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Special Articles

Canada's Share of the American War
Contracts,

By H. M. P. Eckardt.

Banking and Business Affairs in the U. S.

By Elmer H. Youngman.

The Political Situation in England.

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The Railway Question

TO THE many objections that arise to the railway proposals, the Government may perhaps ask their critics, "What better policy can you suggest?" And the question is one much more easily asked than answered. Two of Canada's great railway enterprises are in a perilous condition. Many citizens, realizing how much has already been done by the Government to aid these railways, may be disposed now to leave the corporations having control of them to work out their own salvation. If only the interests of the corporations and their promoters had to be considered, such advice might be followed. But the affairs of these companies have been so interwoven with those of the Dominion that the country can hardly afford to allow the railways to collapse financially.

So far as the Grand Trunk Pacific is concerned the situation is to be temporarily met by a further loan of \$7,500,000, for which the Government will take the obligation of the parent Grand Trunk Company and a further mortgage which, however, in view of the existing obligations, is not in itself of much security value. To that part of the proposals there is not likely to be much objection.

As respects the Canadian Northern the proposal is a far reaching one, full of grave responsibilities, both financially and otherwise. The Government are practically taking over and "nationalizing" the extensive Canadian Northern system, including subsidiary companies operating railways and telegraphs in every Province in the Dominion except New Brunswick and Prince Edward Island. The acquisition, we presume, includes the company's lands, although these are not specifically mentioned in the announcement made. All the obligations of the Canadian Northern Company, in every shape and form, are to be assumed by the Dominion. Of the common stock of \$100,000,000, two-fifths, \$40,000,000, is already owned by the Dominion under arrangements previously made. The remaining \$60,000,000, nearly all of which is held by the Mackenzie and Mann interests, it is proposed shall be acquired by the Dominion at a price to be fixed by arbitration.

It is here that one of the most difficult features of the arrangement arises. This common stock does not represent cash put into the enterprise. As the road is admittedly unable at present to earn enough money to pay the interest on its several classes of securities, the common stock has practically no present value. Whatever value it may have must be entirely prospective. It may in the future have an earning power. But how long before that happy condition will be reached is hard to foretell. While arbitrators may fix the value of a visible property, they will not find it easy

to lay down principles which can be regarded as safe guides for determining future values in such a case as this. In the public mind, a common stock which never put a dollar into the railway treasury, has never paid a dividend, the common stock of a company which admits its inability to carry on and asks to be relieved of its undertaking, can hardly have any substantial value. Sir William Mackenzie, however, sees things in a different light. Interviewed at Toronto on the subject he has said that in his opinion the stock "is worth at least par." He adds that if it is to be purchased by arbitration he and his associates will "make every effort to get as much as possible for it," a statement that nobody can object to. The intimation, however, that "at least par" is to be claimed by the company from the Government for this \$60,000,000 of paper is somewhat alarming, especially in view of the recent majority report of the Government's railway inquiry commission, wherein it is stated respecting the Canadian Northern, that "the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproductive cost, or on the ground of the saleable value of their property as a going concern." The demand for \$60,000,000, "at least," for this stock as a basis of arbitration, is not calculated to make the public view the project with enthusiasm. That the stock has no immediate value is clear enough. If it has such reserved earning power as is claimed for it, could not a scheme be devised which would recognize the reserved right of the shareholders and give them the benefit of it—when the road earns more than its upkeep and interest on the indebtedness which the Government must assume? Nobody should begrudge Sir William Mackenzie and his associates the benefit of such earnings when they actually arise. But will the public be satisfied to assume that such earnings can be counted on and pay for them in advance, even through the process of an arbitration?

The scheme as outlined by the Minister of Finance contemplates a considerable measure of the nationalization of railways for which there is undoubtedly a large volume of favorable opinion in Canada. Yet the Government, while at one moment meeting that section of public opinion, seem to shrink from the full control for which nationalization usually calls. The Government are to take over the Canadian Northern, but not to operate it directly. The entity of the corporation is to be maintained and the property managed by a board of directors. But as the Government will appoint the board, what is suggested seems to be a distinction without a difference.

Government ownership and control of such great works covering a large part of the Dominion is not without perils. Experience with the present Government owned railways en-

ables the people to appreciate some of them. The expedient of putting a board of directors between the Government and the people may work well for a little while, but it cannot in the end succeed. So long as things run smoothly the board may appear to be a success. But nothing is more certain that when difficulties of any kind arise it is the Government and not the board that will be held responsible by the public. In the presence of such difficulties any Government might easily feel obliged to sweep away the board and take over the direct control. They would say, with much reason, "Since we have to take the responsibility we must have the full control." A large measure of railway nationalization evidently is to be adopted. Its dangers as well as its benefits should be frankly recognized.

The Language Issue in Canada

THE language question is at almost all times of interest in Canada, and recent events have given it increased importance. Those who desire to be informed concerning it will find a fund of valuable information in an article by Professor O. D. Skelton, of Queen's College, in a recent number of the *Queen's Quarterly*. Supplementing it is another article by the same author on "The Language Issue Abroad."

Until a very recent time what was called the "language question" in Canada had reference only to the use of the English and French languages. Now the question is broader. In a century and a half the French population of Canada, though not appreciably recruited from France, has increased over thirty fold. In the ten years from 1901 to 1911 the increase was some 400,000, or about twenty-five per cent. There are now a little more than two millions of our population who are of French descent. Prof. Skelton points out that while there has been this considerable increase, it has not perceptibly affected the proportion which the French bear to the whole population of the Dominion, which was 29.9 per cent in 1881, 29.0 in 1891, 30.07 in 1901, and 28.5 in 1911. The curious fact is shown that the proportion of Canadians who trace their descent to British forbears is barely more than half and is decreasing, the British percentage being 59 in 1881, 57 in 1901 and only 54 in 1911. Separating the different, British elements it is found that in the last decade the people of English descent increased two per cent while the Irish decreased four per cent and the Scotch one per cent. "When we note," writes Prof. Skelton, "that the immigration in this decade from the United Kingdom, and of people of the British stock from the United States, was well over one million, and yet that the gain in the numbers of the British stock at the end was little over 800,000, it is clear, considering the normal increase by birth, that there was a large leakage either of newcomers or of native born, probably of both."

Of the people of the many other races to be found in Canada the most numerous group are the Germans, who in 1911 numbered about 400,000, or 5.5 per cent of the whole population, a slightly smaller fraction than in 1901. "The Germans of Western Ontario are descended chiefly from Mennonite settlers who came from Pennsylvania over a century ago; those of Eastern Ontario, along the St. Lawrence, are chiefly the descendants of German settlers who fought on the British side in the American revolution, while the Lunenburgers

of Nova Scotia were brought in by the British Government in the first years of the founding of the colony. There has, further, been a steady stream of immigrants direct from Germany, Austria and the Baltic Provinces of Russia, while the newcomers from the United States into the West have been perhaps one fourth of German birth or descent."

In the Maritime Provinces there is much less diversity of population than further West. The immigration into those Provinces has been small. Only three per cent of New Brunswick's population and four per cent of the population of Nova Scotia are foreign born, while the British born are three and eight respectively. In Nova Scotia the language question had to be considered in the case of the Acadian population and arrangements were made for bilingual schools which appear to be working smoothly. In New Brunswick and Prince Edward Island in a less formal way similar arrangements are made.

The history of the vexed bilingual school question of Ontario is given with an evident desire for impartiality. The reader will be inclined to think that if three or four men of Professor Skelton's fairness, representing the several interests concerned, would sit down quietly and discuss the question there would not be much difficulty in finding a basis of agreement.

In the Western Provinces the language question takes a broader form, for there, besides the old question of English and French, there are the claims of numerous other nationalities. In Manitoba, Saskatchewan and Alberta there are large numbers of Germans, Ruthenians, Poles, Jews, Scandinavians, Russians. The Bible, it is stated, is sold in Winnipeg in 58 different languages. When the Manitoba school question was partly, if not wholly, settled in 1896 by the Laurier and Greenway Governments, the regulation agreed upon provided for bilingual teaching in any school in which there were ten pupils speaking "French or any other language than English as their native tongue." At that time the only bilingual teaching contemplated was to meet the cases of the French and the Mennonites. Later, people of many other nationalities came in and demands were made under the regulation which proved embarrassing. It was this situation probably, rather than any desire to deprive the French of privileges, that led the present Manitoba Government to repeal the regulation respecting bilingual teaching. While treating chiefly of the language question, incidentally Professor Skelton gives us an interesting statement bearing on one of the denominational school controversies of a few years ago. It will be remembered that when the Provinces of Saskatchewan and Alberta were created in 1905 there were very warm discussions in Parliament, on the hustings and in the press, concerning the educational clause of the new constitutions, which confirmed the school system which had grown up under the old North West Territories Government. Professor Skelton thus describes the present situation of the separate schools allowed by the *Autonomy Acts of 1905*:

"In both Provinces a mild form of separate schools exists. In 1884 a thorough-going denominational system, on the Quebec plan, authorized by the Federal Act of 1875, was introduced, but in 1892 the territorial authorities insisted on modifying this system materially, and it was the modified system which was established by the *Autonomy Acts*. Under this provision, Catholic or Protestant minorities have the right to establish separate schools

and to be taxed for the support of these wholly. No religious teaching is permitted in these separate schools, except for opening with the Lord's Prayer, until the last half hour of school in the afternoon. The course of study, the books, except for the optional use of the Canadian Catholic Readers, the inspection, are uniform for both public and separate schools. In view of the extent and heat of the discussion which has sometimes centered about these schools, it is interesting to note how few separate schools of even this mild type exist. In 1916 there were in Saskatchewan only fourteen Roman Catholic and three Protestant separate school districts out of a total of thirty-seven hundred, and in Alberta nine Catholic and one Protestant school out of some twenty-four hundred districts, with three thousand out of ninety thousand pupils enrolled."

An Expensive Loan

CANADA has succeeded in floating a short term loan of \$100,000,000 in the United States, but at a cost which is uncomfortably high. Our two-year notes bearing five per cent. interest are issued at a discount which makes the yield to the buyer 6.07 per cent. There will inevitably be heavy expenses on the transaction, and the net result will probably be that the money will cost us seven per cent. The rate is the more startling when we remember that the United States Government has floated its own big loan at 3½ per cent., with no charges for commissions. Thus we are paying about double what our neighbours pay for war money. It is not a pleasing feature of the situation, but it is easier to point out the trouble than to provide a remedy for it. Canada needs the money and it is fair to assume that the terms, severe as they seem, are the best that could be obtained in the New York market.

This transaction must tend to warn all concerned of the seriousness of the financial situation. We are approaching the harvest season, when our banks require a large volume of money for the moving of the crops and the handling of the general business of the country. The floating of another Canadian loan at home at this time might be possible, but its success would probably necessitate a material restriction of banking accommodation for ordinary business. Even with the help that has been obtained from the States the Government will still need funds for which they must look to the banks for temporary accommodation. The ability of the banks to provide funds will thus be put to a severe test which can only be met by the curtailment of all operations not of a very urgent character.

An interesting discussion took place in the House of Commons on Saturday on the subject of the responsibility of an insurance director for the investment of the company's funds in securities not authorized by law. Sir Thomas White proposed that a director might relieve himself of responsibility by dissenting from the proposed investment and having his dissent recorded on the minutes. Sir Wilfrid Laurier thought a better way would be for the dissenting director to inform the Superintendent of Insurance of what was being done. This suggestion was accepted and the bill amended accordingly. To the ordinary business man it would seem that the best way in which a director of any company could protest against any action of the board would be to mark the refusal of his assent, not by the mere entry on the minutes, but by the more emphatic method of a public resignation.

Canada's Share of the American War Contracts

With such tremendous sums in course of expenditure in America, it seems inevitable that a part of the money will find its way to Canada

By H. M. P. ECKARDT.

An editorial in the Toronto Globe last week referred to the question of the effect of American war orders upon our trade relations with the United States. Some observers here are wondering whether the contracts placed in Canada by the Washington Government and by American companies engaged in war business, will be large enough and numerous enough to redress to any important extent our unfavorable trade balance with the United States. It will be remembered that at the outset of the war the big American republic was temporarily distressed financially by the large payments required to be made to London and Paris in connection with maturing American bonds held in Europe. New York was then obliged to send more than \$100,000,000 in gold to Ottawa for account of the Bank of England. Within a year after Britain entered the war, conditions were reversed. The huge shipments of foodstuffs, guns, munitions, and warlike supplies from the United States to England and France created a tremendous balance against Britain, which country had undertaken the duty of financing a considerable part of the Allied purchases in America; and the British authorities had great difficulty in settling the debt through selling securities in the United States, negotiating direct loans in New York and shipping gold to American centres. Now the question is this: Will there be a similar reversal of position as between ourselves and our big neighbor within a year of the date of Washington's declaration of war on Germany?

EFFECT OF CIVIL WAR

Our oldest business men have a recollection of how the American civil war first upset and afterwards stimulated business in the Canadian provinces. On that former occasion in which the neighboring country was engaged in a great war, their buyers over-ran Ontario, Quebec, and the Maritime Provinces, taking at high prices almost everything they could get in the way of provisions, supplies and so on. At that time, outside of the industries incidental to lumbering and flour milling, Canada's manufacturing capacity was insignificant, and consequently the American purchases of our manufactured goods did not amount to much in comparison with their purchases of the raw products. However, the valuable shipments of livestock, lumber, grain and other produce in the early "sixties" gave the bankers substantial balances in New York and enabled them to meet the foreign obligations of the country without difficulty. On the present occasion the American Government is expending prodigious sums for war purposes. The great war credit was for \$7,000,000,000, of which \$2,000,000,000 were to be loaned to the Allies and \$5,000,000,000 expended in connection with their own military and naval preparations. A war revenue bill was framed by which one-third of the amount appropriated for American purposes, or roundly \$1,700,000,000, was to be raised by fresh taxation; and the balance something over \$3,000,000,000 was to be procured through bond issues. Also the intention is to issue bonds to provide the funds for lending to the Allies. The Liberty Loan issue of \$2,000,000,000 has already been floated; and it is expected that the remainder of the authorized bond issue—\$3,000,000,000—will be put out in October. Just the other day Secretary McAdoo asked Congress for an additional credit of \$5,000,000,000, of which it is his intention to allocate \$2,000,000,000 to the Allies in the form of loans. Meanwhile the war revenue bill is to be revised so as to yield about \$2,000,000,000 in new taxes instead of \$1,700,000,000 as originally arranged. It is now thought that the total outlay of the United States Government in the first year of war will exceed \$10,000,000,000. At the rate they are now being made, the loans to the Allies will exceed \$4,000,000,000 in the course of a year; and the expenditures of the Government on American account may reach \$6,000,000,000.

ONLY A SMALL PERCENTAGE.

With such tremendous sums in course of expenditure in America, it seems inevitable that a part of the money will find its way to Canada. So far as the \$4,000,000,000 of loans to Allies are concerned, the conditions attached to the loans are that proceeds

must be expended in the United States. So perhaps Canada has little or nothing to expect in connection with these. Nevertheless, it seems quite possible that some of the American companies working on the Allies' orders will require to import a certain amount of their raw materials from the Dominion. There will probably be better chances of Canadian orders in connection with Washington's direct outlays. If we secured only a small percentage of their total outlay the figures would be important from our point of view. For example suppose that the insignificant proportion of 2½ per cent of the American outlay of \$6,000,000,000 in the first year of war came to Canada; it would amount to \$150,000,000, which sum would be quite important in view of the position of our trade balance. And, although 5 per cent is a very small proportion of the proposed American outlay, yet if that much came to Canada we should receive something like \$300,000,000 which surely would have importance in assisting us to meet our trade balances.

ORDERS PLACED HERE.

Already there have been a number of American orders placed here, among the Canadian woolen and cotton mills. In view of the necessity for haste in the United States preparations for equipping and getting ready the army of 1,000,000 men who are to be sent to France in the course of the next nine or ten months, it seems likely enough that various departments of Canadian industry will be called upon to lend their assistance. Should the war be protracted throughout 1918 and the Washington Government call to the colors 3,000,000 or more men, then we may be assured that there would be that much additional need of assistance from Canada. We have to re-

member, of course, that our first duty is to supply the Mother Country; and it is not to be desired that a strong demand from the United States should divert to that country commodities or articles which Britain needs, and which she is willing to buy from us. With intelligent regulation of exports by our own Government, and close co-operative action by Ottawa and Washington in the matter of supplying the Allies, it would seem that there was small danger of diversion to the United States on any large scale, of Canadian foodstuffs, etc., desired by Britain. The British have their purchasing agents at our commercial centres, and they can easily make known to our Government the extent of their requirements. In case of some crop or product of which Britain needs and is prepared to buy Canada's whole output, there would be no occasion for exports to the United States. Our market is there and we sell all we have to spare at satisfactory prices. In case of other products turned out by us in volume larger than the British requirements, the British agents doubtless would not seek to regulate the movement to market. It would be their duty to buy at an early stage such quantities as they needed; and we should be at full liberty to dispose of the remainder of our surplus to our American neighbors. In this connection it should be said that if Canadians generally give whole-hearted support to the proposals of our new Food Controller, the amount of our surplus or salable production should be considerably increased. If waste could be eliminated it might devolve that our exportable surplus in a poor or light crop year would be equal or nearly equal to that available in past bumper years in which wastefulness and inefficient methods prevailed. All of this is doubly important on an occasion like the present in which there is a ready sale at high prices for all that can be saved.

The matter of labor supply certainly presents difficulties, in connection with enlarging our industrial and agricultural output in response to special demands from outside. But perhaps more than has yet been accomplished in the way of utilizing female labor may be possible. As regards the allocation of our industrial output between Britain and the United States, it would seem to be possible for us to take a considerable amount of new orders in certain lines from the United States without reduction of our output of articles desired by Britain.

Book Reviews

"PUBLIC UTILITY RATES," by Harry Barket, B.Sc., Associate Editor of Engineering News, has just been published by McGraw-Hill Book Company, Inc., 239 West 39th Street, New York, and by the Hill Publishing Co., Ltd., 6 and 8 Bowyer St., London, E.C. \$4.00.

This book is a discussion of the principles and practice underlying charges for water, gas, electricity, communication and transportation services and has been in course of preparation during the past eight years.

The author felt that a comprehensive discussion of: (1) Such corporation and municipalities as affect service and rates; (2) The trend of public opinion and court and commission decisions, and (3) The most important engineering and economic problems involved, would be useful to many who have to deal first-hand with one phase or another of public service.

There are brief reviews of the history and technology of the subjects treated.

The author does not believe "in any inherent iniquity" of corporations, but recognizes in the magnitude and complexity of modern organization schemes opportunities for hiding grave abuses and he feels that any man who has the requisite ability and energy to cultivate or exploit public service should not be allowed to do so solely for private profit without some effective oversight and chance for restraint. He thinks that "with the absolute disappearance of the men who organize corporations solely for the sake of large and speculative promotion profits, and not for the more moderate and certain returns of daily service, there will come a better day, for both the public and the corporation."

Appendix A gives diagrams and tables showing probable approximate cost of brick buildings; B gives tables for sinking fund present-value computations, and C gives tables showing typical life expectation for the public utility property.

"Valuation As An Engineering Task; Appraisal of Land and Water Rights," would be of value to any commission attempting to place a value upon a

public utility property. In the last mentioned chapter the author refers to the struggle in England for public control and points out that now increases of dividends depend on reduction of rates for service.

In the chapter on "Rate Problems of Street Railways," the author quotes the City-Control Ordinance of Cleveland passed in 1909 to "secure to the owners of property invested in street railroads security as to their property, and a fair and fixed rate of return thereon, at the same time securing to the public the largest powers of regulation in the interest of public service; and the best street-railroad transportation at cost consistent with the security of the property, and the certainty of a fixed return and no more."—H. S. R.

* * *

"CANADIAN COMPANIES"—Carswell Company, Limited, Toronto, (351 pages, Sweet & Maxwell, London, England), have just published Canadian Companies Proceedings in the Judicial Committee of the Privy Council. In the appeals of the Attorney-General for Canada V. the Attorney-General for Alberta.

Insurance Reference, the Bonanza Creek Gold Mining Co. V. the King.

Attorney-General for Ontario V. Attorney-General for Canada. Companies reference.

There are added the judgments of the Judicial Committee in these cases and in the appeal of the John Deere Prow Company, V. Wharton, 1915, A.C., and an index.

There is also a review of these decisions by Edward Robert Cameron, K.C., Registrar of the Supreme Court of Canada.

The cases dealt with form a series of co-related decisions which mark another advance in the effort to determine the field of legislative authority possessed by the Parliament of Canada on the one hand and the various provinces on the other.

It will be a great convenience to lawyers and to laymen to have these important cases in one volume and Mr. Cameron's scholarly review will add greatly to the value of the book.

Banking and Business Affairs in the U. S.

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

NEW YORK, Aug. 4.

Good results have followed the union of the railroads of the country in an effort to co-ordinate their services during the war.

In ordering empty freight cars to be promptly moved from one railroad to another, regardless of ownership, the Railroad's War Board has adopted a policy new to American railroad usage and hopes thereby to solve the problem of rapidly mobilizing in different sections of the country the freight cars necessary to handle the abnormal Government and commercial traffic that war conditions have produced.

Reports to the War Board from the Car Service Commission show that orders have been given to 36 separate railroads to ship immediately 68,814 freight cars to 54 other railroads. These cars are being moved without load and in the quickest possible time.

The reports show further that 46,682 cars have actually been received by the roads for whose benefit this arbitrary movement is ordered, and that 51,795 cars have already been delivered by the initial roads to intermediate lines in the direction of ultimate destination.

Among the immediate important results of this redistribution of cars will be the increased facilities for the prompt shipment of lumber to the Army cantonment sites and the ship-building yards. Lumber for cantonments is to be supplied from the Carolinas, Florida, Alabama, Mississippi, Louisiana and Arkansas. Thousands of extra cars have been supplied to the lines operating in these States.

Mississippi and Alabama will supply the bulk of the lumber for new wooden ships that are being built, and the extra cars ordered there assure the movement of lumber to the Atlantic Coast shipyards.

The movement of lumber for commercial purposes is likewise being facilitated in Mississippi, Alabama and Tennessee.

In addition to accelerating the lumber movement, the redistribution of cars is expected to assist materially in the transportation of grain from the middle West to the East. It has already facilitated the shipping of potatoes and other produce from Texas and the Southeast. It has also provided additional facilities for moving live stock from Texas into the Western pasturage territory.

Since the railway situation prior to the entrance of this country into the war was very unsatisfactory, it will be interesting to note the result of this new policy of co-operation among the different lines. It is quite possible that the experience growing out of the present situation may have an important effect upon the future railway history of the country. Should the policy of co-operation result in a marked increase of efficiency and economy, it may point the way to a solution of the railway problem without Government ownership.

CONDITION OF THE NATIONAL BANKS.

On August 1st the Comptroller of the Currency made public the compilation of reports of National banks under the call of June 20th. It is of more than usual interest because it is the last report to be made under the old reserve requirements. The new law recently passed requires all National bank reserves to be carried with the twelve Federal Reserve Banks.

The total reserve held June 20, 1917, was 2,310 million dollars, a reduction as compared with May 1, 1917, of 163 million dollars, and an increase as compared with June 30, 1916, of 234 million dollars. The percentage of total reserve to deposits June 30, 1917, was 22.91 as compared with 24.05 per cent May 1, 1917, and with 23.86 per cent June 30, 1916.

The surplus reserve over and above the amount required on June 20, 1917 was 842 million dollars, a reduction as compared with May 1, 1917, of 132 million dollars, and an increase as compared with June 30, 1916, of 41 million dollars.

The total reserve carried in vaults and with Federal Reserve Banks June 20, 1917, was 1,482 million dollars, which was 14 million dollars in excess of the total amount of reserve required, therefore the banks on the date mentioned held in their vaults and with Federal Reserve Banks 14 million dollars more than the amount required in addition to the \$28 million dollars reserve carried with the reserve agents.

On June 20, 1917, the central reserve cities held 19.70 per cent of reserve against a required reserve of 18 per cent. Other reserve cities held 22.45 per

cent against a requirement of 15 per cent, while the country banks, which were only required to carry 12 per cent, held on June 30, 1917, a reserve of 25.33 per cent of their net deposits.

The present report is notable in another respect since it records the highest point ever reached in the resources of the National banks. On June 20 these resources aggregated 16,151 million dollars, which is \$6,637,000 ahead of the resources of May 1, 1917, the greatest ever reported up to that time. The increase in total resources as compared with June 30, 1916, was 2,224 million dollars.

Total deposits on June 20, 1917, were 12,769 millions, a reduction of 306 millions as compared with May 1, 1917, but an increase of 1,913 millions as compared with June 30, 1916.

Loans and discounts were 8,818 million dollars, an increase over May 1, of 66 millions and an increase over June 30, 1916, of 1,139 million dollars.

U. S. bonds were reported at 905 millions, an increase since May 1, 1917 of 137 millions, and an increase since June 30, 1916, of 174 millions. The National banks also report an additional amount of 171 million dollars paid on account of subscriptions to Liberty Bonds.

Specie and legal tenders on hand plus balance in Federal Reserve Banks amounted to 1,482 million dollars, a decrease as compared with May 1, 1917, of 43 millions, but an increase since June 30, 1916, of 243 million dollars.

Bonds and securities other than governments were reported at 1,843 millions, a reduction as compared with May 1, 1917, of 14 millions, and an increase since June 30, 1916, of 315 million dollars.

Amount due from banks other than Federal Reserve Banks was 1,637 millions, a decrease as compared with May 1, 1917, of 201 millions, and an increase of 99 millions as compared with June 30, 1916.

Amount due to banks and bankers was 3,125 million dollars, a reduction of 353 millions since May 1, 1917, but an increase of 312 millions since June 30, 1916.

Bills payable and rediscounts were 371 million dollars, an increase as compared with May 1, 1917, of 278 million dollars, and an increase as compared with June 30, 1916, of 303 million dollars. This increase was due to the temporary financing incident to the negotiation of the Liberty Bond issue.

RAILWAYS HELPING TO INCREASE THE FOOD SUPPLY.

To help increase the nation's food supply by utilizing as much idle ground as possible for grazing and agricultural purposes, the railroads of the West and Middle West are leasing at nominal rental millions of acres of land which they own. Reports just made to the Railroad's War Board show that virtually all of the land owned by these roads which is not being used for operating purposes is now under cultivation or being used by live-stock owners for cattle grazing.

In addition to leasing their land to farmers and cattle men at a nominal rental, a number of railroads are offering garden plots, rent free, to families along their right of way. Other roads have offered big tracts of their idle land to the States in which they operate. The Federal Government has also been offered 200,000 acres of "cutover" land in Wisconsin by the Minneapolis, St. Paul and Sault Saint Marie Railroad.

Among the Western roads that are leasing all suitable lands in their possession for agricultural and grazing purposes are the Northern Pacific, the Union Pacific, the Southern Pacific, the Great Northern, the O. S. L., the C. M. & St. P., the Northern Pacific and the A. T. & S. F. The last named road has leased every available acre that it owns.

The railroads operating in the Middle West that are leasing their idle lands include the St. L. & S. F., the Pere Marquette, the A. T. & S. F., the Mo. Pac., the M. K. & T., the C. B. & Q., the C. R. I. & P., and the Northern Pacific. The latter road has some million and a half acres of its Western land under lease for grazing purposes.

The C. M. & St. P. is offering garden plots, rent free, to all persons living along its right of way.

The Illinois Central is permitting free use of its way lands to all who apply for permission to cultivate them; this offer has been freely accepted. This road has also established a large co-operative garden in Chicago for its employees.

Commendable as these and other efforts are in aiming to increase the Nation's food supply, they are having some unlooked-for effects. Very serious com-

plaints are heard of a glut in the supply of vegetable food products in some of the leading markets, while producers in many cases have been unable to market their products profitably owing to the cheap supplies furnished by amateur gardeners.

PENDING LEGISLATURE MEASURES.

The Food Control Bill has not yet become a law. It is now apparent that the President's wishes for a single Food Administrator will prevail against the proposal for a commission of three members. Since practically all the difficulties that have heretofore prevented the enactment of this important measure are now cleared up, it may become a law without further delay.

On the first of August the Senate passed a resolution providing for submission to the States an amendment to the Constitution of the United States prohibiting the manufacture and sale of alcoholic liquors. It is not considered likely that the measure will be acted on the House until the opening of the regular session of Congress in December. Should the resolution then receive the approval of the House, it will be leisurely acted on by the States, and under the terms of the Senate resolution action need not be had for six years. So that whatever may be the effects of prohibition on the business interests of the country, there is no immediate prospect of experiencing them.

The Revenue Bill yet remains to be acted on by the Senate, and with the delay in the passage of this important measure the demand for still heavier taxation grows almost day by day. We are just beginning to learn what Canada knows so well by experience—the cost of carrying on military operations at such great distance from our own shores. As previously stated, Congress is promptly and generously supplying the needed means, and the delay in enacting the War Revenue Bill originates solely over details. Of the early passage of the measure there is no doubt whatever. Indeed, so far as legislation can be serviceable in carrying on the war, we shall have no cause for complaint. There has been no disposition in Congress either to defeat or seriously to weaken any of the measures which the Government has considered necessary. No anti-war group of any consequence exists in either branch of Congress. Differences of opinion there have been and will continue to be as to the most efficacious means of meeting the situation, but none as to the end sought. To secure greater harmony in carrying out the war policies the suggestion for a coalition cabinet, made some time ago, has been revived recently.

The prosperous state of the steel industry is reflected in the action of the directors of the United States Corporation at their recent meeting, when an extra dividend of three per cent on the common stock was declared in addition to the regular quarterly payment of 1 1/4 per cent.

The financial statement for the three months ended June 30 showed net earnings of \$90,579,204 after an allowance estimated at \$53,918,872 for war income and excess profits taxes. This compares with net earnings in the March quarter of \$113,121,918. A surplus of \$35,882,736 is reported for the June quarter, after all deductions and dividends, compared with \$69,836,981 in the quarter ended March 31 last and \$69,257,592 in the final three months of 1916, after the same deductions.

It is stated that the excess profits tax of the United States Steel Corporation alone this year will amount to over \$200,000,000—a sum greater than the net earnings of any year except 1916.

For the first half of 1917 the net earnings of the Corporation were \$203,700,222, compared with \$141,839,672 for first half of 1916. The surplus for the first six months of 1917 was \$105,719,717, against \$80,818,707 for the corresponding period of 1916.

Notwithstanding the extraordinary demand for steel in our own markets, we have continued to meet the demands of the Allies for steel products, an order for 150,000 tons of rails for France having been placed quite recently, while in the matter of railway locomotives we have accepted orders for foreign shipment since January 1 to the number of 4,910 against 2,634 in the corresponding period of last year, an increase of nearly 100 per cent. But owing to our need for steel for shipbuilding the President was compelled on August 1st to impose an embargo on steel exports, except for war purposes.

For the fiscal year just closed the total foreign trade of the United States reached the astonishing total of \$8,953,000,000. If to the volume of merchandise imports and exports the movement of the precious metals be added, the total reaches \$10,000,000,000 in value. Our excess of merchandise exports over imports for the year ended June 30 was \$3,635,000,000.

It is gratifying to be able to state that despite the

existing menaces to navigation, our foreign trade for June exceeded that of the month of May, and was, moreover, the largest total ever recorded in the month of June. Exports of merchandise for that month amounted to \$576,000,000, exceeding the previous high mark for the same month, reached in June, 1916, by more than \$100,000,000.

The loss of tonnage and the impediments to ocean transportation on account of the submarines are deplorable from every standpoint, but the official figures of maritime trade do not indicate that the German sea frightfulness has made it impossible to traffic with the world to an extent far surpassing anything ever before known in the commercial history of this or any other country, it might sound like boastfulness, in the face of the German menace, to announce "business as usual," but the facts show that our ocean-borne commerce is not only going on "as usual," but that it is making quite unusual advances.

Appreciating fully the difficulties and dangers of navigating the ocean at this time, maritime commerce between the United States and the world goes on at an unexampled rate. Significantly enough, the nation which has tried to stop this trade has succeeded only in cutting itself off from the rest of the world.

During the past week exceptionally hot weather has had some effect on business in the direction of slowing down activity, and some manufacturing establishments have closed for a day or so. Here in New York the mid-summer dullness in market transactions has led to making Saturday of the present week an exchange holiday for the entire day instead of for a half day as usual.

But there is no recession in business, or at least but little, taken as a whole. Bank clearings for this week were above those of the same week in 1916 and 1915. Railroad gross earnings are making new records for this season of the year. Business failures in the week now ending are below those of last week, and the corresponding week of last year. August dividend and interest payments made a new high record. Railroad and industrial corporate financing for July was larger than for May or June, though below the figures of July, 1916. Time money in New York is offering at somewhat lower rates. Crop reports continue to bear out the good prospects mentioned in earlier correspondence, and there is no evidence of materialization of the much-discussed food shortage.

Taken altogether, the business situation remains satisfactory, demand both on the part of the Government and private consumers being such as to keep output and distribution near top-notch figures. Everybody is busy, but it is not quite so clear that actual prosperity is in the customary ratio to activity. Higher prices of materials and of labor, and general increase in the cost of production and distribution, combined with more taxes, make the lot of the average business man less easy than the swelling statistics would indicate. The volume of business is large beyond question, but the profit in proportion to the amount of business transacted in many lines is not so great as formerly.

From one cause or another—the war, of course, being mainly responsible—business is now on an inflated basis. One day the gas will be squeezed out, either by a sudden panic or through a slower process of shrinkage, and then things will get down to a more normal level. No prediction whatever is ventured as to when this may happen, certainly there are no immediate indications of such a change; but, on the other hand, it is folly to expect that prices will forever keep on advancing at the present ratio or that the practically unlimited demand for goods and services which now prevails can be maintained indefinitely.

\$25,750,000,000 SPENT BY BRITAIN ON THE WAR.

The financial correspondent of the Times, reviewing the three years of the war, gives the following figures:

Total national expenditure, \$25,750,000,000.
 Provided out of revenue, \$6,250,000,000.
 Added to national debt, \$15,000,000,000.
 Loans to Allies and Dominions, \$5,855,000,000.
 Present total national debt, \$16,900,000,000.
 Total debt before the war, \$3,250,000,000.
 Germany's debt to-day, \$25,000,000,000.
 Germany's daily expenditure, \$32,500,000.
 British daily expenditure, \$26,666,667.
 Daily, including loans to Allies, \$35,000,000.
 British revenue before war annually, \$1,000,000,000.
 British revenue in 1917, \$3,250,000,000.

The Political Situation in England

(Special Correspondence of the Journal of Commerce)

London, July 18th.

The new appointments and changes in the Lloyd George Administration afford an opportunity of reviewing what must be called—for want of a suitable name—the political situation. With very few exceptions the Press of this country seems incapable of taking a broad and correct view in such matters, indulges its unfortunate habit of dealing in personalities, and almost forgets that we are at war. The impressions given by papers in such a mood are likely to have reached beyond our shores, and some restoration of the point of view is needed.

With party politics suspended it is natural that party politicians should feel like fish-out-of-water. They have, however, managed to maintain some activity in the under-currents of party intrigue, and the close observer can detect a good many signs of party influence. The situation is complicated by the curious division among the Liberals.

When Mr. Lloyd George became Prime Minister last December the Liberal party "machine" removed itself lock, stock and barrel and took up a critical, not to say hostile, and resentful attitude toward the new administration. The Prime Minister and his Liberal supporters were left without any organization through which to keep in touch with the constituencies, not that this mattered much to a body of men wholly concerned with the successful prosecution of the war. Nevertheless the circumstances were sometimes peculiar. On more than one occasion when a seat in Parliament has become vacant, a dispute has arisen over which particular type of Liberal was entitled to succeed in a Liberal seat. Under the party truce electoral contests do not take place, but sharp differences of opinion have arisen when an Asquithian Liberal seat has fallen vacant, and electors have wished to put a Lloyd George Liberal in his place. Uniformly, however, an Asquithian has succeeded an Asquithian, and a Lloyd Georgian has succeeded a Lloyd Georgian. But while harmony has been preserved, the distinction between the two types of Liberal has been accentuated.

The same principle of succession has been pressed in respect to vacancies occurring in the Administration, but in this sphere not always with uniform result. The Conservative party has made it quite clear that it would suffer no subtraction from the number of offices allotted to it when the Administration was formed; and although in some instances—as where a Liberal succeeds a Unionist at the India Office—the party balance would appear to be disturbed, it has really been adjusted in other ways. For example, the addition of a Unionist has been made to the War Cabinet. It is an addition that appears to make the compliance of Irish Unionists in a settlement of Ireland more sure.

A further division of opinion is manifesting itself among Liberals. The Manchester School of Liberalism can no longer be considered representative of the whole party. In what direction or degree this subdivision may become apparent it is too early to say; but already we have the Manchester School violently protesting against the Corn Production Bill on the ground that it is a subsidy to farmers and a sop to the landlord class, while other Liberals regard the Bill as an urgent war measure thoroughly justified by the circumstances and full of promise for the future benefit of the agricultural industry. Another difference is growing plainer with regard to trade after the war. The Manchester School declines to say anything which will make it impossible to resume the old free conditions of trade with our present enemies, while on the other hand the Liberals who refuse to consider such a complete resumption of pre-war conditions grow in numbers every day.

Nobody is thinking at the moment of what may happen to party distinctions after the war, but as time goes on it becomes more and more possible that advanced Unionists may join forces with the less straitened Liberals and form a middle party.

Two other points are worth bearing in mind. One is the fact that the War Cabinet has a war on hand. The personnel of the Cabinet is probably scrutinized as closely by our enemies as by ourselves, and the Prime Minister no doubt realizes the need of a Cabinet that will impress the enemy by its stern strength, and does not bother himself very much about what party politicians say at home. Looking at it from this point of view the recent accessions to the War Cabinet have strengthened it immensely.

The second point is a warning against accepting the opinions of the Press as representative of opinion in this country. The translation of Lord Northcliffe has eliminated one of the chief sources of irritation;

but another group of papers under a single proprietorship is endeavouring to fill the role of the absentee. The Morning Post is persistently violent in its daily criticisms of the Government, and of the two Liberal papers in London the Chronicle is critical in a friendly way and the Daily News is persistently hostile. In the Provinces most of the powerful newspapers maintain an attitude of friendly neutrality, but among the Liberal Provincial papers there are very few that have thrown off their allegiance to Mr. Asquith.

Finally, nobody has yet taken into account the influence of the six million voters who will be added to the electorate under the Women's Suffrage clauses of the new Reform Bill. The general opinion seems to be that the party balance will not be disturbed by this accession; but as I have already shown the party balance is not very stable now and it is too much to expect anyone to forecast the future of politics in this country unless and until we see the issue of party programmes. Party programmes are the last thing in the world to be thought of to-day by this nation in arms.

JUDICIAL COMMITTEE DECISIONS.

The Privy Council on Friday last allowed the appeal of the Toronto Railway versus the King and the Dominion Attorney-General regarding alleged overcrowding of tram cars.

The Council discussed the history of the appeal at length. "The wrong done is, in Their Lordships' opinion, only a civil wrong. These considerations dispose of the point as to the competency of this appeal. What remains is the question of whether the demurrer should have been allowed. Their Lordships are of opinion that this should have been done. The obligation of appellants was a contractual obligation to the corporation. There was no duty to the public generally. These cars were on the street in derogation of a public right which the Ontario Legislature and the Toronto Corporation had thought it advantageous to interfere with. The cars were not less thereby the property of appellants, which the public could only enter by invitation. Whatever were the conditions in the grant of the appellants' title the corporation had contracted for, they obtained merely between them and the appellants. Overcrowding was not a matter that affected the public, as such, but only those members of the public who had obtained from the appellants licenses to enter the cars.

"This being, in Their Lordships' opinion, the conclusion to which the court of appeal ought to have come, it follows that the demurrer should have been allowed and acquittal directed. Their Lordships therefore advise that the appeal ought to be allowed and judgment of the Ontario Supreme Court set aside and the matter remitted to the Supreme Court so that a verdict of acquittal may be pronounced in favor of the appellants. Respondents should pay the appellants' costs in the appellate division and of this appeal. Those of the proceedings in the court of the first instance should be left to the discretion of the court. The English and Canadian attorneys-general will neither receive nor pay costs."

RESPONSIBILITY OF INSURANCE DIRECTORS.

The House of Commons at Ottawa on Saturday had under consideration the Insurance Bill.

Some opposition was expressed with respect to the section providing means whereby an innocent director may relieve himself from liability for loss sustained by a life insurance company through an illegal investment. Sir Thomas White was of opinion that a director who objected to such an investment and was overruled by the majority of the board should be allowed to free himself from liability by entering his protest upon the minutes of the meeting and publishing it in a newspaper.

Hon. Wm. Pugsley feared that the provision might have the effect of allowing all the directors to escape liability when an illegal investment was discovered and an order from the Superintendent of Insurance to dispose of the securities was imminent. Sir Wilfrid Laurier suggested that the better results might be accomplished if the protesting director notified the Superintendent of Insurance that the board had authorized an investment in securities not approved by law. Such action might enable the Superintendent of Insurance to prevent the consummation of the transaction. In this view the Finance Minister occurred and moved an amendment providing that a director protesting against an illegal investment might absolve himself of liability by notifying the Superintendent of Insurance by registered mail.

Mentioned in Despatches

A. CLAUDE MACDONELL, K.C., M.P., for South Toronto, has just been called to the Senate. Claude Macdonell was born in Toronto in 1861, educated there, and has practiced his profession in the Queen City. Macdonell, in addition to his legal work, has always taken a prominent part in journalistic ventures, serving for years on the editorial committee of the *Catholic Review*, and later establishing the *Barrister*, of which he was the editor. He was first elected to South Toronto in 1908.

SMEATON WHITE, who has been called to the Senate, is president of the *Gazette Printing Company* and one of the best known journalists in the Dominion. Mr. White succeeded to the presidency of the *Gazette* on the death of his father some few years ago, and under his management the paper has made its greatest progress. Mr. White has travelled extensively and through his journalistic work has kept himself in the closest possible touch with the vital questions of the day. Mr. White will bring to the Senate a large measure of sound business sense and should prove an unusually useful member of the Red Chamber.

DR. FRIDTJOF NANSEN, the famous Norwegian Arctic explorer, is now in the United States where he was sent by the Norwegian Government to plead for shipments of American food-stuffs for that country. Nansen was born in 1861 and as a young lad started on his career of exploring. He has made many trips to the Arctic Regions, his most famous being in 1893-96, when he attained to 86 deg. 14' N. Nansen was formerly Minister for Norway at the Court of St. James, but is best known for his achievements in exploring the Arctic Regions and for his books descriptive of the far North. At the present time he is professor of Oceanography at Christiania University.

LOUIS RAEMAEEKERS, the famous Dutch cartoonist, is now visiting in the United States, and by means of interviews and public statements is endeavouring to convince the Americans of the real nature of the Huns. According to Maximilian Harden, "Raemaekers' cartoons have done more to hurt the German cause than all other published articles together." As a matter of fact the German Government has put a price on the head of the Dutch cartoonist and would welcome nothing so much as getting this man into their hands. Raemaekers is on the staff of the *Telegraaf*, one of Holland's most important newspapers, but his cartoons have attained such a wide publicity that they have been copied by the leading papers of every country of the world except Germany.

ALBERT T. WELDON, who has been appointed general freight agent of the Intercolonial Railway, is well known to Montreal business men. For some half dozen years he was general freight and passenger agent of the Black Diamond Steamship Line, where his tact and unflinching courtesy made him a popular official. Mr. Weldon is a native of New Brunswick, having been born in Dorchester in 1876. As a young man of twenty-four he entered the services of the Intercolonial Railway at Moncton, later serving with them in Halifax. Some 3 years ago Mr. Weldon was induced to leave the services of the Black Diamond Steamship Line and return to his first love and has now been promoted to one of the most responsible positions in the Intercolonial.

CAPT. J. BERNIER, the well known Canadian Arctic explorer, is home from his seventh trip to the Polar Regions. "Cap" Bernier, as he is popularly known, has been at sea almost ever since he could walk, and it is generally assumed that he has acquired his sea legs by this time. Altogether he has been captain of forty-eight different vessels and pilot on a dozen more, so that he has a bigger batting average than the famous pickle manufacturer who boasted of "fifty-seven varieties." He was born in this province in 1852, went to sea as a lad, but later returned and became dock master of Levis, and later still governor of Quebec Gaol. After four years he found his gaol quarters too small, and left for the Arctic where he had room to turn around. "Cap" Bernier is a bluff old sea-dog who has contributed a great deal to our knowledge of our far North.

COL. MACKLEM, a Canadian from Tilbury, Ontario, joined the overseas forces three years ago as a private. Since then he has won the D. C. M. for bravery, been promoted to a lieutenant-colonelcy, and has been made the recipient of a \$100,000 honorarium by the British Government. In addition Col. Macklem invented a new hand grenade and a new type of shell detonator. Before enlisting he was a machinist and evidently turned his previous knowledge of mechanical devices to good account.

GEORGE G. FOSTER, K.C., who has been called to the Senate, is a product of the Eastern Townships. He was born at Knowlton in 1860, educated at McGill, and called to the Quebec Bar in 1881. In addition to being a well known corporation lawyer, he is a director of a large number of financial and industrial corporations, including the Bank of Commerce, the Orford Mountain Railway, St. Lawrence Power Company, Montreal Tramways Company, and the Canadian Light & Power Company. Mr. Foster contested Brome in the Conservative interests in 1896.

SIR WILLIAM MACKENZIE and **SIR DONALD MANN**, whose control of the Canadian Northern is passing to other hands, were both born on farms in Ontario. Sir William was born near Kirkfield, Ont., in 1849, and Sir Donald near Acton in 1853. After a public school education and a short training in the Toronto Military School, Mackenzie taught school for a short time. Later he kept a country store and while thus engaged took up contracting in a small way for a railroad builder who was constructing a line through the north central part of Ontario. This contact with railroad building gave him a new impetus in life and shortly afterwards he launched out as a railroad contractor and builder. He built part of the Grand Trunk System between Toronto and Nipissing and then went West, where he built a considerable portion of the Canadian Pacific Railway. While engaged in this work he met Sir Donald Mann, and after they had finished their railroad building the two of them purchased a broken-down piece of road known as the Manitoba and South-western, which became the nucleus of the present Canadian Northern System of 10,000 lines. Mackenzie is president of the Toronto Railway Company, of the Winnipeg Electric Co., and a director of a score of other financial, power and industrial corporations. His interest extends from Brazil and Mexico to England.

Sir Donald Mann tried farming, but failing at that went to the Michigan lumber camps, later striking out to the Canadian West, where he engaged in railroad contracting, and where he eventually met Sir William Mackenzie. In the construction of the Canadian Northern lines Mackenzie looked after the financial end, while Mann took charge of the construction and operation of the roads. Like his partner he has many outside interests but his run more largely to mining properties, being a director of nearly a score of these.

BRITAIN'S EXPORT TRADE SACRIFICED.

There is a statement from a source which, according to *The Montreal Gazette*, may be regarded as wholly reliable, showing the war's effects on British shipping.

The ocean-going shipping at present on the United Kingdom's register, inclusive of prizes, is a little more than 15,000,000 tons, of which 14,000,000 are employed in home service. Of the 14,000,000 thus employed, however, only about one-half is available for the trade of the country. About 5,500,000 tons have been allocated entirely to the needs of the navy, the army, the Allies, and the dominions overseas, a further million tons or thereabouts being used for these purposes on the out journeys and therefore lost to Britain's export trade, but available for imports.

Before the war the ocean-going vessels on the United Kingdom's register represented between 17,000,000 and 18,000,000 tons gross. Of this, more than 15,000,000 tons were regularly employed in trade with foreign countries and various parts of the British dominions.

A large amount of this distant trading has been sacrificed to Britain's immediate needs and nearly 50 per cent of the ships concerned brought home for the British trade. From the beginning of the war British ships have steadily been requisitioned by the Government, and run in national instead of in private interest. The rates paid to ship owners soon became

very much lower than the freights which could be earned by free ships, and British ship owners therefore have been unable to rely on earning the same freights as their competitors.

Now the situation has reached the stage at which it has been necessary to take complete control of all British shipping in order to insure the employment of every vessel in the manner and on the terms as to rate of freight most consistent with the national interest. The result may be summarized as follows:

With the exception of a few vessels engaged in distant waters on work which is vital to the British colonies and of vessels chartered to France and Italy, the British Government has requisitioned for hire at the Government's rates about 97 per cent of the ocean-going tramps on the United Kingdom register.

All British liners have been requisitioned and are being run for Government account. The owners receive hire at Government rates, and the profits derived from private freight carried at market rates go to the Government and not to the shipowner. Every ocean going voyage of British steamers is now directed by the Government, which has regard only to the question of how it can obtain essential imports from the nearest source and disregards the interests of both the shipowner and exporter. Many built-up trades in distant waters and sustained by British industry had to be abandoned to neutral owners who gladly seek employment for their vessels in areas immune from war risks.

Apart from the effect upon the shipping interests, the country generally has also had to suffer great, and increasingly great, sacrifices, owing to the shortage of tonnage caused by war requirements and submarine losses.

"Before the war," says a British statesman, "we were importing at a rate of about 58,000,000 tons a year. In 1916 our imports fell to about 43,000,000 tons, and in the present year they will be considerably less.

"Of 58,000,000 tons which we imported before the war, foodstuffs were rather less than a quarter. The rest was practically all employed or consumed in promoting the industries and commerce of peace. In 1916, however, two-thirds of all our supplies from overseas consisted of foodstuffs, munitions of war, and material for manufacture of munitions, leaving only one-third of a greatly reduced total for productive industries.

"In 1913 our total imports were valued at 769,000,000 sterling, of which about 94,000,000 came from countries with which we are now at war. In 1916 our imports were valued at 949,000,000 sterling, enemy countries being, of course, eliminated from this figure.

"The great rise in prices accounts for a large part of the phenomenon of an increase in the money total with a decline in the amount imported, but on the best estimate that can be made it would appear that if in 1916 we had imported 43,000,000 tons of goods which we obtained from the same countries and in the same proportion as we imported before the war, they would have cost us rather less than £800,000,000.

"Therefore, in the year 1916 we paid £150,000,000 more than our imports would have cost us if we had continued to buy the same class of commodities and from the same sources as before the war. In 1913 exports were valued at £506,000,000, but if these exports had been at prices of the 1913 level their value would have been only £386,000,000.

TACT.

It was a bad day with the gruff and rugged bank executive. He barked at his stenographer, and quarreled with the confidential clerk. At lunch he called the waiter a blockhead, and criticized the management of the club. Afterward he took two puffs of an expensive cigar and tossed it into the gutter in despair. Back at his desk he terrified half the office force because an important letter had been overlooked for two hours. It was an inauspicious time for the pleasant-faced life insurance salesman to pay one of his periodical visits, and the doorman gave him a hint of the situation when the salesman handed him a cigar. Acting upon it, the visitor said nothing at all about insurance. He told the executive that he did not know when he had seen him looking so fit. After that he repeated a flattering remark another banker had made on the subject of the disgruntled man's golf. The salesman and the executive talked golf for fifteen minutes, with the banker growing happier every second. At the end of that time the executive looked at his watch. "My car is outside," he said. "If we start right now we can be at Siwanoy at three-fifteen. That will let us do eighteen holes very easily, and give you a half-hour afterward to bore me with your insurance arguments." A minute later the car had started, a great sigh of relief was audible in the front of the bank, and the clouds had all blown over.

Public Opinion

WORLD DEMOCRACY.

(Ottawa Citizen).

The cost is tremendous. Already seven million lives have paid the price or contributed to it. The world will emerge poorer in men, in wealth, in all that has made it great, materially, in the past. But mankind will have been freed, just as truly as the American negroes were freed by Lincoln's proclamation. Old forms will have passed away forever, the pride of caste will no longer dominate the rights of labor or detract from the honor of honest toil. Everywhere men will realize that the world will no longer tolerate injustice, nationally or internationally. When the war comes to an end the world will sit down to a new deal. And this time the people, not the kings or rulers, will be the players.

PATENT MEDICINE BOOZE.

(New York Post).

War has been declared against whisky to the end, beer and wine have been made to tremble for their existence, but no one has threatened even mildly the bitters, tonics, remedies, cordials, compounds, and elixirs which contain large percentages of alcohol. This fact recently drew some caustic remarks from Representative Meeker of Missouri.

He read into the Congressional Record a list of 746 patent medicines containing alcohol; very few, indeed, less than 10 per cent, more than half 20, and four actually over 90. As he said, the spread of prohibition is favorable to their sale, although doubtless the larger portion of their consumption is by people who believe in their medicinal value.

A few have national reputations, but the great majority are manufactured and sold locally. To exempt alcohol used medicinally from the operation of a general prohibition law without giving a clear definition of what constitutes a medicine would be almost farcical.

The pure food law made it much more difficult for obviously fraudulent compounds to prey upon the ignorance and desperation of poor and ailing people; but it made clearer than ever their appeal to the tippler. Doubtless the day of reckoning for these nostrums approaches, but it comes slowly.

THE HIGHLANDERS ABROAD.

(Philadelphia Ledger).

"Pibroch of Doniul Dhu,
Pibroch of Doniul,
Wake thy wild voice anew,
Summon Clan-Doniul!"

Up Broadway they marched, the Canadian Highlanders who had come to New York to help on the British recruiting there, and all along the crowded sidewalks there were cheers and cheers. Of all the thrilling episodes of the war, none was more thrilling than this. There is something in the pipes to stir the most sluggish heart. Under that inspiration men went gladly to death for Bonnie Prince Charlie. They are going to death now for a greater cause. The kilties sweep down on the Germans as they once swept down on the Sassenach. "The ladies from hell," the enemy in the trenches call them. The laddies from Canada in their kilts, their plaids, their brooches, their sporrans, their bonnets, rouse fighting blood in all who see them. Two hundred of them came to New York, and who can say how many recruits will follow in their train? They are asking for men to enlist under the British colors, but may there not be hitherto reluctant patriots who because of them will enlist under the American colors as well? No man of Scottish birth or ancestry, at least, could be deaf to such an appeal.

From the lone shieling on the misty island
Mountains divide them, and a world of seas;
But still their hearts are true, their hearts are High-
land,
And they in dreams behold the Hebrides"

Let the pibroch sound all over the land if that will help. Bring the Highlanders to Philadelphia. Chestnut street will respond to the call as enthusiastically as Broadway. Nothing is more needed just now than a revival of the fighting spirit. An abstraction is not inspiring. War may be a science, but the scientific spirit does not win battles. We need the tumult and the shouting, too. The Campbells and all the rest of the clans are coming. On to Berlin!

TO PROMOTE ECONOMY.

(Winnipeg Tribune).

A pastor wrote to his local paper the other day making a very excellent economy suggestion. "I think," he declared, "the best way to educate the people along lines of economy is to get them into the ministry. Since September of last year I have received \$318.28 in cash or less than one dollar per day." It would be a good way to educate the public in economy.

SOLDIERS' AND WORKERS' SERVICE.

(London Mail).

I do not know what Sir Douglas Haig is paid, but I am certain that he is not paid anything like the money that many manufacturers and contractors are making annually out of the war. There is no question at all of anybody in the army profiting by the war. If the General Staff were a lot of company directors for whom our soldiers were called upon to make profits by killing Germans, there would be plenty of discontent in the trenches. The difference between workers at home and the soldiers in the trenches is that the former know they are working for the private profit of someone; the latter know they are not.

CONVENTION IDEA.

(London Advertiser).

There is one thing to recommend the convention idea; it puts the responsibility fairly and squarely on Ireland and the Irish. Hitherto the world at large has been apt to ask: Why does not England (or Britain) settle the Irish question? It has been settled so far as Britain is concerned for a considerable time, but part of Ireland has refused to accept the settlement, with the result that the problem is still unsolved. In reality, it is no longer Britain's place to seek the solution, but Ireland's. The convention may emphasize this fact abroad and lead to better understanding of England's attitude.

THE ONLY TAXED-INDUSTRY.

(Forest Free Press).

Farming is like any other business; when it pays it will make progress, and when it is carried on at a loss it will decline. That farming does not pay explains the whole cause of the deplorable condition of farming in Ontario to-day. The main reason why farming is unprofitable is because it is the only industry in the country that is taxed under our fiscal system. All other industries are enabled to add their taxes to the selling price of their products.

The old saying, "The farmer feedeth all," was never more an actual experience than it is to-day, but until our fiscal system is completely revised, and the feeding process made profitable, all appeals for "more production" will be worse than useless. Taxation on food production is Canada's greatest political crime. When will the government, or the opposition, awake to this fact? The trouble is that both parties are controlled by the bounty-fed autocracy of combines.

A CONFUSION OF TONGUES.

(Southern Lumberman).

In Austria-Hungary there are 10,000,000 people who speak the Magyar language; then there are 20,000,000 Slavs with their language and dialects, and several million people who speak the "Romance" languages or languages derived from Roman (Latin) sources.

This multiplicity of tongues constitutes a weakness in a nation just as it formed the defect in the tower-of-Babel plan. As long as a group of people, within the empire, clings to its separate speech, it will be an element of separateness, and the nation will lack solidarity. The Bohemians in Austria are conscious of their entity because of their clinging to their own speech. They have resisted efforts to "Germanize" them, and they are not entirely reconciled to the rule of the dual empire.

This language issue makes Austria-Hungary a shaky nation. In fact there are those who believe that it is the shakiest nation in Europe, because of this: Where many races mingle, the dominating language is what settles the ultimate status of most of the people. And nobody can tell what is to be the dominating language so long as many groups of inhabitants insist upon speaking their own separate language.

UNITED STATES SHIPS BLOCKADED.

(Chicago Tribune).

With great economy the Kaiser has added our total merchant tonnage normally engaged in trans-atlantic trade to the roster of ships sunk. He has not had to use a torpedo nor risk a submarine. He has used our own weapons, words. If the blockade is not wholly successful with regard to the British Isles, it is with regard to the United States.

We are like the indignant citizen who told the police that they couldn't put him in jail—but there he was in jail.

THE ENGLAND OF TO-DAY.

(Washington Post).

The England of to-day is not the England which, under a German King and a weak Ministry, blundered into the fatal error of attempting to tyrannize over the American colonies. England now exhibits the same spirit as that which sustained Washington and Lafayette. It is battling heroically for human rights. In spite of mistakes and difficulties in the administration of its immense Empire, Great Britain stands for the essentials of self-government, home rule and individual liberty. Its subjects are free men, wherever they stand upon the earth. No war-lord mortgages their lives from the cradle to the grave, or drives them like cattle in the prosecution of monstrous criminal ambitions. The British people are their own war-lords. Their Empire, great as it is in extent, is greater because of the spirit of liberty that guides and defends it.

ROADS AND SCHOOLS.

(Saturday Evening Post).

Every sort of town in the United States gets its due share of the total increase in population, and a little more. Population of incorporated places of less than 2,500 inhabitants increased over a million and three-quarters in the last census period, and nearly three and a half millions since 1890. At that date they had 7½ per cent of the total population, and in 1910 nearly 9 per cent. So with the towns from 2,500 up to 50,000, while bigger cities ran way ahead of the general rate of growth. But farm population declined from 56 4-10 per cent of total population in 1890 to 44 8-10 in 1910.

There are no glittering business opportunities in small country towns, but there are many social opportunities. It is easy for people to get together in all weathers. The public schools are much better than those in that large part of the strictly rural region where the barbarous one room ungraded institution prevails. So people are willing to live in small country towns.

The farm problem is in no inconsiderable part a matter of good roads and good country schools. Good country schools are nearly impossible without good roads, for a really good country school is a consolidated one, drawing children from an extensive district and giving them transportation from home to school and back.

A farm on a poor road is a prison for women and children part of every year. Nobody likes a prison.

FORCING PRODUCTION.

(Ottawa Citizen).

A man in Kansas city has discovered a way to raise forty-two bushels of potatoes on a plot of ground only eight feet square. He had been watching the potato pile in the cellar bin, which every spring sent out its shoots through every possible crack and crevice. Sometimes these sprouts would crawl out along the floor a distance of seven feet in order to reach the light. From this beginning he conceived the idea of building a potato pen, which was nothing more than a huge potato hill out in the back yard. The potato pen, the sides of which are built after the fashion of a rail fence, formed an enclosure of 8 to 8 feet in size. Within this enclosure he planted potatoes, first putting down a 6-inch layer of soil and dressing, and spacing the potato seeds six inches from the side and a foot apart in chequer board lines across the layer. He covered the potatoes with one or two inches of dressing, and sprinkled it well with water. Then he laid six inches more of soil, marked off as before—planted, covered with dressing, and sprinkled. He repeated this operation till he had built layers of potatoes eight feet high. The sides were well braced with deal boards spaced three inches apart. The potato pen became a mound of green, potato vines growing from the top and sides (the nearest way to the light) and in three months he took from the pen forty-two bushels of potatoes—enough and to spare for the family all winter.

AMONG THE COMPANIES

ONTARIO STEEL PRODUCTS.

The Ontario Steel Products Company, has declared the regular quarterly dividend of 1 3/4 per cent. It is estimated that earnings for the year ended June 30 were equal to 12 per cent on the common stock after all charges.

PORTO RICO RAILWAY.

The prolonged dry spell in Porto Rico, which necessitated the use of high priced coal for power, is shown in the decreased net earnings for June and for the six months ending June. Net earnings for the six months are down \$26,369, or 11.80 per cent. The figures for June and the six months ending June are:

	1917.	Increase.	P.C.
For June—			
Gross	\$ 74,577.07	\$ 3,129.54	4.38
Net	34,259.31	2,238.18†	6.13†
For six months—			
Gross	\$444,980.05	\$13,008.38	3.01
Net	197,056.76	26,369.94†	11.50†

† Decrease.

NORTH AMERICAN PULP & PAPER CO.

The report of the North American Pulp & Paper Company, for the six months ended June 30 shows total earnings available for bonds, other interest and sinking fund of \$632,106, so that after deductions of this requirement there remains a balance of \$262,510. An official of the company states that, as operations were curtailed for the first two months of the year owing to climatic conditions, earnings for the current six months should show some improvement over the first half. This would make net earnings after all charges for the current year over \$500,000, as compared with a deficit of over \$200,000 for 1916. At the annual meeting the following trustees were elected: J. E. A. Dubuc, G. Tracy Rogers, Farmley W. Herrick, the Hon. J. M. Wilson and C. S. Wilcox of Hamilton.

U. S. STEEL CORPORATION.

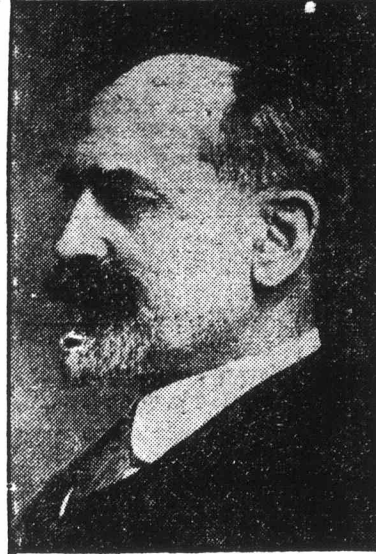
The salient feature of recent developments in the financial markets was the insight given by the United States Steel Corporation's quarterly report into the extent war taxation in absorbing the extraordinary earnings of the producers of steel products. Had it not been for allowances made in respect to pending taxes the Corporation's net income before taking out fixed charges, depreciation, etc., would have reached the enormous total of \$144,497,000 in three months, a total greater by \$15,000,000 than the net revenue in the full year of 1915. More than that, the result would have surpassed all full years since the organization was formed, with the exception of three, those of 1906, 1907 and 1916. As it was, the directors set aside approximately 37 per cent. of the quarter's income to meet the expected war tax, and readjusted the half-year's accounts so that the same proportion of the six months' revenue was reserved for the same purpose.

CANADIAN CAR & FOUNDRY CO.

Reviewing the position of the Canadian Car & Foundry Company at the annual meeting held in Montreal a few days ago, Senator Curry, the President, said that orders on the books of the company now amounted to over \$35,000,000. The execution of this business, much of it in regular lines of manufacture, he said, required so much floating capital that payment on the preferred stock would be held in abeyance until the assets of the company are in a more liquid position. The new American directors are Colonel B. W. Dunn, former General Manager of the New York agency, and Mr. A. Hicks Lawrence of New York.

Regarding the general business on the books of the company, Senator Curry said:

"In the report now before you it was stated that the combined order books of your companies showed a value in unfilled orders of \$23,500,000. This has since been increased and at this date the value of unfilled orders aggregates over \$35,000,000. Your Fort William, Ont., plant, which has not yet been operated, is now being put in condition for operation, and it is expected to commence shipments of cars from this plant in October of this year."



SIR WILLIAM MACKENZIE,
President Canadian Northern Railway.

INTERNATIONAL PAPER CO.

The principal demand of minority stockholders of the International Paper Company, who filed suit in the New York Supreme Court Tuesday, is for some distribution to common stockholders of as much of the company's surplus as the court may determine. In other words, these stockholders are petitioning for a common dividend.

No dividends have been paid on the common stock since 1899, and it is very unlikely that the company will be able to make any such distribution for the next two years, according to Dow, Jones & Co. President, Philip T. Dodge at the annual meeting stated all the surplus earnings of the last year as well as for the current year will be required to meet maturing bonds and for the cash distribution to stockholders.

The outstanding bonds of the company prior to June 15, when the readjustment plan became operative, amounted to approximately \$15,000,000. This plan was to consolidate under one mortgage the entire bonded indebtedness of the company by the creation of a new first and refunding sinking fund under which not more than \$20,000,000 30-year bonds could be issued. It was stated that only \$7,500,000 of the new 30-year bonds were to be issued at this time, and in the event of receipt of offers for the exchange of more than \$7,500,000 the company reserved the right to prorate this amount among bondholders offering to exchange.

NEW COMPANIES.

The following new company incorporations are announced in the various Gazettes:

FEDERAL CHARTERS.

Gas Processes, Limited, Toronto, \$50,000.
 Dominion Farm Holders, Limited, Calgary, \$1,000,000.
 Engholn & Partners, Limited, Toronto, \$100,000.
 Farmers' Supply Company, Limited, Winnipeg, \$250,000.
 Cadornin Coal Company, Limited, Calgary, \$250,000.
 Canadian Incinerator Company, Limited, Toronto, \$50,000.
 General Automobile Equipment, Limited, Montreal, \$50,000.
 Nieu Steel Corporation, Limited, Toronto, \$200,000.
 Leather Products, Limited, London, \$20,000.
 New Manufacturing Company, Limited, Ottawa, \$45,000.
 Dominion Bonded Legal Service, Limited, Montreal, \$10,000.
 Dann Spring Insert, Limited, Hamilton, \$40,000.
 Colgate & Company, Limited, Montreal, \$25,000.
 Barnes Knitting Corporation of Canada, Limited, Hamilton, \$10,000.
 United Publishers of Canada, Limited, Toronto, \$200,000.
 Matthews-Horton, Ltd., Montreal, \$40,000.
 Log Supply Company, Ltd., Montreal, \$50,000.

Prairie Chemical Company, Canada, Limited, Winnipeg, \$100,000.
 Bonaventure and Gaspe Produce Company, Limited, Montreal, \$50,000.
 Glenbrooke, Limited, Georgeville, Que., \$50,000.
 Grahams, Limited, Belleville, Que., \$1,000,000.
 Techno-Chemicals, Limited, Montreal, \$49,900.
 La Societe d'Organisation, Limitee, Montreal, \$100,000.
 Limoges, Limitee, Montreal, \$100,000.
 British American Shipbuilding Company, Limited, Toronto, \$1,000,000.
 Perfection Counter, Limited, Montreal, \$49,000.
 Morris Michaels, Limited, Montreal, \$50,000.

QUEBEC CHARTERS.

La Societe de Liquidation, Limited, Pointe aux Trembles, \$100,000.
 Le Credit Stadacona, Limited, Montreal, \$10,000.
 La Corporation des Logements Ouvriers de Maison-neuve, Limitee, Maisonneuve, \$40,000.
 Industrial Development Co., Ltd., Montreal, \$20,000.

ONTARIO CHARTERS.

The Sydenham Union Telephone Company, Limited, Sydenham, \$2,000.
 The Burns Cement Gun Construction Company, Limited, Toronto, \$40,000.
 Nipissing Mines Company, Limited, Toronto, \$6,000,000.
 Glen View Telephone Company, Limited, Smith's Falls, \$5,000.
 Bogg & Company, Limited, Hamilton, \$100,000.
 Watson Specialties, Limited, Bradford, \$150,000.
 Beaver Knitting Mills, Limited, Aton, \$350,000.
 The following corporations have been granted licenses to operate in Ontario.
 Armstrong, Whitworth, of Canada, Limited, capital not more than \$40,000. E. T. Malone, K.C., of Toronto, attorney.
 National Dry Goods, Limited, capital not more than \$100,000. David Kertzer, Toronto, attorney.
 Bowmanville Sports, Limited, Bowmanville, \$40,000.
 Hambourg Conservatory of Music, Limited, Toronto.
 Richmond Manufacturing Company, Limited, Toronto, \$200,000.
 The First Niarn Cemetery Association, East Williams.
 Service, Limited, Chatham, \$48,000.
 Big Duck Lake Mining Company, Limited, Ottawa, \$30,000.
 Toronto Mining Company, Limited, Toronto \$155,000.
 Gore Telephone Company, Limited, Picton, \$1,250.
 The following corporation has been granted a license to operate in Ontario: Gaylord Engineering & Construction Company, Inc., capital not more than \$40,000; attorney, William James Elliott, Toronto.

BRITISH COLUMBIA CHARTERS.

The Banfield Marine Products Company, Ltd., Banfield, B.C., \$2,250.
 Beaver Creek Timber Co., Ltd., Vancouver, \$100,000.
 Belmont Surf Inlet Mines, Ltd., Vancouver, \$2,500,000.
 Burrard Quarries and Construction Co., Ltd., Vancouver, \$100,000.
 Cedar Cottage Drug Co., Ltd., Vancouver, \$10,000.
 Chinook Copper Co., Ltd., Golden, B.C., \$25,000.
 Draftfile, Limited, Vancouver, \$25,000.
 Independent Fruit Co., Ltd., Peachland, B.C., \$50,000.
 Murray Engines, Ltd., Vancouver, \$25,000.
 Producers and Consumers' Co-operative Association, Limited, Vancouver, shares \$5 each unlimited.
 R. H. L. Company, Limited, Vancouver, \$10,000.
 Robert K. Ward Company, Limited, Vancouver, \$10,000.
 Vancouver Angling and Game Association, Vancouver.
 West Coast Transportation Company, Limited, Port Alberni, B.C., \$10,000.

RAILWAY MILEAGE.

The C.P.R. has a mileage of 12,993 miles; the G.T.R. has 5,852 miles; the G.T.P., 2,755 miles; the N.T.R., 1,993 miles; the Intercolonial, 1,491 miles, and the C.N.R., 7,943 miles.

AMONG THE COMPANIES

NEW BRANCH OF BOARD OF TRADE.

The Canadian Board of Marine Underwriters has been formed as a new branch of the Board of Trade, whose special aim will be to secure beneficial interchange of views upon, and consideration of, matters pertaining to the general conduct of marine insurance, such as:—

(1) The selection of correspondents in various parts of the world, for attention to wrecked and damaged property, and such protection thereof as may be duly authorized.

(2) Measures for procurement and use of early and accurate information of shipwreck or other disaster.

(3) To promote or oppose legislative and other measures affecting the interests of underwriters, and with a view thereto to petition Parliament, and to appear before Parliament, or any other body or authority, administrative or judicial, by counsel or otherwise, and to take such other steps and proceedings as may be deemed expedient for giving effect to the views of the board.

(4) To investigate and prevent frauds practised, or attempted to be practised, or supposed to have been practised, or to be intended with respect to ships, cargoes, freights, or other subjects of marine insurance, or in relation to insurance thereon, and affecting the interests of underwriters, and the wrongful converting or disposal of or dealing with derelict property, and, so far as legally may be, to take or promote proceedings for the punishment of persons concerned in such frauds or wrongful acts.

(5) The principles and rules of average adjustments, and provisions for arbitration of differences arising upon such adjustments.

(6) Approval and recommendation of standard forms of policies, or insurance agreements, with a view to such uniformity as may be consistent with the essential rights of underwriters and their assured to freely contract with each other.

(7) Rules for classification of vessels for the purpose of insurance, and recommendation of such rules to local surveyors or organizations whose employment or duty it may be to survey any rate vessels.

(8) Rules for loading vessels with grain, livestock, or other articles deemed suitable for special regulation.

(9) To promote, advance and protect the interests of underwriters generally.

(10) To do all such lawful acts as are or may be incidental or conducive to the attainment of the above-mentioned objects or any of them.

The officers of the Canadian Board of Marine Underwriters for the current year are as follows: President, W. B. Meikle (Managing Director Western Assurance Co.); vice-president, R. J. Dale (President Dale & Co., Ltd.); treasurer, R. L. Charlton (Western Assurance Co.); chairman of executive committee, J. L. McCulloch (vice-president, Dale & Co., Ltd.); executive, R. Bickerdike (Western Assurance Co.) and W. Cairns (Phoenix Assurance Co., Ltd., of London).

The above officers constitute the executive committee.

RAILWAY EARNINGS.

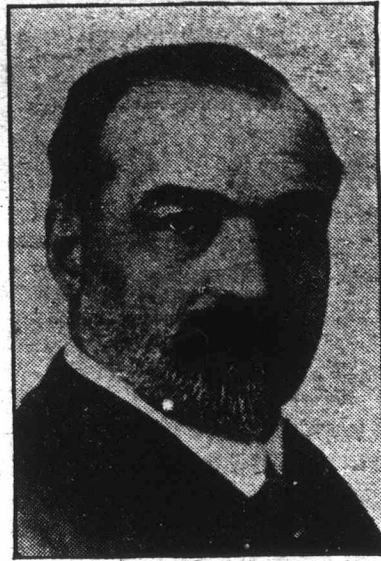
The gross earnings for the week ended July 31st, of Canada's principal railways aggregated \$7,109,365, against \$6,818,013 for the corresponding period a year ago. This represents an increase of \$291,352, or 4.3 per cent. Of the three roads, the C. N. R.'s earnings showed a decrease of \$72,400, or 6 per cent.

For the last week in June the three roads showed an increase of 16.1 per cent for a total earnings of \$7,391,016, and for the last week in May, the increase was 20.7.

A summary follows:

	1917.	Increase.	P.C.
C. P. R.	\$4,007,000	\$207,000	5.5
G. T. R.	1,967,465	156,752	8.6
C. N. R.	1,134,900	*72,400	*6.01
	<u>\$7,109,365</u>	<u>\$291,352</u>	<u>4.3</u>

*—Decrease.



SIR DONALD MANN,
Vice-President Canadian Northern Railway.

FAILURES LAST WEEK.

Failures in Canada last week, as reported by R. G. Dun & Co., number 17, against 17 the previous week, 18 the preceding week, and 21 last year.

SHAWINIGAN WATER & POWER CO.

The earnings of the Shawinigan Water and Power Company for the month of June, as announced from London, England, were \$200,000 as compared with \$192,000 for May, and \$150,000 for June a year ago.

COBALT SHIPMENTS.

Bullion shipments from the Cobalt camp during the last week in July totalled 382 bars, valued at \$340,979.60. Mining Corporation alone sent out 292 bars valued at nearly a quarter of a million dollars. Ore shipments during the same period amounted to eleven cars containing approximately 738,147 pounds.

ROLPH, CLARK, STONE, LTD.

Rolph & Clark, Ltd., and Stone, Ltd., Toronto, have merged their businesses into a firm to be known as the Rolph, Clark, Stone, Limited, to carry on business as lithographers on Carlaw avenue. The authorized capital of the company is \$3,000,000. Its officers are: Mr. Frank Rolph, honorary president; Mr. William Stone, president; Mr. T. J. Clark, vice-president; Mr. F. A. Rolph, second vice-president and managing director, and Mr. F. W. Stone, general manager and secretary.

U. S. BANK CLEARINGS.

Rising tendencies appear in bank clearings this week, and the total at leading centres, \$5,029,830,928, as reported to Dun's Review, was somewhat in excess of the previous week and again sets new precedents for this period. Comparison with last year discloses a gain at all points of 20.7 per cent, while the figures are no less than 63.0 per cent larger than at this time in 1915. The exchanges at New York, \$3,298,865,478, show increases of 14.6 and 56.4 per cent respectively, and the aggregate outside the metropolis, \$1,730,965,450, is 34.4 per cent better than a year ago and 77.2 per cent greater than in 1915. As contrasted with 1916, Baltimore alone reports smaller clearings, while conspicuous expansion is seen at New Orleans, Cleveland, Kansas City, San Francisco, Philadelphia and Boston. Average daily bank clearings for the year to date are given below for three years:

	1917.	1916.	1915.
July	\$926,432,000	\$662,427,000	\$493,471,000
June	911,070,000	700,366,000	464,276,000
May	892,272,000	925,281,000	515,254,000
April	904,421,000	683,182,000	508,388,000
1st Quarter .. .	827,235,000	698,970,000	460,832,000

ONTARIO POWER COMPANY.

The Ontario Power Company's plant has been officially taken over by the Hydro Electric Commission and the following directors elected: Sir Adam Beck, Colonel W. K. McNaught, the Hon. I. B. Lucas, Col. C. S. MacInnes, W. W. Pope, F. A. Gaby and W. S. Andrews.

Officers named are: Sir Adam Beck, president; Col. McNaught, first vice-president; the Hon. I. B. Lucas, second vice-president; W. W. Pope, secretary, W. S. Andrews, treasurer.

Upwards of 95 per cent of the stock of the Ontario Power Company was handed over, in exchange for which the bonds of the Hydro Electric Power Commission were delivered to the Banker's Trust Company of Buffalo, acting as trustees for the Power Company, and all books, documents and properties of the company were delivered to the new company.

ONTARIO STEEL PRODUCTS CO.

The fourth annual report of Ontario Steel Products shows that company in a greatly improved position. The net earnings and surplus show very substantial gains over the report for the preceding fiscal year, which ended June 30th.

Net profits of \$182,295 are a gain of \$105,550, and the surplus of \$183,497 is a gain of \$133,314 from \$50,183 a year ago.

The president, W. Wallace Jones, points out that net quick assets over liabilities, after payment of bond interest and sinking fund, due July 3, 1917, and after making provision for the 3 per cent dividend on preferred shares, payable on the 15th August, 1917; also provision for the "business profits tax" for the fiscal year ending 30th June, 1917, amount approximately to \$520,000, as against \$450,000 last year.

The annual general meeting of the company will be held at Gananoque, Ont., 14th August, at 4 o'clock in the afternoon.

The profit and loss account compares as follows:

	1917.	1916.
Net profits .. .	\$182,295	\$76,745
Balance .. .	123,076	17,937
	<u>\$305,372</u>	<u>\$94,683</u>
Less bond interest .. .	36,000	36,000
Pref. div.	52,500	7,500
Do, Div. arrears .. .	9,375	.....
Bond redemption .. .	24,000	.....
Patriotic fund .. .	.....	1,000
	<u>\$121,875</u>	<u>\$44,500</u>
Surplus .. .	183,497	50,183

THE G. T. P.'S CASH REQUIREMENTS.

The net cash requirements of the Grand Trunk Pacific Railway Company to meet interest charges between July 1st, 1917, and June 30th, 1918, and to provide necessary betterments and rolling stock, amount to \$7,494,760.78, according to the statement which has been presented to Parliament. The total of interest due in the period is \$7,684,177.74. Of this sum, however, \$1,189,416.96 is to be paid out of the balance of the loan of \$8,000,000 made to the company by the Government last year. The estimated cost of needed betterments and rolling stock is placed at \$2,000,000; operating loss of the Grand Trunk Pacific system including Grand Trunk Pacific branch lines at \$1,100,000.

The par value of bonds authorized for the Grand Trunk Pacific Railway and Grand Trunk Pacific branch lines is \$229,434,896. Of the total bonds to the par value of \$202,494,151.35 have been issued. Of this issue, the net proceeds to the companies were \$193,300,001. Issued debentures to the amount of \$76,480,848 are guaranteed by the Dominion and \$11,892,366 represent the proceeds to date of loans made by the Government to the company.

The proceeds of bonds guaranteed by the Province of Saskatchewan total \$13,230,088 and those guaranteed by the Province of Alberta total \$3,589,596. Bond issues guaranteed by the Grand Trunk Railway Company amount to \$97,301,252.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid Up	- - - - -	\$ 16,000,000.00
Rest	- - - - -	16,000,000.00
Undivided Profits	- - - - -	1,557,034.00
Total Assets	- - - - -	386,806,887.00

BOARD OF DIRECTORS:

Sir Vincent Meredith, Bart.	- - - - -	President
C. B. Gordon, Esq.	- - - - -	Vice-President
R. B. Angus, Esq.	- - - - -	Lord Shaughnessy K.C.V.O.
A. Baumgarten, Esq.	- - - - -	H. R. Drummond, Esq.
Wm. McMaster Esq.	- - - - -	Major Herbert Molson, M.C.
		H. W. Beaulerck, Esq.
		C. R. Hosmer, Esq.
		D. Forbes Angus, Esq.
		Harold Kennedy, Esq.
		G. B. Fraser, Esq.

Head Office, MONTREAL

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

BRANCHES AND AGENCIES

THROUGHOUT CANADA AND NEWFOUNDLAND
ALSO AT LONDON, ENGLAND
AND NEW YORK, CHICAGO AND SPOKANE IN THE UNITED STATES

CANADIAN BANK CLEARINGS.

The bank clearings for July show a considerable increase over the corresponding month of last year, amounting to \$34,765,313, though the total of such clearings was less by \$24,242,218 for June. Every centre reports gains over the figures of July of last year.

The returns show as follows:

July—	1917.	1916.
Montreal	\$361,480,320	\$326,715,007
Toronto	262,966,419	208,759,891
Winnipeg	174,458,431	166,054,953
Ottawa	26,024,089	22,748,421
Hamilton	20,581,062	16,550,551
Quebec	19,791,439	16,662,264
Halifax	14,911,658	11,374,668
London	9,744,933	8,718,756
Fort William	3,013,144	2,541,474
Peterboro	2,913,954	2,277,538
Sherbrooke	2,792,452	2,245,750

FOR THE WEEK.

Canadian bank clearings for the week ended August 2, 1917, aggregated \$224,387,481, against a total of \$207,615,754 for the corresponding week a year ago. The present total shows an increase of \$16,771,727. Twenty-one cities reported, the total returns for ten eastern cities aggregating \$154,869,748, an increase of \$10,052,920. For the eastern cities, Montreal showed the only decrease, one of \$2,273,345, while in the west, two cities showed decreases, Victoria, \$3,407, and Brandon, \$98,443. Kitchener added \$537,962 to the Eastern total, but had no report for 1916.

	1917.	1916.	Increase.
Montreal	\$77,576,225	\$79,849,570	*\$2,273,345
Toronto	55,612,535	46,958,734	8,653,801
Winnipeg	43,728,823	43,423,018	305,805
Vancouver	8,399,424	5,485,704	2,913,720
Ottawa	6,413,137	4,764,477	1,648,660
Calgary	5,863,975	4,054,265	1,809,710
Hamilton	4,823,932	4,073,353	750,579
Quebec	4,103,553	3,678,929	424,624
Halifax	2,833,602	2,518,764	314,838
Regina	2,705,189	2,418,547	286,642
Edmonton	2,399,229	1,972,386	426,843
St. John	2,119,012	1,891,802	227,210
Victoria	1,791,824	1,795,231	*3,407
Saskatoon	1,586,848	1,212,895	373,953
Moose Jaw	1,061,566	936,818	124,748
Lethbridge	864,852	539,675	325,177
Sherbrooke	699,169	490,371	208,798
Peterboro	688,583	590,828	97,755
Brandon	537,105	635,548	*98,443
Medicine Hat	488,898	324,839	164,059

\$224,387,480 \$207,615,754 \$16,771,727

SALE OF MUNICIPAL BONDS IN JULY.

Sales of municipal bonds during July amounted to \$3,814,489 compared with \$1,642,003 for June, and \$1,485,225 for the corresponding month of last year. The great increase in July of this year over July, 1916, is partly accounted for by the sale of \$3,000,000 5 per cent 5-years Greater Winnipeg Water District Bonds, approximately \$2,000,000 being sold in Canada and \$1,000,000 in the United States. Outside that issue, \$1,814,419 of municipal bonds were sold in Canada last month, Ontario sales contributing \$1,347,326 of that total.

The municipal bond sales in Canada the first seven months of the year, were as follows:

	1915.	1916.	1917.
January	\$1,784,947	\$1,909,441	\$1,969,256
February	3,047,011	1,419,909	458,874
March	2,572,357	2,027,741	229,013
April	8,603,094	1,979,852	430,974
May	3,464,281	2,649,000	1,375,039
June	2,395,744	4,428,100	1,642,003
July	1,618,422	1,485,225	3,814,489

Totals ... \$23,485,856 \$15,899,268 \$9,919,648

BANK OF FRANCE STATEMENT.

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

	Francs.
Gold in hand	2,961,000
Silver in hand	105,000
Notes in circulation	110,756,000
Treasury deposits	15,867,000
General deposits	51,098,000
Bills discounted	104,832,000
Advance	15,382,000

GERMANY'S WAR COSTS.

According to official statements, said Andrew Bonar Law, Chancellor of the Exchequer, in the House of Commons last Thursday, the expenditure of the German Government from February to May of this year was at the rate of £150,000,000 a month, as compared with £100,000,000 monthly for the first half of 1916. The figure given, the Chancellor explained, did not include civil expenditures or loans to Germany's allies.

The total expenditure of the French Government for all purposes was £4,469,000 daily, the Chancellor stated.

First Lady: "I saw your husband meet you in the street yesterday, and I noticed that he removed his hat while speaking to you. I admired him for that. Very few men do that."

Second Lady: "I remember. I told him in the morning to have his hair cut, and he was showing me that he had obeyed."

UNION OF CANADIAN MUNICIPALITIES MEETING.

An unusually attractive program is in store for those who attend the 17th Annual Convention of the Union of Canadian Municipalities which will be held at London, Ontario, August 27th to 29th. At the present time many important problems directly or indirectly associated with the war and after-the-war present themselves for solution. As the Municipalities are the "goats" when the question of unemployment becomes acute, it is of the greatest importance that they should try to find a solution for this ever-present problem. Other questions, such as the High Cost of Living, the Fuel Problem, Municipally owned Public Utilities, and the question of a Canadian Bureau of Information are all up for discussion, the whole providing a most interesting bill of fare.

CANADA'S TRADE BALANCE IMPROVING.

The total foreign trade of the Dominion of Canada for June was \$213,000,000, compared with \$162,000,000 in June, 1916. For three months of 1917, and 1916, it was \$622,000,000 and \$431,000,000, respectively.

Exports of agricultural products rose to \$57,000,000, an increase of 32 per cent for the month, and manufactures at \$39,000,000 gained 8.25 per cent. Imports amounted to \$97,000,000 and exports to \$116,000,000, leaving a favorable balance of \$19,000,000—a tidy credit balance for a country a few years back carrying an adverse balance right along.

BANK OF ENGLAND STATEMENT.

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

Total reserve	...Dec.	£1,413,000
Circulation	...Inc.	40,000
Bullion	...Dec.	862,842
Other securities	...Dec.	711,000
Other deposits	...Inc.	1,904,000
Notes reserve	...Dec.	1,407,000
Government securities	...Inc.	2,312,000

The proportion of the bank's reserve to liability last week was 17.53 per cent; the previous week it was 18.36 per cent. Rate of discount, 5 per cent.

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

Molsons Bank

Incorporated by Act of Parliament 1855.

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

Head Office - Montreal

98 Branches Scattered Throughout Canada

Edward C. Pratt, General Manager

THE

Royal Bank of Canada

Incorporated 1869

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

HEAD OFFICE: MONTREAL

SIR HERBERT S. HOLT, President
 E. 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. C. NEW YORK Cor. William and Cedar Streets.

SAVINGS DEPARTMENTS at all Branches

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

PURCHASING POWER OF THE DOLLAR GOING DOWN.

The purchasing power of the American dollar in June was 46 cents, compared with 47.6 cents in May, and 47.8 in April, according to compilations made by W. C. Foster, of Buffalo, whose arbitrary basis is the average of prices during the years 1900 to 1906. His figures show that in 1914, the average purchasing power of the dollar was 82.2 cents, in 1915 66.4 cents, and in 1916 51.4 cents. In February of this year the value was reduced to 50.3 cents, and in March it dropped to 48.5 cents.

CANADA'S REVENUE

The receipts for Customs and for Inland Revenue in the port of Montreal for the month of July show an increase over the corresponding month of the preceding years. The receipts of Inland Revenue last Wednesday it is estimated would make a total of \$1,200,108, an increase of \$188,803 over the same month last year.

The Customs receipts for three months of the present fiscal year are the highest in the history of the port, and if the present rate is maintained, the receipts for the port of Montreal alone will exceed forty millions as compared with twenty-five millions in the best year in the history of the port before the outbreak of the war. A considerable amount of this increase is, however, due to an increase in the tariff and to the increased values, most of the receipts being on an "ad valorem" basis.

The increase in the Inland Revenue can be accounted for in a large measure by the passing of prohibition in all the other provinces of the Dominion. The receipts for Montreal last year showed a total increase of two millions over the preceding year, but the increase for the whole of the Dominion was only a million and a half, indicating that outside of Montreal there had been a substantial falling off in the receipts. The increase in Montreal, it is pointed out, is not due to a great increase in the manufacture of intoxicants, but to the fact that much of what is manufactured in other provinces is shipped to Montreal, pays the Inland Revenue tax here, and is then re-shipped to the consumer in the other provinces. The Inland Revenue authorities in Montreal state that the passing of prohibition in Quebec would result in a great decrease in the receipts of their department.

Toronto is a close second to Montreal in Customs receipts. For the months of April, May and June, the first three months of the present fiscal year, Toronto led in the first month, and has a total of \$10,180,319 for the three months, while Montreal led in the other two months and has a total of \$10,940,920, which gives Montreal a lead of \$760,601. Last year the total receipts for the port of Toronto was \$33,821,149, and for Montreal \$34,888,712, giving Montreal an advantage of a little over a million dollars; in 1915, Toronto had total receipts of \$22,335,812, while Montreal, with \$24,116,302, led by nearly two million.

THE STOCK MARKET.

The local stock market became more interesting last week when for some reason, at present obscure, Dominion Bridge and Canada Forgings developed a fair degree of strength. There was no change in the monetary situation. The annual meeting of Canadian Car and Foundry shareholders was one of the events of the week, but the further delay required to provide an accounting of the Russian shell order business did not help the stock and it has since sagged a point to 31.

The statement of Ontario Steel Products, Limited, the only annual report to come out this week, was of an encouraging character. It reflects the general position of the steel and steel manufacturing trades and shows the company to be in a greatly strengthened position. This has been reflected by a rally in the common shares from 18 a short time ago to around 30.

The two steel leaders, Iron and Steel of Canada had fair rallies this week, but the latter showed up the best with 3/4 points to the good for the week, Iron's gain was 1/4.

Some other features such as Smelters, Steamships, Brazilian, Detroit and Quebec Ry. all displayed a much stronger tone than for some time back.

	Last Week's Close	This Week's High	This Week's Low	Friday's Close
Brazilian	39	39 3/4	38 3/4	39 1/2
Brompton	47	47 3/4	45 3/4	46 3/4
Can. Car	32	32	31	30 1/2
Civic Power	75	76	75	75
Cement	60 1/2	62	60 1/2	62
Steamships	42	42 3/4	41 1/2	42 3/4
Detroit	109 1/4	110 1/2	110	110 1/2
Bridge	130	140	127	140
Dom. Iron	60 3/4	61	59 3/4	61
Scotia	98	100	97 1/2	97 1/2
Ont. Steel	24	29 3/4	25	29
Quebec Ry.	22 1/2	22 1/2	18 1/2	21 1/2
Smelters	26 3/4	27 1/4	26 3/4	27 1/4
Steel of Canada	55 3/4	57 1/4	54	57 1/4
Wayagamack	60 1/2	61 1/4	60 1/2	61 1/4
Forgings	178	178	139 1/2	175

Total business for the week, and for the corresponding week a year ago:

	1917.	1916.
Shares	11,784	18,402
Bonds	\$495,700	\$306,700
Rights	172
Unlisted shares	105	1,146
Unlisted bonds	\$246,500

*Ex-dividend.



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STANDARD BANK

OF CANADA
HEAD OFFICE - TORONTO

Your surplus earnings in our Savings Department earn interest at current rate.

MONTREAL BRANCH

E. C. Groen, Manager, 186 St. James Street

LLOYDS BANK LIMITED.



HEAD OFFICE: 71, LOMBARD ST., LONDON, E.C.

CAPITAL SUBSCRIBED	£31,304,200
CAPITAL PAID UP	5,008,672
RESERVE FUND	3,600,000
DEPOSITS, &c. (Dec., 1916)	151,815,945
ADVANCES, &c. do.	55,856,841

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND & WALES.

Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. London Agency of the IMPERIAL BANK OF CANADA.
The Agency of Foreign and Colonial Banks is undertaken.

French Auxiliary: LLOYDS BANK (FRANCE) LIMITED,
with Offices at PARIS, BIARRITZ, BORDEAUX, HAVRE and NICE.

Currency Inflation and Cost of Living in the U.S.

A comparison of commodity prices during the civil war with commodity prices during the time in which the present war has raged develops saliently the causes which govern the cost of living, says the New York Annalist. Although the two cases are not parallel, a close analogy may be traced between the great increases in prices which occurred in the course of both conflicts.

Many more factors have contributed to the high prices of the world war than were active in the war for the preservation of the Union, but although the present great increases may be laid partly to the effect of a threatened world shortage with the concomitant demand for our products for the equipment and feeding of our Allies, a study of the prices prevailing at different periods throughout the war reveals the fact that the greatest increases have followed hard upon currency inflation, the flotation of bond issues, and the resultant reduction in the purchasing power of money.

In the civil war the cost of living leaped upward at a stupendous rate immediately upon enlarged Government borrowing and the issue of greenback currency; in the world war commodity prices have exhibited startling upward flights subsequent to the addition of huge amounts to the quantity of money in circulation.

In 1861 the total amount of money in circulation in the United States was \$448,405,767. In 1862 the total had dropped to \$334,697,744, and it was in this year that the cost of living was the lowest of the war. For the years 1864, 1865, and 1866 the amount of money in circulation was over \$650,000,000—in 1865 it exceeded \$700,000,000—and it was in these years that prices reached their crest.

In July, 1914, just before the beginning of the European conflict, the circulation figures were \$3,402,015,427; in July, 1915, \$3,569,219,574; in July, 1916, \$4,024,130,567, and in June, 1917, \$4,731,326,982. The greatest advances in commodity prices have followed the comparatively recent large increase of currency in circulation.

The same condition holds true in the belligerent countries of Europe. A swift and severe rise in prices has followed the borrowings and circulation increases of the warring nations abroad. Recent advices from France state that coal is priced there at \$70 a ton, and other prices are in proportion.

It is a curious fact that commodity prices were lower in the second year of the civil war than the prices prevailing in 1861. The wholesale rates for meat declined in nearly all instances, salt pork in particular declining from a quotation of \$16.43 a barrel in 1861 to \$11.87 in 1862. Wheat, wheat flour, cornmeal, and cheese dropped in price during the early stages of that conflict, and although corn, butter, eggs, potatoes, and other foods and foodstuffs cost more in the second year of the war than in the first the increase was but a few cents a unit. Cotton, owing to the cutting off of commerce with the seceding States, leaped from 15.4 cents a pound in 1861 to 40 cents in 1862, and there were minor increases in the prices of wool and metals.

But coincident with the currency inflation that occurred in the midwar period commodity wholesale

prices soared upward at a prodigious rate, many of them continuing their climb even after peace had been declared. Beeves, which could have been purchased at wholesale for \$3.37 a hundred pounds in 1861, and \$3.12 a hundred pounds in the following year, went to \$4 a hundred in 1863, \$6.06 a hundred in 1864, rose to \$7.62 in 1865, and in 1867, two years after the end of the war, were selling at \$7.06 a hundred pounds.

The price of hogs leaped upward from the war's low price of \$3 per hundred in 1862 to \$12.06 in 1865, an increase of 302 per cent. Hams rose 190 per cent. in five years, from 1861 to 1866, and corn quotations went from 26.4 cents a bushel in 1861 to \$1.06 in 1864, an increase of 300 per cent. Virtually every commodity at least doubled in price, and it was years before prices dropped back to anywhere near the pre-war time rates.

A comparison with price conditions in the present war brings out the fact that the situation is, in many ways, analogous. Although prices have risen in nearly all commodity lines since the outbreak of war in 1914, the greatest increases have taken place in the present year. Despite the fact that in the present struggle we are facing the world stringency of foodstuffs, it was not till the war had been raging for two years that the upward trend of prices assumed an alarming angle. And the analogy between the price situation in the present war and the civil war holds true as regards the trend of prices in the second year.

The average increase in the wholesale prices of twenty-four commodities for the civil war period, 1861 to 1870, inclusive, was 165 per cent. The average increase in the wholesale prices of the same commodities for the present war has been 79 per cent. But an analysis of the price increase for the present war brings out the fact that the average increase in the wholesale prices of these commodities for the first two years of the conflict was 27 per cent., whereas the increase in the third year was 52 per cent. That is, prices have advanced nearly twice as much in the third year of the war as they did in the first twenty-four months after Europe had become embroiled. Also the most rapid rises in rates have taken place since the entry of the United States into the conflict.

Foodstuff prices in many instances had risen but little above the normal until early in 1917, when it became evident that the entry of the United States into the war was inevitable; but from that time to the present the cost of living has been soaring almost uninterruptedly. The Annalist Index Number, indicating fluctuations in the cost of living, gained 65 points in the fifteen months from Oct. 1 1915, to Jan. 1, 1917. From Jan. 1, 1917, to May 31, 1917, it gained 85 points, and the end is not yet in sight. The retail price of flour rose 27 per cent. in the first two years of the war; in the third year it has risen 127 per cent.

MONTREAL PATRIOTIC FUND IN JUNE DISBURSED \$65,280.79.

The Montreal branch of the Canadian Fund reports that the sum of \$65,280.79 was disbursed to the families of men at the front in the month of June, making a total of \$2,003,384.48 disbursed in Montreal since the outbreak of the war. The amount given to the families of Canadian soldiers in June was \$55,553.69 and the other ten thousand was disbursed to the families of British, French, Belgian and Italian reservists. The amount paid the reservists is much higher proportionally than that paid the families of Canadian soldiers, as the salaries paid the reservists are much lower than those paid the Canadian soldiers. The Canadian Patriotic Fund provides for all the families of men serving with the Allied armies who were residents in Canada prior to the outbreak of the war.

Although more than 1,000 persons participated in the work of the Patriotic Fund in the month of June, only \$918 was paid out in salaries, and the total expenses of the fund for the month were but \$2,064.88, which is only 3.16 per cent. of the amount disbursed. In all relief was given to 3,922 families.

ABSENT-MINDED. (Wall Street Journal).

British are taking over not only part of the French line, but part of the German line in their absent-minded way.

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.

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

BANK OF BRITISH NORTH AMERICA

PAID-UP CAPITAL - - - - \$4,866,666.66
RESERVE FUND - - - - \$3,017,333.33
Head Office: 5 Gracechurch St., London, Eng.
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
G. B. GERRARD, Manager, Montreal Branch.

ESTABLISHED 1872

BANK OF HAMILTON

Head Office: HAMILTON

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

Business Founded 1795

AMERICAN BANK NOTE COMPANY

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

BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
and other MONETARY DOCUMENTS.
Head Office and Works: OTTAWA

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

The Canadian Bank of Commerce

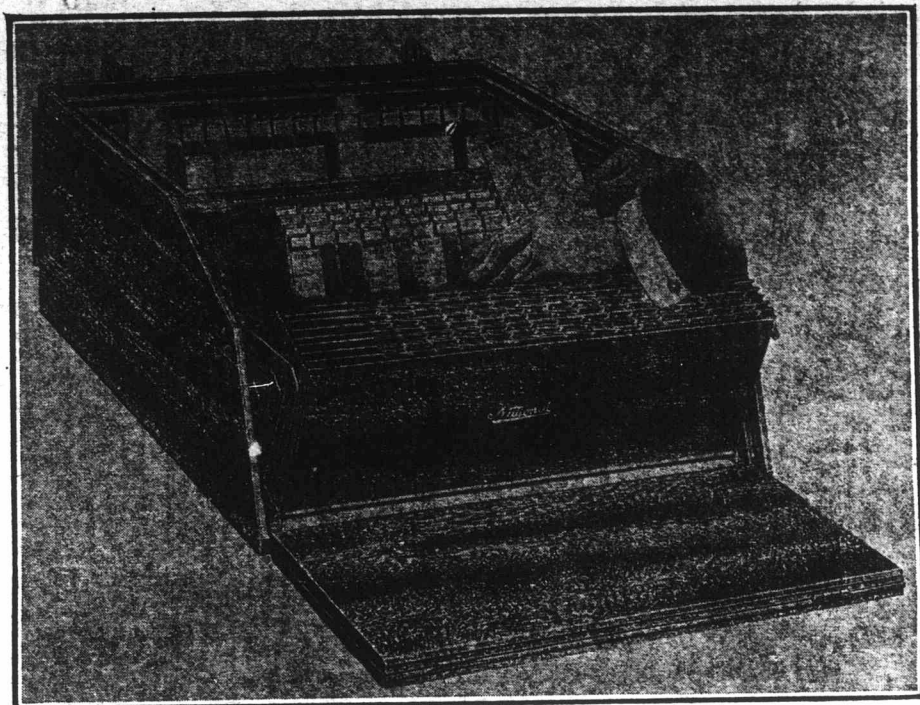
SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.,
President.

SIR JOHN AIRD, General Manager.
H. V. F. JONES, Assistant General Manager.

Capital Paid Up, \$15,000,000
Reserve Fund, - \$13,500,000

BANKING SERVICE

This Bank provides every facility for the prompt and efficient transaction of all kinds of banking business.



National Credit File

—An Accepted Success

Already a large number of National Credit Files have been sold. We are daily receiving letters of endorsement. We are convinced our new File is the best system devised for keeping charge accounts. The following are a few of the outstanding features:

- (1) Permits quick balancing of charge and received on account slips.
- (2) Provides a safe place for petty charge slips.
- (3) Proprietor has personal control over all charge accounts.
- (4) Removes temptation.
- (5) Compact, fire-resisting, enamel-finish cabinet. No chance of losing charge slips as they are locked as securely as in a safe.

The National Credit Files are made in different size units to fit any business whether the accounts number fifty or five thousand.

It is of the utmost importance for every merchant who does a credit business to investigate this new File.

Write us today and we will see that a demonstration is given you by one of our representatives.

**THE NATIONAL CASH REGISTER
COMPANY OF CANADA
LIMITED
CHRISTIE STREET
TORONTO**

COUPON

NATIONAL CASH REGISTER COMPANY OF CANADA, LIMITED.

Please send me further information concerning your new Credit File. This request places me under no obligation.

Name

Address

Business

No Charge Accounts

NEW RECORDS

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

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

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE - MONTREAL

AN IDEAL INCOME

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

Union Mutual Life Insurance Company,
Portland, Maine

on its

MONTHLY INCOME PLAN

Backed by a deposit of \$1,689,902.65 par value with the DOMINION GOVERNMENT in cream of Canadian Securities.

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

WALTER I. JOSEPH, Manager
Province of Quebec and Eastern Ontario.
Suite 502 MCGILL BLDG., MONTREAL, QUE.

Commercial Union Assurance Company, Limited. OF LONDON, ENGLAND.

The largest general Insurance Company in the World.

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

(As at 31st December, 1916).

Head Office, Canadian Branch:

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

Applications for Agencies solicited in unrepresented districts.

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

A Free Course in "Salesmanship"

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

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

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

When he is fully prepared for the work, we place him in a position and help him to make good. The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay young men who desire to get on in the world to look into this.

Correspondence strictly confidential.

CANADA LIFE
ASSURANCE COMPANY
Head Office, Toronto.



\$27,783,850 PAID IN FIRE PREMIUMS.

The gross amount of risks taken during the year 1916 by Canadian fire insurance companies amounted to \$742,805,919, on which the premiums charged amounted to \$8,807,615. Net cash paid during 1916 for losses amounted to \$2,595,576. The ratio of losses paid to premiums received was 53.87 per cent., contrasted with 57.60 per cent. in 1915.

The British companies operating in Canada wrote \$1,606,346,835 gross business in 1916, on which was charged \$17,278,033 of premiums. Net cash received on premiums was \$14,294,801, and net cash paid on losses was \$7,926,460. The rate of losses per cent. of premiums received was 55.45, contrasted with 50.62 in 1915.

The United States and other companies operating in Canada (exclusive of above) wrote \$1,069,085,926 in 1916, on which premiums charged amounted to \$11,146,042, and net premiums received \$8,671,173. Net cash paid on losses was \$4,589,095, the ratio of losses paid to premiums received being 59.92 per cent., contrasted with 55.94 per cent. in 1915.

THE AGGREGATE BUSINESS.

The aggregate gross business written in 1916 in Canada was \$3,418,238,680, on which premiums charged amounted to \$37,231,691, and net premiums received amounted to \$27,783,850. Net cash paid in losses was \$15,111,132, the ratio of losses to premiums received being 54.39 per cent., contrasted with 53.40 per cent. in 1915.

WAR RISK OR MARINE PERIL?

A decision of much interest to underwriters was delivered recently in the case of William France Fenwick & Co., Ltd., vs. North of England Protecting and Indemnity Association, Ltd. Practically, it was a case to determine whether a certain vessel was lost from a war or a marine peril; in other words, the principle of proximate cause was involved. The circumstances were briefly as follows: The steamship Fulgens, while on a voyage from Hartlepool to the Thames on August 1, 1915, was torpedoed and sunk in shallow water off the Norfolk coast by a German submarine. On the evening of the same day the steamship Sherwood, bound from London to Scotland, collided with the wreck and sustained particular average damage to the extent of £5,500. This was the sum the underwriters were sued for. The policy under which the vessel was insured covered risks of all consequences of hostilities and all risks excluded from recovery under the ordinary policies upon hull and machinery by reason of the presence in such policies of the f. c. and s. clause of the Institute.

In pronouncing judgment Mr. Justice Bailhache said that "it must always be remembered that the act of hostility to be looked for must be the proximate cause. It is not sufficient that some act of hostility is one of the links in a chain of cause without which link the accident would not have happened. It must be the effective proximate link in the chain. I do not think there is any difference of opinion as to the test to be applied, but there is always room for difference of opinion as to how the test works out in the circumstances of a particular case. In this case I think the act of hostility, the sinking of the Fulgens, was too remote. I can, perhaps, best explain my reasons for coming to this decision by two illustrations.

"Let me suppose a torpedoed timber-ship, deserted and derelict but not sunk, had a collision in the dark with such a ship. That would, in my opinion, be a marine peril, and the loss would be recoverable under a marine policy containing the ordinary f. c. and s. clause. Again, let me suppose a case where there was a narrow and shallow entrance to a port, and suppose that the enemy deliberately sank a ship in the entrance for the purpose of damagnig any vessel trying to make the port, and that they succeeded. Such a case would, in my opinion, be covered by this policy and not by a marine policy with the f. c. and s. clause. This case seems to me to fall within my first illustration and not within my second. The truth obviously is that the act of hostility on which the German submarine was bent was the sinking of the Fulgens. Having sunk the Fulgens, the submarine had attained her end. The object of the submarine was to sink the Fulgens, and not by sinking the Fulgens to destroy some other ship."

In giving judgment for the defendants, he said that vessels must in the matter of wrecks take the seas as they find them, and if they ran on one, the reason why it is there is absolutely immaterial unless it was actually placed there as an act of hostility to damage passing vessels.

News of the Week

TUESDAY, JULY 31.

Gen von Mackensen is moving in Roumania and Berlin claims that he has made advances north of Fokshani.

Germans claim success all along the Galician front. The Roumanians captured 42 more villages. Newfoundland imposed a tax on excess business profits.

Austria-Hungary is now talking peace following the lead of the German Chancellor.

The British Cruiser Ariadne, a sister ship of the Niobe, has been torpedoed and sunk, with a loss of 38 lives out of a crew of nearly 700.

Canadian forces have captured an important point near Lens, known as the Cite du Moulin. Their losses were slight.

Aerial activity on the British section of the west front continues to be a feature of General Haig's reports and those of the Admiralty.

United States military forces have met with their first mishap, a transport with 1,400 men on board having been rammed at sea by another American vessel and badly damaged. All on board were taken off safely.

WEDNESDAY, AUGUST 1.

French and British troops continue successful in operations in neighborhood of Ypres.

On the Aisne front French troops have withstood a series of violent attacks.

On the Russian front our Allies are offering a more stubborn defence against the advancing Germans, although there is as yet no turn in the tide.

Many died from the heat in Detroit and Chicago.

THURSDAY, AUGUST 2.

British and French troops make slight gains in the Flanders fighting ground.

Russian troops give evidences of recovering their fighting spirit and the beginning of the Russian defensive in Galicia is announced.

German suffers defeat in German East Africa.

Eighteen British vessels were sunk by the German subs last week.

China may shortly declare war on Germany, following Siam's example.

Seventeen States in the neighboring Republic have already filled their regular army war quotas.

Capt. George Guynemer, one of France's leading airmen, has brought down his fiftieth German machine.

Two Canadian aviators are reported among the dead, one in the North Sea and the other in a German prison camp.

FRIDAY, AUGUST 3.

British forces successfully repulsed a series of violent German attempts to recover the ground taken northeast of Ypres, says General Haig's latest reports.

Russian forces are still retreating generally, though in some sectors they are putting up a stubborn fight. There is a serious statement in one Petrograd despatch, namely, that the Uxkull bridgehead on the Dvina River, fifteen to twenty miles southeast of Riga, has been taken by the Germans.

Emperor William called a War Council of the high military and naval leaders in Germany to meet at Brussels, Belgium.

Three battleplanes smashed a German submarine. The United States plans to take over American ocean-going merchant ships.

Sir Thomas White's income tax bill came up for second reading, and explanations were made of various clauses.

SATURDAY, AUGUST 4.

St. Julien is again in the hands of the British.

French repulse a violent attack on the Aisne front, east and south of Cerny.

British have made advances south of Hollebeke between Ypres and Warneton.

Russian troops continue to retire.

New political crisis taking place in Russia.

Air raids are lively on Italian front.

A state of siege has been declared in the Greek department of Attica.

By an ammonia explosion at the Steel Plant in Hamilton, ten foreign workmen were injured, five seriously and two probably fatally.

The Finance Minister's income tax measure passed the committee stage, and now stands for third reading.

MONDAY, AUGUST 6.

Canadian troops advance 200 yards on 1,000-yard front and consolidate positions southwest of Lens. Germans and Turks are making a great effort to regain Bagdad.

Chinese Cabinet approves of declaration of war against Germany.

"A Little Nonsense Now and Then"

Mrs. Green (whose husband has given her a black eye) to District Visitor: "Well, miss, matters might be a sight worse; I might be like you, and 'ave no 'usband at all."

Something of an inducement in Arizona hotel attractions is discovered in this item from the Kingman Mineral Wealth: Until further notice the Commercial hotel as a summer inducement will give one bath a week to all guests who pay their bills promptly at the end of the week. Regardless of the scarcity of water we want our guests to be comfortable. R. E. Stevens, Proprietor.

A South Dakota railroad is noted for its execrable roadbed. A new brakeman was making his first run over the road at night and was standing in the centre of the car, grimly clutching the seats to keep erect. Suddenly the train struck a smooth place in the track and slid along without a sound. Seizing his lantern, the brakeman ran for the door.

"Jump for your lives!" he shouted. "She is off the track!"—National Food Magazine.

Out at the front two regiments, returning to the trenches, chanced to meet. There was the usual exchange of wit.

"When's the bloomin' war goin' to end?" asked one north-country lad.

"Dunno," replied one of the south-shires. "We've planted some daffydils in front of our trench."

"Bloomin' optimists!" snorted the man from the north. "We've planted acorns!"—Answers.

Mark Twain was called upon to speak at a club dinner and took for his theme "Honesty." He said when he was a boy at home he one day saw a cartful of melons. He was only a boy—and he was tempted; besides, he liked melons. The opportunity was there; there was little or no risk. "I sneaked up to that cart," said Mark, "and I stole a melon. I went into a passage to demolish it. But I had no sooner set my teeth in it than I paused; a strange feeling came over me. I came to a quick resolution. Firmly I walked up to that cart, placed the stolen melon where I got it from and—took a ripe one!"

A dog was in the habit of going daily to a baker's shop. His master would give him a penny, which he would drop out of his mouth on to the counter, receiving in exchange a penny bun.

One day his master said to the baker, "I should like to know how much my dog really does know. Try him with a half-penny bun tomorrow."

When, the next day, the dog dropped his penny, and only a halfpenny bun was given to him, he sniffed at it, turned it over and over with his paw, then in a dignified manner walked out of the shop, leaving the bun.

In ten minutes he returned, accompanied by a policeman.—Tit-Bits.

He was a lion tamer, but the man who ruled the king of the forest was in turn ruled by his wife. One night he was entertained by his friends, who refused to allow him to depart until the small hours of the morning. As a result, on his homeward way, thinking that his wife would not receive him as cordially as he deserved, he spent the night elsewhere. In the morning he tried to slip into the house unobserved, but, alas! a voice from the top of the stairs greeted him coldly: "Where have you been all night, John?" "Well, my dear, I was afraid to disturb you, so I slept in the lion's cage." There was a moment's pause, a gritting of teeth, then down the stairs floated one word: "Coward!"

The man stammered painfully as he stood in the dock at the police court. His name was Sissons, and it was very difficult for him to pronounce.

He had had the misfortune to stay out late and make an uproar the previous night, so that he had to account for it before the magistrate next morning.

"What is your name?" asked the magistrate.

Sissons began to reply.

"Sss-ss-ssss-sss."—

"Stop that noise and tell me your name," said the magistrate testily.

"Sss-ss-ssss-sss."—

"That will do," growled the magistrate severely. "Constable, what is this man charged with?"

"Yer worship, I think he's charged with sody-wather," replied the policeman earnestly.—Atlanta Constitution.

WHO PAYS THE COST OF WAR?

(New York Journal of Commerce).

In connection with the new war budget laid before Congress, there seems to be a disposition in some quarters to doubt the suggestions made in debate that war outlays impose a very heavy burden upon the fixed capital and wealth of a nation. Some writers are again urging the familiar view that the cost of war is, after all, paid out of current income, and that the land, mines, buildings and other forms of fixed investment are the same at the close of war as at the beginning, so that they may be regarded as practically unimpaired. This line of argument is common in England to-day and seems to afford comfort to those who would otherwise be discouraged by the immense expenditures necessitated by such a struggle as the present one.

It is well that those who must bear the financial burdens of war should seek encouragement wherever they can find it, but nothing is gained by obscuring obvious facts. There are two classes of cases in which the distribution of war costs may be analyzed somewhat differently owing to variation of conditions, but in both the ultimate conclusions are very similar. One such class is exemplified by the situation in Great Britain. That country cannot produce a national income sufficiently large to pay the current expense of supporting its population and at the same time meet war outlays. Aid is, therefore, sought from outside through the medium of external loans. These do not reduce the fixed capital of the nation. Its buildings, railroads, and natural resources are untouched. The nation, however, has given to outsiders a claim upon the future product of industry; or, in other words, has agreed that the future return from the use of its capital shall be used to liquidate debts incurred for war purposes up to a specified sum. So far as the actual use and enjoyment of wealth and capital are concerned, therefore, such a country has reduced its ownership as truly as if a proportionate share of its values had been directly used up or destroyed by an invading enemy. If it recognizes its obligations and honestly meets them, it must devote the proceeds of its wealth to paying off the outside claims; or, what is the same thing, must regard them as a permanent charge upon its income, the foreign creditor becoming a silent partner in its business operations for the future.

The other class of cases is exemplified by countries like the United States and Germany, which, for widely different reasons, cannot get funds from abroad and must rely entirely upon home resources. In such countries, the cost of war is met by devoting to it current resources that would otherwise be very differently used. These current resources cannot, however, be obtained in sufficient quantity from ordinary income. They will in large measure come from replacement funds normally used to maintain capital investments. How this process affects conditions is seen in the case of American railways. We have ceased to construct new lines, and are probably not keeping our existing plant up to its proper state of efficiency through renewals. This condition is even more marked in foreign countries. A like state of things prevails with regard to buildings and other forms of fixed capital. New investments are curtailed and old ones allowed to run down because of the scarcity and high cost of capital. Even the soil, deprived of its usual supply of fertilizer, deteriorates to some extent, as seen in the cotton territory of the South. Capital does not maintain itself automatically but requires constant restoration through allowance drawn, as they necessarily must be, by the shifting of available means of production as well as of labor, into war industries, the effect is to reduce the efficiency of existing capital in a corresponding measure. There is a genuine, and usually very great, loss not merely as compared with what might have been but with what actually was before the war.

Even if, however, there were no serious effect produced by war upon the volume and material efficiency of capital, there would be other changes in its real ability to produce results that should not be ignored. The output of industry is determined by the joint efforts of capital and labor working together. War profoundly alters this relationship, and after war has ended it is long before old types of organization can be restored, if they ever can. Many skilled workers are lost, others are unable to labor effectively by reason of injuries, and more find it hard to fit themselves again into the industrial organization. The reduction of efficiency may be, and usually is, enormous and this is as genuinely a material loss as if it resulted from the destruction of buildings and machinery. There is no good result to be gained by the popular endeavor to show that war costs little or nothing, save temporary inconvenience and sacrifice.

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NOTICE is hereby given that a Dividend at the rate of five per cent per annum (5%) upon the paid-up Capital Stock of this Bank; has been declared for the three months ending the 31st August, 1917, and that the same will be payable at the Head Office and Branches, on and after, Saturday, the 1st day of September, 1917. The Transfer Books will be closed from the 17th day of August to the 31st day of August, 1917, both days inclusive.

By Order of the Board,
 J. COOPER MASON,
 Actg.-General Manager

Toronto, July 18th, 1917.

Bank of Montreal

NOTICE is hereby given that a DIVIDEND of TWO-AND-ONE-HALF per cent. upon the paid up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Saturday, the FIRST DAY OF SEPTEMBER next, to Shareholders of record of 31st July, 1917.

By order of the Board,
 FREDERICK WILLIAMS-TAYLOR,
 General Manager.

Montreal, 20th July, 1917.

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After all, it seems, the important thing is to be ready to do one's duty when the call comes for action. When the people of Belgium were without bread, and no one in all the stricken country seemed to know how to make use of the corn meal which had been provided, it is related that a Negro from the United States, who had wandered in some unexplained way into Belgium, volunteered to assist one of Herbert C. Hoover's aids in teaching the people to make corn bread and corn pone. Thousands of rations were issued daily, and, in a few weeks, such food was everywhere popular. The Negro's name was Washington Smith, but he was not a hero because of that fact. His chief claim to distinction is that he was ready to "do his bit," and did it. That, in the end, is the real mark of the hero, in all walks of life.—Boston Monitor.

WAR'S VICTIMS.

The French children found in the villages of Northern France evacuated by the Germans under the pressure of the British and French offensives present a picture of the savagery of modern warfare as characteristic as the Somme forest, shattered and broken by months of shell fire.

Many of these children are orphans without home or relatives. Many have been grievously wounded. Most of them suffer from a peculiar species of shell shock which afflicts them generally with a sort of tremor not unlike St. Vitus dance.

They have had life and death, horrors human and inhuman, revealed to them in guises so terrible that they will never be quite normal again. All are underfed and frail from confinement in cellars. Cut off suddenly from relatives and friends perhaps two years ago they have continued to live within a few hundred yards of the front lines, listening always to the thud of shells and the crash of explosives, until their idea of heaven is "a place that is very quiet." All the children were collected and shepherd-ed by the first Entente troops into the newly occupied areas.

Everything that can be done to cure and care for them is now being done constituting one of the most important immediate tasks of the French committees on reconstruction.

One French organization has a hospital with 400 child patients all under 13 years of age. Most of them are wounded. Some have lost legs or arms; others their sight; others are suffering from brain fever or a puzzling anæmia under which they waste away rapidly. They are the victims of the ruthlessness of modern warfare.

THE ROD IN PICKLE.

(Boston Transcript).

Nine Americans out of ten will be glad if American seamen and American steel are going to have the opportunity to inflict the punishment which has long been due, and most Americans are bold enough to believe that it will be administered, and administered generously, in God's good time

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THE 1917 FRUIT CROP.

The July report of Dominion Fruit Commissioner Johnson indicates that this will in North America as a whole, prove one of the poorest fruit years experienced since fruit-growing became an important industry. In Western Ontario, including the important apple-growing area of Lambton, Norfolk, Halton and Brant, the crop is, Mr. Johnson says, practically a failure, being not over 40 per cent. of the very poor yield of last year. In Prince Edward county, which promised fairly well early in the season, the prospect now is for a yield ranging all the way down from 75 to 20 per cent. In the Cobourg-Colborne section, where there was also fair promise in spring, the outlook now is for not over 60 per cent. of last year's small harvest, and in Newcastle district, where some of the largest orchards are found, there will not be over 30 per cent. of a normal yield. In Georgian Bay district only 25 to 50 per cent. of a normal crop will be gathered. In all these districts conditions are further lowered by scab developed during wet, muggy weather. In Nova Scotia, where a fairly large yield was expected, production is being greatly lessened by scab and canker-worm.

In the Pacific Coast States the set of apples is not nearly up to that of 1916, and in New York not over a 25 per cent. crop, of poor quality, is looked for.

SMALL FRUITS.

In small fruits the situation is also discouraging. Cherries in the Niagara district are only a 50 to 75 per cent. crop, and are rotting badly at that.

Lambton has not over a 10 per cent. peach crop, and Niagara district a 50 per cent. one. Other peach districts in Ontario report total failure. Plums have suffered heavily by drop, and pears, despite the heavy bloom of spring, will not give over a 30 to 40 per cent. crop.

Tomato prospects are good, considering the late planting, but in Niagara district the area has been reduced to half that of last year owing to wet weather at planting time.

BROOMHALL'S FOREIGN CROP SUMMARY.

Italy—Weather better and harvesting is advancing, although generally late. In early districts the yield is fair but northward the outlook is better. A yield under normal is expected. Importation will be important despite economy.

France—Weather unfavorable, being wet where harvesting and northward dry and hot. Yield is better than was expected and the general outturn should exceed recent government estimates. Stocks light everywhere and mill supplies small. Prices remain high to consumer and foreign arrivals limited.

United Kingdom—Outlook for Wheat fair and other Grain excellent. Hay and Fodder crops fine. Foreign Wheat stored is large and consumption limited. Mill offers are ample as regulated by the government. War Bread is unsatisfactory, but the quality is kept at this parity to restrict usage.

Germany—All advices confirm greatly reduced yield of Wheat, owing to disastrous weather.

Scandinavia—Crop outlook poor, as weather has been decidedly unfavorable. Stocks in most cases mostly exhausted and foreign arrivals generally ceased.

Balkan States—Weather has favored harvest which is about completed and crops yielded well. Exportation has already commenced and it is believed that large deliveries have been made to central powers.

Russia—Wheat has deteriorated greatly owing to bad weather and improper cultivation. Spring acreage smaller than usual as peasants were not willing to plant owing to unsatisfactory conditions surrounding government handling of last crop. Interior movement light and prices high.

India—Good rains have fallen for food crops and the soil is excellent for plowing for the new crop of Wheat. Stocks are large everywhere, but actual shipments light.

Australia—Weather better. Some additional rain has fallen in dry districts. Crop prospects fair. Stocks of old Wheat large and quality fine.

Spain—Harvesting is nearly finished. Yield is good but under last year and the quality fair. Import needs will be important.

North Africa—Harvesting is finished late and it is confirmed that the yield was moderate.

Hungary—All advices from neutral sources confirm a large yield.

Scandinavian Peninsula—Crop prospects poor. Harvesting is late and weather remains cold. Stocks about exhausted.

Portugal—Crop prospects excellent and harvesting finished.

HOGS ARE PROFITABLE.

(From the Chicago Drivers' Journal).
Hogs are still selling up to \$16.30 for the best, and this price stands only 35c lower than the record time of May, while a year ago tops were hovering around \$10.00.

This rise in price is certainly more than paying for the extra cost of feed, and Hog production this season will undoubtedly be big.

Spring Pig crop was cut down considerably because of the cold, damp weather, but more than usual were farrowed.

This fall the Pig crop should even be larger, as weather probably will be better if it runs true to form.

Many who never tried raising two litters a year intend to do it this year, as they have confidence in the future markets.

Hogs are holding up comparatively well in the face of light Eastern shipping demand and poor dressed trade in the East, and to many this is evidence that the packers have a broad outlet for product.

Of course, grassy kinds are not selling up with the prime corn-fed offerings, but that is a reasonable character of the trade at this time of the year.

That many feeders will not feed it because they are

The spread is wider than a year ago, but that is due largely to the high price of corn and to the fact making big enough profits out of the grassy kinds even though they are selling at a discount.

The high point may have already been reached, but there are few in the trade who look for any serious break, and some insist that prime lots must work upward along with other commodities.

It is admitted, however, that buyers will continue to discriminate against the grassy kinds for weeks to come, as they are killing out poorly and actually costing more on the hogs than the prime corn-fed grades.

Proportion of strictly prime lots is comparatively small at this time and has been for several weeks, so that it looks like good policy to feed the corn, as it will bring more feed to hogs than sold at the elevator.

GIGANTIC CROPS PROMISED IN U. S.

According to estimates compiled by the Bureau of Crop Estimates, the winter and spring wheat crops will total 678,000,000 bushels or 38,000,000 bushels more than 1916 yielded.

Corn will reach 3,124,000,000 bushels, far over the 1916 yield of 2,583,000,000 bushels.

White potatoes promise 452,000,000 bushels against 285,000,000 in 1916, and there will be ten million bushels more sweet potatoes this year than last.

The United States is a long ways from famine conditions if harvest bears out the promise of the July 1 crop reports. Not only will this country have an abundance of food grains, but there will be big surplus stocks from which to provide food for our allies and for neutral countries.

An immense acreage was sown to all crops, and while there have been crop losses in some quarters owing to unfavorable seasonal conditions, the general outlook is for immense yields of all grains, with the exception of wheat, and even in wheat there will be a fair average.

	July, 1917.	Final, 1916.
Winter wheat	402,000,000	482,000,000
Spring wheat	276,000,000	158,000,000
Total wheat	678,000,000	640,000,000
Corn	3,124,000,000	2,583,000,000
Oats	1,453,000,000	1,252,000,000
Barley	214,000,000	181,000,000
Rye	56,100,000	47,383,000
White potatoes	452,000,000	285,437,000
Flax	17,000,000	15,489,000
Hay, tons	103,000,000	109,786,000

801,000,000 BUSHEL GAIN.

The total yield of wheat, corn, oats, rye and barley, the leading cereal crops of the nation, will be approximately 5,525,000,000 bushels, showing a gain over 1916 of 801,000,000 bushels, the total out-turn last year being 4,719,000,000 bushels.

The first report of the season on corn made the acreage 121,045,000, or about 15,000,000 acres more than was planted to corn last year. On this acreage the average condition is 81.1, a low average, due to the late season, but the total yield promised is 3,124,000,000 bushels compared to 2,583,000,000 bushels, the final estimate of last year.

Editor: "Well, young woman, if the story suits me, I'll pay you \$20 for it."

Young Lady Author (persuasively): "Oh, come now. Buy it without reading and I'll let you have it for \$15."—Boston Transcript.

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AUSTRALIA PLANS WHEAT STORAGE.

The problem of storing Australia's Wheat is being constantly discussed, both officially and unofficially, says a United States Government report. The British government has bought 112,000,000 bu. Australian Wheat of the 1915-16 and 1916-17 crops for 4s 9d per bu., f.o.b. Australian port. One of the conditions of the sale is that if the whole of the Wheat is not delivered by December 31, 1917, the British Wheat Commission will pay the additional charges for storing it in Australia after that date. As the greater part of the Wheat has not been shipped, and as the next harvest will begin to come in by the end of the year, it is apparent that the storage situation is acute.

In Australia to-day are approximately 40,000,000 bu. Wheat of the 1915-16 crop and 136,000,000 of the 1916-17 crop. The prime minister, at a conference in May, stated that by the end of January, 1918, there probably would be 6,000,000 tons of Wheat in Australia over and above the amount required for local consumption. The premier's conference appointed a Wheat storage commission, which is considering plans.

against each name a square is allowed for each day of the week. If a girl is away in the morning without any reason being given, the fact is recorded by a heavy full stop in the extreme top left-hand corner of the square allocated to that day. If she is away in the afternoon a similar dot is placed in the bottom right-hand corner. Should the reason for her absence prove to be unavoidable—e. g., ill health—the dot is transformed into a cross, which represents an unavoidable absence, as distinct from unjustifiable time breaking.

Now, by looking at a chart of this sort, which extends on each page for three months, it is possible to see at a glance—

- (a) Which girls are keeping bad time,
- (b) What departments are keeping bad time,
- (c) Whether time is frequently broken on any particular day, e. g., Saturday or Monday.

In the case of girls this chart should either be prepared in the welfare supervisor's office — the necessary facts being supplied daily by the time office—or if prepared elsewhere should be sent to the welfare supervisor at least once a week. It then becomes her business to take up the matter with any employee who is keeping bad time, and to find out what the real cause is and seek to remedy it.

The cause for keeping bad time usually falls under one of the following headings:

- (a) A specific illness, such as scarlet fever, which may keep a girl away for several weeks.
- (b) Occasional illness, which may show that the girl's general state of health is poor.
- (c) Slackness, which may be caused by either dislike of or distaste for the work.
- (d) Possibly demands of parents that the girl shall do housework at certain times.

It is obvious that these causes can not be remedied in any wholesale way, nor can bad time keeping be effectively dealt with by severe disciplinary regulations. It is worth the employer's while to treat each case individually, and this can best be done by the welfare supervisor. This is much more effective than to send a clerk or a busy foreman concerned with a multitude of other matters to interview a girl who has broken time. If a tactful woman asks the girl quietly just why it is that she is breaking time she will often get an illuminating answer. If the girl is anaemic or otherwise unwell she can encourage her to adopt health rules that will make her stronger. If she is merely wearied by the monotony of the work she can try and interest her in it. In any case she can get a personal approach to the girl, who knows that although the welfare supervisor is an employee of the firm she is not in the usual sense "in league" with the management. By constant care a good welfare supervisor is able materially to reduce the amount of broken time.

In addition to the chart described above, which deals with individual workers, it is worth while to prepare weekly statistics in which the average amount of broken time is shown for each department. In these statistics two sets of figures should be given. The first, a column showing the amount of time broken from all causes, whether satisfactory or otherwise, and whether with permission or otherwise; the second, a column from which are eliminated all absences which have extended over a whole week. These will almost certainly be due either to illness or to absence with leave, and may safely be deducted from the time unsatisfactorily accounted for.

I do not think it is worth while to attempt to distinguish statistically between satisfactory and unsatisfactory causes of broken time where this only extends to a day or two, as illness is so frequently given as the cause of absence when really it is only the excuse.

These weekly statistics are valuable means of comparing the time keeping in each department. Where this is bad this will probably be found to be due to one or more of these causes:

- (a) A slack foreman;
 - (b) Bad working conditions;
 - (c) Too much overtime;
- any of which are capable of being remedied.

A point that arises in appointing a welfare supervisor is, of course, the cost of such an officer. But this expenditure should be considered not merely as an additional outlay but as a legitimate expense for improving the efficiency of the staff. A small firm can generally secure a suitably trained person for £2 (\$9.73) per week. Larger firms should pay from £3 to £5 (\$14.60 to \$24.33) per week, if they desire a worker conversant with all the subtle difficulties that arise in handling large numbers of women.

If there are 500 girls working in a factory and the

management pays £150 (\$729.98) a year for such a supervisor, she is costing the firm less than 1½d. (3 cents) per worker per week. If the average rate of wages is 12s. (\$3.92) per week, the supervisor is costing the firm 1 per cent of the annual wages bill. If they are paying their girls an average of £1 (\$4.87) per week she will only cost 0.6 per cent of the wages bill.

If, as a result of a more contented personnel, one does not get far more than 1½d. (3 cents) of extra output per week from each girl, then something is very much amiss. It is certain that such a worker is an economy in every sense of the word. She saves the manager from worrying over the thousand and one points that can be dealt with by women far better than by the best business man. Consequently she frees the executives for more important work.

It is clear that the whole success of welfare supervision will depend upon two things—firstly, the employer's recognition of its importance, and, secondly, the personality of the welfare supervisor.

After more than 20 years' experience of welfare supervision in my own factory, I am thoroughly convinced of the wisdom of appointing welfare supervisors where large numbers of girls are employed. They not only promote the well-being, the health, and efficiency of the girls, but they save the management an enormous amount of trouble. And it must be remembered that an increase of efficiency is important not only to employers but also to the workers; for there can not be progressive improvement in wages unless there is progressive improvement in methods of production.

GERMANY MOBILIZING HER RESOURCES

Contrary to the general belief, Germany during the past three years has not confined her shipbuilding activities to the turning out of submarines and other war vessels, says the latest issue of "Industrial Conversation." "Since the outbreak of the war twenty-eight new freight steamers have been constructed in her shipyards.

"To the American manufacturer and his employee there is a world of significance in these correlated statements of fact, indicating as they do the extent to which Germany is prepared for the campaign of industrial reconstruction and the wholesale conquest of world trade markets which she plans to undertake the moment peace has been restored.

"When the war ends Germany will have plenty of goods, in a few lines in which she enjoys a superabundance of raw materials, to throw back upon the world markets. In those lines in which she has great natural advantages Germany will be able to put out goods that are legitimately very low in price. There are factories in Elberfeld, Remscheid, Frankfurt-am-Main and Dusseldorf to-day turning out a steady flow of articles, not for military purposes but for export.

"The plans so far evolved by the Stahmer Commission are based upon the principle that when peace comes Germany must export cargoes of goods that, generally speaking, far exceed in value the class of goods she imports. That system, if carried out properly, will enable her to establish a substantial trade balance. In her export activities she will lay most stress on lines such as chemicals, dyestuffs, hardware, cutlery and "knickknacks", for her available raw materials favor the abundant production of those articles. They will have to import copper, nickel, cotton, animal fats and American machinery. On any other commodity it is almost a certainty that the Stahmer Commission will recommend prohibitive import duties, especially on manufactured articles.

"In other words, with the exception of machinery, Germany is going to concentrate on importing only bulky and cheap raw material as soon as peace comes.

"In order that Germany may compete successfully for world trade, however, it is essential that costs be kept down in the manufacture of the chosen articles of export. This is an absolute essential, for without low-priced goods the Empire might find itself in a dangerous position upon the coming of peace. It is a detail, however, that has not been neglected. Railroad chiefs, canal chiefs, transoceanic chiefs, all these men know the goods, the factories, that Germany has chosen as the advance guard in her fight for world trade when peace comes. Preferential railroad rates, cheap inland waterways tolls and ocean freights rates will be given exporters upon Imperial suggestion, better to enable them to carry on the war after the war."

FOREIGN TRADE IN U. S. TEN BILLIONS

Unprecedented volume of merchandise and precious metals pass through United States Custom House in fiscal year.

More than \$10,000,000,000 worth of merchandise and precious metals passed through the Custom House of the United States in the fiscal year ended June 30 last. A compilation by the National City Bank of New York, comparing the trade of the country in the fiscal year recently ended with that of the fiscal years 1916, 1915, and 1914, shows that the grand total for 1917 was in round terms twice as great as that of 1914, which immediately preceded the war.

The total of imports and exports of merchandise in 1917 was set down at \$8,900,000,000, compared with \$6,351,000,000 in 1916, \$4,443,000,000 in 1915 and \$4,259,000,000 in 1914, the fiscal year which ended only one month prior to the beginning of the war. The gold and silver imports and exports of the fiscal year 1917 aggregated \$1,382,381,000.

The bank's compilation showed that the foreign trade in merchandise alone in 1917 was double that of the year prior to the war, the 1917 figures being official returns for 11 months, and an estimate for June, based on that of the month immediately preceding. Imports were set down at \$2,334,000,000 in the fiscal year 1917, compared with \$1,894,000,000 in 1914, a gain of \$740,000,000, or 40 per cent in the three-year period; the exports were returned at \$6,280,000,000 in 1917, compared with \$2,365,000,000 in 1914, a gain of \$3,915,000,000, or 165 per cent, and the total trade at \$8,914,000,000, compared with \$4,259,000,000 a gain of \$4,655,000,000, or 100 per cent.

The bank's statement in part says:

The fact that the export trade of the country has only increased 165 per cent in the three years of the war will doubtless be a surprise to many who based their estimate of growth in exports upon the frequently published figures showing enormous increases in certain articles, especially those required for war purposes. Explosives, for example, show total exports in 1917 more than 100 times as great as in 1914; horses and mules, 20 times as great; sugar, 35 times as much in value; firearms, 30 times as great; zinc and brass, 60 times as much in value; commercial automobiles, 40 times, and condensed milk, 20 times as much in value as in 1914. On the other hand, however, cotton—always an important factor in our export trade—shows an actual decline, having been in 1915 only \$550,000,000, compared with \$610,000,000 in 1914.

The great increases occur in food and war material. Wheat and flour exported in 1917 amount to \$388,000,000, compared with \$142,000,000 in 1914; corn in 1917 to \$75,000,000 compared with \$7,000,000 in 1914; meat and dairy products in 1917 approximately \$400,000,000, compared with \$146,000,000 in 1914; condensed milk in 1917 to \$23,000,000 compared with a little over \$1,000,000 in 1914; sugar in 1917 \$71,000,000 compared with less than \$2,000,000 in 1914; leather and manufactures thereof in 1917 \$150,000,000, compared with \$57,000,000.

The bank's analysis of imports showed the increase occurred chiefly in material for manufacturing.

CUSTOMS REVENUE FOR JULY.

Custom receipts for the month of July and for the four months of the fiscal year which closed on July 31st, show substantial increases over the like period of 1916. The customs revenues of Canada in the month just ended amounted to \$14,269,643.92, or \$3,187,749.57 more than in July, 1916.

Receipts from the same source during the four months ended July 31st, 1917, aggregated \$60,949,847.64 as compared with \$46,513,299.22, an increase of \$14,436,548.42.

MEN, MUNITIONS AND FOOD.

"Food Controllers in the States and Canada were appointed in order that the men at the front might be fed," says Hon. W. J. Hanna, Canadian Food Controller. "In order that those behind at home should not go hungry; in order that Great Britain and her Allies should not have to retreat from the enemy for want of food."

The Allies, including Great Britain, France and Belgium need 760,000,000 bushels of imported wheat. North America will have to supply it.

"At first the call was for men, munitions, and money." Now the cry is for "men, munitions and food."

GUIDE TO INVESTORS

CANADIAN STOCKS

Quotations of Listed Securities on the Montreal Stock Exchange-

COMPANY.	Shares par Value.	CAPITAL. Issued.	DIVIDEND PER CENT. Present.	When payable.	1914.		1915.		1916.		1917.	
					High.	Low.	High.	Low.	High.	Low.	High.	Low.
Ames-Holden	100	\$3,500,000	16	6	16	6	23	7	35	19 1/2	16	16
Ames-Holden, pf.	100	2,500,000	16	6	16	6	23	7	35	19 1/2	16	16
Asbestos Cor. of Can.	100	3,000,000	16	6	16	6	23	7	35	19 1/2	16	16
Asbestos Cor. of Can., pf.	100	4,000,000	16	6	16	6	23	7	35	19 1/2	16	16
Bell Telephone	100	18,000,000	2	h.y.	150	140	159	140	152	148	150	136 1/2
B. C. Fishing	100	4,187,400	2	h.y.	92	54	59 1/2	54	62 1/2	43	47 1/2	37 1/2
Brazilian Traction	100	7,500,000	1	x 1/4	59	53	59	53	59	53	59	45
Brompton Pulp	100	1,850,000	2 1/2	...	219 1/2	171 1/2	193 1/2	142	182 1/2	165	165	156 1/2
Canada Cement	100	260,000,000	2 1/2	...	70	48	120	50	84	32	46 1/2	25 1/2
Canada Cement, pf.	100	4,225,000	2 1/2	...	109 1/2	98	126	98	101	63	89	59
Can. Car & Fdy.	100	7,500,000	1 1/2	...	88	48	28	72 1/2	98	37 1/2	89	87
Do., pf.	100	13,500,000	1 1/2	...	88	48	28	72 1/2	98	37 1/2	89	87
Canada Cement, pf.	100	10,500,000	1 1/2	...	40	34	34	...	46	30	41 1/2	40
Can. Converters	100	1,733,500	1	p.c.	91	81	91	...	100	91	...	...
Can. Con. Rubber	100	2,806,500	1 1/2	...	97	97	101	100	97	97	66	61
Do., pf.	100	2,715,500	1 1/2	...	38	24	40	25	70	37	56	78
Can. Cottons	100	3,661,500	1 1/2	...	78 1/2	70 1/2	77	71	82 1/2	75	80	78
Do., pf.	100	1,500,000	1 1/2	...	92	92	...	...	...	...	...	...
Can. Fairbanks, pf.	100	960,000	3	...	243	65	227	175	205	150	150	150
Can. Fds. & Forgings	100	960,000	1 1/2	...	110	91	132	91	125 1/2	108 1/2	85	84
Do., pf.	100	8,000,000	1 1/2	...	110	91	132	91	125 1/2	108 1/2	85	84
Can. Gen. Electric	100	2,000,000	1 1/2	...	86	82	78	85	15 1/2	16	40	29 1/2
Can. Locomotive	100	1,500,000	1 1/2	...	18	10	20	6	45	16	40	29 1/2
Do., pf.	100	5,745,000	1 1/2	...	18	10	20	6	45	16	40	29 1/2
Canada Steamships	100	6,255,000	1 1/2	...	15	5	41 1/2	14	38 1/2	17	37 1/2	37 1/2
Do., Voting Trust	100	12,500,000	1 1/2	...	76 1/2	59 1/2	76	59 1/2	95 1/2	70	93 1/2	79
Do., pf.	100	1,200,000	1 1/2	...	53 1/2	35 1/2	48	29	25	25	9	9
Carriage Factories	100	1,200,800	3 1/2	...	...	...	...	...	...	...	...	...
Do., pf.	100	1,200,800	3 1/2	...	...	...	...	...	...	...	...	...
Civ. Power	100	63,696,750	2 1/2	...	1.95	1.00	1.00	.32	60	.38	44	22 1/2
Con. M. & Smel. 1916	25	10,534,750	5	...	68	85 1/2	34 1/2	31	20	11	23	22 1/2
Crown Reserve	100	2,752,200	...	...	68	85 1/2	34 1/2	31	20	11	23	22 1/2
Dom. Cannery	100	2,290,000	...	...	73 1/2	62	73	62	128 1/2	69 1/2	128	108
Do., pf.	100	12,500,000	2 1/2	...	122 1/2	107	237	107	231 1/2	160	170	125
Detroit United Railway	100	6,500,000	2 1/2	...	106	97 1/2	...	...	98	95	92	88
Dominion Bridge	100	3,000,000	3 1/2	...	93 1/2	19 1/2	52 1/2	20	82	42	71 1/2	52 1/2
Do., pf.	100	5,000,000	3 1/2	...	93 1/2	19 1/2	52 1/2	20	82	42	71 1/2	52 1/2
Dom. Iron and Steel, pf.	100	37,097,700	...	...	125	60	77	64	90 1/2	74	89	76 1/2
Dom. Steel Corporation	100	400,000	1 1/2	...	86 1/2	64	77	64	90 1/2	74	89	76 1/2
Dominion Park	100	5,000,000	1 1/2	...	105	100	107	...	105 1/2	100 1/2	105	99 1/2
Dominion Textile	100	1,925,375	1 1/2	...	105	100	107	...	105 1/2	100 1/2	105	99 1/2
Do., Textile, pf.	100	3,500,000	...	...	27 1/2	25	...	...	43 1/2	41	...	...
Duluth Superior	100	1,750,000	...	...	82	75	...	...	26	75	...	...
Goodwins	100	1,250,000	...	...	169	160	...	...	185	160	...	...
Goodwins, pf.	100	1,400,000	...	...	19.25	15.25	29.00	22.50	30.25	25.25	...	...
Hallfax Electric	100	3,000,000	2	...	...	...	...	...	...	...	...	...
Hollinger	100	833,500	...	...	...	...	...	...	...	...	...	...
Howard Smith	100	475,000	1 1/2	...	68 1/2	60	...	...	44 1/2	44	87	84
Do., pf.	100	12,252,000	1 1/2	...	95	91	91	...	91	87 1/2	88	83
Illinois Traction	100	7,135,500	2 1/2	...	135	127	137	129	136 1/2	126	130	125
Do., pf.	100	2,100,000	2 1/2	...	120	115	120	108	128	116	195	170
Lake Woods Mill	100	1,500,000	1 1/2	...	198 1/2	160	198	160	217 1/2	176	176	164
Do., pf.	100	9,600,000	2 1/2	...	86 1/2	75 1/2	84	70	65 1/2	83	79	82 1/2
Laurentide	100	1,750,000	1 1/2	...	70	65	70	65	75 1/2	68 1/2	65 1/2	64
Lyal Construction	100	41,380,400	1 1/2	...	...	...	...	...	122	96 1/2	144 1/2	96
Mackay Co.	100	50,000,000	1 1/2	...	...	...	...	...	...	...	...	...
Do., pf.	100	2,500,000	1 1/2	...	...	...	...	...	...	...	...	...
Maple Leaf Milling	100	2,500,000	1 1/2	...	55	50	55	51	63	50	58 1/2	49
Do., pf.	100	3,000,000	1 1/2	...	103	97 1/2	103	99	103	99	102	100
Montreal Cottons	100	3,000,000	2 1/2	...	175	175	175	175	175	165	162 1/2	165
Do., pf.	100	6,000,000	2 1/2	...	140	134	140	136	136	135	...	...
Mont. Loan and Mtg.	25	2,000,000	2 1/2	...	192	220	...	...	200	180	180	...
Montreal Telegraph	100	4,000,000	2 1/2	...	83	75	81 1/2	...	81 1/2	75	77	72
Montreal Tramway	100	16,000,000	2 1/2	...	49 1/2	49 1/2	...	...	75	75	...	...
Do., Tram debts	100	2,254,300	3 1/2	...	95	95	...	...	...	...	...	...
Natural Breweries	100	2,775,000	1 1/2	...	120	79	107 1/2	45 1/2	154 1/2	92	126	88
Do., pf.	100	1,030,000	2	...	110	115	110	110	110	110	112	106
N. S. Steel & Coal	100	6,000,000	5 plus 5	...	123	107	7.53	5.50	8.75	8.00	128	145
Do., pf.	100	2,500,000	2 plus 4	...	117	111 1/2	116 1/2	112	114	114	110	137 1/2
Nipissing Mines	100	2,000,000	1 1/2	...	...	...	...	...	...	...	...	...
Ogilvie Flour	100	2,000,000	1 1/2	...	...	...	...	...	...	...	...	...
Do., pf.	100	750,000	1	...	...	...	...	...	...	...	...	...
Ont. Steel Products	100	750,000	1 1/2	...	171 1/2	139 1/2	123	120	120	93	95	80
Do., pf.	100	3,481,400	1 plus 1	...	55 1/2	48	79	63	49	78	73	69
Ottawa Power	100	2,150,600	1 1/2	...	84	80	82 1/2	82	86	82	82	80
Penman's	100	1,075,000	1 1/2	...	70	46	70	...	30	30	36	32
Do., pf.	100	5,000,000	1 1/2	...	50	50	...	...	131	60	120	115
Porto Rico Ry.	100	9,099,500	1 1/2	...	16 1/2	10	20	9 1/2	45	13 1/2	35	18
Price Bros.	100	4,500,000	1 1/2	...	...	...	...	...	150	59	127	106
Quebec Railway	100	1,000,000	1 1/2	...	...	...	...	...	96	92 1/2	94	92 1/2
Riordon P. & P. com.	100	800,000	...	...	...	...	...	...	...	...	...	...
Riordon P. & P., pf.	100	1,200,000	...	...	...	...	...	...	...	...	...	...
Russell Motor	100	1,500,000	...	...	...	...	...	...	...	...	...	...
Do., pf.	100	1,500,000	...	...	...	...	...	...	...	...	...	...
Sawyer-Massey	100	1,500,000	...	...	...	...	...	...	...	...	...	...
Do., pf.	100	14,973,750	1 1/2	...	142 1/2	110	139 1/2	110	137	128	130 1/2	119 1/2
Shawinigan	100	4,000,000	1 1/2	...	60 1/2	53	65	55	59	54 1/2	59	56
Sherwin Williams	100	8,000,000	1 1/2	...	104 1/2	98	100	99	100	97 1/2	99	98
Do., pf.	100	1,718,500	1 1/2	...	20	...	45	28	57	33 1/2	55	45
Smart Woods	100	1,546,500	1 1/2	...	16 1/2	9	...	...	86	84 1/2	...	80
Do., pf.	100	8,000,000	...	...	50	31	7 1/2	3 1/2	69 1/2	29	59	51 1/2
Spanish River	100	3,000,000	...	...	...	...	...	...	...	...	...	...
Spanish River, pf.	100	2,898,100	...	...	...	...	...	...	...	...	...	...
Spanish River, pf.	100	11,500,000	1 plus 1/2	...	20	12 1/2	48	8 1/2	88	34 1/2	71 1/2	52
Steel Co. of Can.	100	6,496,300	1 1/2	...	11	69	144 1/2	95	69	107 1/2	86	100
Do., pf.	100	12,000,000	1 1/2	...	86 1/2							

COMMODITY MARKETS

Week's Wholesale Review

Midsummer quiet prevails in many wholesale lines but sugar and flour show a tendency to become active. Dealers complain that the shortage of ship tonnage makes the supply of oils and tropical fruits very uncertain. In this connection it is interesting to note that it is stated that a prominent firm of paint manufacturers is organizing a new department of its business to meet the demands of the growing ship-building industry in Canada.

According to Bradstreet's report, "The textile manufacturers of Quebec Province are still actively engaged in giving that portion of their equipment which was not commandeered for war work to meeting the insistent and unsatisfied demands of domestic trade. The difficulty of securing adequate supplies of cotton and wool has made it impossible in many cases to guarantee delivery of contracts."

LIVESTOCK.

MONTREAL.—The offerings at the two yards, last week, amounted to 1,900 cattle, 1,545 sheep and lambs, 1,550 hogs and 1,100 calves. Owing to the continued intense heat the market for cattle was rather quiet, and the beginning of the week trade was decidedly slow. On Wednesday, as the offerings were slight sales of choice steers were made at \$10.50 to \$10.75, good at \$10 to \$10.25, and the lower grades at \$8.50 to \$9.50 per 100 lbs. The market for sheep and lambs was weak and prices scored a decline of from 50c to \$1.00 per 100 lbs. on Monday, and then remained steady. The demand for calves was fairly good and as supplies are falling prices remained about the same. As the offerings were slight and the demand from butchers and packers fairly brisk prices became firmer. Trade in hogs was active and the market developed a firm tone, and prices scored a net advance of 50c per 100 lbs. for the week.

TORONTO.—The offerings at the two yards, last week, amounted to 2,856 cattle, 324 calves, 719 hogs and 898 sheep and lambs. Although the offerings were small the cattle offered were of a very high quality and prices advanced 25c per 100 lbs., and remained steady at the advance all week. Hog prices also showed an advance of 25c per 100 lbs. due to smaller offerings. In the small meats department prices also soared, and for a similar reason. Spring lambs were \$1.00 higher at \$15.00, and sheep \$1.00 higher at \$8.50 to \$9.50. Calves were in good demand at good prices. Choice calves were bringing from \$13.50 to \$14.50, which is from 75c to \$1 of an advance on last week's best price.

	Per Cwt.			
	Montreal.		Toronto.	
Butchers' steers, per 100 lbs.				
Do., choice	10.50	10.75	11.00	11.75
Do., good	10.00	10.25	9.50	9.75
Do., medium	9.00	9.25		
Do., rough	8.50	8.75	8.00	8.50
Butchers' Cows.				
Do., choice	7.50	8.00	8.00	8.50
Do., good	7.00	7.25	7.00	7.50
Do., fair	6.50	6.75	6.25	7.00
Bulls, choice	8.00	8.50	8.00	9.00
Do., good	7.50	7.75	7.00	7.50
Do., fair	7.00	7.25	6.50	7.00
Canners' cattle.				
Do., bulls	5.50	6.00		
Do., Cows	4.50	5.25	5.00	6.00
Sheep and Lambs.				
Ewes	8.00	8.50		
Bucks and Culls	7.50	7.75		
Spring Lambs, each	13.00	13.50	16.00	16.50
Calves, Choice	11.00	12.00	13.00	14.50
Do., Good		16.00	10.50	11.50
Do., Common	7.00	8.00	6.00	7.00
Hogs, good	16.00		15.75	17.00
Do., choice selects		16.00		
Do., heavyweights	15.50	15.75		
Sows		13.25		
Stags	9.75	10.00		

PROVISIONS.

In sympathy with the strength displayed by the Toronto market the local market for live hogs became very firm early in the week, when prices scored an advance of 25c. per 100 lbs. over those of the previous week, on Friday a further advance of 50c. per 100 lbs. was made, with sales at \$17 per 100 lbs. weighed off the cars. The market for all smoked and cured meats became firmer, although no actual changes were made in price. A stronger undertone developed in the market for lard, and higher prices are expected soon, due to the higher prices being

paid for hogs. The receipts of provisions for the week amounted to 1,258 packages tinned meats, 91 boxes of hams and bacons and 219 packages of lard.

We quote current prices as follows:

	Per lb.
Hams:—	
Smoked Hams, 8-10 lbs.	0.30
Do., 12-15 lbs.	0.28
Do., over 25 lbs.	0.26
Bacon:—	
Breakfast	0.35
Windsor Bacon, selected	0.37
Windsor Bacon, boneless	0.39
Barrel Pork:—	
Short cut pork	0.48
Pure Lard:—	
20 lbs. pails	0.24½
Compound Lard (Western Grades):—	
Tubs	0.21½

WHEAT MARKET.

The southern markets being closed, the week-end on the Winnipeg grain market was very quiet. The principal feature of last week's grain market was the advance of October flax from \$3.15 to \$3.32, and of December from \$3.09 to \$3.25. Oats for future delivery remained fairly steady in price. October wheat is about 5 cents more than it was a week ago. Cash No. 1 northern wheat closed at the fixed maximum, \$2.40, unchanged. Some of the lower grades were from 1c to ½c higher than Saturday's price at the close. October wheat closed at \$2.25, 2c below Friday's close. October oats closed at 69½c, ½c down, and December at 65½c, ¼c down. October flax closed at \$3.37. November at \$3.33, and December at \$3.30, an advance of 5c all round.

	per bushel.
Grains:	
Spring Wheat, Northern No. 1	2.40
Do., No. 2	2.37½
Do., No. 3	2.32½
Do., No. 4	2.22½
Do., No. 5	2.00½
Do., No. 6	1.74
Feed	1.64
Do., No. 4 Special	2.22½
Do., No. 5 Special	2.00½
Do., No. 6 Special	1.74
Oats:	
No. 2 C. W.	0.76½
Do., No. 3 C. W.	0.75½
Do., Extra No. 1 feed	0.75½
Do., No. 1	0.72
Barley:	
No. 3 C. W.	1.22
Rejected and Feed	1.11
Flax:	
No. 1 N. W. C.	3.35
No. 2 C. W.	3.30
No. 3 C. W.	3.18
Track	3.34

RECEIPTS OF GRAIN IN WINNIPEG.

The receipts of grain in Winnipeg for the week ending August 4th and the previous week were:

	Same date	
	July 28.	Aug. 4. last year.
No. 1 Hard	1	
No. 1 Northern	85	56
No. 2 Northern	218	183
No. 3 Northern	247	221
No. 4 Wheat	198	175
No. 5 Wheat	138	94
No. 6 Wheat	69	68
Feed Wheat	25	32
Rejected	38	47
No Grade	258	172
N. E. Grade	1	0
Winter	2	4
No. 4 Special	15	12
No. 5 Special	9	13
No. 6 Special	7	9
Totals	1,314	1,081
Oats	700	710
Barley	31	81
Flax	109	53

THE LOCAL FLOUR MARKET.

The tone of the flour market rules steady and prices remain unchanged, but there are indications of interesting developments as soon as the results of the conference on the United States Food Bill is announced. A representative number of millers met the Canadian Food Controller last week, and held consultation with him on the advisability of having "Regulation Flour" of a certain percentage in Canada. No decision was reached, as it was deemed wise to

wait and act with the United States in this matter. The volume of new business in spring wheat flour has been very small, the demand being for lots of 50 to 100 bags in mixed car lots to fill urgent requirements. The trade in winter wheat flour has been of a jobbing character and stocks on spot as well as offerings from Ontario mills continue light. The high prices ruling for the raw material and the small supplies of rolled oats available cause the tone of the market for rolled oats to be very firm although the demand is very limited.

MILLFEED.

The tone of the market for millfeed is very strong, due to a good demand and very limited supplies. The demand for bran for shipment to the United States is steady, and one milling concern reported sales of car lots at \$34 per ton, f.o.b. Port William, while the bulk of the business on spot has been done in broken lots at \$35 per ton, but it was reported that buyers in some cases have bid as high as \$36 and \$37 for full car lots. Shorts are selling at \$40, and middlings at \$48 to \$50 per ton, including bags, delivered to the trade.

Prices follow:

	Per barrel.
Flour:	
First patents	13.00
Second patents	12.50
Strong bakers	12.30
Cereals:	
Rolled Oats, 90 lb. bag	4.45
4.55	
Feeds:	
Bran	35.00
Shorts	40.00
Middlings	48.00
Moullie, pure grain grades	60.00

RECEIPTS OF GRAIN AND FLOUR.

The receipts of grain and flour in Montreal for the week ending August 4, 1917, were:

Wheat, bushels	839,616
Oats, bushels	335,622
Barley, bushels	124,089
Peas	15,646
Flour, sacks	19,683
Corn	3,070
Hay, bales	5,527
Straw, bales	90

LOCAL STOCKS OF GRAIN IN STORE.

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

	Aug. 4.	July 28.	Aug. 5.
	1917.	1917.	1916.
Wheat, bushels	2,838,953	2,980,160	1,186,109
Corn, bushels	62,163	62,690	837,531
Oats, bushels	3,910,435	3,859,742	1,218,280
Barley, bushels	183,705	183,180	396,063
Rye, bushels	164,012	164,008	99,225
Flour, sacks	26,167	69,437	58,307

BUTTER.

The stock of creamery butter in store in Montreal on August 1st was 69,275 packages, which shows an increase of 34,976 packages, as compared with the same date last month, and an increase of 8,693 packages with the corresponding date a year ago. The stock of dairy butter shows an increase of 1,226 packages, compared with a month ago, and a decrease of 3,736 packages with a year ago. The receipts of butter for the week ending August 4th, 1917, amounted to 8,421 packages as compared with 11,986 for the previous week, and 19,866 for the same week last year. On the whole the market has been fairly active with a good amount of business passing and higher prices are looked for in the near future. Early in the week prices declined, but on Friday at the auction sale at the Board of Trade they had more than recovered and different lots sold at 39c and 39½c for finest creamery. At the auction sales held here last week over 2,000 packages were offered, which sold at prices ranging from 37c. to 39c per lb., showing an advance of ¼c to 1½c per lb. compared with the figures paid the previous week, while at Gould's Cold Storage about 1,000 packages changed hands at 38c to 38½c. In the early part of the week sales were made at Picton at 33½c. at Perth at 33½c, and at St. Paschal at 37½c. At Cowansville on Saturday, prices were ¼c per lb. higher than a week ago at 38½c, and at St. Hyacinthe ¼c at 37½c.

We quote prices as follows:

Finest creamery	0.39	0.39 1/2
Fine creamery	0.38	0.38 1/2
Finest dairy	0.36 1/2	0.37
Fine dairy	0.36	
Lower grades	0.34	0.35

CHEESE.

The stock of cheese in store in Montreal on August 1st was 281,737 boxes, which shows an increase of 194,245 boxes, as compared with the same date last month and an increase of 82,906 boxes with the same date a year ago. The receipts of cheese for the week ending August 4th, 1917, amounted to 72,329 boxes as against 75,628 for the week ending July 28, 1917, and 77,812 boxes for the week ending August 5, 1916.

Regarding country prices cheese sold at Madoc on Tuesday at 20 3-16c., which is 5-16c. lower than last week's sales at that board. In this the Cheese Commission is paying 21 1/4c for No. 1, 21 1/4c for No. 2 and 20 1/4c for No. 3.

The following are the prices being paid by the commission:

No. 1 western and eastern cheese	21 1/4c
No. 2 western and eastern cheese	21 1/4c
No. 3 western and eastern cheese	20 1/4c
Lower grades	20 1/4c

RECEIPTS OF BUTTER AND CHEESE.

The following table shows the receipts of butter and cheese in Montreal for the week ending August 4th, 1917, with comparisons:

	Butter, pkgs.	Cheese, boxes.
Week ending August 4, 1917	8,421	72,329
Week ending July 28, 1917	11,986	75,628
Week ending August 5, 1916	19,866	77,812
Total receipts May 1, 1917, to August 4, 1917	174,694	861,997
Total receipts May 1, 1916, to August 5, 1916	222,397	1,055,546

LOCAL STOCKS OF DAIRY PRODUCE.

The following table shows the stocks of butter, cheese and eggs in store in Montreal on the dates mentioned:

	August 1, 1917.	July 1, 1917.	August 1, 1916.
Butter—			
Cheese, boxes	281,737	87,492	198,831
Creamery, packages	99,275	64,299	90,582
Cheese, boxes	281,737	87,492	198,831
Eggs—			
Cold storage, cases	115,463	108,057	117,999
Fresh	2,771	7,621	3,344

COUNTRY PRODUCE.

EGGS.

The stock of cold storage eggs in store on spot on the 1st of August was 115,463 cases, which shows an increase of 7,406 cases as compared with the same date last month, and a decrease of 2,536 cases with the corresponding date a year ago. The stock of fresh eggs shows a decrease of 4,850 cases, as compared with last month, and a decrease of 575 with a year ago. The receipts for the week ending August 4th, 1917, were 4,824 cases, as compared with 5,381 for the previous week, and 11,763 for the same week last year. The receipts from May 1st to date were 179,075 cases, as against 262,635 for the corresponding period a year ago, showing a decrease of 83,560 cases.

The month of July has been one of gradual, yet pronounced recovery in the egg market. The sharp advance reported last week was due primarily to the rapid falling off in receipts, although export enquiry and relatively high consumptive demand have been decisive factors. Production is unusually low at present, due, it is said, to the scarcity of feed. It is felt that this condition will soon improve, however, especially in Ontario and Manitoba. The sudden rapid advance in price has brought with it certain complications. Indications are not lacking that the market has about reached top for the present. Several cars of eggs from the western provinces were received on the Montreal and Toronto markets recently, and some United States eggs were imported for local consumption. Cars or part cars intended for export have also been placed on the local markets. Competition in buying, therefore, is not as keen as it was, and the present situation is such that no one, whether producer or first receiver should hold eggs. The Western markets have continued strong in sympathy with the East, and with the recent advance in the East considerable movement has taken place, and further shipments are rolling East. There was a period two or three weeks ago when the eastern market was low that western

stock was being moved to Minneapolis and Chicago. The western surplus is now moving east. An easier feeling has developed in the United States situation, particularly for current receipts, which, owing to heavier arrivals, can now be bought at about two cents below prices prevailing a week ago. This may lead to further Canadian importations and thereby have a bearing on local prices.

Firmness continues on the local market under light supplies. Some eggs reported out of storage for local requirements. As high as 40c. F.O.B. country, plus a cent commission, cases returnable, was reported paid for straight receipts. Sales have been made in a jobbing way 46c. to 48c. for specials. The advance of four cents is maintained under a big consumptive demand and short supply. Some No. 1 April storage reported placed for fall export equal to 50c. Montreal. Receipts lighter than last week, 8,000 cases short of corresponding week last year, and 76,000 cases short for the season to date.

The export outlook continues promising. A few small shipments are going forward regularly. Some reported on consignment and some on actual sales.

Current prices are as follows:

Strictly new laid	0.46	0.48
Selected eggs	0.40	0.44
No. 1 candled stock	0.37	0.40
No. 2 candled stock	0.36	0.38

EGG PRICES IN GREAT BRITAIN.

	July 9, 1917.		July 10, 1917.	
	s. d.	s. d.	s. d.	s. d.
Irish Hens	24 0	24 6	17 0	17 6
Do., Ducks	22 0	22 0	18 0	18 6
Dutch, all brown	25 6			
Do., mixed	23 6			
Danish	22 0	25 0	18 0	19 6
Chinese (smalls)	16 0			
Do. (selected)	18 0	18 6		
(Candled and Repacked).				
American			15 6	
Canadian			16 6	16 6
Russian			14 6	15 0

POULTRY.

Receipts of live poultry continue small, and are absorbed almost wholly by the Jewish trade. Frozen poultry is reported to be moving better, but far from satisfactory. No trade passing in Canadian storage poultry for export. Large quantity States poultry reported shipped to Great Britain last week.

BEANS.

The volume of business is very small, but the tone of the market remains firm, due to steady demand and small offerings.

Current prices are reported as follows:—

Canadian five-pound pickers	9.25	9.50
Rangoon beans	8.75	9.00
Yellow-eye beans	8.00	8.75

SUGAR.

Owing to the continued strength in the raw sugar situation, and the fact that Cuban sugar brought 6 1/4c on Friday (equal to 7.27c duty paid) a much stronger feeling developed in the local market and the Canada Sugar Co. advanced prices 25c per 100 lbs., and the Atlantic to 15c per 100 lbs., making extra granulated 8.65 per 100 lbs. in bags, but the St. Lawrence Refining Co. has made no change as yet, and is quoting 8.50. Canada has been a heavy purchaser of raw sugar recently, and New York refiners claim that Canadian purchases have taken the place of that of the British Commission, the latter having provided for more distant requirements with Mauritius sugars to the extent of 200,000 tons. Moreover, the West Indies crops, upon which Canada in former years relied have been commandeered by England and France, the new Demararas incidentally being some months off. The placing of large refined contracts by the commission in Canada has naturally increased the purchases of the latter country in Canada.

We quote prices as follows:

Extra granulated, bags, 100 lbs.	\$8.50	\$8.65
Do., gunnies, 5-20's	8.65	8.80
Do., gunnies, 4-25's	8.60	8.75
Do., gunnies, 10-10's	8.70	8.85
Do., cartons, 20-5's	8.75	8.90
Do., cartons, 50-2's	8.80	8.95
No. 1 yellow, bags, 100 lbs.	8.10	8.25
No. 2 yellow, bags	8.00	8.15
No. 3 yellow, bags	7.90	8.05
Extra ground, barrels	8.70	8.85
Do., boxes, 50 lbs.	8.90	9.05
Do., boxes, 25 lbs.	9.10	9.25
Do., cartons, 50-1 lbs.	9.95	10.10
Do., cartons, 20-1 lbs.	10.25	10.40
Do., boxes, 50 lbs.	8.60	8.75
Do., boxes, 25 lbs.	8.80	8.95
Do., boxes, 25 lbs.	9.00	9.15
Cut loaf, Paris lumps, and crystal diamonds, 1/2 barrels and boxes, 100 lbs.	9.20	9.35
Do., boxes, 50 lbs.	9.30	9.45
Do., boxes, 25 lbs.	9.50	9.65

CORN SYRUP AND MOLASSES.

Corn syrups have further advanced 30c per case, which added to the advance of 25c reported last week makes an advance of 55c per case, and bulk corn syrups have advanced 1/4c per lb. Fancy molasses advanced 3c a gallon (Imperial) last week. This advance was due to the great shortage of supply.

The "choice" grade of molasses is not on the market this year.

FISH.

Fresh Eastern or Gaspe Salmon are scarce and price is higher. Haddock and cod continue in fair supply. Fresh lake trout and dressed pike are in fair supply, but whitefish and doree are rather scarce and irregular. All kinds salted, pickled, boneless and prepared fish are extremely scarce and only a few lines offering. There are the usual supplies of new cured haddies, kippers and bloaters, as well as smoked herring and bone smoked herring.

We quote current prices as follows:

Fresh Fish.	
Halibut	0.19
Haddock	0.08
Steak Cod	0.07
Lake Trout	0.14
Doree	0.16
Gaspe Salmon	0.24
Shad (Roe), each	0.65
Do., (Buck)	0.30
Whitefish	0.15
Eels	0.10
Weakfish	0.15
Fresh Frozen Lake Fish.	
Pike, lb.	0.08
Whitefish, lb.	0.09
Gaspereaux, each	0.03
Fresh Frozen Sea Fish.	
Salmon, Gaspe	0.17
Shrimps, Lobsters.	
Lobsters, medium and large, lb.	0.35
Scallops, Imperial, quart	0.75
Oysters.	
Selected, gallon	2.00
Malpeque oysters (choice, bbl.)	12.00
Ordinary, gal.	1.75
Malpeque Shell Oysters (ord.), bbl.	10.00
Cape Cod Shell Oysters, bbl.	12.00
Clams (med.), per bbl.	8.00
Smoked Fish.	
Haddies	0.10
Haddies, fillet	0.14
Smoked boneless herring, 10 lb. box	1.50
Salted and Pickled Fish.	
Sea Trout, red and pale, half barrel	8.50
Mackerel, palls	3.00
Codfish, Shredded, 12-lb. box	1.75
Salted eels, per lb.	0.07 1/2

FRUIT AND VEGETABLES.

The market is better supplied with Montreal vegetables and prices continue reasonable. Lemons were higher last week, oranges were firmer and grape fruit remains steady:

Fruits:—	
Canadian Cherries, per table basket	1.50
Raspberries	0.20
Oranges, Navels, per box	4.50
Oranges, Florida, per box	5.00
Oranges, Valencia, large	4.75
Bananas, per bunch	3.00
Grapefruit	5.50
Lemons	10.00
Melons, California Canteloupes, per crates	3.75
Apples in boxes	4.00
Peaches, California, per box	2.25
Plums, California, box	2.75
Pears, Bartlett's, per box	4.00
Vegetables:—	
Beans, Montreal, basket	1.25
Cabbage (New) Charleston, crate	2.75
Carrots, new, doz. bunches	0.50
Cauliflower, California, per doz.	2.00
Cucumbers	0.75
Horse Radish, per lb.	0.25
Lettuce, per box	1.00
Do., curly, per doz.	0.10
Onions, crate	2.50
Potatoes, new, 200 lbs.	6.00
Parsley, per doz. bunches	0.25
Turnips, new, doz.	0.35
Tomatoes, crate	1.75
Spinach, box	0.50
Dates:	
Halloweas of 1 lb. packages	0.12
Do., (loose) very fine quality, per lb	0.12
"Dromedary" 1 lb. packages	0.13
New Nuts:	
Shelled Walnuts, per pound	0.55
Shelled Almonds, 28 lb boxes, per lb.	0.28
Finest Filberts	0.20
Pecans	0.20
Almonds	0.21
Walnuts	0.20
Peanuts, Bon Tons	0.18
Brazils	0.22

THE 1917 FRUIT CROP.

The July report of Dominion Fruit Commissioner Johnson indicates that this will in North America as a whole, prove one of the poorest fruit years experienced since fruit-growing became an important industry. In Western Ontario, including the important apple-growing area of Lambton, Norfolk, Halton and Brant, the crop is, Mr. Johnson says, practically a failure, being not over 40 per cent. of the very poor yield of last year. In Prince Edward county, which promised fairly well early in the season, the prospect now is for a yield ranging all the way down from 75 to 20 per cent. In the Cobourg-Colborne section, where there was also fair promise in spring, the outlook now is for not over 60 per cent. of last year's small harvest, and in Newcastle district, where some of the largest orchards are found, there will not be over 30 per cent. of a normal yield. In Georgian Bay district only 25 to 50 per cent. of a normal crop will be gathered. In all these districts conditions are further lowered by scab developed during wet, muggy weather. In Nova Scotia, where a fairly large yield was expected, production is being greatly lessened by scab and canker-worm.

In the Pacific Coast States the set of apples is not nearly up to that of 1916, and in New York not over a 25 per cent. crop, of poor quality, is looked for.

SMALL FRUITS.

In small fruits the situation is also discouraging. Cherries in the Niagara district are only a 50 to 75 per cent. crop, and are rotting badly at that.

Lambton has not over a 10 per cent. peach crop, and Niagara district a 50 per cent. one. Other peach districts in Ontario report total failure. Plums have suffered heavily by drop, and pears, despite the heavy bloom of spring, will not give over a 30 to 40 per cent. crop.

Tomato prospects are good, considering the late planting, but in Niagara district the area has been reduced to half that of last year owing to wet weather at planting time.

BROOMHALL'S FOREIGN CROP SUMMARY.

Italy—Weather better and harvesting is advancing, although generally late. In early districts the yield is fair but northward the outlook is better. A yield under normal is expected. Importation will be important despite economy.

France—Weather unfavorable, being wet where harvesting and northward dry and hot. Yield is better than was expected and the general outturn should exceed recent government estimates. Stocks light everywhere and mill supplies small. Prices remain high to consumer and foreign arrivals limited.

United Kingdom—Outlook for Wheat fair and other Grain excellent. Hay and Fodder crops fine. Foreign Wheat stored is large and consumption limited. Mill offers are ample as regulated by the government. War Bread is unsatisfactory, but the quality is kept at this parity to restrict usage.

Germany—All advices confirm greatly reduced yield of Wheat, owing to disastrous weather.

Scandinavia—Crop outlook poor, as weather has been decidedly unfavorable. Stocks in most cases mostly exhausted and foreign arrivals generally ceased.

Balkan States—Weather has favored harvest which is about completed and crops yielded well. Exportation has already commenced and it is believed that large deliveries have been made to central powers.

Russia—Wheat has deteriorated greatly owing to bad weather and improper cultivation. Spring acreage smaller than usual as peasants were not willing to plant owing to unsatisfactory conditions surrounding government handling of last crop. Interior movement light and prices high.

India—Good rains have fallen for food crops and the soil is excellent for plowing for the new crop of Wheat. Stocks are large everywhere, but actual shipments light.

Australia—Weather better. Some additional rain has fallen in dry districts. Crop prospects fair. Stocks of old Wheat large and quality fine.

Spain—Harvesting is nearly finished. Yield is good but under last year and the quality fair. Import needs will be important.

North Africa—Harvesting is finished late and it is confirmed that the yield was moderate.

Hungary—All advices from neutral sources confirm a large yield.

Scandinavian Peninsula—Crop prospects poor. Harvesting is late and weather remains cold. Stocks about exhausted.

Portugal—Crop prospects excellent and harvesting finished.

HOGS ARE PROFITABLE.

(From the Chicago Drivers' Journal).

Hogs are still selling up to \$16.30 for the best, and this price stands only 35c lower than the record time of May, while a year ago tops were hovering around \$10.00.

This rise in price is certainly more than paying for the extra cost of feed, and Hog production this season will undoubtedly be big.

Spring Pig crop was cut down considerably because of the cold, damp weather, but more than usual were farrowed.

This fall the Pig crop should even be larger, as weather probably will be better if it runs true to form.

Many who never tried raising two litters a year intend to do it this year, as they have confidence in the future markets.

Hogs are holding up comparatively well in the face of light Eastern shipping demand and poor dressed trade in the East, and to many this is evidence that the packers have a broad outlet for product.

Of course, grassy kinds are not selling up with the prime corn-fed offerings, but that is a reasonable character of the trade at this time of the year.

The spread is wider than a year ago, but that is due largely to the high price of corn and to the fact that many feeders will not feed it because they are making big enough profits out of the grassy kinds even though they are selling at a discount.

The high point may have already been reached, but there are few in the trade who look for any serious break, and some insist that prime lots must work upward along with other commodities.

It is admitted, however, that buyers will continue to discriminate against the grassy kinds for weeks to come, as they are killing out poorly and actually costing more on the hogs than the prime corn-fed grades.

Proportion of strictly prime lots is comparatively small at this time and has been for several weeks, so that it looks like good policy to feed the corn, as it will bring more feed to hogs than sold at the elevator.

GIGANTIC CROPS PROMISED IN U. S.

According to estimates compiled by the Bureau of Crop Estimates, the winter and spring wheat crops will total 678,000,000 bushels or 38,000,000 bushels more than 1916 yielded.

Corn will reach 3,124,000,000 bushels, far over the 1916 yield of 2,583,000,000 bushels.

White potatoes promise 452,000,000 bushels against 285,000,000 in 1916, and there will be ten million bushels more sweet potatoes this year than last.

The United States is a long ways from famine conditions if harvest bears out the promise of the July 1 crop reports. Not only will this country have an abundance of food grains, but there will be big surplus stocks from which to provide food for our allies and for neutral countries.

An immense acreage was sown to all crops, and while there have been crop losses in some quarters owing to unfavorable seasonal conditions, the general outlook is for immense yields of all grains, with the exception of wheat, and even in wheat there will be a fair average.

	July, 1917.	Final, 1916.
Winter wheat	402,000,000	482,000,000
Spring wheat	276,000,000	158,000,000
Total wheat	678,000,000	640,000,000
Corn	3,124,000,000	2,583,000,000
Oats	1,453,000,000	1,252,000,000
Barley	214,000,000	181,000,000
Rye	56,100,000	47,383,000
White potatoes	452,000,000	285,437,000
Flax	17,000,000	15,489,000
Hay, tons	103,000,000	109,786,000

801,000,000 BUSHEL GAIN.

The total yield of wheat, corn, oats, rye and barley, the leading cereal crops of the nation, will be approximately 5,525,000,000 bushels, showing a gain over 1916 of 801,000,000 bushels, the total out-turn last year being 4,719,000,000 bushels.

The first report of the season on corn made the acreage 121,045,000, or about 15,000,000 acres more than was planted to corn last year. On this acreage the average condition is 81.1, a low average, due to the late season, but the total yield promised is 3,124,000,000 bushels compared to 2,583,000,000 bushels, the final estimate of last year.

Editor: "Well, young woman, if the story suits me, I'll pay you \$20 for it."

Young Lady Author (persuasively): "Oh, come now. Buy it without reading and I'll let you have it for \$15."—Boston Transcript.

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AUSTRALIA PLANS WHEAT STORAGE.

The problem of storing Australia's Wheat is being constantly discussed, both officially and unofficially, says a United States Government report. The British government has bought 112,000,000 bu. Australian Wheat of the 1915-16 and 1916-17 crops for 4s 9d per bu., f.o.b. Australian port. One of the conditions of the sale is that if the whole of the Wheat is not delivered by December 31, 1917, the British Wheat Commission will pay the additional charges for storing it in Australia after that date. As the greater part of the Wheat has not been shipped, and as the next harvest will begin to come in by the end of the year, it is apparent that the storage situation is acute.

In Australia to-day are approximately 40,000,000 bu. Wheat of the 1915-16 crop and 136,000,000 of the 1916-17 crop. The prime minister, at a conference in May, stated that by the end of January, 1918, there probably would be 6,000,000 tons of Wheat in Australia over and above the amount required for local consumption. The premier's conference appointed a Wheat storage commission, which is considering plans.

Canada's Railway Problem

What to do With the Grand Trunk and Canadian Northern — Canadian Northern and its Subsidiary Companies to be Taken Up by the Government.

The announced policy of the Dominion Government respecting the Canadian railways is thus summarized by the Montreal Gazette's Ottawa correspondent:

OTTAWA, August 1.

The whole of the Canadian Northern Railway system, including its branch lines, terminals, telegraph and express services, grain elevators, steamship lines on the Great Lakes and other subsidiary undertakings, will be acquired by the Government on behalf of the Canadian people.

Further, the Government will lend to the G. T. P. Railway Company \$7,500,000, repayable on demand with interest at 6 per cent, and secured by a mortgage on the corporation's assets.

The Government's proposals for meeting the serious financial situation which confronts the two companies and for maintaining them as going concerns in the interest of the public were announced by Sir Thomas White in the House of Commons to-day.

Ownership of the whole Canadian Northern system will be attained by the purchase of the \$60,000,000 of the company's stock which is still in the hands of private individuals or pledged as security for loans. The remaining \$40,000,050 of the company's capital came into the possession of the Government in 1914, when the latter guaranteed an issue of Canadian Northern bonds to the amount of \$45,000,000.

With the whole of the corporation's stock vested in the Crown, the Government will be in the position of proprietor of the system and will be able to appoint a board of directors, which will operate and administer the road.

The price at which the outstanding \$60,000,000 of stock will be acquired by the Government is to be fixed by arbitration. The board of arbitration is to consist of a member appointed by the Government, one named by the owners or holders of the stock and a third to be selected by the other two, or, in the event of their failing to agree, by the senior judge of the Exchequer Court. Should the three arbitra-

tors fail to reach a unanimous decision, the question will be referred to the Supreme Court of Canada.

As soon as five-sixths of the outstanding stock has been transferred to the Minister of Finance "in trust for His Majesty," the Government will take steps to meet the financial difficulties of the Canadian Northern by payment of indebtedness, by renewal of outstanding securities or by the issue of Government bonds.

In making the announcement, the Finance Minister told of the difficulties of the Canadian Northern and G.T.P. railways. He pointed out that the former road was able to show a surplus after paying operating expenses and fixed charges. Unfortunately, it was compelled by conditions in the money market to meet the cost of betterments from earnings and was thus unable to meet interest charges. It had a short term liability of \$100,000,000 maturing from month to month.

The Grand Trunk Pacific, on the other hand, was unable to show a surplus of earnings over operating expenses. The Finance Minister pointed out that the Smith-Drayton-Acworth Commission had been unanimously in favor of a constructive railway policy, which would save the roads from falling into the hands of receivers. Personally, Sir Thomas said, he would look forward to the acquisition of the Grand Trunk Pacific by the Government, if an arrangement could be made which would absolutely safeguard the public interest. That, however, he said, was a matter which the Government could not deal with at the present time. "We have," he concluded, "taken a signal and important step forward towards the operation of the railway systems of Canada in the interest of the people of Canada. I believe this policy which I have announced to-day will mark a new era in the history of transportation in Canada, affirming as it does the principle that the people, being called upon to finance the railways, shall receive the ultimate benefit."

made to yield larger quantities of wheat and other foodstuffs.

A movement for carrying into effect a project for obtaining nitrates from the atmosphere was started in Manchester ten or twelve years ago, the motive, being, of course, mainly a commercial one. The promoters were, for the most part, engaged in the bleaching industry, who desired to avoid, if it was possible, the expense of bringing nitrate, so largely used in their business, from South America. It was found, however, that an obstacle to the development of that scheme was the intense heat required to make the process successful. "We needed heat," one of the promoters of that time said recently, "of an intensity of 2,000 degrees, and the result was that the whole of the ovens and appliances necessary were destroyed before it could be attained. Another obstacle was placed in the way by the shipping trade, who feared the loss, if the experiments then made proved a success, of the nitrate shipping trade. Means were subsequently found of overcoming the difficulty created by the intense heat required, and further efforts were made in France which proved to be successful. There is a works in that country now which has for a number of years been producing nitrates from the air."

A chemist at a large house in the dyeing trade expressed the view that but for the fact that the Germans had for years obtained nitrates from the air the war would have been over long ago, considering the present difficulties in the way of their obtaining them from Chili or other South American sources.

Ever since the British blockade was enforced Germany has found it impossible to import Chilean nitrates for the manufacture of explosives and fertilizers. It reverted, therefore, to the expedient of "fixing" the nitrogen from the air, and has adopted it to a huge extent since almost the beginning of the war. It has been stated in German technical journals that the output of nitrogenous products by the Badische-Anilin Fabrik, with the aid chiefly of the Haber catalytic process, amounts now to about 500,000 tons a year. By these means the Germans get all the nitrogenous ingredients for their high explosives.

Attempts have been made to work the Haber process in this country, but all have failed, and the general consensus of opinion now is that this is not a commercial process, as the expenses and risk appear to be enormous. With the Germans, however, it is a case of needs must.

The only other way by which nitrogen can be fixed from the air is by the electric processes, of which up to now the principal have been the Barkeland and Evde, the Schoenherr, and the Pauling. All of these are single-phase and electrical processes, and are considered workable commercially only in places like Norway, where electricity can be generated cheaply by water power. None of them has been worked in England because of the high cost of electricity here, which makes them uneconomic under ordinary conditions.

The consequence is that the fixation of atmospheric nitrogen has not been adopted in this country, which relies for its supplies of this valuable ingredient of high explosives and an indispensable part of all the principal fertilizers on the utilization of Chilean nitrates, the price of which has increased enormously since the beginning of the war.

Britain Succeeds in "Fixing" Nitrogen

According to a report from Manchester, Eng., after efforts begun ten or twelve years ago Manchester is now to have a plant for the fixation of atmospheric nitrogen. National considerations preclude details being given at present, but it is believed that with this process nitrogen can be "fixed" anywhere in England at a very low cost, even where electricity is fairly expensive, because it apparently achieves the highest efficiency of nitrogen fixation per kilowatt hour of energy used that has ever been achieved or even dreamed of by any of the other processes mentioned. Its inventor is a British subject.

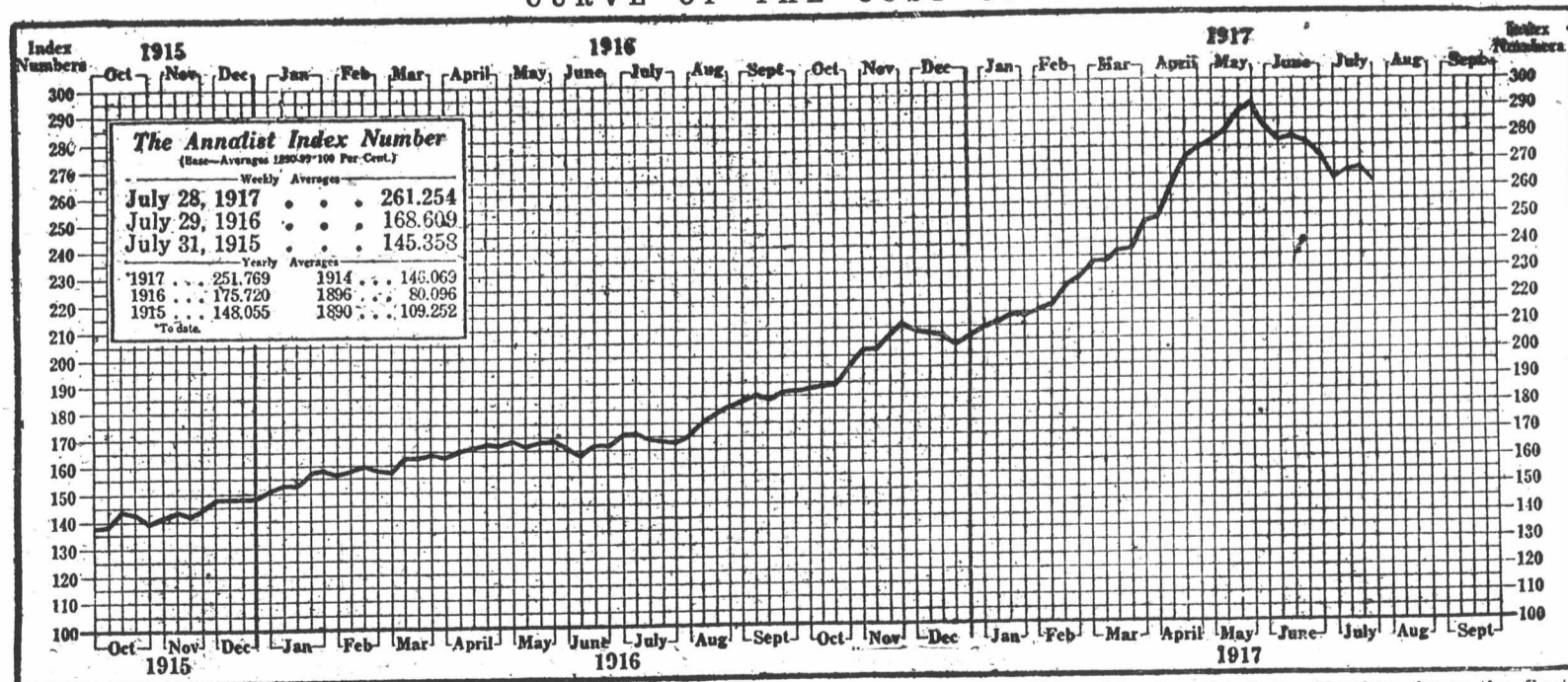
The Manchester Corporation succeeded in being the first to get the industry started, because it went out of its way to help the promoters, the International Nitrogen and Power Company, London, who hold the exclusive rights to work the process in Great Britain.

The new industry is believed to have great possibilities, not only for war purposes but after the war. Possibly when the method comes to be worked throughout the United Kingdom it will make this country independent of overseas supplies of fixed organic nitrogen and provide a new security against the danger of interruption of overseas supplies of essential ingredients of explosives in time of war. If it can be done, the whole of our nitric acid supplies could be obtained in this way, and also picric acid, an essential ingredient in synthetic dyes.

CROOKES' PREDICTION.

Above all, it would bring to realization Sir William Crookes' prediction to the British Association at Bristol over thirty years ago that the future of the white race would largely depend on the economic fixation of atmospheric nitrogen, by which the world might be

CURVE OF THE COST OF LIVING.



An index number is a means of showing fluctuations in the average price of a group of commodities. The Annalist Index Number shows the fluctuations in the average wholesale price of twenty-five food commodities selected and arranged to represent a theoretical family's food budget.

U-BOATS VALUELESS.

Vice-Admiral Maximilian Njegovan, commander of the Austrian fleet, in an interview given to the Vienna Neue Freie Presse, on Saturday, declared he did not believe that submarines would bring about a decision in the war. He said:

"At present, the U-boats are much spoken of as making England, Austria's principal enemy, uncomfortable, but they merely are a means towards victory. It would be a mistake to believe from the experiences of this war that big ships are useless, but for us the essential type is that of light cruisers.

"If we had a great fleet, the war with Italy would have been finished long ago. Indeed, the war would never have been possible."

G. T. P. ACQUIRES STEAMSHIP.

The Grand Trunk Pacific has added another ship to its north Pacific coast fleet. This is the SS. "Tillamook," and it has been placed in service between Prince Rupert, the Western terminal of the G. T. P. line and Ketchikan, Alaska.

This vessel is of United States registry, 119 feet in length, 23 feet beam, has a cargo capacity of about 450 tons, and good passenger accommodation. It will meet the growing demands of the Northern trade in handling fresh fish, in handling supplies to canneries, and in looking after general trade, and serves as a further indication of the continued development of Alaska by the Grand Trunk Pacific, and of the increasing importance of Prince Rupert as a Pacific port and distributing centre. The big vessels of the G. T. P. fleet, the "Prince George," and the "Prince Rupert," are handling record business this year between Seattle, Victoria, Vancouver, Prince Rupert and the principal Alaskan ports.

SHIPS SUNK LAST WEEK.

A falling off in the loss of British merchantmen by submarines or mines is noted in the official summary.

Eighteen British vessels of more than 1,600 tons were sunk by submarines or mines last week. Three vessels under 1,600 tons were sunk, while no fishing vessels were lost.

According to the Admiralty report of the previous week the losses were twenty-one British vessels of more than 1,600 tons each, three of less than 1,600 tons, and one fishing vessel.

WHAT CANADA GETS WITH THE CANADIAN NORTHERN.

About 9,512 miles of railway. Lake Superior terminals, with five elevators at Port Arthur with a capacity of 10,000,000 bushels.

Steamship line on the Great Lakes, including six large steamships.

The Canadian Northern Express Company.

The Canadian Northern and Great North Western Telegraph Companies, with 1,500 offices in Canada and direct connection with the powerful Western Union in the United States and its cables across the Atlantic.

Thirty subsidiary railway companies.

Great terminals in all the large cities of Canada including the famous Mount Royal Tunnel, Montreal.

Access for the Intercolonial to Montreal over the C.N.R. system, thus creating a complete state-owned transcontinental from Halifax to Vancouver.

The book value of Canadian Northern assets is placed at \$494,762,489. Taking in the taxes, rents and items which relate to operation the net operating revenue of the road is given by the company as \$10,232,088.

An estimate prepared in January last for the year ending June 30, 1917, placed the gross earnings at \$42,590,000, and the operating expenses at \$31,090,000, leaving a revenue of \$11,500,000. In 1921 this revenue, it was estimated, would exceed \$20,000,000.

An estimate prepared a few months ago gave the total cost of reproduction as now at \$397,441,567 less depreciation of \$40,031,889, making the cost of reproduction of the property \$357,409,678. The cost of reproducing the equipment was given as \$56,590,418, less depreciation of \$11,250,433, making the present value \$45,339,985. The two valuations give the cost of reproducing the physical system as \$402,749,663.

The outstanding liabilities of the company exceeded \$400,000,000.

Following is the last summary of equipment of Canadian Northern railway:—Locomotives 744, sleeping and dining cars 118, passenger coaches 638, baggage, mail and express cars 193, business cars 19, freight, refrigerator and stock cars 29,745, conductors' vans 468, auxiliary cars, steam shovels, etc., 1,478.

WHAT CANADA HAS GIVEN THE C.N.R.

The total public assistance to the Canadian Northern, direct and indirect, totals \$298,253,263 divided as follows:

Subsidies, \$38,874,148.

Land grants, \$34,379,809.

Cash loans, \$25,858,106.

Securities guaranteed less debentures held as collateral, \$199,141,140.

AWAY FROM THE HEAT.

A quartette of well known North Shore St. Lawrence resorts: Cap a L'Aigle, Ste. Irene, Pointe a Pic and Murray Bay, are within a night's run of Montreal. The name Murray Bay is frequently applied to the whole district, reaching from Pointe a Pic to Murray Bay, a distance of three miles. Pointe a Pic is really the heart of the summer colony, where the Manoir Richelieu and most of the hotels are situated, and with many handsome residences and bungalows on the heights and down along the cliffs and sloping fields of the Bay Shore. Carriage driving, tennis, golf, boating and bathing are the chief amusements.

Murray Bay proper is a quaint place and less fashionable.

At Ste. Irene a delightful life may be enjoyed at quiet family hotels right on the beach in the midst of a charming countryside, for walks and rambles.

At Cap a L'Aigle roomy farm houses on the cliffs have been adapted for the reception of visitors and the summer life is altogether rural and free from fashion's trammels.

To the lover of sublime landscapes the vistas of wild grandeur and sylvan beauty will, when once seen, leave an indelible impression upon the memory, and amidst such surroundings with the cool and invigorating ocean breezes will give the seeker after health, a tonic of inestimable value.

The quickest route is via the Canadian Government Railways to Riviere Ouelle Wharf, thence S.S. Champlain across the broad St. Lawrence, here 16 miles in width. There is an excellent train service from Montreal. Passengers by the Maritime Express, leaving in the morning at 9.25, can be in Murray Bay the same evening at 7.40 p.m., and by the Ocean Limited, leaving at 7.00 p.m., arrive at Murray Bay the same evening at 7.40 p.m., and by the renee Special, leaving at 8.10 p.m., Monday, Wednesday and Friday, carries a through sleeper to Riviere Ouelle Wharf.

"It is in the homes of the Province of Ontario that the great battles we are to face will have to be fought and won."—Sir William Hearst, Premier of Ontario, referring to the Food Controller's Food Conservation campaign. Premier Hearst's words apply to all Canada.

BURGESS PASS NEAR FIELD, B.C.



CANADIAN PACIFIC ROCKIES

See the majestic panoramas of the Canadian Pacific Rockies. A world of glorious peaks with fir-forested slopes.

The Garden of the Giants

fittingly describes this "Fifty Switzerlands in One." Stop off at the hotels built by the Canadian Pacific in the high spots. Every kind of convenience and comfort. Pony riding, sulphur swimming pools, golf, fishing, boating, and camps with Jim Brewster's guides. Service, at all hotels, Canadian Pacific standard—none better. Banff, Lake Louise, Field, Glacier.

Canadian Pacific Railway

"The World's Greatest Highway"

Get "Resorts in Canadian Pacific Rockies" folder giving full particulars from Ticket Offices: 141-145 St James St., Phone Main 8125, Windsor Hotel and Windsor and Place Viger Stations

Swimming Pool at Banff.

Warm sulphur swimming pool, grand golf course, pony riding, sleds, mountain climbing, automobile roads, splendid hotel—inspire the mountain scenery—everything to make your trip at Banff enjoyable.

Lake Louise

One of the world's most beautiful lakes. The Chateau Lake Louise looks out on a fairyland. Day-trip to the beautiful Chateau Lake Louise, then two or three day trip through the Alpine Paradise, using comfortable Canadian Pacific camp.

Trail, Yoho Valley

Gateway to the glaciers and waterfalls of Yoho Valley. Drive or ride to the beautiful Chateau Lake Louise, then two or three day trip through the Alpine Paradise, using comfortable Canadian Pacific camp.

Alpine Climbing, Glacier, B.C.

Real Swiss Guides—comfortable hotels with Great Glacier a few steps away. Many interesting trips and camps—beauty of Lake Louise and Mt. Assiniboine, Assiniboine Glacier, and lordly Mount Sir Donald.

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PASSENGER SERVICE

Between

MONTREAL AND GLASGOW

For information as to rates and sailings apply to Local Agents or The Robert Reford Co., Limited, General Agents, 20 Hospital Street and 23-25 St. Sacramento Street, Montreal.

CUNARD LINE

PASSENGER SERVICE

BETWEEN

MONTREAL and LONDON

(Calling Falmouth to land Passengers)

AND

MONTREAL and BRISTOL

For particulars of sailings and rates apply to Local Agents or to The Robert Reford Co., Limited, General Agents, 20 Hospital Street, and 23-25 St. Sacramento Street, Montreal.

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