholesalers too often overlook the paramount importance of the retailer when planning their advertising campaigns, and yet his co-operation is essential if the best results are to be achieved. Many manufacturers in the past have looked upon the retailer with a good deal of suspicion, considering him altogether selfish and self-centered, and lacking in the very rudiments of business methods. Careful investigation, nevertheless, discloses that whatever faults arise in these respects, they are not due altogether either to the will or the practice of the retailer, but rather to a lack of sympathy and understanding on the part of the manufacturer. The truth is, retailers better understand their economic position and functions to-day than ever before, and are very quick to see the dividing line between their own interests and those of the manufacturer and wholesaler, and are hardly to be blamed if they put their own needs and interests in the forefront. The modern retailer is better equipped both with respect to fact and theory than ever before and is fully capable of presenting his own side of the case. Manufacturers must take cognizance of this fact, as well as wholesalers, and readjust their methods to meet the needs of a new day. Particularly is this true in planning and carrying through an advertising campaign on any considerable scale.

### FREE ADVERTISING.

The retailer, for example, has learnt that free advertising in the shape of display cards, counter hangers, leaflets and pamphlets, does not come his way from sheer philanthropy on the part of the big advertiser. Indeed, in too many instances, the manufacturer is eager, not only to extend his market and increase his sales, but to establish a virtual monopoly as well — a monopoly in which there are no great future gains for the retailer. That is the reason why many manufacturers who desire to "educate the dealer" very often meet with only a half-hearted response to their efforts; for the retailer always suspects, as a shrewd business man, the getting of something for nothing, even if that something be presented in the shape of free advertising. Not only is there still much constructive work to be done by the manufacturer in this direction, but also in winning over the wholesaler who has experienced the pressure that can be exerted upon him through goods sold under a trade mark. The manufacturer, in fact, must realize that trading is an economic function in which both producer and buyer should gain, and he ought to be willing to give wholesalers and retailers as well, not only fair play but a fair margin of profit. The alert manufacturer has at length awakened to the fact that the retail distribution of goods is his most important problem; and that he cannot properly market his wares, efficiently and economically, unless he secures the co-operation of the dealer.

### LOYALTY OF RETAIL DEALER.

The good-will of the retail dealer may be secured in the first instance by making a bona fide attempt to increase his profits and thus gain his loyalty. In planning any extensive advertising campaign, it is advisable, therefore, to submit the plan as far as practicable to the dealer before it is given to the press. If in addition to this the manufacturer is able to devise some method which will give the retailer a competitive advantage over his rivals, he will gain thereby not only loyal co-operation, but enthusiasm in pushing his campaign. In the past manufacturers have given this advantage to retailers in the shape of a money return, enabling them to either buy or sell at a greater profit than their rivals. A favorite device in this regard has been the giving of a considerable discount to a selected list of dealers who order their goods in advance of the season, actual shipment being left until the season opens. This practice became so general, however, that it soon lost its competitive advantage. Other manufacturers have endeavored to win the support of the dealer by means of the "free deal"—a method by which the retailer was allowed a certain proportion of his orders free. Other manufacturers have used the coupon method by means of which the consumer could secure a package of goods free on presenting the coupon to his dealer, the latter in turn redeeming the coupons upon ordering a sufficiently great supply of goods. On the whole, however, retailers are averse to the continuance of such practices in so far as they favor some at the expense of others, and require the over-

stocking of their shelves with wares that are apt to go out of fashion or become stale.

A large American milling company advocates the "free deal" on the following ground: It is recognized that the retailer must first of all consider his own profits, and therefore the manufacturer in conducting a big advertising campaign must win his co-operation through some form of profit-sharing; second, emphasis is placed on the fact that the successful merchant is the one who buys right; third, the small merchant with limited buying power and handling at a fixed price is reduced to the position of an automaton; fourth, if the merchant buys in large quantities he should get special consideration in the shape of the "free deal"; fifth, the manufacturer who increases his output reduces his selling costs and therefore can give a discount; and sixth, the manufacturer insists upon the discount when buying on an extensive scale — whether buying bags, wrapping paper or advertising space, and therefore should be willing to grant a discount on quantity buying. The "free deal" therefore, really means "quantity" buying, with the added disadvantage of an attempt at concealment. The temptation to the merchant to overstock his shelves has proved a great handicap to the success of this plan, as well as the intense dislike of most business men to secret rebates.

### THE "PROTECTED PRICE."

In contrast to the method outlined — a method which has generally if not altogether lost favor among reputable retailers — is that followed by leading manufacturers in Canada and the United States which is known as the "protected price" plan. These manufacturers sell their goods at the same price everywhere, whether the order be large or small or the dealer near or far from the factory. The purchasing power of the dealer may be very limited yet better profits are assured him under this scheme which eliminates price-cutting. It puts the small dealer on the same plane as the large department store; the quality of the goods is maintained as well as prices, and the shelves of the retailer are not overstocked. Secret rebates in the end lead to the lowering of the quality of the product placed on the market as well as to price-cutting and the overstocking of goods.

Many manufacturers to-day are turning to other methods of enlisting the co-operation of the dealer. Prominent among these is the branding of the trade mark or the business policy of the concern on the public mind by extensive advertising. It is remarkable, too, to observe the amount of out-of-season advertising that takes place to-day. For example, a few years ago one of the largest milling

concerns in the United States carried on a winter advertising campaign for summer goods. On the street cars, in the press, and everywhere appeared a pictorial representation of their goods with the following legend thereunder:

Until next summer here we'll sit.

To remind you all of Porosknit.

This out-of-season advertising well repaid the company, as well as other concerns that advertised their fall and winter goods in the summer. For example, and much to their surprise, in the early history of the trade a company that advertised sweaters and other knitted goods in the summer built up a large business in connection with boating and other sports where it was least expected. It is essential therefore that the manufacturer advertise in season and out of season if he is to secure the best results.

### OTHER EXPEDIENTS.

In the distribution of expensive specialties, as a side line in the marketing of staple products, it is necessary to adopt other expedients. One New York firm in placing a high priced perfume on the market had prepared a number of beautiful and expensive booklets bound in Morocco, which were sent to a selected list of prospective purchasers through the local druggists. This brought splendid results, as did also the expedient of another concern in the same line of business which distributed through local druggists aluminum hearts filled with red absorbent and containing a drop of their non-alcoholic expensive perfume. Success was achieved by giving the dealer a financial interest great enough to secure his good will. Not only was the advertising matter beautifully gotten up, but it was planned beforehand that the dealer should use it to the best advantage. Many manufacturers make the fatal mistake of supposing that retailers will handle any kind of advertising material even if it is cheap and nasty. It is being realized, however, more and more, that the enterprising dealer will not litter up his store with cards, booklets, hangers and signs that do not reflect the quality and the high standard of his business.

Many manufacturers to-day who are spending real money on their advertising place dealers "in account" of advertising help. They attempt to furnish the retailer with high quality and attractive advertising material, and in return justly demand that he make the proper use of it. Advertising aids that are worth while are no longer distributed broadcast or presented to the retailer as a mere matter of form. Indeed, some manufacturers go so far as to allocate their advertising aids according to the amount of purchases made by the retailer.

Little need be said concerning the methods followed by manufacturers in carrying on an advertising campaign in the local press. This is done mainly by the free distribution of electors, space being left for the insertion of the dealer's name, etc.

Finally we may say that the manufacturer often spends money in vain in planning and carrying to a conclusion a large advertising campaign because he has left the local dealer out of account.

## Fixed Bread Prices in France

The Paris correspondent of the Glasgow "Herald," in a review of the food situation in France, says:

The main fact as regards consumption and cost of living in France which distinguishes it from any other belligerent or even neutral country is that the price of bread has not risen since just after the war commenced. And, too, the quality has remained the same. While in Britain the price has risen progressively each three or six months and the quality has deteriorated, here both have remained stationary and fixed by law. As a result it is not improbable that the French working classes have felt less the cost of the war than those of any other country engaged, for bread, which is saltier, crustier and more appetizing than at home, is the real staple food of the people.

This situation was artificially created by the Government, not unwisely, in the early days of the war by the fixture of the price of wheat at 33 francs the quintal. All home-grown wheat had to be sold to the millers at that price, and the margin on imported wheat was paid by the Government. This plan effectively prevented speculation, gave some guarantee to the home grower, and by spreading the burden of the war cost over the whole people avoided hardship among the poorest. At the time, too, when it was introduced the margin both in price and quantity of imported grain was not so great as to be disproportionate to the good obtained from the arrangement. Had the world crops in 1915 and 1916 been even up to average it would indeed have proved one of the soundest policies of war economies of any

country engaged. And even now it is indisputable that it was, in view of the fact that France, which is so largely engaged in the war, is such a bread-consuming country, both prudent and effective.

With the continuation of the war, however, and the various succeeding circumstances of the bad harvests, the increasing transport difficulties, and the shortage of labor it has lost something both in effectiveness and equity. The Government has found itself compelled to import more and more wheat at the ever increasing price, and the covering of the margin to the extent which it has now reached detracts from the real economy of such an undertaking. On the other hand, the shortage of labor in the country has made it appear a real hardship to the agriculturists that they should have to be content with the statutory price of 33 francs, while their costs for implements have more than doubled and their work has been more and more thrown on the shoulders of old men, boys and women. Inevitably the extent of ground sown has decreased each year, and therefore with the double object of recompensing the farmers and extending the corn areas if possible the Government has lately embarked on what may be called its second constructive programme for the supply of bread. They have promised a bonus of 3 francs on every quintal of wheat harvested this year, and a further bonus of 20 francs for every hectare (2½ acres) devoted to wheat raising, which was not so used last year.

## Banking and Business Affairs in the U.S.

By ELMER H. YOUNGMAN, Editor Bankers' Magazine, New York.

(Special Correspondence of The Journal of Commerce).

New York, March 24, 1917. — While loans to France, the United Kingdom and to Canada have thus far been placed without difficulty by the great banks and financial houses, we are now face to face with an entirely new situation. We must not only continue to make loans to the countries named and to others but must provide large sums to meet war expenditures of our own. The huge stock of gold, a great part of which has been accumulated since the war began, now in the Treasury and the banks, will make this a comparatively easy task. It yet remains a question as to how the war demands can be handled so as to insure prompt placing of future loans. It has been said before in these columns, but will bear repeating, that the majority of American banks and of the people as well have no experience whatever in buying foreign investment securities. This explains why countries like Great Britain and France, whose credit repute has always stood high, have had to put up collateral when obtaining loans here. This has no doubt been the source of some irritation; but in borrowing money it is usually not good policy to find very much fault with the methods of those who are to do the lending, but to comply with the requirements with as good grace as possible. This is what France and Great Britain have done.

In the last two years the American banks and many of the people have become better informed as to the desirability and safety of prime foreign investments. They are gradually beginning to understand the value such investments have been to France and Great Britain. Foreign loans do not go begging now. The banks are eager for them, and private investors are making inquiries.

But it is still an open question, if very large sums are to be raised for the Entente Allies and for home use, whether extraordinary measures may not be required. It has been proposed to raise a \$1,000,000,000 loan on the credit of the United States to foreign countries, requiring loans. This would insure, with question, an enormous amount of money and perhaps on better terms than those governing previous loans. The purpose is not here to criticize whatever policy may be finally agreed on, but merely to point out that the banks of the United States are likely to be called on in the near future to assist in large scale foreign and domestic Government financing. That they will meet the situation patriotically and in a way that will hearten the cause of the Entente Allies, no one doubts. Some shortcomings unquestionably inhere in a system of small independent banks; but, on the other hand, they are in close and intimate touch with the people of their respective localities, which in a time like the present should be helpful in spreading correct information regarding the financial policies which the war situation makes necessary.

Compared with the February figures, the shortage of empty freight cars in the United States and Canada on March 1st showed that the railway situation is not yet improving. The net shortage of cars was 124,973 on March 1st and 109,770 on February 1st. Explanations have been made heretofore as to the causes of this condition. It has been shown likewise that no speedy remedy appears probable. A national crisis, such as war may bring about, might force a breaking of what may be described as the present railway deadlock. The averted railway strike and the partial upholding of the eight-hour law do not seem to have cleared up the situation much so far as relates to fundamental conditions. No disposition is apparent to push railway construction and equipment, on the part of the railway executives, nor is there discernible any movement by governmental authorities to relax prevailing restrictions.

American capital desirous of embarking in railway construction is turning hopefully to China, a country hitherto regarded by many as unprogressive, but which seemingly offers at the present time a more promising field for railway expansion than can be found in the United States under existing conditions.

The war excitement has caused the public to forget the so-called "food shortage," but some inconvenience in this respect may again ensue if the Government should seize the railways for transporting soldiers and military supplies. Should this inconvenience go far enough it might serve to call at-

tention to the lack of railway facilities and cause an enquiry to be made as to the reasons therefor. In fact, the subject is already being pretty widely discussed, though it is not yet quite clear whether this merely represents the national fondness for academic dialectics or whether it is the beginning of one of those public debates which in a democracy often foreshadow decisive action.

When the Government compelled the National banks to contribute a percentage of their capital to the Federal Reserve System, many banks considered this as constituting a direct means of bringing the Government and the banks into competition with one another. Some annoyance was caused by the fact that while the banks furnished all the funds for the new system the Government had the chief share in their management. Resentment was also expressed because the operations of the Federal Reserve Banks tended to reduce the rates for loans which the member banks were receiving. As is well known, conditions have been so exceptional since the Federal Reserve System was inaugurated that it is difficult to measure with any degree of exactness its influence upon the banks of the country taken in their entirety. Very likely, however, the tendency of the new system has been to lower the rate for money.

Now comes another and more open activity of the Government in lending operations. It will be recalled that the banks themselves contributed the capita for the Federal Reserve System, but the Farm Loan Banks which will shortly get under way derive their capital almost entirely from the Government. Estimates have been made showing that at present the average interest rate on farm mortgages in the United States is as high as 7.4 per cent on a total volume of \$4,000,000,000 of such loans. It is proposed that the Farm Loan Banks will make a flat rate of five per cent, effecting a saving of about \$100,000,000 a year.

Naturally, the inquiry arises, if the Government by intervening in banking and making of farm loans can save the people so much money, why should not its intervention in business of all kinds be equally beneficent?

There is no change of marked interest in the business situation, and no indication as yet of a halt in the forward march. True, the volume of exports declined slightly in February as compared with January, but this was due to inability of the shipping facilities to care for the business offered rather than to a decline in the volume of business itself. Unfilled steel orders have recently made a new high record and bank clearings continue to grow.

In fact, there is not anywhere the slightest indication that the nearness of war is causing alarm in business circles. The measure of the present and future situation has been taken, and the judgment is that the foundations of the world are not going to slip away simply because two of three nations have sought to destroy them. There exists a hard-headed element in business which can not easily be bluffed, and the present calm, amounting almost to indifference, which exists in financial and commercial circles carries with it an especial significance. It confirms the opinion that Germany's attempt to impose upon the world the policy her statesmen have mapped out will not succeed. While this feeling prevails—and there is no sign of its alteration—trade and enterprise in the United States will go on while the war lasts without serious interruption. What may happen once the war ends and new factors are introduced into the situation can not be foretold, but it is at least reassuring to have the confidence that Germany's war against the United States will not result in seriously harming the business interests of the country. Needless to say, that this is favorable to the cause of the Entente Group, for a financial and business upheaval here at the present time could not fail in injuriously affecting their cause.

Another nation has appeared in the Money Market of late in a tentative way as an applicant for a loan. For some time China has lived from hand-to-mouth financially, the disturbed condition of political affairs in that country having operated to prevent any successful negotiations for a loan. The participation of United States bankers in the so-called six-power loan was not regarded with favor by the American Government. Now an entirely different situation has arisen. China has altered her

system of government, and close relations have been established with this country. It is now proposed to revive the plan for a loan to the new Oriental Republic, Germany of course being omitted from the group of lending nations. It is understood, from recent soundings of the State Department, that while the United States cannot enter any engagement that might be considered as a guaranty of the Chinese loan, a certain moral support could be offered which should go far towards making the loan a success.

The suggestion that the loan be advanced through Japan does not seem to meet with general favor either in China or the United States, though it is recognized that Japan on account of her proximity to China and because of present ability to join in making the loan, should naturally participate quite extensively in the undertaking.

China has shown of late capacity to preserve a stable government, and to look out for her interests in the international political field. If she is to develop her own internal commerce and take a fair share of the burden of defending the world against German aggression, a loan of considerable size becomes necessary.

Chinese finance therefore promises to become, in the very near future, an interesting field for the exploration of the American bankers.

That steel is either "prince or pauper" gains a very striking illustration from the report of earnings of the United States Steel Corporation for the years 1916 and 1914. Last year's gross receipts were \$1,231,473,779, comparing with \$796,894,299, the previous high record reached in 1913. Net earnings for 1916 were \$294,026,565, against only \$71,663,615 in 1914. Total surplus in 1916 was \$381,360,913 compared with only \$135,204,472 in 1914. Average number of employees in 1916 was 252,668 and 179,353 in 1914. Total sales of steel in 1916 amounted to 15,460,792 tons, and 9,014,512 in 1914.

These very marked changes have been due in part to war orders, though the demand in several lines has been good for structural steel. Shipbuilding has been especially active. When the munitions trade falls off, as presumably it must before very much longer, the demand for structural steel in Europe and the need of materials for railway construction may go far toward counter-balancing this loss. As greater marine tonnage becomes available, steel exports may even show an increase over the most active period of the war demand.

There is ground for hoping that not only in the steel trades regarded here as the barometers of business, but in most other lines, the post-bellum period may not develop the depression in trade which many are expecting. If a settlement of the war brings with it an arrangement offering a sound basis for a peace of long duration, this, in itself, may have a powerful influence in stimulating business activity. This may be regarded as no more improbable than many of the events which the economic world has seen since the war began.

As might have been expected, the Postal Savings Banks have gained beyond the usual rate recently owing to the war talk. In February over \$5,000,000 was added to such deposits, which is a greater increase than has been shown in any previous month, and brings the total up to \$121,000,000. Not only do the ordinary savings banks of several cities report larger deposits, but there are even individual banks with deposits at or quite near this figure. Thus far, then the Postal Savings Bank has not become of much importance compared with the other banks, but its popularity is growing. There are now about 700,000 depositors, chiefly composed of the foreign-born element of the population for whose special benefit the government banks were devised.

This addition to the deposits in the Postal Savings Banks represents to some extent the general prosperity, but no doubt a few over-timid citizens of foreign birth have withdrawn savings from hoards or from other banks and placed them with the government. It is a remarkable tribute to the confidence which the people have in the banks that apparently no large withdrawals have taken place nor are they regarded as probable. In a country of such large extent, and in a time when distrust of banks might have been expected, a shifting of \$5,000,000 of deposits from the ordinary banks to those under governmental control is really a trivial matter. As indicated above, however, this increase in the Postal Savings deposits comes partly from the gain usual in a time of prosperity, and partly from taking money that is hoarded and confiding it to the care of the Government.

The banks of the United States—all classes of them—are in a thoroughly safe position and never better entitled than now to public confidence.

## Public Opinion

### "NO TRUCK WITH THE CANUCKS." (Ottawa Citizen).

The director general of national service says that we are dependent upon the United States for labor to harvest our crops in the west this year. Unless they are harvested, the situation will be serious for Canada as well as the motherland. But wouldn't it be awful if the United States authorities took us at our word and decided to have "no truck with the Canucks"?

### HOW TIME INCREASES COST.

In an eight-hour day you have only 480 minutes. Thus, says a writer in System, whenever you waste five minutes you decrease your value 1 per cent. Your stock falls from par to 99 per cent. If you waste fifty minutes, your stock falls to 90, and so on. Few of us ever have a day at par. If you borrow £24,000 at 5 per cent you are paying 2d. a minute. If your accountant makes a mistake, and you borrow it a day too soon he causes you a loss of £4. Many a business man has gone down to bankruptcy because he did not realize this ruthless persistence of interest. Interest is like the tortoise in the well-known fable—it is slow, but it never stops to rest.

### THE FIRST V.C.

(East Suffolk (England) Gazette).

The first V.C. was won by a sailor. In the Crimean War it became of the utmost importance to destroy the enemy's stores. With this in view the town of Genitchi was bombarded, and during the course of the action seventy-three vessels were destroyed, with all the stores of corn. When the smoke cleared away, however, it was discovered that several magazines had not caught fire, and three valiant men, Lieutenant Buckley, Lieutenant Burgoyne—who was afterwards to meet his death on the ill-fated Captain—and Mr. John Roberts, went ashore, fired the stores with the burning ends of their cigars, and got back to the boat. They were each awarded the Victoria Cross, Lieutenant Buckley being the first to receive that honor.

### DOESN'T NEED OUR FLAG.

(Chicago Tribune).

A Chicago flag concern sent out a circular announcing the increase in the price of bunting. One of these circulars reached a Canadian concern. Its reply follows:

QUEBEC, March 2.—Dear Sirs: I have yours of February 26 instant. I note the following remark: "You probably wish to emphasize your patriotism during these critical times by displaying the United States flag." You are in error in assuming that we in Canada wish to display the United States flag during these critical times.

As a matter of fact, we are displaying a flag that means something—a flag that we are fighting for, and a flag that we will not allow any nation to trample upon without having a shot at the nation who does so, and we will not shoot with NOTES. Yours (when you get this), L. BURRAN.

### FERTILITY LESSONS FROM THE WAR.

(From the Prairie Farmer).

Dr. Carl Helfrich, the German imperial vice chancellor, says that the great war has settled down to a contest of farming. This is largely true. In this contest German farmers are at a disadvantage because they have been depending largely on commercial fertilizers, the supply of which is now scanty. Labor is scarce in the potash mines, phosphate imports have been cut off, and the cannon compete unceasingly with the farms for the product of the nitrate factories.

Germany's predicament emphasizes the danger of the mixed fertilizer theory of farming. It is the theory of the fertilizer manufacturers that the soil is not to be maintained as a storehouse of plant food, but merely used as a factory, into which fertilizer is put in the spring and from which the finished crops are taken in the fall.

In normal times this plan may work with a fair degree of satisfaction. But when imports are cut off, when transportation is paralyzed, disaster must follow. The farmer is absolutely dependent on the fertilizer factory, and if the fertilizer factory fails there is little that the farmer can do to produce a crop.

### BUY A COPY. (Ottawa Citizen).

Professor Paul Milyukov, the new Russian foreign minister, and leader of the constitutional democrats, is the author of "A Short History of Russia." It is published in English, in the Home University Library series, at the popular price of one shilling.

### OUR FIGHTING SHIPS. (New York World's Work).

In our Navy to date we have in commission at best 14 capital ships, of total fighting value (after the "Jane method" of calculation) of 124 units. Before the beginning of 1916, Germany had completed corresponding capital ships, 21 in number, of total fighting value, figured on the same basis, of 189 units. As a matter of fact, the Michigan and South Carolina are so light, so slow, and so weak in gunpower that they are now ranked as second-line ships by Secretary Daniels—leaving us really only 12 ships in commission.

### INTELLECTUAL LEADERS. (Southern Lumberman).

At a dinner given in his honor in New York City, Bishop Lawrence, of Massachusetts, propounded this inquiry:

"When a bricklayer gets a higher wage than a school teacher, a hotel cook than a professor, and a chauffeur than a clergyman, it looks as if the support of our intellectual leaders were not as strong as the welfare of society requires. The New York policeman gets \$1,300 and a pension, while the average clergyman of the Episcopal Church gets \$1,200 and no pension. No one begrudges the policeman his pay, but does the spiritual leadership get sufficient support to be efficient?"

### EVERY OTHER GIRL WORKS. (Springfield Republican).

One-half of all the girls between sixteen and twenty years old in New York state work for wages, according to the annual report of the Consumers' League of the city of New York. One of the most important pieces of work still to be done, according to the league, is the message of a wage law, so that the minimum wage in each trade shall be fixed by a wage commission, and so that the minimum wage shall be also a living wage. It is pointed out that this is the only hope for the lowest paid women workers, since an employer cannot be expected to pay more than his competitors, and there is little effective organization among these \$6-a-week women.

### WOMEN HARDIER THAN MEN. (San Francisco Chronicle).

It is well known to mothers that boys are more difficult to rear than girls, the fact being generally ascribed to the greater amount of "original sin" inherent in the male.

But probably it is not realized that no fewer than four boys die to each three girls who succumb to the adverse conditions of life during the first three months. This is the startling fact which the figures for England and Wales bring out. We can find only one sufficient explanation for it—namely, that girls are born with more vitality, that boys are less resistant to disease.

The male mortality excess begins at the moment of birth, when 180 boys die to every 145 girls. Then in-born physical defects seem to be more prevalent among boys, for seven deaths among boys are ascribed to this cause, as compared with six among girls. And boys do not thrive so well as girls, for the wasting diseases of early infancy carry off fifty boys for every forty-one girls.

As soon as the infectious diseases begin their attacks boys yield to them far more readily than girls, with the single exception of whooping cough. Tubercular diseases, convulsions, intestinal troubles, bronchitis and pneumonia and other maladies all kill more boys than girl infants in their first year. The figures are surprising.

All through life the death rate from nearly every disease is greater among males than among females—no fewer than fifteen men die of tubercular diseases to eleven women, twelve from pneumonia to eight women, five from typhoid fever to three women, eight from appendicitis to six women, and so on.

### THE AWFUL GREED OF MAN.

(Southern Lumberman).

Shoe manufacturers and dealers declare that if women's skirts are lengthened it will result in a loss of \$10,000,000 an inch to them. Still if the shoemen have been making \$10,000,000 for each inch lacking, they ought to be well fixed by this time.

### ON GUARD.

(Boston News Bureau).

Even the serious and elaborate system of guarding Washington's government departments has its lighter sides. One of the scientific bureaus has stationed at the main entrance, to examine the identification passes carried by all employees, an aged negro watchman. The watchman can neither read nor write.

### THE COST OF HIGH LIVING.

(Victoria Colonist).

Out of a single issue of a contemporary we pick out the following tit-bits of news: The Economic Club of New York met at a dinner, costing \$5 a plate, to discuss the high cost of living. The Benjamin Franklin Club of Philadelphia had a "Poor Richard" dinner at \$8 a plate. The governor of Pennsylvania charged the cost of his bridal tour up to the state, but as it only amounted to \$301, the cause of complaint was not very large. He also charged the expenses of his golfing to the state. Both bills were paid.

### THE TERM "COLONIES."

(Christian Science Monitor).

It is interesting to note that, on the much-vexed question of the application of the term "colonies" to the British Dominions, there is by no means a consensus of opinion amongst Dominion statesmen. Indeed, it is an interesting coincidence that in speeches made on the same night in London, a short time ago, two such authorities as Mr. Andrew Fisher, High Commissioner for Australia, and Mr. Massey, Prime Minister of New Zealand, should have taken opposite views of the matter. Mr. Fisher, on behalf of the Australian, the Canadian and the New Zealander, "as he had known them," utterly repudiated the designation, while Mr. Massey declared that he personally had no objection to it.

As a matter of fact, it does seem a pity that a term which, in its original meaning, so exactly expresses the relationship of the Dominions to the mother country, should be abandoned, simply because it has come to have a signification which never ought to have been attached to it. The word, of course, comes from the Latin "colonia," and, with the Romans, the "colonia" was, as a recent writer has expressed it, a free offshoot of the parent nation, as opposed to the "provincia," the area held by right of conquest.

### DIAMOND DRILLING.

(Wall Street Journal).

Diamond drilling is largely responsible for development of some of the largest copper deposits being mined today. It has in many cases proven correct the keen judgment of mine managers and convinced their companies that a wonderful copper deposit actually contained the valuable ore that his technical knowledge, experience and judgment caused him to believe existed, and vice-versa where it proved that valuable deposits of ore did not exist where surface indications were favorable.

Although resorted to for many purposes, the greatest field of operation for diamond drilling is exploring mineral lands, locating ore veins and ore deposits. When conducted by specialists and expert crews it is the most economical and satisfactory method of prospecting.

The drilling and cutting is done by a rotating, hollow drill bit or tube, in which are usually set eight pieces of carbon at its face, or end four carbons slightly protruding from the inside of the bit, and four slightly protruding from the outside surface.

The carbon used is one of the hardest of known substances, being harder even than the "brilliant" or crystallized diamond. It is found in one or two small districts in Brazil and in late years has advanced in value until now it is one of the principal items of cost in drilling operations. As the carbon varies greatly in size and quality, it makes selection of perfect stones very difficult.

Diamond drilling with reference to mining produces a core of the formation drilled which can be assayed to determine the nature of the ground. Drillers explore the most remote districts, moving their outfits by primitive methods and as a result of their exploration, thriving villages and cities and industrial plants grow up.

## Mentioned in Despatches

**PROFESSOR MILUKOFF**, Russia's new Foreign Minister and real instigator of the Revolution, is probably the most progressive and enlightened public man in Russia. Twenty years ago he was a political exile in Siberia, later he was professor of Russian literature in the University of Chicago, where he imbibed Republican tendencies. He is familiar with the English parliamentary form of government, and during recent years has been an active advocate of responsible government for the Russian people. For the past few years he occupied a professorial chair in one of Russia's largest universities, and at the same time was the leader of every reform movement in the Duma.

**LI-YAN-HUNG**, President of the Chinese Republic, is not going to declare war on Germany, but will remain content with the breaking off of diplomatic relations, in which respect he follows the more or less lukewarm policy of President Wilson of the United States. The President of the Chinese Republic succeeded the late Yuan Shi Kai and is entitled to hold office for another five years. He is fifty-two years of age, and has had both a military and a naval training, which included two years of residence in Japan. He was an active participant in the revolution which drove the Manchus from the Chinese throne, was made vice-president of the new republic and re-elected to that office three years ago, and succeeded to the presidency on the death of the former holder of the office. Li-Yan-Hung is undoubtedly very much under the influence of the Japanese, but is also very largely guided in his diplomatic proceedings by Dr. Morrison, the famous British adviser to the Chinese Government.

**SIR ADAM BECK**, the apostle of hydro-electric development throughout Canada, has made a bitter attack on Mackenzie and Mann in the Ontario Legislature which may have far-reaching effects. Sir Adam Beck is known as the Minister of Power, as a result of the constructive work he did in furthering the interests of the hydro-electric movement. He represents London as the Ontario Member of Parliament, and for several years was minister without portfolio in the Whitney Cabinet, but resigned when Premier Hearst took office. He is head of the Beck Manufacturing Co. in London, was a former mayor of that city, and is known all over the continent as an enthusiastic horseman. During the war he has been acting as Chief Remount Commissioner for Eastern Canada. His fight with Mackenzie and Mann is over the latter's efforts to secure additional subsidies from the country for the building up of their privately owned railways, while Beck is anxious to build electric lines throughout Ontario — lines which will derive their power from Niagara Falls. Already some seventy Ontario municipalities are using the hydro-electric power.

**RASPUTIN**. It now transpires that the real commencement of the revolution in Russia was connected with the assassination of Rasputin, the notorious Russian monk. This charlatan and imposter exercised a most unwholesome influence over the Czar, Czarina, and many of the Court officials. The monk was born as a peasant on a small farm and lived as a peasant until he was thirty, when he was seized with a quasi religious mania and became a lay monk. He was extremely clever, and by means of intrigue and scheming of all kinds managed to get himself appointed to an important clerical position in Petrograd. He possessed a hypnotic influence over women and used them to further his schemes. He also posed as a healer, and as such was welcomed by the Czar and Czarina, as he claimed to have power to heal their delicate son. He made and unmade ministers, defeated the military powers and thwarted the Duma. He was an ardent pro-German, a bitter enemy of the Grand Duke Nicholas, and a foe to all real progress. His assassination was carried out by a group of progressives.

**BARNEY FARTHING**, the original of Mark Twain's "Huckleberry Finn," has just died in poverty in an almshouse at Paris, Mo. Although a man of eighty years, he was still called Huck Finn by everyone who knew him, the old man carrying into his latter years many of the eccentricities which characterized him as a youth when he was immortalized by Mark Twain. Among other things he made with his own hands the coffin in which he was buried, as a protest against the outrageous prices charged by the coffin trust, and supplied nearly all his friends with similar vehicles for transmission into the next world. A good story was told shortly after the presi-

dential election of 1912 regarding some of the characters made famous by Mark Twain. A well known American author visited the scene of Mark Twain's book and sought to get some local color through questioning the natives. One old timer was approached and asked if he knew Huckleberry Finn. "Naw, never heard of him," was the reply. "Did you ever meet Tom Sawyer?" "Naw." "Did you know Puddinhead Wilson?" "Hell, yes, I voted for him at the last election," was the surprising rejoinder.

**PRINCE RUPPRECHT**, who is in command of the German forces on the Western front, is likely to have his military reputation suffer within the next few months. He is a Bavarian prince and was generally credited with being one of the ablest of Germany's generals. The Western front has been the graveyard of German military reputations, Von Moltke, Von Kluck and others being placed on the retired list because of their failure to break through to Calais and Paris. Prince Rupprecht has been in charge for the last year and a half, or almost since trench warfare commenced. The progress made by the English and French last fall indicates pretty clearly that when the weather clears up they will be able to shove Prince Rupprecht and his cohorts back to the Rhine. Here's hoping, anyhow!

**MANUEL DE ARRIAGA**.—Portugal, one of our Allies in the conflict, has lost through death its first president, Manuel de Arriaga. When Portugal decided to adopt the Republican form of Government and chased King Manuel from the throne some six years ago, the country was very much broken up into factions and for a time it looked as if it would be impossible to unite the discordant elements. Happily for the country, it possessed in de Arriaga a man that all could trust. He was chosen president because of his ability to conciliate and work harmoniously with the various factions. For years he had been a professor at Coimbra University, and had been the tutor in English for the late King Carlos and the Duke of Oporto. De Arriaga and his successor the present president were both warm friends of the English.

**SIR PERCY SYKES**, one of the men who make history for the British Empire, has been carrying on a splendid campaign for the past year in Persia. Like so many of Britain's able pro-consuls, he knows his country like a book. Sykes is the author of at least three books dealing with Persia, Ten Thousand Miles in Persia, The Glory of the Shia World, and a History of Persia. For the last year he has been in charge of an army which has been policing southern Persia for the British Government. The fact that he went in with only 800 British and Indian troops, and was able to organize the native constabulary and maintain order speaks volumes for his administrative and military ability. Among other things, Sykes made a thousand mile march to Teheran, which rivals in some respects Lord Roberts' famous march to Kandahar. As a young man at college Sir Percy Sykes was a sprinter, and won all kinds of medals as a runner, a practice which probably stood him in good stead during the last twelve months. He saw a great deal of service in India and in Persia, and also fought through the South African War, where he was wounded and received decoration.

**CAPTAIN RYDER**.—Something of the indomitable spirit which has made Britain Mistress of the Seas is furnished in a series of letters received from Capt. Ryder, of Port Wade, N.S., who has been captain of a freighter cruising about the submarine zone for the last year and a half. His letters show that the men of the Maritime Provinces are made of just as good stuff and are ready to do their bit as cheerfully as any Jack Tar from the Mother Country. Extracts from two letters received illustrate this spirit of optimism and courage better than anything else. "One week out — Fresh water gone, but plenty of the briny all over us. Six sailors for crew — 'Did I say sailors? Three of them never saw a ship before, and the other three cannot steer yet. We go six knots an hour—A good target, and in the most serious place. The bally Huns do not seem to succeed in frightening the merchant shipping, though they are doing all they can at present. I wish I could remain at home, but, old boy, the double object I have in being here is to keep the wolf from the cottage door at Port Wade and help keep the war hog at bay over here. Don't worry, I'll float ashore on a plank, or some other way." A man who could write like that is not going to let England starve.

**SIR JOSEPH WARD**.—Little New Zealand, which has led the world in its contributions to Belgian Relief, and led the British Empire in the number of soldiers enlisted in proportion to the population, has as one of its representatives at the Imperial Conference its former premier, the Right Hon. Sir Joseph Ward. Ward has long been known as an ardent Imperialist, and in his little Overseas Dominion contributed in no small way to the growth of the imperial spirit, and to national defence.

**KING FERDINAND**.—At a time when the United States is asking pertinent questions of Austria-Hungary, Bulgaria and Turkey as to what they intend doing in regard to Germany's submarine policy and other matters, it is interesting to note that the German Emperor seems to be having some difficulties in holding his partners in crime in proper submission. It is said that King Ferdinand, of Bulgaria, the Fox of the Balkans, is keeping himself hiding somewhere in Hungary and is looking for the first chance to run to cover. He is not at all anxious to have more countries at war with him, and altogether is said to be sorry that he linked up his interests with those of the Central Powers. Ferdinand is the man primarily responsible for the two Balkan wars, and probably joined in this present conflict in an effort to get back what he lost in the two other struggles. The King has both French and German blood in his veins, but the German blood predominates, while he is married to a German princess, and is also an Austrian-Hungarian nobleman, and has extensive estates in that empire. He has just celebrated his fifty-sixth birthday, but no one knows where the festivities took place.

**EMPEROR NICHOLAS**.—While the retirement of Nicholas from the throne of Russia may be the forerunner of greater liberty for the people of that country, there is something pathetic about the former Czar and he calls for a large measure of sympathy. Nicholas was a weak ruler rather than a vicious tyrant. He gave his people a large measure of freedom, as it was in his regime that the Duma was called into being. On the other hand, however, he was under the influence of the reactionary autocratic nobility, and especially those with pro-German tendencies. It is also somewhat tragic that the man who was instrumental in bringing about the first international peace conference at the Hague should have taken part in the two greatest wars of the world's history — the Russian-Japanese and the present titanic struggle. Czar Nicholas has always been a man of peace and in his limited way must be credited with a wholehearted desire to further the interests of his country. He came to the throne in 1894, formed an alliance with France two years later, and some half dozen years ago brought about the formation of the Triple Entente.

**DR. GEORGE E. MORRISON**.—The breaking off of diplomatic relations between China and Germany has been accredited to the influence of the Japanese, but as a matter of fact the real power behind the throne, or presidential chair, is a Britisher, Dr. George E. Morrison, the most influential man in China. Morrison is one of the most unique characters in the world. Born in Australia, he has explored practically every country in the world and attained power seldom possessed by any one individual man. As a young man he walked across the continent of Australia; followed that with an exploring trip through New Guinea, and carried away as souvenirs a couple of spearheads in his body; went to Britain, where he graduated as a doctor; studied in Paris; acted as Court Physician to a Morocco Chieftain; journeyed from Liverpool to New York as an immigrant in the steerage; served as a purser on a ship engaged in the West Indian fruit trade; then sailed around the world as an ordinary sailor before the mast; and finally settled in China as an employee in the Imperial Customs Service. In China he fought through the Boxer Rebellion, explored the whole of Indo China, and took a 2,000 mile walking trip through China dressed in native dress, later writing a book about his trip. After some years in China he became the resident correspondent for the London Times, and furnished that paper with a great deal of interesting inside information regarding affairs in China. On the formation of the Chinese republic a few years ago he was made chief political adviser to the Chinese Government, a post he still retains. He enjoys to a marked extent the confidence of the Chinese people, and it is no exaggeration to say that his influence in China has been of greater assistance to Great Britain than a dozen army corps would have been.



# CANADIAN GENERAL ELECTRIC COMPANY

## LIMITED

### DIRECTORS

W. R. BROCK, Hon. President and Chairman of the Board.  
 LT.-COL. THE HON. FREDERIC NICHOLLS, President. W. D. MATTHEWS, Vice-President. A. E. DYMENT, Vice-President.  
 SIR WILLIAM MORTIMER CLARK, LL.D., K.C.  
 H. C. COX SIR RODOLPHE FORGET  
 COL. THE HON. SIR J. S. HENDRIE, C.V.O. SIR HERBERT HOLT  
 SIR WILLIAM MACKENZIE F. G. OSLER J. K. L. ROSS

### ANNUAL REPORT OF THE DIRECTORS

Submitted to the Shareholders at the Annual General Meeting of the Company in Toronto, on Wednesday, March 21st, 1917.

Your Directors submit herewith the Balance Sheet of the Company as upon the 31st day of December, 1916, also Statement of Profit and Loss for the year, and Certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

An examination of the Statement of Profit and Loss will show that a gross profit of \$2,225,912.19 was earned, which is in excess of any previous year in the history of the Company. The sum of \$408,887.73 has been reserved for depreciation of buildings, machinery and patterns, and in addition a further sum of \$631,603.50 has been reserved for the amortization of munitions plants and equipment, leaving a net profit of \$1,185,420.96. From this amount the sum of \$779,843.90 has been paid in dividends, leaving a surplus for the year of \$405,577.06. This surplus added to last year's balance at the credit of Profit and Loss Account makes a total at the credit of that account of \$1,112,696.09. From this total the sum of \$500,000.00 has been transferred to Reserve, bringing the amount to the credit of Reserve Account to \$3,500,000.00 and leaving a balance of \$612,696.09 to the credit of Profit and Loss.

Your Directors are pleased to be able to report that during the year the mortgage indebtedness on properties purchased has been reduced from \$1,367,751.25 to the sum of \$413,813.90 thus reducing our fixed charges to a nominal amount. Our total Liquid Assets, including Cash on Hand, Accounts Receivable, Inventory and Investments, amount to \$8,340,013.79 and a reference to our Balance Sheet will show that our Reserve for Depreciation now amounts to \$2,920,948.07, and our Surplus, including Reserve Account and the balance at the credit of Profit and Loss, to \$4,112,696.09.

Following the usual policy of the Company our Inventory has been taken at or below cost, and sufficient allowance has been made in respect to any goods considered to be either obsolete or not readily saleable.

It will also be noticed that the item of Patents, Contracts and Good Will is carried in our Assets at the nominal sum of \$1.00.

Our sales of machinery and supplies show a very gratifying increase over the preceding year, and from present indications the situation should continue to improve. At the present time there are approximately five thousand employees on the Pay Rolls of the Company at its various plants and offices, but the scarcity of labour is our principal difficulty in the way of further increasing production.

The detachment of twenty-five electrical and mechanical engineers contributed by the Company for service during the continuance of the war has been, and will be, continuously maintained, and in addition thereto generous contributions have been made to the Canadian Patriotic Fund, Red Cross Society, and other deserving war time funds, and recently a sum of \$500,000.00 has been invested in the Canadian War Loan.

Immediately after the outbreak of war all branches of business suffered so materially that your Directors were confronted with two alternatives:—either to discharge a large proportion of the staff, or to retain as many as possible in the employment of the Company, the staff themselves co-operating by accepting a reduction of 20% on their salaries until such time as conditions improved. Since that date the Company has experienced the benefit of improved business, and therefore has repaid to those still in the employ of the Company the total amount deducted during the time the reduction was in force, the sum involved amounting to \$130,000.00.

Your Directors desire to express their great regret at the death of the late Honourable J. K. Kerr, K.C., a Vice-President of the Company. The late Senator Kerr was a charter member of the Company, having been one of its original Directors, and had rendered valuable services to the Company for over twenty-five years.

The vacant Vice-Presidency has been filled by the election of Mr. A. E. Dymont to that office.

FREDERIC NICHOLLS,  
President.

## CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

### AND SUBSIDIARY COMPANIES

### CONSOLIDATED BALANCE SHEET, 31st DECEMBER, 1916

ASSETS		LIABILITIES	
<b>CAPITAL ASSETS—</b>		<b>CAPITAL STOCK—</b>	
Land, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Stratford, Montreal, Branch Offices, and Power Plant at Nassau	\$ 6,372,559.68	Common—Authorized.....	\$10,000,000.00
Machinery and Tools	4,168,648.40	Issued.....	8,000,000.00
Patterns and Drawings	733,990.69	Preferred—Authorized and Issued.....	2,000,000.00
Patents, Contracts and Goodwill	1.00		\$10,000,000.00
Total Capital Assets	\$11,275,199.77	<b>MORTGAGE OBLIGATIONS ON PROPERTIES PURCHASED.....</b>	413,813.90
<b>CURRENT ASSETS—</b>		<b>WAR TAX AND CONTINGENT LIABILITIES.....</b>	480,221.82
Inventory of Raw Material, Supplies, Work in Progress and Finished Materials, including expenditures on Contracts (less collections on account).....	\$4,079,495.21	<b>CURRENT ACCOUNTS PAYABLE.....</b>	1,407,533.68
Accounts Receivable (less reserve for doubtful debts)	3,487,103.64	<b>DIVIDEND ON COMMON STOCK, paid 1st January, 1917.....</b>	220,000.00
Investments	165,277.24	<b>RESERVE FOR DEPRECIATION.....</b>	2,920,948.07
Cash on hand and in Banks	549,798.76	<b>SURPLUS, per Account Annexed—Reserve.....</b>	\$3,500,000.00
Prepaid Insurance Premiums, etc.	58,378.94	Profit and Loss Balance.....	612,696.09
Total Current Assets	8,340,013.79		4,112,696.09
	\$19,615,213.56		\$19,615,213.56

We have audited the above Balance Sheet, and certify that it is properly drawn up, and in our opinion shows the true financial position of the Company, on 31st December, 1916.

PRICE, WATERHOUSE & CO., Chartered Accountants.

### CONSOLIDATED SURPLUS ACCOUNT

Profit for the year ended 31st December, 1916, before providing for Depreciation.....	\$2,225,912.19
Less—	
Reserved for Depreciation of Permanent Plants.....	\$408,887.73
Reserved for amortization of Munitions Plants and Equipment.....	631,603.50
	1,040,491.23
Net Profit for the Year.....	\$1,185,420.96
Less—Dividends Paid.....	779,843.90
Surplus for the Year.....	\$ 405,577.06
Add—	
Undivided Profits as at 31st December, 1915.....	707,119.03
Deduct—	
Amount transferred to Reserve.....	\$1,112,696.09
Balance at Credit of Profit and Loss Account.....	500,000.00
Reserve, after including the above amount of \$500,000.00.....	\$ 612,696.09
Surplus per Balance Sheet.....	3,500,000.00
	\$4,112,696.09

# Comments on Current Commerce

By E. S. BATES

**THE WHEAT PURCHASE:** Sir George Foster, Minister of Trade and Commerce has issued a statement in connection with the proposal made by the Canadian Council of Agriculture for the purchase of the Canadian wheat crop of 1917, by the British Government. In this statement he endeavors to justify his offer of \$1.30 per bushel, basis No. 1 northern, at Fort William, for the entire wheat crop. The Council considered this offer too low, and recommended a flat price of \$1.50 per bushel, basis No. 1 northern, Fort William, or preferably a guarantee of prices from a minimum of \$1.50 to a maximum of \$1.90 a bushel, basis No. 1 Northern, at Fort William. Sir George evades consideration of this recommendation. His attitude is hardly clear. Britain must have a guaranteed wheat supply, and in view of the comparatively short ocean transportation, it is entirely proper that our surplus should be at her disposal. The submarine menace and shortage of tonnage make the transportation of the Australian crop, and even of the Russian crop in the event of Turkey's collapse, a very difficult matter. These considerations enhance the value of the Canadian crop, and even in the event of an open market it is expected that prices will maintain a very high level during the coming crop year. Moreover, western farmers must be assured of high prices before they can be expected to employ the labor necessary for a bumper crop. Owing to the labor shortage, and the high wages which will have to be paid to induce Americans to come to Canada, and the advancing costs of twine, machinery and all other supplies, the farmers are under a very big handicap. Therefore, in order to insure a record production this year, the Government should be prepared to offer the highest possible price for the crop, and also to utilize and regulate existing marketing facilities, so that the crop will be moved in the quickest possible time and all branches of the trade shall be protected. In handling the Australian wool clip, the Commonwealth Government established a basis price, and then carried out the grading and purchasing scheme through the brokers, all of whom were sworn in as agents of the Government. Some such scheme should be carried out in connection with the purchase of the Canadian crop. Comparisons with prices paid last year for the British and Australian crops will not help out. It is necessary that the Department of Trade and Commerce obtain the service of recognized authorities in the grain marketing business, appoint a Director and Committee from among the brokers and grain growers, and thereby make it possible to consider every phase of the deal. Sir George Foster cannot expect to play a "lone hand" in this deal; the stakes are too large.

**IMPORT RESTRICTIONS MODIFIED:** The British authorities have relaxed the prohibitions against the importation of canned fish and fruit in favor of Canadian shippers. According to an announcement from Ottawa the British Government has signified its intention to purchase 600 tons of Canadian canned salmon monthly for consumption by the British troops. The fish so purchased will be admitted to Great Britain in addition to 50 per cent of last year's importations, entry of which has already been authorized. In the case of fresh fruit, the import restrictions have been modified so that such fruit will be admitted into Great Britain up to 50 per cent of last year's importations, until July 1st, 1917. After that date the importation of fresh fruit into the United Kingdom will be prohibited, except under license. These modifications are of much moment to the apple trade of Nova Scotia, and the salmon trade of British Columbia. The prohibitions had threatened to effect these trades very seriously, and while the Canadian Government recognized the urgent need for reducing imports into the United Kingdom owing to the shortage of tonnage, it was felt that these two articles should not have been included. The British authorities appear disposed to protect the interests of the Empire to the furthest possible extent, and in this case their action is of much importance to Canada, in that these two trades depend largely upon the United Kingdom for their markets.

**SHIPBUILDING IN CANADA:** The extensive shipbuilding development which the Imperial Munition Board announces will shortly be commenced in this country is sufficient almost to make the man-on-the-street hesitate before accepting the plans as

workable. There is no doubt that such development of this great industry would mean much to the Canadian iron and steel industry. The demand for shells and munitions has produced a wonderful activity and expansion in iron and steel manufacture in Canada. In addition to such concerns as the Dominion Bridge Co., and the Steel Co. of Canada, controlling a score of large plants, there are hundreds of iron and steel shops throughout the Dominion producing shells and other munitions. Many of these plants are equipped solely for the manufacture of these products; others have merely turned existing plant on to these lines. But the end of the war will see a large proportion of the shell factories scrapped, others will return to the lines formerly manufactured, and others are now preparing to extend their efforts to products not manufactured in Canada heretofore. The purpose behind the proposed development of the shipbuilding industry is to utilize the manufacturing power of this iron and steel industry, and if possible to prevent any of it from being lost to Canada.

Already, contracts for the construction of upwards of sixty million dollars worth of shipping have been granted to Canadian concerns. These comprise sailing ships and a number of steel vessels. The Imperial Munitions Board has undertaken to organize the resources of the Dominion in the establishment of large shipbuilding works and dry-docks. They will encourage large steel plants to commence the manufacture of structural steel and steel plates. Mr. J. W. Norcross, of the Canada Steamship Lines, Ltd., has been appointed to direct the placing of shipbuilding contracts and to speed up production of tonnage in existing plants. Development of shipbuilding and marine engineering in Canada will mean much to the metal-working industries when shell orders stop, by producing a big demand for a large variety of iron and steel products, formerly not made in Canada, and for which the Canadian demand before the war was small. Of course, the ultimate requisite will be that our shipbuilding industry must be in a position to meet world competition. But the present demand for tonnage, and that which shall exist for some time after the cessation of hostilities, is most favorable to the development of the industry in this country. Some assistance from the Government in laying the foundation of the industry might well be expected, especially with a view toward placing the industry on a permanent basis. The demand provided in this way for the products of the iron and steel industry undoubtedly would encourage development of a wide range of other products, such as textile and paper mill machinery, now imported in large quantities.

**INCREASING FARM PRODUCTION:** Members of the Toronto Board of Trade have proposed to the Ontario Government to send 5,000 of their employees to help Ontario farmers during the summer instead of taking their usual vacations, the object being to increase production. The suggestion has been taken up by the Ontario authorities, and it is probable that some plan will be organized to take advantage of the available productive force of these workmen. Farm production to the utmost capacity of the Dominion this year is essential. Labor shortage threatens to impede this production. Efforts are now being made to induce large numbers of laborers and farm help into Canada from the United States. But however successful these efforts may be, Eastern Canada faces an acute problem that can scarcely be overcome in any such easy manner. The suggestion made by the members of the Toronto Board of Trade involves a plan that is applicable to any urban centre. The thousands of workmen, office men and others, who take an annual holiday of from one to three weeks, might well be induced to spend their holidays on the farms at healthful work, and thereby, a great productive labor force would be mustered. It is necessary that some central organization be established, which might undertake to operate employment agencies in all urban centres especially for this class of labor. If the co-operation of employers was secured, a satisfactory system of allocating holiday periods could be evolved, and with a careful system of registration of farmers requiring help, arrangements could be made whereby the farmers would have an adequate labor force throughout the summer months. Of course, such help would be almost entirely unskilled, but it would be very poor help indeed who could not give real assistance in the

planting, haying and harvesting seasons. The scheme should be particularly feasible in the vicinity of large urban centres, and especially in Eastern Canada. It might surprise many to find a large proportion of this "cityfied" help eager to assist farm production, and assuredly our cities and towns are filled with farmer's sons who would welcome a few weeks' vacation at work "back on the farm."

**NEWSPRINT PRICE REGULATION:** Difficulties have arisen in connection with the regulation of prices at which newsprint paper can be sold in the United States and Canada. In this country, the paper mills agreed on a price basis of 2½ cents for newsprint, at the mill, with the understanding that the agreement would become operative after March 1st. But the publishers hold that the agreement is operative since January 1st; a price of 3 cents a pound having prevailed in the interval. With this conflict of views, newsprint continues unregulated except by the natural laws of trade. At any rate, the matter is far from settled. In the United States the question is far from being settled. In an article in this Journal last week, I referred to the agreement entered into with the Federal Trade Commission. This agreement was signed by firms representing only 27 per cent of the newsprint production of the Continent, whereas it is stipulated that before the agreement becomes operative it must be signed by 85 per cent of the newsprint production of the Continent. There are so many big questions involved in this matter of price regulation that it is extremely doubtful whether any equitable settlement can be made, other than permitting the continued operation of natural laws. Publishers are protected against collusion on the part of the paper-makers, and if they would show an attitude to investigate rising costs of all materials and labor that enter into the manufacture of paper, an easier solution might be found than by price regulation.

**"STANDARD BREAD":** After March 26th, the people of the United Kingdom will undergo a further regulation of their tastes in the matter of bread. No white bread is now being made or sold in the United Kingdom, for the reason that the Food Controller has fixed the percentage extraction of flour from wheat and other grains, in an effort to bring about a valuable diminution of the consumption of wheat, with a corresponding release of tonnage. The compulsory extraction of flour has now been fixed at 81 per cent, and admixture with rice, barley, maize, oats, maize, semolina, rye or beans to the extent of an additional 5 per cent is compulsory. Further admixture to the extent of an additional 10 per cent is permitted, and the Food Controller reserves the right to add any other cereal to the list. It will be seen that if the miller chooses to exercise his option to the fullest extent the total percentage of flour obtained may be as high as 96 as compared with 86 under the previous order. This will tend further to exclude Canadian flour from the British markets, but this has already received attention and large orders for flour have been placed here for shipment to France for army consumption. It is stated that "Standard Bread" as now baked is found to be both pleasant to eat and nutritious. Perhaps some of our bakers will make an effort to reduce the high cost of living here by producing "Standard Bread." There is little question but that it would find a large sale among the laboring classes.

## BRITAIN'S WAR BILL.

Replying to a question in the House of Commons a few days ago Andrew Bonar Law, Chancellor of the Exchequer, said the daily average expenditure of the British Government from April 1, 1916, to March 31, 1917, would work out at £6,000,000.

Mr. Bonar Law said the nominal total national debt was estimated at £3,900,000,000. The total estimated amount due from Great Britain's allies and the Dominions, the Chancellor said, was £964,000,000.

The Chancellor said the average daily payments between February 11 and March 31 would amount to £7,250,000. In that period especially heavy payments were falling due, which had increased the expenditure by a daily average of more than £1,000,000, and the daily expenditure for the year would work out at £6,000,000.



## Too Much Credit

### The System of Credits by the Distributing Trade in Western Canada

[Address by Mr. V. Brown, Superintendent of Western Branches of the Canadian Bank of Commerce, before a meeting of Retailers, Wholesalers, Bankers and Manufacturers at the Royal Alexandra Hotel, Winnipeg. (Abridged)]

The situation as defined by one of the Saskatchewan farmers' leaders is that the farmers have suffered not from any lack of credit but from too much credit and especially too much of the wrong kinds of credit.

What the farmers' representatives charge is that our faulty credit system has contributed to the financial difficulties of farmers in two ways:

1. That it has encouraged men to assume a load of debt beyond their capacity to bear readily;
2. That it has caused a heavy loading of prices for interest, bad debts and the indirect cost of a resulting inefficiency of retail service.

That there is a substantial foundation for these charges I do not imagine any of us would be disposed to question, and the responsibility for the existing situation must be shared by all the business interests: bankers, manufacturers, wholesalers and retailers.

The banks, however, have already recognized their broad obligations to the agricultural community by taking the farmers' leaders into conference in an endeavor to remove grounds of complaint, and a general policy acceptable to the farmers has been subscribed to by all the banks, so that the problems of rural banking credits can be said to be in a fair way towards solution.

What I have just said is by way of excuse for venturing to speak to you respecting the other side of rural credits, namely: the credit which is now dispensed to retailers by the wholesalers and to farmers by the retail trade.

Now the deficiencies of our retail merchandising service are being fought by the farmers in two ways:

- (a) By purchases from the mail-order houses and
- (b) By co-operative buying.

The former development is hurtful only to the wholesale and retail trade, but a serious feature of the co-operative movement is that it results in an expenditure of energy by the farmers' associations in merchandising which could be expended with great advantage to themselves and ourselves on the problems of production and marketing.

#### ON A CASH BASIS.

I wish to urge upon you the desirability of a united endeavor to speed the day when merchandising in our western provinces will be on a cash basis. I have not the slightest notion that we could possibly get on a cash basis by any action we could take in a day or a year. But of this I am convinced, that by co-operation of all interests we should be able to make vastly greater progress in that direction than would be the case without such co-operation.

The first step has already been taken. The bankers have agreed with the representatives of the farmers' associations to pursue a policy of encouraging the better farmers to take all their credit from the banks and pay cash for all their goods. There will be some immediate results from this policy, but it cannot be made widely effective without a large measure of co-operation from those others from whom the farmer is now accustomed to obtain credit, namely: the general merchants and dealers in lumber, implements, horses, etc. So long as easy credit is flung at the farmers from every side, it is possible for the banks to exercise but slight restraint on the man whose tendency is to hang himself with a rope woven with credit. Moreover, will you forgive me for saying that instead of such co-operation being now available to the banks, the general policy of the great majority of country merchants—whether consciously or not—is such as to utterly discourage cash buying, as I shall presently aim to show.

You will ask: How would it be possible to get co-operative action?

In the first place, in an attempt to offer at least a partial answer to this question, I am going to venture the assertion that in most of the provinces of Alberta and Manitoba and in the northerly portion of Saskatchewan, forty per cent of the farmers are in a position where they could go on to a cash basis today. In saying forty per cent I am endeavoring to avoid over-statement, but I believe the percentage to be considerably larger. They won't, of course, go on a cash basis immediately, for two reasons:

1. Because they have formed the easy and destitute credit habit, and
2. Because the average merchant will neither require them to pay cash nor make it worth their while to do so.

There are 890 merchants trading at points where are located the 140 odd branches of the bank I represent, and the conditions under which they are conducting business are indicated by the following statistics:

Total number of merchants . . . . .	890
Number on a cash basis . . . . .	155
Number giving credit . . . . .	735

The 735 merchants giving more or less credit report allowing discounts for cash, as follows:

9 allow 10 per cent.
1 allows 8 per cent.
20 allow 5 per cent.
1 allows 2 per cent.
1 allows 1 per cent.
703 allow no discount.

The number keeping a proper set of books and striking an annual profit and loss statement is 368. In other words, 532, or nearly 60 per cent, do not keep a proper set of books.

These, gentlemen, are the facts in a nutshell regarding the retail merchandising situation at country points in the western provinces. 80 per cent of the merchants making no distinction between cash and credit prices, and 60 per cent not provided with a system of bookkeeping sufficient to strike a profit and loss statement at the year end! The figures are so startling that I would not blame you if you said they could not possibly be true. They have been carefully gathered, however, from the merchants themselves and there is no room for any wide error. They simply mean that the West is a veritable paradise for the mail-order business. A farmer who would take all his credit from a bank at 8 or 9 per cent in order to pay cash for goods, contenting himself with credit prices, should have a guardian. And having cash, would he not be a fool if, in the absence of a full cash discount from the local store, he didn't patronize the mail-order houses? Can you wonder either at the rapid development of the co-operative buying movement among the farmers?

But what is the remedy? Let me again emphasize that it is not my view that credit by the general merchants could be cut off overnight.

My idea of the first step in the remedy I will state in the form of a question which I must leave you to answer: Is not the first step to induce our retail merchants to make the cash price the basis of their trading — not the credit price less a discount for cash; to get their cash prices as nearly as possible in line with mail-order prices and fix their credit prices at whatever higher level may be necessary to fully cover interest and the percentage of bad debts which might be expected to arise from credit sales made with discrimination?

If such a condition were brought about, would we not automatically get on to a cash basis within the shortest possible period of time?

#### THE REAL QUESTION.

The real question is merely how this is to be accomplished expeditiously. My answer to this I will also put in the form of a question: Does the situation call for anything less than immediate and concerted action by the Wholesalers' and Retailers' Associations to spread the gospel of Efficiency among the retail merchants in every part of the country, and particularly to disseminate information which would provide the means for a study and thorough understanding by retailers of the proper relation between cash and credit prices?

It might at first appear that the situation is peculiarly one for action by the Retail Merchants' Association. Certain it is that theirs is the primary responsibility and that the Executive of that Association have an enviable opportunity of rendering a service of great national importance.

The wholesale trade, however, have just as much at stake, and I am not sure that theirs is not even the greater opportunity for service by reason of their facilities for personal communication with country merchants through their army of travellers.

I am aware that some wholesalers are satisfied with existing conditions; that they feel there is a satisfactory volume of credit business now to be had on a profitable basis. But can this go on? Are we not reaching a point where the existence of the country store as the important factor in retail merchandising is endangered, and where self-interest alone will demand the co-operation of every wholesaler in the movement towards a cash basis? There is, however, a much bigger consideration involved than that of self-interest, namely: the duty of the individual to join in any measures calculated to

build up an efficient system of service to the consumer.

There is room for the co-operation with you by the banks also, through their system of country branches, and I am authorized to assure you of their readiness to join in a conference of representatives of the three interests if they should be asked to do so.

#### AN IMPORTANT POINT.

One very important point on which an understanding with the banks would appear to be highly desirable is with regard to what constitutes sound lines for banking credit to the retail merchant. At present the banks are all giving credit to retailers against farmers' notes with a good margin, irrespective of how much credit the retailers may be taking from the trade, but I wish to project upon you, as purely my own personal opinion, that in the very best interests of all concerned there should be a considerable narrowing of the present policy of the banks in this matter. I think that the desirable situation would be this:

That unless a retailer has sufficient capital in his business to enable him to confine all his floating liabilities to his bank, with the aid of a line of credit which he could liquidate once or twice a year when his merchandise is at its low point, or cover with customers' notes of a reasonably good quality — he should look to the wholesale trade for all his credit. In the latter case the relation of the wholesaler to him should be not merely that of a vendor of merchandise, but also that of a financial adviser, and the lines for his own crediting should be adjusted to meet the approval of his wholesale backers as expressed by the lines of credit they in turn accord to him.

#### EASY CREDIT.

In other words, a retail merchant should take his credit either from the bank or the trade, not from both. Under existing conditions what frequently happens is that a merchant becomes badly extended with credits to poor risks and the weakness of his crediting methods is concealed from his trade creditors by the use of a bank credit against collateral notes, until it is too late to save him. An easy-going bank manager, misled by an apparently safe margin in his security, accepts notes made by farmers, scattered over an enormous area, concerning whose standing he has little or no knowledge. The ability to raise money at the bank against his customers' notes prompts easy crediting injurious to the merchant, and the use of money so obtained creates a fictitious appearance of satisfactory payments in his accounts with the wholesalers.

Easy credit is a vicious form of competition, and where one merchant in a town indulges in it, another merchant with sounder views of credit finds his hand badly forced. So I indulge the belief that the best of our general merchants would welcome a situation where all credits to retailers from the banks and the trade would be fixed on well-considered and well-defined lines agreed to by all the interests.

Boiled down, all that is said herein constitutes merely an argument that our Western business interests owe a duty to the country at large — a duty enormously emphasized by the necessity for after-war preparedness — to take concerted action to place the distribution of merchandise on a high level of efficiency, and so reduce costs to the consumer; one of the most important objects to be sought being the improvement of the service of the country store. Precisely what lines such action should take I have not attempted to suggest, though there are two outstanding points I should like to make:

1. That with a view to the gradual establishment of retail distribution on a cash basis, outstandingly the first effort at reform should be to induce retail merchants everywhere to make the clear logical distinction between cash and credit prices. This would perhaps involve—

- (a) A spot cash price.
- (b) A price for credit to a given date — as, for example, until after harvest — with interest added for any further extension; and
- (c) Recognizing the convenience of a monthly account — the credit price for monthly purchases subject to a stated discount only where settlement is made promptly by the 15th of the succeeding month.

2. That as part of the general campaign for increased efficiency of the country store

- (a) The relations of the wholesale travelling representatives towards the general merchant should be placed on a footing where the latter would look for and receive the benefit of the traveller's information respecting efficient retailing methods; and
- (b) A General Service Bulletin should be issued at frequent intervals to every retailer in the three Provinces.

# AMONG THE COMPANIES

## A. MACDONALD COMPANY, LTD.

The A. Macdonald Company, Limited, of Winnipeg, is extending its branches in the West.

W. P. Riley, president of A. Macdonald Co., Limited, of Winnipeg, has been in Vancouver for the purpose of completing arrangements for the taking over of the business of the wholesale grocery firm of Leeson, Dickie, Gross & Co.

The company has now secured the controlling interest in eleven similar businesses between Port Arthur and the coast.

## SOUTHERN CANADA POWER.

Gross and net earnings of the Southern Canada Power Company, Limited, for the four months ending January 31, 1917, as compared with same period ending January 31, 1916, has been as follows:

	1917.	1916.	Inc.
Gross .....	\$121,219	\$91,269	\$29,950
Net .....	61,954	47,028	14,926

The increase in Gross earnings is over 33 per cent, while the increase in net earnings is over 31 per cent.

## DOMINION TRUST CO.

Andrew Stewart, liquidator of the Dominion Trust Company, submitted a report at a creditor's meeting held a few days ago in Vancouver, stating that the liquidation was the "most tangled in the history of companies, and it was apparent from the first that heavy expenses could not be avoided."

He stated that the total liquidation expenses to date had reached \$148,919, from which was deducted \$22,510 earned by liquidators, making the net expenses \$126,409. The sum of \$22,364 included as solicitors' costs, were properly chargeable to liquidation.

The total expense of solicitors and counsel and their agents to date include \$17,647 paid; Joseph Martin, \$39,418, paid; Cowan, Ritchie and Grant to September 30, 1916, and \$6,842 paid to outside firms.

## U. S. STEEL CORPORATION.

Sales of the United States Steel Corporation for the year just closed totalled \$1,231,473,779, an increase of \$504,754,190, or 69 per cent over 1915.

The salient features of the report follow:

	1916.	1915.
Gross earnings .....	\$1,231,472,779	\$726,683,589
Net earnings .....	342,997,092	140,250,066
Balance for dividend .....	271,531,730	75,833,832
Earned on com. stock ..	46.40 p.c.	9.90 p.c.
Cash, etc. ....	189,264,761	94,083,804
Wages, etc. ....	263,385,502	176,800,864
Inventories .....	181,901,004	161,113,906
Cap. expend. ....	59,563,983	15,337,431
Repairs, etc. ....	69,392,627	43,366,643
Fed. inc. tax .....	9,692,009	1,811,407
Total taxes .....	26,599,720	13,640,184

## COBALT DIVIDEND PAYMENTS.

In the following table are listed the dividends for the first three months of 1917, and for the corresponding period a year ago:

	First three months 1917.	First three months 1916.
Aladdin Cobalt .....	\$ 50,000	.....
Coniagas .....	.....	\$200,000
Crown Reserve .....	99,998	.....
Dome .....	200,000	200,000
Hollinger Cons. ....	615,000	720,000
Kerr Lake .....	150,000	150,000
LaRose .....	74,931	74,931
McIntyre .....	180,000	.....
McKinley-Darr .....	67,431	67,431
Mining Corp. ....	600,000	129,687
Nipissing .....	600,000	300,000
Peterson Lake .....	42,032	42,032
Pore, Crown .....	60,000	60,000
Right of Way .....	8,427	8,427
Seneca Superior .....	.....	95,776
Temiskaming .....	75,000	75,000
Tough Oakes .....	65,188	65,188
Total .....	\$2,888,007	\$2,188,472



HON. FREDERIC NICHOLS.  
President Canadian General Electric Company.

## ABITIBI POWER AND PAPER COMPANY.

The securities of the Abitibi Power and Paper Company are shortly to be listed on the Montreal Stock Exchange.

The complete list of the company's securities is: \$1,000,000 seven per cent cumulative preferred, \$5,600,000 common, \$1,000,000 seven per cent debenture stock due 1935, \$3,000,000 first mortgage six per cent gold bonds, less \$500,000 owned by the company and used as security out of a total authorized issue, of \$5,000,000, and \$1,500,000 three year six per cent convertible notes due August 1, 1919, making a grand total of \$11,000,000.

It is announced that good progress is being made with the extensions under way to the company's plant at Iroquois Falls, Ont., and the first addition to be completed will be the extension of the sulphite mill which will be ready next month to produce 150 tons of sulphite a day.

## CANADIAN GENERAL ELECTRIC CO.

Very large gains in gross and net earnings were reported at the annual meeting of the Canadian General Electric Company held in Toronto a few days ago. A gross profit of \$2,225,912 was earned in the 1916 fiscal year, as compared with \$1,219,513 the previous year, an increase of \$1,006,399. This forms a new high record of gross earnings in the history of the company.

The sum of \$408,887 was reserved for depreciation of buildings, machinery and patterns, as compared with \$416,222, and in addition a further sum of \$631,603 was reserved for amortization of munitions plants and equipment, leaving a net profit of \$1,185,421, as compared with \$764,379, an increase of \$421,042. These profits are equivalent to 14.82 per cent on the common capitalization of \$8,000,000 as against 9.55 per cent the previous year. This year \$779,844 was paid in dividends, as compared with \$698,022 the previous year, an increase of \$81,822. When this item is deducted, a surplus of \$405,577 remains, as compared with \$66,357.

This surplus added to the previous year's balance at credit of profit and loss makes a total at credit of that account of \$1,112,696, as compared with \$1,007,119 the previous year. From this \$500,000 was transferred to reserve, against \$300,000, bringing the amount at credit of reserve account to \$3,500,000, and leaving a balance of \$612,696 to the credit of profit and loss account against \$707,119 at the end of 1915 year.

The mortgage indebtedness of the company has been reduced from \$1,367,751 to \$413,814, thus reducing fixed charges to a nominal amount. Total liquid assets amount to \$8,340,014, while surplus amounts to \$4,112,696.

Regret was expressed at the death of the Hon. J. K. Kerr, K.C., a vice-president. This vacancy was filled by the election of A. E. Dymont.

## UNION BAG & PAPER.

Union Bag and Paper Co. year ended January 31st, 1917. Surplus after charges, \$1,222,792; equal to 13.16 per cent on stock.

## SHAWINIGAN EARNINGS.

Shawinigan Water & Power earnings for the month of January amounted to \$192,000, which is at the rate of \$2,304,000 per annum. This compares with earnings of \$160,000 in January, 1916, which were at the rate of \$1,920,000 per annum. The increase for the month over last year is \$32,000.

## NIPISSING IN FEBRUARY.

In the month of February production at the Nipissing mine was higher than in all but four months of 1916. The value of the mine's output was \$271,527, and there was shipped bullion to the value of \$156,686. The production increased almost \$100,000 over February a year ago, and was \$98,000 better than in January.

## INTERNATIONAL NICKEL.

Price of nickel has been raised by the International Nickel Co. from 35 cents to an average in excess of 45 cents a pound. This advance applies to the trade which is not under contract. Prices to individual consumers vary according to the size of orders and rating of orders in past years. It is understood price to some buyers is considerably in excess of 45 cents.

This is an advance of 10 cents a pound or about 30 per cent. It is estimated in one quarter that this will mean additional revenues to International Nickel of more than \$5,000,000.

Contract prices, according to reports in trade circles, will be increased as contracts fall due.

## LAURENTIDE COMPANY, LTD.

Profits from paper making and power development have been so large during the past year that the Laurentide Company, Limited, has increased its dividend to 2½ per cent quarterly or ten per cent per annum.

The Laurentide organization has broadened out in a big trading concern from the original paper-making enterprise. Its output embraces a variety of products apart from paper, and it holds, besides, an investment of \$7,000,000 in the Laurentide Power Co., which now owns the power development at Grand Mere. The power company is selling its full output, approximately 75,000 horse-power, as the Shawinigan Company has anticipated by about two years the amount to be taken under contract drawn up last year. The return from this investment, according to some optimists, will, within a few years, equal the amount that the Laurentide Company has been distributing at the recent dividend rate.

Although the company's power development is considerable the real business of the concern is paper making and the large profits they are making is a good indication of the general prosperity of the whole paper making industry.

## SHIPPING PROFITS.

The China Mutual Shipping Company is again the foremost dividend-paying shipping company in England. This year it has eclipsed all previous records. In addition to duplicating the 106 per cent dividend which it has paid for the past two years, it has voted a 100 per cent bonus to holders of its common stock and a 66 2-3 per cent bonus to holders of its Class B stock. The company has also been able to set aside considerable sums to be added to reserve and depreciation. The company's capital is about 600,000 pounds.

## PICTOU SHIPBUILDING.

The largest and most enthusiastic ratepayers' meeting ever held in Pictou, N.S., unanimously passed a resolution authorizing the Town Council to ask for legislation to bonus steel shipbuilding to the amount of fifty thousand dollars.

# BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid Up	- - - - -	\$ 16,000,000.00
Rest	- - - - -	16,000,000.00
Undivided Profits	- - - - -	1,414,423.00
Total Assets	- - - - -	365,215,541.00

## BOARD OF DIRECTORS:

SIR VINCENT MEREDITH, BART. - - - - - President.  
C. B. GORDON, ESQ. - - - - - Vice-President.

R. B. Angus, Esq.	E. B. Greenshields, Esq.	Sir William Macdonald.
A. Baumgarten, Esq.	Lord Shaughnessy K.C.V.O.	C. R. Hosmer, Esq.
Wm. McMaster, Esq.	H. R. Drummond, Esq.	D. Forbes Angus, Esq.
	Capt. Herbert Molson.	Harold Kennedy, Esq.

## Head Office, MONTREAL

General Manager, SIR FREDERICK WILLIAMS-TAYLOR, LL.D.  
Assistant General Manager, - - - A. D. BRAITHWAITE.

Bankers in Canada and London, England, for the Government of the Dominion of Canada.  
Branches established throughout Canada and Newfoundland; also in London, England, New York, Chicago, and Spokane.  
Savings Department at all Canadian Branches. Deposits from \$1. upwards received and interest allowed at current rates.

A GENERAL BANKING BUSINESS TRANSACTED

### PORTO RICO RAILWAY.

Porto Rico Railways' gross and net increased in February, the former by over 6 per cent, but net only gaining to a trifling extent. The returns show:

February	Increase	P.C.
Gross	\$ 72,851.84	\$4,702.53 6.90
Net	33,794.04	44.03 0.12

Two months:

Gross	143,247.11	7,362.94 5.42
Net	67,621.08	2,453.48 *3.70

(\*)-Decrease.

### NIAGARA POWER DEAL.

That Bertrom Driscoll & Co., of Boston, have purchased the plant of the Niagara Falls Power Co. and the Canadian Niagara plant at Niagara, and have, it is learned upon reliable authority, practically closed a deal for the purchase of the Hydraulic Power Company's plant. Also \$200 a share was paid for the Falls Power Company stock. The new holding company will, it is understood, have a capitalization of \$100,000,000. Prominent Wall Street interests are associated with the Boston bankers in the deal.

### NEW INDUSTRY FOR NIAGARA FALLS.

The Herbert Morris Crane & Hoist Company of Birmingham, England, has decided to locate its Canadian branch factory at Niagara Falls, Ont. It will employ about 2,000 hands. Seven acres of land have been purchased, and building operations will begin immediately.

Canada's mine output in 1916 totaled \$177,357,000, or \$40,000,000 more than in 1915 and \$30,000,000 more than highest previous record in 1913.

### DOMINION STEEL CORPORATION.

After three years of "watchful waiting" the common shareholders of Dominion Steel Corporation are to receive a dividend on April 16th. At a meeting held here a few days ago it was decided to declare a dividend on the Dominion Steel Corporation common stock, to commence April 1, 1917, at the rate of four per cent per annum. As the time for making arrangements for the first payment is somewhat limited, the first quarter's dividend will be paid on April 16th, to shareholders of record, March 31st.

### CANADIAN LOCOMOTIVE CO.

J. J. Harty, vice-president and general manager of the Canadian Locomotive Company, was in Montreal recently and confirmed the report from Ottawa that the Government had given his company a further order for fifty locomotives. He said that the locomotives are of the heavy Mikado type, and the order is to be completed as quickly as possible. The Canadian Locomotive Company is running at full blast, and has orders ahead that will keep the plant running full time for many months to come.

### NEW DIRECTOR.

The Directors of The Guarantee Company of North America elected to their board A. M. Nanton, of Winnipeg, whose firm, Osler, Hammond and Nanton, are the representatives of The Guarantee Company in that city.

The fire losses of the United States and Canada for the month of February aggregated \$29,588,000, compared with \$21,771,000 same month last year.

### NEW CHARTERS.

The following new incorporations are announced in the various gazettes.

#### FEDERAL CHARTERS.

National Ship Building Co., Limited, Goderich, Ont. \$100,000.  
Smart Bros., Limited, Collingwood, Ont. \$100,000.  
Canadian Aladdin Co., Limited, Toronto, \$250,000.  
Canadian American Security Co., Limited, Montreal, \$5,000.

#### QUEBEC CHARTERS

The Holman Theatres, Limited, Montreal, \$49,000.  
The Montreal Cash Co., Limited, Montreal, \$20,000.  
The H. & O. Mining Co., Limited, Coleraine, Que. \$1,000,000.  
The Pontiac Lumber and Pulp Co., Limited, Maniknik, Que., \$49,000.  
Canadian Electric & Gas Heater Co., Limited, Montreal, \$250,000.  
Palhaiqar's Auto & Boat Garages, Limited, Chateauguay, Que. \$50,000.  
Anglo-Franco Hat, Limited, Montreal, \$45,000.  
Wills & Wills, Limited, Montreal, \$40,000.  
Broad Realty, Limited, Montreal, \$250,000.  
Cowansville Hotel Co., Limited, Montreal, \$50,000.  
Thompson's Malted Food Co., of Canada, Limited, Windsor, Ont. \$250,000.  
Champion Spark Plug Co., of Canada, Limited, Windsor, Ont. \$100,000.  
C. J. Miller & Sons, Limited, Orillia, Ont. \$100,000.

#### SASKATCHEWAN CHARTERS.

Saskatchewan General Development Co., Limited, Saskatoon, \$1,500,000.  
E. J. Ahrens, Limited, Kerrobert, \$14,000.  
Saskatoon Townsite Co., Limited, Saskatoon, \$20,000.  
Regina Farms, Limited, Regina, \$20,000.  
L'Association Interprovinciale, Regina, \$20,000.  
Great West Billiard Hall, Limited, Saskatoon, \$20,000.  
Fritz-Stormont Lumber Co., Limited, Ruby Lake, \$20,000.  
P. Mohyla Ukrainian Institute, Limited, Saskatoon, \$20,000.

#### BRITISH COLUMBIA CHARTERS.

W. H. Edgett, Limited, Vancouver, \$10,000.  
Vancouver Engineering Works, Limited, \$1,000,000.  
Empire Oil and Natural Gas Co., Limited, \$250,000.  
Nelson and Shakespeare, Limited, \$25,000.  
Acme Holding & Trading Company, Limited, \$10,000.  
The North Shore Iron Works, Limited, \$100,000.  
McLeod & Hodgson, Limited, \$40,000.  
Akerberg Thomson and Co., Limited, \$45,000.  
The Rutledge Canning Co., Limited, \$40,000.  
Western Canada Sheep Co., Limited, \$25,000.

### BRITISH MUNITIONS OUTPUT.

"In England, something like 3,500,000 people, of whom more than a million are women, are employed in munition-making," says Sydney Brooks, in the March number of National Service magazine. "We are now turning out in eight days as much 18-pounder ammunition, in six days as much field howitzer ammunition, in a week as many medium-sized shells, and in four days as many heavy shells as we were turning out in the whole of the first year of the war. The enormous British armies overseas up to last August—and it may be the same today—had been equipped with rifles and machine guns solely from domestic sources. Every month we are manufacturing twice as many heavy guns as the entire army possessed in May, 1915, the production having multiplied sixfold in the past year and being still rapidly on the increase. For every machine gun we were making twenty months ago we now make 17; for every 18-pounder we now make 43; for every pound of high explosives we now make 66; for every bomb we now make 40."

### SPEEDING UP SHIPBUILDING.

It is said that British interests have placed orders with American yards for a total of thirty-two vessels, of which seventeen are for the Cunard Line. Companies which had boats on the way when the demand for ships began to fill up the builders' books have been offered very large premiums on their unfinished vessels. In the case of one steamship line which had two ships well along an offer was made to take them over at \$2,000,000 over their cost. All of the American yards are being pushed to their utmost and some of them are now working two or three shifts for the first time in their history.

ESTABLISHED 1832

Paid-Up Capital  
\$6,500,000



Reserve Fund  
\$12,000,000

TOTAL ASSETS OVER \$110,000,000

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

# The Canadian Bank of Commerce

ESTABLISHED 1867

PAID UP CAPITAL - \$15,000,000 RESERVE FUND - \$13,500,000  
HEAD OFFICE --- TORONTO

## BOARD OF DIRECTORS

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President.  
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JOHN AIRD, General Manager.  
H. V. F. JONES, Assistant General Manager.

## BRANCHES IN CANADA

43 in British Columbia and Yukon. 89 in Ontario. 80 in Quebec. 134 in Central Western Provinces. 23 in Maritime Provinces.

## BRANCHES AND AGENCIES ELSEWHERE THAN IN CANADA

St. John's, Nfld. London, Eng. New York. San Francisco. Portland, Oregon. Seattle, Wash. Mexico City.

The large number of branches of this Bank enables it to place at the disposal of its customers an! correspondents unexcelled facilities for every kind of banking business, and especially for collections.

## SAVINGS DEPARTMENT

Connected with each Canadian branch, Yukon Territory excepted, and interest allowed at current rates.

## BRANCH BANKS.

The following is a list of the branch banks opened during February, 1917.

xBreslau, Ont. Merchants' Bank of Canada.  
xComble Hill, B.C.—Canadian Bank of Commerce.  
xElmora, Alta.—Union Bank of Canada.  
xIrma, Alta.—Merchants' Bank of Canada.  
xKeneston, Sask. Northern Crown Bank.  
xMandowaning, Ont.—Merchants' Bank of Canada.  
xMeacham, Sask.—Merchants' Bank of Canada.  
xMimico, Ont.—Merchants' Bank of Canada.  
xPuerto Plata, Dominican Republic, W.I.—Royal Bank of Canada.  
xRiviere Bois Claire, Que.—La Banque Nationale.  
xSt. Anne de Bellevue, Que.—La Banque Nationale.  
xSt. Jean Chrysostome, Que.—La Banque Nationale.  
xSchumacher, Ont.—Standard Bank of Canada.  
xSenlac, Sask.—Merchants' Bank of Canada.  
xSherbrooke, Que.—West—La Banque Nationale.  
xSteinbach, Man.—Northern Crown Bank.  
xSydney, N.S.—Merchants' Bank of Canada.  
xToronto, Ont., Balmy Beach.—Canadian Bank of Commerce.  
xWoodbridge, Ont.—Bank of Nova Scotia.

## BRANCHES CLOSED—2.

xPlaisance, Que.—Union Bank of Canada.  
xVancouver, Broadway East.—Royal Bank of Canada.

xSub-branches.

## BRANCHES OF CANADIAN CHARTERED BANKS.

February 28th, 1917.	
In Canada	3,227
Ontario	1,164
Quebec	793
Nova Scotia	112
New Brunswick	82
Prince Edward Island	17
Manitoba	201
Alberta	252
Saskatchewan	418
British Columbia	185
Yukon	3
In Newfoundland	27
Elsewhere	83
Total	3,397

## BANK WINS SUIT AGAINST C. P. R.

A judgment of special interest to merchants and shippers was rendered in the Superior Court of Montreal last week, in the case of the Bank of Hochelaga vs. the C. P. R. when Mr. Justice Dugas condemned the C. P. R. to redeem bills of lading representing a sum of \$1,955, the value of a shipment of bran from Montreal to St. John, N.B., the said merchandise having been purchased from the St. Lawrence Flour Mills Company, Limited, by James McDonald, who transferred the bills of lading to the bank as collateral security for a loan. The railway company became involved through the issue of a double set of bills of lading, and through the bran having apparently gone astray. The facts of the case are:

In December, 1914, McDonald purchased from the St. Lawrence Flour Mills Company, Limited, seventeen hundred bags of bran, which were to be forwarded by the C. P. R. to him at West St. John, N.B. McDonald paid for the merchandise and received bills of lading. On February 10, 1915, he borrowed \$2,065.50 from the Hochelaga Bank, giving the bank his note, payable to their order. As collateral security for the loan he pledged four bills of lading that he had received in relation to the shipment of bran, and made out a bill of sale, setting forth the sale of the bran by McDonald to the bank for the sum representing the value of the merchandise, namely, \$1,955.

The Bank stated that the note was presented for payment of the amount advanced, but it was not paid and was still due. Afterwards the bills of lading given as collateral security were presented and a claim made against the C. P. R. for delivery of the bran, but it was not delivered and "appeared to have been lost." Hence the bank, in its present action sued the railway company for the amount represented by the bills of lading, namely, \$1,955.

The company contested the plaintiff's claim by denying that the bank had any right of action against the company defendant. The case will be repeated.

A bill introduced in the Nova Scotia legislature provides for the refunding of \$10,000,000 sterling loans in London by loan in New York. Refunding will probably be handled by J. P. Morgan & Co.

## MONTREAL STOCK EXCHANGE!

Under the stimulus of many favorable factors, such as increases in dividends, the inauguration of dividend payments, and favorable war news, the local stock market showed considerable strength as well as being more active during the past week. The total transactions of listed securities amounted to 32,000 shares, as compared with 20,000 shares a week ago.

During the week Laurentide increased its dividend, the Dominion Steel Corporation recommended dividend payments on the common stock after a lapse of three years, and in connection with other stocks, rumors were rife regarding increased dividend policies.

Dominion Steel Corporation was the most active stock on the list, with transactions of 7,500 shares. Steel Company of Canada was next with transactions of 5,700 shares, then came Brompton Paper, which was listed last week, with transactions of 1,900 shares, and a net gain for the week of 3 points. Canadian Steamship Lines, Detroit United Railways and Lyall Construction were the other active issues traded in during the week. Practically every stock on the list showed gains; these running from one point to as high as six. The amount gained was not so important, however, as the underlying sentiment which gave evidence of being strongly bullish.

The volume of business expanded slightly during the mid-week rise, but the aggregate for the six days was small. Comparisons follow:

	Week Ending—		
	Mar. 24, 1917.	Mar. 17, 1917.	Mar. 25, 1916.
Shares	31,997	20,117	42,025
Mines	1,278	1,000	621
Rights	4,613	11,156	.....
Bonds	\$61,600	\$72,800	\$160,800
Unlisted	507	313	1,007
Do, bonds	.....	\$ 3,500	\$ 4,300

Exports of the principal meat and dairy products in January to Europe from the U.S. aggregated approximately \$40,000,000, a new high record for the thirteen months, and greater than any month before by one-third.

BANK CLEARINGS.

Bank clearings this week show a gain of 23.7 per cent, which while not so large as last week, when it was 31.0 per cent, is satisfactory.

Table with columns for year (1917, 1916), P.C., and bank names (Montreal, Toronto, Winnipeg, etc.) with corresponding clearing amounts.

WORLD'S PRODUCTION OF SILVER.

According to the Statist, the world's output of silver has been quite up to, if not beyond, the world's demand, for several years past.

Table showing world production of silver by country for 1914, 1915, and 1916.

UNITED STATES BANK CLEARINGS.

Bank clearings in the United States for the week ending March 15 aggregate \$5,387,275,000, against \$5,730,408,000 last week and \$4,632,584,000 in this week last year.

Table showing United States bank clearings by city for March 15, 1916, and March 8, 1915.

CANADA'S THIRD WAR LOAN TOTALS \$250,000,000.

The official statement re Canada's third war loan issued at Ottawa, on Sunday (March 25), says: While the subscription lists of Canada's third war loan closed on Friday the 23rd of March, several days must yet elapse before the mails from distant points carrying thousands of subscriptions, are received.

WORLD'S BIGGEST POLICY.

In a very real sense this is the age of Big Business and nowhere has it been shown to a greater extent than in the writing of a \$250,000,000 policy on the life of Mr. J. P. Morgan.

In the olden days an insurance agent was looked upon as more or less of a nuisance and even when tolerated was regarded as a sort of necessary evil.

J. P. Morgan is a shrewd business man and knows values as well as any man on the continent, so when he "signed along the dotted line," under the gentle persuasion of Mr. Harold Peirce, of the New York Life, he realized that he was getting good value for the premiums he expected to pay.

BANK OF ENGLAND STATEMENT.

The proportion of the bank's reserve to liability this week is 18.00 per cent; last week it was 16.62 per cent. Rate of discount, 5 1/2 per cent.

BOOK REVIEW.

Corporation Finance.

Corporation Finance, Part I: Capitalization, Part II: Distributing Securities and Re-organizations, by Hastings Lyon, Counselor-at-Law, New York City and Lecturer on Finance, Columbia University, (327 pages), has just been issued, by Houghton Mifflin Company of New York.

The book will be found useful as a text-book and of practical service by barristers, accountants and investors on their own account or for financial institutions.

The author in his chapter on Watered Stock advocates doing away with the statement "of the par value of \$100" and instead say "one share of ten thousand, representing one ten thousandth of the total ownership."

He thinks that would put the prospective purchaser on inquiry as to whether the total ownership is worth anything, and consequently how much one ten thousandth is worth. He also suggests a statement should be required in any public offering of stock of the exact way the stock is to be made "fully paid up stock."

In the chapter "Capitalization and the State", the importance and necessity of a valuation of the physical property of public service companies is pointed out.

... THE ... Molsons Bank

Incorporated 1855. Capital Paid-up \$4,000,000 Reserve Fund \$4,800,000

HEAD OFFICE: MONTREAL

Besides its 96 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the World, offering its clients every facility for promptly transacting business in every quarter of the Globe.

Edward C. Pratt, General Manager

ESTABLISHED 1875

Imperial Bank of Canada

Capital Paid Up - \$7,000,000 Reserve Fund - \$7,000,000

PELEG HOWLAND, President E. HAY, General Manager

HEAD OFFICE: TORONTO

A Banking business conducted in all its Branches. Drafts, Money Orders and Letters of Credit issued, available throughout the World. Savings Deposits bear interest at current rate. 119 Branches in Dominion of Canada.

THE Royal Bank of Canada

Incorporated 1869

Capital Authorized - \$25,000,000 Capital Paid up - \$12,900,000 Reserve Funds - \$14,300,000 Total Assets - \$270,000,000

HEAD OFFICE: MONTREAL

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

360 Branches in CANADA and NEWFOUNDLAND; 48 Branches in CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICO, VENEZUELA and BRITISH WEST INDIES

LONDON, Eng., Princes Street, E. 1. NEW YORK, Cor. William and Cedar Streets.

SAVINGS DEPARTMENTS at all Branches

Home Bank of Canada



Head Office TORONTO

BRANCHES AND CONNECTIONS THROUGHOUT CANADA. MONTREAL OFFICES: Transportation Building, St. James Street. Hochelaga Branch, cor. Cuvillier and Ontario Streets. Verdun. Collections made to any point in Canada where there is a branch of any chartered Bank.

## "A Little Nonsense Now and Then"

Mrs. Yearwedd: "John, when we were first married you used always to say grace before meals; you never do it now."

Mr. Yearwedd: "I am not so much afraid of your cooking now."

Well, Mike, have ye heard what they are going to do with Barney Flannigan? "Indeed I have," responded Mike. "They're going to imprison him for life. But I'm afraid the poor soul won't live half that time!" Puck.

"Your brother has the curacha?"  
"It serves him right," answered the small boy's sister. "Teacher has told him time and again he ought not to play the piano by ear." Washington Star.

A schoolboy composition on Patrick Henry contained the following gem: "Patrick was not a very bright boy. He had blue eyes and light hair. He got married, and then said, 'Give me liberty or give me death.'"

An Irishman out of work applied to the boss of a repair shop in Detroit. When the boss had stated his qualifications for a "job," the superintendent began quizzing him a bit. Starting quite at random, he asked:

"Do you know anything about carpentry?"  
"Sure."  
"Do you know how to make a Venetian blind?"  
"Sure, I'd poke me finger in his eye."

"Do you see that man over there?"  
The world famous detective spoke in a whisper and his friend looked quickly round, scenting a mystery.  
"Yes," he replied, just as cautiously.  
"Well, he's a professional forger."  
"Then, why don't you arrest him?" asked the friend in surprise.

The world famous detective grinned appreciatively.  
"Can't!" he said briefly. "It's not breaking the law to make horseshoes." Exchange.

One day as Pat halted at the top of the river bank a man famous for his inquisitive mind stopped and asked:

"How long have you hauled for the village, my good man?"  
"Tin years, sor."  
"Ah! How many loads do you take in a day?"  
"From tin to fifteen, sor."  
"Ah, yes! Now I have a problem for you. How much water at this rate have you hauled in all, sir?"  
He jerked his thumb backward towards the river and replied:  
"All the water yez don't see there now, sir." New York Times.

Timothy O'Brien, while passing down Main Street one morning, was hit on head by a brick which fell from a building in process of construction. He was taken to the hospital in an unconscious condition but was soon revived sufficiently to send for a lawyer. Some days later he received a call from his lawyer who informed him that he had settled the case, whereupon he peeled off seven crisp, new one-hundred dollar bills.

"How much did you get?" questioned Tim, feebly.  
"Twenty-five hundred dollars," replied the lawyer, complacently.

"Twenty-five hundred dollars an' you give me seven hundred?" screamed Tim. "Say, who got hit by that brick, you or me?"

During the recent campaign a Tammany leader on the East Side, a self-made man and one not entirely completed yet in some respects, was addressing a mass meeting of Italian-born voters on behalf of the democratic ticket.

"Gentlemen and fellow citizens," he began. "I deem it an honor to be permitted to address you upon the issues of the day, I have always had a deep admiration for your native land. I venerate the memory of that great, that noble Eytalian who was the original and first discoverer of this here land of ours."

"Why, gentlemen, at me mother's knee I was taught to sing that inspirin' song: 'Columbus, the Jim of the Ocean!'"

When the speaker there was loud applause. — Saturday Evening Post.

## Fire Loss and High Cost of Living

The National Board of Fire Underwriters has issued the following "Bulletin" calling attention to the extent to which the unnecessary fire waste contributes to the "high cost of living":

"Few people realize how directly the much discussed 'high cost of living' is influenced by America's excessive fire waste. A recent nationwide analysis of fires and fire causes has shown enormous destruction of common staples. Single fires in elevators and mills frequently consume the equivalent of a living for a small army of people. For example, a recent blaze in an Illinois elevator rendered 700,000 bushels of corn unfit for human food, and also destroyed 300,000 bushels of oats.

"Grain elevators, flour, cereal, grist and feed mills present well known elements of fire hazard in that they are subject to explosions of the highly explosive dust that results from handling or milling grain. These disasters also cost many lives; a dust explosion in a Buffalo mill, in 1913, resulted in over 20 fatalities. A short time ago the United States Department of Agriculture made a study of the frequent explosions in grain separators in the Big Bend country of the Northwest, and found that in the height of the season these reached from six to ten a day, the flame from such explosions in a large number of cases spreading into the surrounding grain with destructive results.

"Individual barn fires add enormously to this total. Throughout most of the country the season of thunder storms follows closely upon that of harvest, and thousands of barns, stored with potential food, go up in flames each year because of lightning. These fires must be classed as largely preventable, since statistics compiled by the Actuarial Bureau of the National Board of Fire Underwriters show that of the total fire loss from lightning, more than 92 per cent is found where lightning rods are not used. The spontaneous combustion of hay and grain in poorly ventilated barns is another big factor which might largely be prevented by proper precautions. When to such items are added the fires in grain fields from locomotive sparks, and from the matches of careless smokers, it may be realized that a vast amount of foodstuff is turned into clouds of smoke, instead of human bone and muscle. This inevitably has its effect upon the price of the remainder.

"Most people depend upon groceries for their food, and the average grocery, containing, as it does, stocks of kerosene and other inflammable merchandise, is a special instance of fire hazard. This is shown by the great number that are consumed during each year, and each grocery fire subtracts a definite quantity of staples from the national supply. Meat supplies are directly affected by the large number of live stock burned in fires in barns and stables, and also by the many fires in packing houses, slaughter houses, etc.

"The same condition holds true with other staples than those of food. In two years there were reported 822 fires in wool and cotton mills. Cotton is a commodity which is particularly subject to disastrous fires. This also applies in a marked degree to the refining, storing and handling of oil — one of our commonest daily requirements. The supply of wood enters into many phases of our living necessities. In New York State alone 200,000 people are employed in turning out an annual product of nearly \$100,000,000 in wood manufactures. Striking at the basis of this great industry, hundreds of human lives, and millions of dollars' worth of property are destroyed each year by forest fires, which might be prevented with proper care. The National Forest Service, in one year, discovered 1,126 forest fires to have been caused by campers; 1,110 by locomotive sparks, and 470 by incendiaries. The burning of saw mills, lumber yards, furniture and wooden ware factories and stores is too frequent to call for special comment. Similar surveys might be made in other fields of staples included in the cost of living.

"Back of all of this loom the larger aspects of the situation. With an average of more than one reported fire for every minute of the year, and a daily destruction approximating \$600,000, the United States is subjected to an economic drain that affects every detail of its business and social life, and is a large though unrecognized factor in the cost of all commodities. Furthermore, it cannot be overlooked that a vast number of people are interrupted in employment, and hence in earning power, from the same cause.

"It is at least an interesting coincidence that the historic panic of 1873 followed the Chicago conflagra-

## THE DOMINION BANK

HEAD OFFICE - TORONTO  
SIR EDMUND B. OSLER M.P., President  
W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

The London, England, Branch  
of  
THE DOMINION BANK  
at  
73 CORNHILL, E.C.

Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada.

## THE BANK OF BRITISH NORTH AMERICA

Established in 1833  
Incorporated by Royal Charter in 1910.

Paid up Capital..... \$4,965,553.53  
Reserve Fund..... \$3,017,333.33

Head Office: 5 Gracechurch Street, London  
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. MACINNIS, 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

C. B. GERRARD, Manager, Montreal Branch

## BANK OF HAMILTON

Head Office: HAMILTON

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

tion of 1871, and that of Boston, in 1872; while the more recent panic of 1907 occurred in the year succeeding San Francisco's great fire. If America were to reduce her fire losses to the fractional figures of most other countries it can hardly be doubted that the cost of living would be materially lowered. It must never be forgotten that 21.4 per cent of this annual bonfire is due to strictly preventable causes, 37.9 per cent to those which are partly preventable, and that the remaining 40.7 per cent from 'unknown' causes is probably largely preventable."

## SECOND READING.

An agent sent his Congressman a bill for overdue premium. Not hearing from him, he wrote again, and more urgently, receiving this reply: "I am pleased to tell you that your bill is progressing. It has reached its second reading." — U. S. Review.

### Liberal Dividends Make Low Life Premiums

A low expense ratio; a high interest rate; permanent business; safe investments; favorable mortality—these are the features in the experience of a company that make for big dividends. No one factor alone will produce large profits but the Mutual Life of Canada has all the combined profit earning features enumerated above, so that there is no compensating loss. It follows that a prospective policyholder who knows the Mutual of Canada will choose that company a prospective life insurance agent, if he is wise, will seek an engagement with the same company.

### THE MUTUAL LIFE ASSURANCE

Company of Canada

WATERLOO ONTARIO

ASSURANCES	\$109,645,581
ASSETS	\$29,361,963
SURPLUS	\$4,595,151

### 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 \$1,633,902.65 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 Co.

LIMITED OF LONDON, ENG.

The largest general Insurance Company in the world

Capital Fully Subscribed	\$14,750,000
Paid Up	1,475,000
Life Fund and Special Trust Funds	74,591,540
Total Annual Income Exceeds	47,250,000
Funds Exceed	142,000,000
Fire Losses Paid	183,366,690
Deposits with Dominion Government	1,225,467

(As at 31st December, 1915.)

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

Applications for Agencies solicited in unrepresented districts.

J. MCGREGOR — Mgr. Canadian Branch  
W. S. JOPLING — Asst Manager

### A Free Course in "Salesmanship"

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

A GOOD LIVING WAGE

A PROFITABLE FUTURE

A PROVISION FOR OLD AGE

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

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

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

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

All correspondence strictly confidential.

Head Office, Toronto.

CANADA LIFE ASSURANCE COMPANY



### N. F. P. A. ANNUAL MEETING.

The headquarters for the annual meeting of the National Fire Protection Association on May 8, 9 and 10, at Washington, D.C., are to be at the New Willard Hotel. Two of the day's sessions are to be held at the hotel. One day's sessions are to be held at the Bureau of Standards.

### MAKE YOUR SERVICE SINCERE.

The man who thinks of his commission while he is trying to sell a life insurance policy is not fit to carry a rate book.

Would you tolerate a physician who, bending over your child or wife, was thinking of his fee instead of the service he can render—the life he may save? Would you ride behind an engineer whose mind was on what he was going to get out of the run instead of on the safety of his passengers?—Henry J. Powell, in Life Association News.

### "HITCHING ON BEHIND."

If the police have at last decided to enforce the ordinance against "hitching on" to vehicles in the street, the number of fatal accidents ought to be reduced. Mr. Cattell could doubtless tell offhand how many boys are killed each year by jumping from a wagon on which they were stealing a ride. In the past the police have paid no attention to them and the boys have been in the habit of hitching on in sight of an officer on the sidewalk. Now the officers are ordered to arrest all such for their own protection. —(Evening Ledger).

### 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

### PROSPEROUS and PROGRESSIVE

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

More than 166,000 of its policies are now in force for assurances totalling over \$265,000,000—much the largest amount carried by any Canadian Life Company.

SUN LIFE ASSURANCE COMPANY OF CANADA  
HEAD OFFICE—MONTREAL

### UNION ASSURANCE SOCIETY LIMITED OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1711

Canada Branch, Montreal:

T. L. MORRISEY, RESIDENT MANAGER.

North-West Branch, Winnipeg:

THOS. BRUCE, BRANCH MANAGER.

AGENCIES THROUGHOUT THE DOMINION

### YOU LOOK FOR SECURITY

Whether with the intention of taking out insurance or associating yourself with some Company, you look for security.

The latest figures emphasize the unexcelled financial position of this Company.

Business in Force over	\$59,600,000
Assets over	16,400,000
Net Surplus over	2,600,000

These are reasons why the Company is known as "SOLID AS THE CONTINENT"

### NORTH AMERICAN LIFE ASSURANCE COMPANY

HEAD OFFICE — TORONTO, CAN.

Founded in 1805

### THE LAW UNION AND ROCK INSURANCE CO. LIMITED OF LONDON

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

Canadian Head Office:

57 Beaver Hall Hill, MONTREAL

Agents wanted in unrepresented towns in Canada

J. E. E. DICKSON, Canadian Manager.

W. D. AIKEN, Superintendent Accident Dept.

### The London & Lancashire Life and General Assurance Association, Limited

Offers Liberal Contracts to Capable Field Men

GOOD OPPORTUNITY FOR MEN TO BUILD UP A PERMANENT CONNECTION

WE PARTICULARLY DESIRE REPRESENTATIVES FOR CITY OF MONTREAL

Chief Office for Canada:

164 ST. JAMES STREET, MONTREAL.

ALEX. BISSETT — Manager for Canada

### WESTERN ASSURANCE COMPANY

INCORPORATED 1851

Fire, Explosion, Ocean Marine and Inland Marine Insurance.

Assets Over \$4,000,000.00

Losses paid since organization, over 63,000,000.00

HEAD OFFICE — TORONTO, ONT.

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

QUEBEC PROVINCE BRANCH:

51 ST. PETER STREET, MONTREAL

ROBERT BICKERDIKE, Manager

### The Independent Order of Foresters

Policies issued by the Society are for the protection of your family and cannot be bought, pledged or sold.

Benefits are payable to the beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

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

TOTAL BENEFITS PAID (Over).....\$50,000,000

FRED. J. DARCH, Secretary. ELLIOTT G. STEVENSON, President.

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





# BLACK DIAMOND

FILE WORKS

Established 1863

Incorporated 1897

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

## G. & H. Barnett Co.

PHILADELPHIA, Pa.

Owned and Operated by NICHOLSON FILE COMPANY

### PROFESSIONAL

THE REV. M. O. SMITH, M.A., WILL ADVISE with fathers concerning the instruction and education of their sons. No. 544 Sherbrooke St. West. Or telephone East 7302, and ask for Mr. Kay.

HOWARD S. ROSS, K.C.

EUGENE R. ANGERS

### ROSS & ANGERS

BARRISTERS and SOLICITORS

Coristine Building, 20 St. Nicholas St., Montreal



### "MONTREAL METROPOLE, LIMITEE."

Public notice is hereby given that, under the Quebec Companies' Act, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the seventh day February, 1917, incorporating Messrs. Hormisdas St-Amant, accountant, Louis A. Guimond, notary, Francis Mackay, notary, Maurice Mackay, student-at-law, of Montreal, for the following purposes:

To acquire, own, operate, sell, exchange, alienate, hypothecate, hire and lease all kinds of moveable and immovable property, lands, mines, quarries, water powers, factories and industries whatsoever, patents, trade marks, newspapers and publications, copyrights, claims and moveable property of every kind including the right to deal in all materials, merchandise, moveable and immovable property, hypothecate; sell, exchange or otherwise alienate, construct on and exploit same, and do everything in connection therewith;

To acquire in whole or in part the property and business of any persons or company altogether or partly similar to those of the present company or to amalgamate therewith or sell its property and business to any such companies or persons, including the shares, and bonds of any such companies, and to pay for such acquisition in shares, bonds, debentures or other securities of such companies, to subscribe for or otherwise acquire and hold shares in any other financial companies; to sell or deal with its own property for such considerations as the company may deem proper and in particular for shares, debentures or other securities of any other companies; to sign, accept, endorse any promissory notes, bills of exchange, warrants and other negotiable instruments, to make advances of money or loans to customers and other persons having dealings with the company and to guarantee the execution of all contracts;

To act as agents and brokers in any business of a like nature to the above, either as principal or agent;

To remunerate in cash or by shares or bonds or in any other manner all persons or corporations for services rendered, to issue and allot paid up shares, bonds, or obligations of the company in payment of any business property, rights, privileges, shares or other securities or rights which the company may legally acquire by virtue of its powers; to accept moveable or immovable securities in payment of shares of this company; and generally to carry on any transactions or things incidental or accessory to the above mentioned objects, under the name of "Montreal Metropole, Limitee", with a capital stock of twenty thousand dollars (\$20,000.00), divided into two thousand (2,000) shares of one dollar (\$1.00) each

The principal place of business of the corporation, to be in the city of Montreal.

Dated from the office of the Provincial Secretary, this seventh day of February, 1917.

C. J. SIMARD, Assistant Provincial Secretary.

### GENERAL FILM COMPANY (CANADA), LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 2nd day of March, 1917, incorporating Thomas Allen Hubley, manager; Geo. Thomas Porter, accountant; Howard Salter Ross and Eugene Real Angers, barristers, and Antoinette Defoy Lamarre, stenographer, all of the City of Montreal, in the Province of Quebec, for the following purposes, viz:—

(a) To manufacture, produce, buy, sell, lease, operate and deal in moving picture theatre films, motion reel films and films of all kinds used for the production of moving pictures;

(b) To manufacture, buy, sell, lease and deal in moving picture machines and all kinds of apparatus required for the production and operation of moving pictures;

(c) To buy, own or lease and operate theatres of all kinds, including moving picture theatres, and in such theatres, to give all kinds of theatrical performances, vaudeville performances and exhibit moving pictures, and such theatres to sell, sublet or otherwise dispose of;

(d) To acquire as a going concern the business at present carried on in Canada by General Film Company (Canada), Limited, of Portland, Maine, in the United States of America, and to pay for the same by allotting to the said General Film Company (Canada), Limited, fully paid, and non-assessable shares of the capital stock of the company, whether subscribed for or not, and to acquire all or any part of the good-will, rights, property, assets, shares of the capital stock and bonds and debentures of other corporations, including any option, concession or the like of any individual, firm, association or corporation, and to pay for the same wholly or in part in cash, bonds or securities, or in payment or part-payment therefor to allot and issue as fully paid-up and non-assessable shares of the capital stock of the company, whether subscribed for or not;

(e) To apply for, purchase or otherwise acquire any patents, licenses, concession and the like conferring any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention or process, and to turn to account, sell, lease or otherwise deal in such patents, licenses or concessions;

(f) To hold, purchase or otherwise acquire, to sell, assign, transfer or otherwise dispose of shares of the capital stock and bonds, debentures or other evidences of indebtedness created by other companies;

(g) To acquire and hold, notwithstanding the provisions of section 44 of the Companies Act, and to sell or otherwise dispose of the stock, shares, securities or undertakings of any other company having for one of its objects the exercise of any of the powers of the company or to transfer its assets or undertakings to or to amalgamate with any such company or companies;

(h) To guarantee the payment of dividends or interest on any shares, stocks, debentures or other securities issued by, or any other contract or obligation of, any company whenever proper or necessary for the business of the company, and to guarantee the contracts of any person, firm or corporation dealing with the company;

(i) To sell or otherwise dispose of the whole or any part of the property, assets, rights, undertakings or good-will of the company and to accept payment for the same wholly or in part in cash, bonds, stock or other securities of any corporation or company;

(j) To enter into any arrangement for the sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or intending to carry on any business which this company is authorized to carry on or which is capable of being conducted so as directly or indirectly to benefit the company;

(k) To procure the company to be licensed, registered or otherwise recognized in any foreign country, and to designate persons therein as attorneys or representatives of the company with power to represent the company in all matters according to the laws of such foreign country and to accept service for and on behalf of the company of any process or suit;

(l) To distribute in specie or otherwise as may be resolved any assets of the company among its members and particularly the shares, bonds, debentures or other securities of any other company that may take over the whole or any part of the assets or liabilities of this company;

(m) To carry on any other business, whether manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with the above or which the company may deem calculated directly or indirectly to enhance the value of the company's property or rights;

(n) The business or purpose of the company is from time to time to do any or more of the acts and things herein set forth, and any power granted in any paragraph hereof shall not be limited or restricted by reference to or inference from the terms of any other paragraph.

The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "General Film Company (Canada), Limited," with a capital stock of two hundred and fifty thousand dollars, divided into 2,500 shares of one hundred dollars each, and the chief place of business

of the said company to be at the City of Montreal, in the Province of Quebec.

Dated at the office of the Secretary of State of Canada, this 6th day of March, 1917.

THOMAS MULVEY, Under-Secretary of State.

ROSS & ANGERS, 20 St. Nicholas Street, Montreal, Solicitors for the Applicants. 3rd.-In.

### "MONTREAL-EAST CONSTRUCTION COMPANY, LIMITED."

Public notice is hereby given that, under the Quebec Companies' Act, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the twentieth January, 1917, incorporating M.M. Thomas K. Walton broker, George H. Cummins, merchant, Clifford J. Waugh, agent, Charles J. Kirin, superintendent, Allen T. Bell, agent, of Montreal, for the following purposes:

To acquire and hold lands in or near the boundaries of any municipalities and to build on such lands dwelling-houses of reasonable dimensions, supplied with proper improvements and intended to be let at a moderate price, in accordance with the provisions of the Act, chap. 47, 4 Geo. V, intituled: "An Act to assist in the construction of dwelling-houses in cities, towns and villages";

To generally deal in real estate, and to acquire, hold, improve, cultivate, sell, lease, exchange or in any way dispose of lots and lands and other immovables, and for the above purposes to apply in whole or in part the capital of the company.

To subdivide the lands and lots acquired by the company into building lots, lay out streets and lanes thereon, erect thereupon works and factories, and build sewers thereon and to generally carry on all works of construction, installation and improvements deemed necessary or suitable for the purposes of the company;

To erect upon the said lands and lots, houses and other buildings and with or without the lands, to sell, lease, exchange, hypothecate and dispose of the same in any manner not contrary to law;

To make advances of money to purchasers or lessees of immovables, lands, lots, houses of the company for building purposes and improvements to make also advances of money for the purposes of aiding in the construction of roads, streets, water-works, sewers and generally all works capable of improving the property of the company and enhancing its value;

To accept hypothecs and other securities of any nature to secure the purchase price of any immovables, property or other securities sold by the company, or to secure the reimbursement of any sums of money due to the company by the purchasers of lands for building or improvements or for any other purposes generally deemed necessary or suitable by the company;

To acquire by purchase, lease, commission, exchange or otherwise any moveable and immovable property deemed necessary or suitable for the company's purposes, and to pay for the same in cash or in paid up shares or in bonds or other securities of the company; to sell, lease, pledge, hypothecate or otherwise dispose of the aforesaid moveable and immovable property;

To acquire, hold, convey, sell the shares, bonds or other securities of any other company having the same objects as the present company or doing any business capable of being conducted or the benefit of this company;

To issue, transfer and give paid up shares of the capital stock of the company in payment of any business, franchises, services rendered, privileges, leases, hypothecs, licenses, patents, contracts, immovables, shares, bonds or other moveable or immovable property or rights which the company may legally acquire;

To sell or otherwise dispose of the whole or part of the moveable and immovable property of the said company upon such terms and conditions as the company may think fit and to accept in payment therefor sums of money, shares, bonds or securities of any other company incorporated for the same purposes as the present company;

To amalgamate with any other company having the same objects as the present company;

To construct, improve, maintain, exploit, sell or lease all kinds of public and private works, and in particular any roads, paving, bridges, water courses, waterworks, wharves, piers, electric power-houses, stores, theatres and play houses, hotels and restaurants and to subsidize the same or otherwise aid in their construction, maintenance and improvement;

To acquire, exploit, lease, sell hydraulic powers, to manufacture, purchase or acquire in any manner and exploit light, heat or power necessary or suitable for the company's purposes;

To carry on any other business deemed necessary or suitable for the company's purposes;

To subscribe for, accept, endorse, negotiate all bills of exchange, promissory notes, cheques and other negotiable instruments;

To contract loans and guarantee the reimbursement of same in such manner as may be determined by the directors of the company, and in particular by the issue of bonds bearing an hypothec upon the whole or part of the immovable property of the company;

To pay out of the funds of the company all costs relating to the incorporation and organization of the company;

To do all things and exercise all the powers and carry on any business necessary for the purposes for which this company is incorporated, under the name "Montreal-East Construction Company, Limited", with a capital stock of forty thousand dollars (\$40,000.00).



## Price Agreements.

### Canadian Merchants Protest Against Order in Council Prohibiting Prescribed Prices.

While the merchants of the United States are trying to pass a law — the Stephens Bill — to specifically permit the manufacturer to enforce the observance of his resale price, lest it possibly be barred under the Sherman law, Canadian officials, under the power of the recent war Order in Council, are endeavoring to specifically prohibit the exercise of any such right by a manufacturer.

At a meeting held in the Assembly Hall of the Toronto Board of Trade, on Monday last (March 19), a large gathering consisting of representatives of the Dominion Retail Merchants' Association as well as manufacturers, and wholesale and retail grocers protested emphatically against the Order in Council of the Dominion Government, which was brought down as a war measure, making it an offence for a manufacturer to enter into any form of contract upon which he fixed a selling price. The speakers also emphasized the inconsistency of the order which exempted market gardeners, farmers and the laboring classes. It was alleged that market gardeners could hold up thousands of bags of potatoes and yet the Government could not indict them under the terms of the Order in Council.

#### FAVOR CONTRACT SELLING.

The following resolution was passed: "We are of the opinion that it is a mistake for the Department of Labor to disturb the present methods of internal commerce by preventing manufacturers from selling through wholesalers and retailers and to the public by the contract-selling plan.

"We are of the opinion that the best interests of the consumer, as well as the sections of trade engaged in supplying his needs, will be served by maintaining this custom of trade."

#### FOR INLAND TRADE COMMISSION.

"Be it resolved, that we pledge ourselves to support the Retail Merchants' Association of Canada by every means within our power in their endeavors to have an Inland Trade Commission appointed and in their efforts to have the public and Parliament shown the unwisdom of the Department of Labor's methods in connection with the high cost of living legislation, it being understood that they will consult with the joint committee appointed in Ottawa when necessary."

Mr. E. P. B. Johnston, K.C., who is acting in an advisory capacity for the retail merchants, told the meeting that in his opinion the present Order in Council does not prevent the manufacturer from placing a price on his goods which he disposes of to the wholesaler, retailer or consumer.

#### MR. JOHNSTON'S OPINION.

"The manufacturers have a right to manufacture goods," said Mr. Johnston. "The law would prevent him from placing too high a price on them, otherwise the people would not buy them. The best way to test the legal opinion of the Department of Labor would be for the latter to institute proceedings in the courts against the manufacturer or wholesaler for violation of the new measure. If the whole business of Canada was disturbed by the opinion of one man the matter could finally be taken to the Supreme Court."

Mr. Johnston added that merchandise had been sold under the contract plan in Canada for the past forty years.

#### SECRET INFLUENCE AT WORK?

"It is the belief of many, and the conviction is growing rapidly that there is either a lack of intelligent interest or a strong, secret, sinister influence insidiously at work upon the governing bodies of this country against the appointment of an Inland Trade Commission," said Mr. Horace Chevrier, Winnipeg, President of the Dominion Retail Merchants' Association. "The true condition of the inland trade of Canada never will be known to the public until such time as it is investigated by a properly constituted Commission free from political or party influence, similar to our Board of Railway Commissioners. Every intelligent individual in Canada now recognizes that the Board of Railway Commissioners for Canada has protected shippers and the public generally against the glaring abuses that formerly existed in favor of the larger interests, and which were so hurtful and oppressive to the smaller.

"It is estimated that about ten per cent of the ordinary man's expenditure goes for transportation. It is also estimated that about forty per cent of the ordinary man's expenditure goes for food maintenance — the balance for rent, wearing apparel and other

necessities. If a Railway Board of Commissioners is the best medium of protecting the consumer on ten per cent of his expenditure, is it not at least equally as important that he should be reasonably protected against excessive charges on the greater portion of his expenditures?"

#### "NO ROBBING OF PUBLIC."

"We believe certain influences are opposed to the appointment of such a Commission. We believe that the influence at work is warping the Government. We believe that under the guise of the high cost of living investigation by the Department of Labor, the public is being influenced into the belief that certain classes of manufacturers, wholesalers and retailers are combined for the purpose of robbing the public, and that to them is largely due the tremendous advances in the prices of foodstuff. Public opinion has hailed the middleman before its court of criticism to show causes why he should be permitted to live. The consumer wants to know whether the jobber and the retailer is an unnecessary evil or a public necessity.

"At present, it is next to impossible to bring about a reform unless we drop party affiliation and unite to bring the necessary influences to bear upon the Government for an intelligent and clean administration of the affairs of this country."

Among those present were:

Mr. Dryden, Hamilton, Dominion Cannery.  
J. D. Malcolm, St. George, Malcolm Condensing Co.  
F. A. Jacobs, Toronto, Druggist.  
J. A. Taylor, Montreal, Bovril, Ltd.  
W. E. McMurtry, Toronto, Groceries, Ltd.  
Geo. H. Millen, Hull, E. B. Eddy Co.  
Horace Chevrier, Winnipeg, Retail Merchants' Ass'n.  
Donald McLean, Toronto, Grocer.  
H. D. Marshall, Ottawa, H. D. Marshall.  
F. W. Humphrey, Toronto, F. W. Humphrey.  
E. F. B. Johnstone, K.C., Toronto.  
A. Richards, Toronto, C. B. Knox Co.  
S. H. Switzer, St. Catharines, W. H. Merriman Co.  
H. S. Ambrose, Hamilton, Tackett Tobacco Co., Ltd.  
Albert Gilmour, Brockville, Gilmour & Co.  
Geo. H. Macfarlane, Toronto, E. W. Gilbert Co.  
Wm. Turnbull, London, E. Adams & Co., Ltd.  
J. Ruddy, Brantford, Canada Starch Co.  
M. H. Dodge, Grand Rapids, O. & W. Thum Co.  
Wm. H. Leith, Bros., Toronto, Canada Sauce & Vinegar Co.  
Alex. Lerner, Ottawa, E. M. Lerner & Sons.  
E. G. Henderson, Windsor, Ont., Canadian Salt Co., Ltd.  
J. J. Darsey, Hamilton, Egg-o Baking Powder Co., Ltd.  
Gerald Fitzgerald, Ottawa, F. J. Castle Co., Ltd.  
Wm. J. Smith, London, T. B. Escott & Co., Ltd.  
L. Garvey, London, J. Garvey & Sons.  
G. R. Lloyd, Hamilton, Macpherson Glassco & Co.  
G. W. Somerville, Hamilton, Geo. E. Bristol & Co.  
Samuel Vile, Hamilton, Jas. Turner & Co., Ltd.  
T. M. Sibbald, Battle Creek, Teasted Corn Flake Co.  
H. E. Kerr, St. Catharines, Welch, Ltd.  
Jas. Ince, Toronto, Perkins, Ince & Co.  
Jas. J. Speirs, Toronto, Chase & Sarbern.  
H. Mossman, Toronto, Oxo.  
R. S. McIndoe, Toronto, Postum Searle Co.  
J. A. Beaudry, Montreal, Treas. Dom. Bd. R. M. A.  
F. C. Higgins, Toronto, Treas. Prov. Bd. R. M. A.  
D. W. Clark, Toronto, Vice-Pres. Dom. Br. R. M. A.  
W. D. Martin, Stratford, Stratford Wholesale Gro. Co.  
J. H. Simpson, Guelph, Simpson Co.  
A. Foster, North Bay, Young Co., Ltd.  
A. Hutchison, Port Credit, St. Lawrence Starch Co., Ltd.  
Hugh Blain, Toronto, Eby-Blain Ltd.  
E. H. Trowern, Ottawa, Sec., Dom. Bd. R. M. A.  
W. C. Miller, Toronto, Sec., Ont. Prov. Bd. R. M. A.  
H. C. Beckett, Hamilton, W. H. Gillard & Co.  
W. G. Lumbers, Toronto, Jas. Lumbers Co., Ltd.  
T. J. Medland, Toronto, T. J. Medland, Ltd.  
C. S. Morrow, Toronto, Morrow & Co.  
Chas. H. Collins, Toronto, Toledo Scale Co.  
W. P. Eby, Toronto, Eby-Blain, Ltd.  
J. H. Bond, Toronto, Medland Bros. Ltd.  
Geo. Hortop, Toronto, Dunn-Hortop, Ltd.  
M. H. Seed, Toronto, St. Lawrence Starch Co.  
W. T. Harris, Owen Sound, W. T. Harris Co., Ltd.  
W. G. A. Lambe, Toronto, St. Lawrence Sugar Refineries.  
John F. Orde, Ottawa, E. B. Eddy Co.  
A. E. Sterling, Toronto, T. A. Lytle Co.

J. F. Fistney, St. Catharines.  
W. Barber, Toronto, T. Kinnear & Co.  
M. O. T. Smye, Hamilton, Balfour, Smye & Co.  
J. E. Trusdale, Brantford, Geo. Foster & Son.  
A. Ferras, Ottawa, S. J. Major, Ltd.  
A. McPherson, London, Elliott, Marr & Co., Ltd.  
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#### BAGDAD RAILWAY.

##### Persian Gulf to London in Six Days.

At a recent meeting of the Royal Geographical Society in Glasgow Charles Woods read a paper on "The Bagdad Railway and Its Tributaries." Mr. Woods said that, starting from Haidar Pasha, opposite to Constantinople, it was now possible to travel by train or by water across the greater part of the areas which lie between the Ottoman capital and Bagdad on the one hand and the Egyptian frontier on the other. As a result of the opening of the Taurus tunnels in November last through communication had been established right across the Anatolian plateau, along the plain of Cilicia, and through the Amanus range to a junction about ten miles north of Aleppo. From here the northern prong of the Bagdad Railway proper continued its way in an easterly direction as far as a point situated between the rivers Euphrates and Tigris. At the other or Bagdad end the railway had been completed in a northerly direction at least as far as Samara, and probably up to Tekrit—towns which were both on the Tigris. If the respective termini were at Res-el-Ain and at Tekrit it would mean that out of a total distance of approximately 1,500 miles from Constantinople to Bagdad over 1,100 miles could be accomplished by train.

"It was obvious that the progress of the railway had had its military advantages to Turkey in the Mesopotamian campaign. But what was of almost equal importance was that the Bagdad railway provided an easier and quicker means of communication between Constantinople and eastern Asia Minor than would otherwise have existed. The distances to be covered by road from the head of the railway to various important parts of the Russian front were considerably less than those which would have had to be traversed by road from Angora, formerly the nearest point in railway connection with Constantinople.

#### MILITARY ASPECT.

"What might be called the southern prong of Turkey's Asiatic railway system," continued Mr. Woods, "started from Aleppo. Passing through Damascus it ran in a more or less due southerly direction for a distance of 330 miles as far as Deraia. From this point there were two railways. The first was the Hedjaz line, which extended in a southerly direction as far as Medina. The second bent off in a westerly direction toward Haifa, but before reaching that port turned south near Nazareth, running thence as far as El Auja to the southwest of Beersheba. Although there was at least one break of gauge at Rayek, near Damascus, the strategical importance of these southern prongs was enormous. Indeed, it was the existence of the railways, some of which had only been completed since the outbreak of war, which rendered possible the attack upon Egypt—an attack which, though it had never materialized, had had a certain effect on the general plan of the Allied operations.

Referring to the Bagdad railway as a factor in world communications, Mr. Woods said that the original agreement stipulated for a fortnightly express service to the Persian Gulf, with trains traveling at about 28 miles an hour. At this rate the journey from Constantinople to Basra could be accomplished in about 6 hours. From London to Basra would be a journey of about six days. The distance from Basra to Bombay was just over 1,900 miles, and at 20 knots an hour the voyage would take between three and four days. Theoretically, therefore, it might be possible to travel from London to Bombay by the Bagdad railway in between nine and ten days. By Brindisi and the Suez Canal the journey took, before the war, between 13 and 14 days. The latter time, however, could be shortened a good deal by the use of faster steamers; while on the other hand, the time by the Bagdad railway would probably be lengthened by delays in the running of the trains.

# WHY LIVING COSTS ARE HIGH

## HIGH COST OF FOOD.

Mrs. Rose Henderson, who by reason of her work in connection with the Juvenile Court of Montreal, of which she is probation officer, claims that she has special opportunities to investigate for herself the effect of the increased cost of food on the poorer classes of Canada's commercial metropolis, makes the following indictment against the capitalist in an article entitled the "High Cost of Food," published in the current number of the Canadian Municipal Journal.

"This war has brought us to a crisis, and the question we must now face and solve is: Are we to continue making millionaires or men? Are we going to allow monopolies to continue for the sole purpose of making a few individuals rich, or are we going to make laws to regulate and control the necessities of life for the good of all?"

### COMBINES.

"Combines are eating the heart out of this nation. They are laying the axe at the root of the family tree, they are sapping the very life blood of the women and children and reducing thousands of the innocent and helpless to a point of semi-starvation.

"If men are to be fed at home and abroad there is no room for combines; food pirates and all their kind must beat a hasty retreat.

"If the food monopolists could listen to these children, the home, say of a widow—and they can any day—with four or more small children and an income of \$1.25 a day, derived from her scrubbing or washing, and see the meal that that mother is obliged to give her children, consisting of bread, often without butter; a liquid called tea to wash it down, sometimes with milk, mostly without, or watch her dilute the already thin milk with a little warm water to make it go around for the younger ones.

"If the food monopolists could look into the dreary and ask mamma is there no meal or potatoes or anything more? and with tears streaming down her cheeks their mother answers, 'No, I can't buy these things, they are too dear,' and then see the pathetic resigned look on their little faces, I believe this sight would burn itself into the souls of these men and move them to a more honorable and just estimate of their relations to their fellow men. We cannot wait, however, for the hearts and consciences of these men to be regenerated. The life, morality, and future welfare of the nation is at stake, because a few men are inordinately selfish and greedy, and have the power to corner markets, and other necessities common to the life of all, is the greater reason for swift action to prevent, or if necessary, control all supplies until after the war at least.

"In the Montreal papers we were, some time back, informed that over 130,000 bags (in all 12,000,000 lbs.) of potatoes, were left to freeze and rot on railway sidings, almost ten weeks' supply for the city of Montreal. The dealers refused to release them, for as they figured, they could afford to let these thousands of bags of potatoes rot, and thus enhancing the prices of potatoes, make 'big money.' We are also told that huge quantities of fruit products have been held in the same way. I have seen cherries rotting on the trees because for fear of breaking down prices. And while these things go on investigations take place, the people become advised, commissions are appointed, but nobody is jailed or hanged.

"The majesty of the law, which we are all taught to fear and respect, is not strong enough to get after, and scare these crooks into honesty or even decency.

"In another staple, wheat, similar conditions prevail; we read of the 'American Wheat King,' and the 'Spring Canadian Napoleon of the Wheat Pit,' the 'Largest Holder of Wheat in the World,' being able to buy millions of bushels of wheat at given prices, and hold it until over double the price were obtained. In the meantime millers were clamoring for wheat; some were hungry for bread, and yet no one was castigated.

### THE HIGH COST OF INEFFICIENCY.

Mr. J. A. Beaudry, treasurer of the Dominion Board of the Retail Merchants' Association of Canada, when asked for his opinion of Mrs. Henderson's indictment, said:

"It is quite true that a dollar no longer buys as much as it did five years ago, but that is not the fault of those engaged in supplying food to our great cities. The increased cost of food is caused largely by the increased cost of labour. The farmer must pay more for help, and therefore must raise the price of his products. As the merchant, in his turn,

must pay more for his merchandise, as well as higher wages to his salesmen, and deliverymen, he must necessarily raise his prices, and so on.

"As a matter of fact, the merchant makes better profits when prices are moderate than when they are high. For instance, when butter costs the merchant twenty cents a pound he sells it for twenty-four cents, and makes twenty per cent. on his capital. This twenty per cent. is not all profit, as the merchant must pay a salesman to sell the butter, and pay rent for a shop. Now when butter costs the merchant fifty cents a pound, he has to sell it at fifty-four cents, making only 8 per cent. gross profit, out of which he must probably pay his assistants increased wages.

The contractors who are supplying foodstuffs to the Government are getting high prices, and may be making money, but even in that case we must write off against their profits a large outlay for new factories and machinery.

"I know of no combines," said Mr. Beaudry, "who are raising the prices of foodstuffs, and I wish Mrs. Henderson would name those she knows. There is nothing in the food situation of this country which justifies hysterical thinking and acting except the wanton waste which is going on in all of our homes.

"A commission recently investigated the cost of living in the United States, and Mr. D. F. Houston, U. S. Secretary of Agriculture, issued the following statement at Washington:

"The experts of the Department of Agriculture report to me that the dietary studies made by them point to an annual food waste of about \$700,000,000."

"These experts asserted that the food waste in the household resulted in large measure from bad preparation, bad cooking, over-abundant supply, and failure to save and utilize the food not consumed. What is true of the waste in the homes of the U. S. is only too true of our Canadian homes. We might, with profit, follow the example of the warring nations, who, up to now, have met the problems of conservation by diet regulation and prevention of waste.

"The inefficiency of the housewife is more often the cause of under nourishment than the high cost of food.

"Mrs. Henderson says in speaking of the 130,000 bags of potatoes that were left to rot and freeze on railway sidings near Montreal last autumn: 'The dealers refused to release them, for as they figured, they could afford to let these thousands of bags of potatoes rot, and thus enhancing the price of potatoes, make 'big money.'"

"The facts of the case are these: Last autumn, owing to shortage of cars, the railways shipped the potatoes from New Brunswick and Prince Edward Island some weeks later than usual. Then, owing to freight congestion, the trainloads of tubers, packed in unheated cars, were allowed to remain on sidings for several more weeks, with the result that the potatoes were frozen when they reached Montreal. The Montreal merchants, seeing the condition of the cargo, and knowing that they could not sell frozen potatoes, refused to take them, and the potatoes again stood on the railway sidings, while the farmers and the railway company settled the question as to who was to pay for the damage; the railway company finally accepting the responsibility.

Of course, the congestion of freight and the shortage of cars were both due to the scarcity of labour, due to the fact that so many railway men have left for the front.

Investigation of the cherry story would probably prove that the cherries were allowed to rot on the trees because it was impossible to get labour at a price that would make it profitable to pick and handle the fruit.

We wish that Mrs. Henderson would name some of the "crooks" who cannot be scared by the law.

In the meantime what is required is an inland trade commission—not composed of politicians, but of practical men—to investigate our trade conditions in a proper manner, and if necessary, stamp out combines and other unhealthy movements, if they exist.

### THE HIGH COST OF DELIVERY.

The result of a preliminary survey by the United States Census Bureau has shown that "For four important classes of commodities—coal and wood, milk, ice and department-store merchandise—which together represent a very considerable proportion of the cost of living, the expense of delivery or cartage one way constitutes, on the average, more than

8 per cent. of the total cost to the consumer. The percentages for the individual commodities, however, vary greatly from this average. For department-store merchandise, the delivery expense, as indicated by the data so far obtained, represents less than 2 per cent. of the selling price; for milk and dairy products the corresponding proportion is 12 per cent.; for coal and wood, 19 per cent., and for ice, 45 per cent."

So costly has become the item of cartage and delivery that "in the case of many articles of food, the amount received by the producer is only one-half or one-quarter, or less, of the price paid by the consumer, and it was the belief, borne out by the result of the preliminary enquiry, that the item of city cartage alone would be great enough to justify calling attention to the very large sums that the community is called upon to pay in maintaining the wasteful and highly complex systems of individual delivery which characterize retail distribution at this time."

### A SIDELIGHT ON THE COST OF LIVING.

An interesting sidelight on the reason for the high cost of living appeared recently in the Toronto High. Its place of origin was Port Hope. It appears that a farmer entered the place of business of a carriage dealer and announced that he wished to purchase a buggy, when told the price was \$90, he said: "My father bought a buggy exactly like that for \$60, 20 years ago." The dealer remembered the sale also, and said: "Your father turned in 300 bushels of corn to pay for it. I will do better for you than I did for your father. You bring in your 300 bushels of corn and I will let you have in return one \$90 buggy, one \$75 wagon, one \$20 suit of clothes, one \$20 dress, one \$5 baby dress, one crib, one \$3 box of cigars, \$10 worth of sugar, \$10 worth of coffee, \$10 worth of tea, \$100 worth of gasoline, \$17 worth of lubricating oil." The total figured up \$365 as the present value of 300 bushels of corn. It is stated the farmer climbed back into his motor car, with the words, "I guess I haven't any kick coming on the high cost of living. Send out the \$90 buggy."

### CANADA'S POTATO YIELD.

The following figures have been compiled by the Bureau of Census and Statistics and throw some light on the Canadian production of potatoes.

The area planted in 1916 in potatoes was 449,000 acres compared with 479,000 acres in 1915. The average yield per acre last year was 136.21, against 130.85 for 1915. The total yield in 1916 was 61,229,000 bushels, compared with 62,605,000 in 1915. Potato exports in the calendar year were \$1,424,519, as against \$506,302 in the corresponding twelve months.

### COMMODITY COSTS.

#### Advance of 41 Per Cent for Family Supplies

Another increase in commodity costs in February is recorded in the monthly report of the Labor Department, at Ottawa. The Department's index number of wholesale prices stood at 217 in that month, as compared with 208 in January and 173.7 for February, 1916. The average weekly cost for a family budget of staple foods stood at \$10.46 for the middle of February, as compared with \$10.27 for the middle of January, \$8.40 for February, 1916, and \$7.42 for July, 1914. That is to say the increase for such weekly family food supply has increased \$3.04 or 41 per cent since the commencement of the war.

The growth in the index figure for February was due to advances in the prices of vegetables and metals, livestock and meats, miscellaneous groceries, textile, fuel building material.

During the month retail prices of meats, cheese, milk, beans and potatoes were higher in the average while those of eggs, butter, flour and oatmeal were slightly lower.

The Grand Trunk Railway System has ordered fifteen new locomotives for its freight service. They are of the latest Mikado type, super-heated, and each capable of hauling a train of 6,339 tons. These fifteen locomotives represent a total outlay of \$735,000, the price of locomotives having increased about one hundred per cent during the last two years.

**AUSTRALIA'S WHEAT PRICES.**

**Sir George Foster Issues Statement on Refusal of Western Farmers to Accept Government's Offer.**

Sir George Foster issued a statement on Thursday (March 22) in connection with the refusal of the Western farmers to accept the offer of the British Government for Canadian wheat. After calling attention to the fact that Great Britain had purchased the entire Australian wheat crop at \$1.12 per bushel; that it desires to get its wheat supply as far as possible from Empire sources; and the "the geographical position of Canada, taken in connection with sea war dangers and shortage of transport tonnage, makes it of great importance that its surplus should be at the disposal of the British Government" the Minister of Trade and Commerce goes on to say:

"Whilst no price was definitely fixed upon in the communications had with the British Government, yet a possible rate was canvassed by taking as a basis the price paid the British farmer, with adjustments and deductions for freight and cost from Fort William to Europe. One can come pretty close to it by taking that base price as being about \$1.82 to the British farmer and making his own calculations.

The Council of Agriculture advised that the lowest possible price acceptable would be a flat rate of \$1.70 per bushel for No. 1 northern at Fort William, or preferably a guarantee of prices from a minimum of \$1.50 to a maximum of \$1.90. This latter appears very much like making the price \$1.90 for all, or defeating the purpose in obtaining certain supply.

There are some considerations which will naturally suggest themselves to the farmers as to what constitutes a reasonable and safe price.

**Farmer Gets Full Price.**

The rate paid for No. 1 northern does not indicate the price the farmer will get for his whole crop. On an average he will have far less of No. 1 than of the lower grades. The farmer well knows the spreads to which, under the present method of purchase, he is subject on wheat of good milling value but of inferior grades as certificated. If on the other hand the British Government buys all his millable wheat in terms of its millable value and buys it from the farmer himself and not from the speculator, the farmer gets the full price for all. He does not have to divide with anyone."

Sir George points out that there are chances to be taken in respect to price in the open market.

Many things may happen before the late autumn of 1917 or the winter of 1918 when the farmer will market this year's crop. The price may be higher, if the war continues; the price may break lower, if war ceases before this year closes. There are in addition difficulties of transport from Fort William to Europe. As the war goes on those may grow worse, even if the war ceases the demand for tonnage to transport to their homes the men and equipment released from the front will probably for many months be little less urgent than now. The uncertainty of transport may seriously affect prices. If the farmer sells now to the British Government he will know that his wheat is marketed at a good profit before he puts a seed in the ground. He need trouble nothing about transport the British Government will attend to that.

**WORLD'S WHEAT CROP.**

A cablegram received by the Dominion Department of Agriculture from Rome gives the following crop estimates: Total production of wheat in Argentina, Australia and New Zealand is estimated at 226,274,000 bushels, being 70 per cent of last year's production of the three countries and 92.3 per cent of their five years' average.

The total production of corn in Spain, Italy, Russia-in-Europe, Switzerland, Canada, United States, Japan and Egypt is 2,841,514,000 bushels, 86.6 per cent of the production of the same countries last year, and 95 per cent of their five years' average.

The production of rice in Spain, Italy, United States, India and Japan is 141,336,000 short tons, 103.5 per cent of last year, and 117.5 per cent of five years' average.

Area sown to wheat in Spain is 10,134,000 acres, or 103 per cent of last year's area; in Japan, 1,236,000 acres, 99.6 per cent of last year's.

**NOT RESPONSIBLE.**

**British Agents, Not Canadian Government, Gave Contract to Man Toronto Journal Accuses of Being Middleman.**

Sir Charles Davidson, the Royal Commissioner appointed to enquire into cases arising out of war contracts, has reported upon his investigation of allegations contained in an article published in "Men's Wear," a Toronto trade journal, in October, 1915, which accused the Government of "awarding a large contract for uniforms to a real estate man who has no more experience in clothing manufacture than the member of Parliament who got him the contract."

It proceeded to state that the real estate man "farmed out the order to a firm of foreigners at a net profits of over twenty thousand dollars, promptly covering his chance for loss with insurance."

Upon this example the article based a deduction to the effect that no doubt such instances might be multiplied indefinitely.

Sir Edward Kemp, as chairman of the War Purchasing Commission, denied the allegations contained in the article, and when a further statement was published in "Men's Wear," requested an investigation.

To this enquiry, Mr. James Acton, president of the Acton Publishing Company, which issues "Men's Wear," was summoned and he mentioned C. E. Hopkins, of Toronto, as the real estate man, and the Empire Clothing Company, Toronto, as the firm referred to.

After reviewing the evidence taken, Sir Charles Davidson found that Mr. Hopkins was associated with the Empire Clothing Company to carry out a contract to furnish jackets to the British Government. That contract was entirely the result of negotiations between British agents then in Canada, and Hopkins. "Neither directly nor indirectly had the Militia Department or the Canadian War Purchasing Commission any connection with it," says the commissioner. "The statement of Acton in recognition of this fact, and his frank admission that the evidence had wholly cleared both department and commission from any wrong doing in the premises deserves commendation." The evidence showed that Hopkins obtained no order from the Canadian Government since the war began.

**THE VALUE OF OLD TUBS.**

A United States steamship company purchased some vessels eighteen months ago at a cost of about \$1,250,000. One of the lot had been in service for twenty years and it was planned to discard it as soon as possible and to replace it with a larger, up-to-date boat. This vessel was carried on the books of the purchaser at \$30,000, and because of the shortage of the ocean tonnage was put back into service to earn its keep. It has since turned into the owners profits amounting to more than \$300,000, and it has recently been sold to another line for 750,000. It is not worth anything like that sum except under the extraordinary conditions which now prevail, but it will be put into the Atlantic trade carrying munitions, and if lucky enough to survive a few round trips will repay the new owners even at the exorbitant price paid. On this basis the earning possibilities of the tonnage tied up in New York harbor almost stagger the imagination.

**BUYING EGGS "LOSS-OFF."**

The large wholesale grocery houses and produce dealers in Winnipeg, with one exception, have agreed to purchase all eggs during the coming season on what is known as the "Loss-off" basis. This basis is defined as follows:

"Loss-off" from January 1 to April 1 in each year will mean deduction for "cracked," "leakers," "rots," and any other eggs unfit for food; from April 1 to June 1, the period during which the receipts are heaviest and the average quality is highest, will mean deduction for "cracks" and "leakers;" from June 1 to January 1 the deductions will be the same as between January 1 and April 1; these periods to be subject to adjustment due to weather conditions in any year.

It has been the custom for farmers to hold back the egg supply during the time of low prices in order to take advantage of the advance in the cold weather, without realizing that the eggs were deteriorating, all the time, in quality. It is expected that this move on the part of the wholesalers will remedy the state of affairs.

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**Textiles, Sail Duck, Bag Cloths**

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**LEATHER FROM SHARKS.**

The interest that has been aroused by efforts to establish a wider use of the skins of sharks in the manufacture of leather has resulted in the receipt of a large number of letters by the United States Bureau of Fisheries from persons and firms connected with the leather trade or industry.

In December 11,600 pounds of hides from Alaska were landed at Puget Sound ports, and advices from Nicaragua state that a practically inexhaustible supply may be obtained from that country. Tanned skins from a number of persons are being received. Several small samples appear very promising.

Much work was done by the bureau during the past two months. At present it has on hand about 199 small shark skins and fifty large ones. Many of these were shipped from Seattle. About twenty communications have been received expressing a desire to experiment with this product, and the raw material will be supplied as far as possible. Manufacturers and brokers have been advised of possible sources of supply, and an effort made to interest fishermen in this fishery.

The possibility of using skins of other fishes has not been overlooked. Skins of several species have been ordered for experimentation.

**FARM PROFITS IN CANADA.**

The following figures are furnished by a representative of a land company having about 200,000 acres of farm land in Saskatchewan, taken from a report based on Government statistics and the company's books.

Average yield of wheat over 15 years down to 1916 inclusive 18.67 bushels per acre. Average price at shipping point 85c per bushel. Average cost of production \$8 per acre. The return is equal to 12½ per cent on a valuation of \$70 per acre.

Taking a half section or tract of 320 acres, the popular sized farm:

175 acres in wheat, yield 18.67 price 85 cents, \$2,777.16  
50 acres oats ..... 665.00  
90 acres pasture, etc ..... ..

\$3,442.16

\$8 per acre cost of wheat ..... \$1,400

\$7.50 per acre cost of oats ..... 375

1,775.00

Net profit ..... \$1,667.16

The statement does not show the ready or quick market price of the land referred to, which is in a comparatively settled district. At \$25 an acre for the whole tract the revenue would be 25.41 per cent exclusive of returns from pasturage land, hogs, poultry, vegetables, etc.

**INTERNED GERMAN BOATS IN U. S.**

There are some 77 German and Austrian merchantmen, of over 600,000 gross tonnage and an estimated value of well over \$100,000,000, which have been tied up in American ports since around the beginning of European hostilities.

Besides these, the following vessels of war have arrived and been interned: Cruisers Prinz Eitel Friedrich and Cronprinz Wilhelm at Philadelphia navy yard; gunboat Geier and naval transport Locksun at Honolulu; and submarine K-D3, at San Juan, Porto Rico.





**BUYING JAPANESE BOATS.**

British interests recently purchased 17 steamships under construction in Japan for \$33,000,000, to be placed in service between China and Japan and Puget Sound, according to a despatch from Japan.

**MANCHESTER CANAL.**

According to a summary of the toll-paying merchandise traffic using the Manchester Ship Canal, which appeared in the London Statist, the gross receipts for 1916 amounted to \$6,308,445, as compared with \$5,793,325 for 1915.

**NEW YORK BLOCKADED.**

Fifty-three American, Swedish, Danish, Dutch and Norwegian steamers have been prevented from sailing from New York as result of German blockade. These ships would have taken 296,000 tons of cargo, and 14 would have carried passengers and United States mails. Heaviest sufferer has been Holland. Ten tramp steamers also are held. American line has missed eight sailing dates. Its entire fleet of six passenger ships is in port.

American Line has missed several sailings to Liverpool, since establishment of intensified submarine warfare, which means \$72,000 in mail subsidy alone, and same amount from Liverpool to New York, total of \$144,000, without counting loss of passage and freight money. — Boston News Bureau.

**WORLD'S MERCHANT SHIPPING.**

The Bureau of Navigation estimates net reduction in world's shipping as 200,000 tons, or 1/2 of 1 per cent, during 1916, based on 48,683,136 tons, according to Lloyd's Register of June, 1916. Unofficial figures place amount of new construction during 1916 as 2,505 vessels of 1,899,943 tons, while during same period 1,149 vessels of 2,082,633 tons were destroyed through war causes.

Construction of merchant ships in 1916 was as follows:

	No.	Tons.
United States	1,213	560,239
United Kingdom and colonies	510	619,336
Japan	250	246,234
Holland	297	208,180
Italy	30	60,472
Norway	70	44,963
Sweden	35	40,090
France	10	39,457
Denmark	39	37,150
Germany	18	25,950
Spain	4	10,071
China	33	7,861
<b>Total</b>	<b>2,505</b>	<b>1,899,943</b>

**TO COST \$60,000,000 A YEAR**

**United States Wage Decision Will Cost Railroads \$60,000,000 a Year.**

It is estimated that the net effect of the agreement reached between the National Conference Committee of the Railways and the leaders of the Railroad Brotherhoods, in the United States, is to increase the wages of 400,000 employees approximately \$60,000,000 a year. The eight hour day forms the basis of wages rather than the basis of work. The terminals constructed by the railroad systems are so situated that the running time of trains cannot be reduced materially without decreasing the size of the trains to such an extent that efficient management would be impaired, and operating employees will accordingly work about as long as before the agreement was signed.

It is pointed out in the New York Journal of Commerce that while the labor unions have apparently obtained a substantial increase in wages, this is nearly nullified by the advance in the cost of living and the resulting decrease in the value of the dollar. The purchasing power of the compensation received by the Brotherhood members has been brought up to approximately the point prevailing before the war in Europe forced up the price of all commodities here.

While the increase in the operating expenses of the railroads immediately will be considerable, it is realized by the railroad managers that the unusual earnings of the transportation systems at present will offset this and enable them to handle the situation without especial difficulty. In planning for the future the heads of the railways are hoping for an advance in freight rates which will equalize the drop in revenues considered inevitable with the return of peace conditions.

All of the railroads involved in the wage controversy have been keeping in their treasuries the excess wages which would have accrued if the Adamson law had been put into effect on January 1, 1917, as provided in the measure. Various estimates agree upon this sum as about \$13,000,000 to \$15,000,000, which will be available for the employees at once.

**RUSSIA'S TRANSPORTATION FACILITIES.**

Russia's salvation must lie in transportation; her area is well over twice that of the United States, yet she has but one-tenth our railroad mileage, and but 25,000 miles of roads in European Russia. She has 180,000 miles of water routes, of which only about 60,000 miles are really navigable, indicating a broad field for waterway development. And the Russian commercial fleet comprises but 1,044 steamers and a brood of motor and sailboats, the total tonnage being 783,000. — Boston News Bureau.

**ANCHOR-LINE DONALDSON LINE**

**PASSENGER SERVICE**  
 Glasgow to Portland, Me.  
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**Canadian Service**  
**LONDON TO HALIFAX**  
 (Via Plymouth)  
**HALIFAX TO LONDON**  
 (Calling Falmouth to land Passengers)  
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**TERMINALS THE TROUBLE.**

Most of the present operating difficulties of the United States railroads arise from inadequate terminals. Terminal facilities cannot be provided in a month. They must be mapped out years in advance, to be ready when traffic grows up to them. Most of the big roads have foreseen the congestion that is now so painfully evident to all, and have had plans for additional yard trackage gathering dust since 1907. They cannot build terminals out of earnings, and, for the most part, they have not been able to borrow money for anything but pressing needs since the panic. — New York Annalist.

**TO INVESTORS**

THOSE WHO, FROM TIME TO TIME, HAVE FUNDS REQUIRING INVESTMENT MAY PURCHASE AT PAR

**DOMINION OF CANADA DEBENTURE STOCK**

IN SUMS OF \$500, OR ANY MULTIPLE THEREOF

Principal repayable 1st October, 1919.

Interest payable half-yearly, 1st April and 1st October by cheque (free of exchange at any chartered Bank in Canada) at the rate of five per cent per annum from the date of purchase.

Holder of this stock will have the privilege of surrendering at par and accrued interest, as the equivalent of cash, in payment of any allotment made under any future war loan issue in Canada other than an issue of Treasury Bills or other like short date security.

Proceeds of this stock are for war purposes only.

A commission of one-quarter of one per cent will be allowed to recognised bond and stock brokers on allotments made in respect of applications for this stock which bear their stamp.

For application forms apply to the Deputy Minister of Finance, Ottawa.

DEPARTMENT OF FINANCE, OTTAWA  
 OCTOBER 7th, 1916.