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TUESDAY, MONTREAL, FEB 6, 1917.

Special Articles

Our Racial Curse.

By J. W. MacMillan.

Some Standards in the Retail Trade.

By W. W. Swanson.

Banking and Business Affairs in the U. S.

By Elmer H. Youngman.

Extravagance a Cause of the High Cost of Living.

By E. S. Bates.

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The Break

IF HIS previous message to Congress seemed to be largely that of a dreamer, no such criticism can be offered upon the address which President Wilson delivered in the House at Washington on Saturday last. In clear and forcible and closely reasoned passages he recounted the main features of his previous negotiations with the German Government on the subject of submarine operations. On April 8 last, in view of the sinking of the cross-channel steamer Sussex without warning, and the consequent loss of the lives of several American passengers, he addressed to the German Government a note stating that, unless the Germans were prepared to declare an abandonment of such attacks, the United States would be obliged to sever diplomatic relations with the German Empire. The German Government, in reply, gave an assurance that ships would not be sunk without warning and without saving lives, but adding that "neutrals cannot expect that Germany, forced to fight for her existence, shall, for the sake of neutral interest, restrict the use of an effective weapon if her enemy is permitted to continue to apply at will methods of warfare violating the rules of international law." On May 8 the United States Government accepted the assurance so given, taking care, however, to state clearly that the concluding words of the German note must not be understood to imply that the rights of American citizens on the high seas could in any way become contingent upon the action of any other Government. To this note the German Government made no reply. On January 31 came the German note, practically withdrawing the assurance of good conduct previously given, and notifying the world that Germany intended to ruthlessly pursue her submarine warfare regardless of neutrals' claims or interests. Under such circumstances, the President pointed out, no other honorable course was open to the United States than to declare that severance of diplomatic relations of which Germany was so plainly warned in the American note of April 8. Therefore the German Ambassador at Washington would be given his passports and the Ambassador of the United States at Berlin had been instructed to demand his passports. No statement could be clearer, no argument more convincing, as to the course that was required by the dignity and honor of the United States.

The breaking off of diplomatic relations between the two countries does not necessarily mean war. There have been cases in which such suspension of official intercourse between nations has not been followed by war. But in the case of two countries like the United States and Germany the maintenance of such a position for any considerable time without

actual war is almost impossible. If Germany carries out any part of the threat she has made, and as a consequence the life of any citizen of the United States is sacrificed, a declaration of war will almost certainly be made. What may follow that tremendous event is a large question, full of interest to all the world.

There was some impatience in British countries, and some even in the United States, at the position of President Wilson in not taking more vigorous steps than the writing of notes to protest against the German policy. In the light of events to-day there is much room for the belief that the President long ago foresaw that in all probability the evil spirit manifested by Germany in the war would ultimately lead to what has now occurred, and that he was resolved to make certain that every possible allowance be made for Germany, that every possible consideration be shown to her, that every possible favorable interpretation be placed on her notes and her acts, realizing that such a policy of patient effort to maintain peace would give him immense strength whenever the break might come. Certainly that has been the result of his policy. There will be few of his fellow countrymen who will not now rally to his support. Even the so-called German-Americans who have any real Americanism in their hearts, must admit that the time has now come for the abolition of the hyphen, and for the uniting of all American citizens for the defence of the nation's honor.

An Overzealous Friend

THERE are many questions upon which Canadians entertain widely different opinions. The privilege of free discussion and plain speaking is valued and exercised. Wide latitude is allowed, without any question as to its propriety. All this, however, applies to the discussion of affairs at home. If a Canadian citizen should go over the border and, from a platform in an American city, make an attack on our country, its institutions, its general character, or even on its Government, he would be regarded as, to say the least, indiscreet. If it would be deemed unwise and perhaps unpatriotic for a Canadian citizen to so act in a foreign country, what should be said of an American citizen who comes over to Canada and, from a Toronto platform, tells his hearers what a miserable Government the Americans have and what a miserable people they are in respect of their management of foreign affairs. Mr. Poulteney Bigelow, himself a distinguished American writer and the son of a distinguished American, the late venerable John Bigelow, has just delivered an address in Toronto which, if it had been given at home, even though somewhat harsh in its language,

might have been regarded as within the limits of free discussion, but which, given on a foreign soil to a foreign audience, may bring upon him just criticism from his brother Americans.

Mr. Bigelow's warm sympathy with the Entente Allies, and his hearty dislike of the Germans, have been on several occasions brought to the notice of Canadian readers. That so eminent a writer, and one so well acquainted with Germany and the Germans, should be so heartily in sympathy with us in this war is a cause of gratification to British subjects. Nevertheless, there is room to doubt the wisdom of Mr. Bigelow in using a foreign platform for such an attack on things American. What he said about the Germans naturally wins our sympathy. But was it either necessary or discreet for him, speaking in Toronto, to say such unpleasant things of his own country as this?

"Describing the consular service of his own country Mr. Bigelow declared that it comprised 'broken down, wheezy, political huns; cheap worn-out lawyers and dentists; broken brokers, men who could not earn a living at any honest or respectable business. These are the men I find I have to go to as representing the majesty of my nation, and I have to sew my pockets up before I enter their offices. Then I have to turn from their door and go to the British consul to get what I want.'"

The concluding sentence is flattering to us as Britons, and perhaps especially gratifying to us at a time when not a few British writers exercise their propensity for grumbling by telling us that the British consular service is quite inferior to that of some other nations. But is an attack like the above on the American consular service wise or just? The American system of public affairs has not in the past lent itself to the training of men for the diplomatic or consular service. There are signs of improvement now. In nearly all the important foreign posts of the American Government there are young men who occupy minor positions while preparing to serve the nation later in higher rank. As the years roll on there will unquestionably be a better representation of the United States abroad than there has been. In the absence of such training in the past the diplomatic and consular service has been recruited from the general ranks of American citizenship. That many men have been chosen for political reasons who have not been well qualified for their posts is doubtless true; such a result is inevitable where the system of party patronage exists. But Mr. Bigelow's condemnation of the American consular service is much too broad and sweeping, and does great injustice to many American officials whose good qualities could not be obscured by the fact that they happened to be either Republicans or Democrats. The consular appointments of the Government are many. If in some instances the men chosen have no exceptional qualifications for their duties it is only fair to say, from the experience and observation of Canadians, that the cases in which the consuls brought discredit upon their country have been very rare. As a rule the American consuls in our chief Canadian cities have been estimable gentlemen who have filled their places in a manner to do no dishonor to their Government, and the same may be said in the case of most of the men sent to the less important points. In this important respect the Americans are far from being as bad a lot as Mr. Bigelow has pictured them for the entertainment of a foreign audience.

Questionable, too, is the good taste exhibited by Mr. Bigelow in the following passages:

"We might as well understand each other," continued Mr. Bigelow, "because on my side of the line there is scarcely a University where a white man with red corpuscles can find a place, and there is hardly a paper that will accept letters that interfere with the neutrality that has been invoked upon them. Even our naval commanders have been recommended to be neutral—that means to be very kindly to the Huns."

"Speaking of South Africa he described Paul Kruger as 'nothing but a mere American politician; an apostolic cowboy, with the mouthiness of William Jennings Bryan and the slim tergiversation of the Hon. Josephus Daniels.' He was able to apply an even lower standard if any of his compatriots in the audience could help him."

It has been the duty of the American Government, unless prepared to declare war, to maintain a strict neutrality in the present conflict, a fact which is too often ignored by writers on our side of the border. But American citizens and American journals are free to manifest their sympathies as they please and they have done so. Not only by the admission of letters to their correspondence columns, but also in their editorial pages, many of the leading journals of the United States have been as cordially sympathetic with the British side as Mr. Bigelow is, though they have perhaps been more careful than he is in their choice of words. As to Mr. Bryan and Mr. Daniels, they are eminent public men of the United States, the latter still Secretary of the Navy in President Wilson's Cabinet. If there is need of attacks on these distinguished American citizens would not a platform in the United States have been better suited for the purpose?

We welcome Mr. Bigelow's cordial expressions of sympathy with our cause in the great war. For his own sake we regret that he has deemed it necessary, in expressing that sympathy, to reflect so severely on the men and things of his own country.

The German Threat

THE German Government's declaration of intention to carry on a ruthless system of submarine warfare should surprise nobody outside of the United States. That is what the Germans have been doing for many months. Nobody here doubts that whatever was possible with their submarines they have done, not only to ships of the Entente Allies but also to many vessels of neutral powers, in violation of all the laws of God and man. In the United States probably some people had been willing to believe that Germany had repented of her earlier atrocities, such as that of the Lusitania, and would hereafter pay a little more regard to considerations of humanity. President Wilson, no doubt, had some such hope when he penned his peace address. Yet the only difference between the German position of to-day and that before the latest note from Berlin is that Germany feels she now has more submarines ready and is therefore able to carry out her policy in a broader way.

So far as Britain and her Allies are concerned there is nothing new in the situation. Germany has all along been doing her worst and the announcement that she means to continue to do so is not surprising. The Entente Allies, no doubt, fully expected her to do so and have governed themselves accordingly. Whatever is possible on the part of the allied navies is, we may be sure, being done to meet the German attacks. The best that is possible

in such a case will not prevent disasters. A murderer may rush out into the street and kill a number of persons before he can be arrested. But in the end he is captured and probably hanged. So it will be with Germany. She can and will do much damage before the hanging time comes. We must expect the remaining months of the war to be a period of even greater horror than the months that have passed since the war began. On land and on sea the enemy will play the part of desperate men, staking everything upon the chance that something may turn up to help what their leaders must feel is a lost cause.

Mr. Roosevelt Again

COLONEL THEODORE ROOSEVELT evidently is determined to be in the limelight. There is hardly any American question of importance upon which Mr. Roosevelt is not prepared at a moment's notice to give a very emphatic opinion. His vigorous denunciation of President Wilson's peace speech was much in evidence a few days ago. Now Mr. Roosevelt, in conjunction with his financial friend Mr. George W. Perkins, has undertaken to discipline the Republican party. In the United States popular government is carried to a point where perpetual organization of political parties seems called for. The composition of the National Committees of the respective parties is therefore a matter of considerable interest. It became necessary a few days ago for the Republican National Committee to elect a Vice-President of the organization. Mr. Roosevelt and Mr. Perkins, representatives of the "Progressive" element which came to the support of Mr. Hughes in the recent Presidential contest, had a candidate for that office. But the Republican Committee took the ground that as the recent election had revealed the fact that the Republicans were losing power in what is known as the "Middle West," the party machinery needed strengthening in that quarter, and with that object in view they selected a Middle West man for the place. Against this decision Messrs. Roosevelt and Perkins register a vigorous protest. And now some Republican journals are moved to inquire by what warrant these gentlemen assume a right to guide the policy of the Republican party. The part played by Mr. Roosevelt and his friends in bringing about the defeat of the Republicans in 1912 is once more set out in plain view of the faithful. As to the efforts of these Progressives to recover their places in the Republican ranks in 1916, oldtime Republicans frankly say that the presence of Mr. Roosevelt and some of his associates did more harm than good to the Republican cause. Indeed, one journal plainly says that while Mr. Roosevelt and Mr. Perkins have been severe critics of the administration at Washington, "to them more than any other two citizens of the United States Woodrow Wilson owes his election." This seems to be the unkindest cut of all.

The next Presidential election is far away—nearly four years—but the present is not deemed by Mr. Roosevelt too soon to shape movements bearing on it. He will need, however, to modify his vehemence in many things if he is to be an available candidate for the nomination of 1920.

The London Times is suggesting that some differences that seem to have arisen respecting the relative treatment of British and Canadian officers at the front be referred to the Duke of Connaught for adjustment. Better keep the Duke out of such squabbles. It is not desirable that a member of the Royal Family be called upon to discharge duties of that kind.

Our Racial Curse

The Anglo-Saxon is not the Supreme Economic Race of the World. The Day of the War-like Race has Passed.---Never Again will Civilization Fear the Goth or the Turk.

By J. W. MACMILLAN, Manitoba College.

One race of men differs from another race much as one man differs from another man.

Now, if we ask concerning the British race — which is the dominant stock in the United States as well as in all the British Empire — what is its chief quality we shall get an answer which throws a flood of light both on its strength and its weakness. We shall be in possession of the secret both of its power and of the hidden peril which may some day destroy it.

That this is the supreme race of the world to-day there can be no doubt. Its language, its literature, its industry, its commerce, the method of government it worked out, its standards of life and judgment, and its vigor in exploration and arms are not to be challenged by any rival. Much more than a quarter of the soil of the earth is its territory, and many more than a quarter of the earth's population salute the two flags under which it musters. The wealth and power of the world are, beyond all comparison, in its hands.

It is not the supreme economic race of the world. The sense of values is not the thing it lives by. That belongs, in the western world, to the races which the Mediterranean nourished, the Jew, the Greek, the Armenian. Long before the Roman Empire fell these peoples had become commercialized. They gained a lead of a millennium upon our ancestors. Indeed, one of the reasons why the Roman Empire fell was that the Senate and nobility had changed the military virtues for those of the merchant. They had learned to make money and to prize a whole skin. Hence they went down at the assault of the northern warriors, men "of passionate courage and the sway of impulse and imagination."

One has only to observe the effects upon our trade of the irruption of a comparative few of the economic races into our midst. The Italians and Greeks have driven Canadians from the fruit and confectionery shops. The Jews are gaining possession of

the clothing trade. The Chinese—an Oriental economic race—have their laundries everywhere, and are planting their "chop suey" beside each one. In spite of the advantages of possession, greater capital and the sympathy of neighbors, we have been defeated in these economic contests by a few exiles, for the most part moneyless and illiterate, who are of the real economic type.

Nor is the strength of the British race in its martial qualities. The day of the warlike race passed when Kitchener obliterated the Dervishes at Omdurman. War is now "an extra hazardous branch of engineering." The present war is a titanic exhibition of the factory system. It is co-operative efficiency of men and machinery turned to the task of slaughter. "Never again will civilization tremble with fear of the Goth or the Turk, the warlike savage."

Yet, in rejecting the latter alternative we have come very close to the answer to our question. For the capital quality of our race is its adventurousness. It loves excitement. Hence its love of travel and exploration, of violent and dangerous sports, and of gambling ventures in business. It is as pioneer, prospector and promoter rather than as broker and trader that the Anglo-Saxon prospers. The Jew in the Yukon keeps a shop or office in Dawson City. The man who makes a strike in the gulches is of another temperament. With less foresight and patience, but with more enterprise and self-reliance, the British race meets the finesse of the economic races with force. So far, in a world yet hardly explored, and still brimming with romance, mystery and undiscovered treasures, he more than holds his own. He is strong in war, in government and the building of cities. He will live up to a standard of comfort, and, because he means to spend he drives himself to get. He is master of the world by reason of his adventurousness.

Now, quite logical with all this is his craving for

strong drink. It comes of his love of excitement. As with his predatory ancestors it fills in the dull intervals between forays, and stimulates the revelry in the hour of triumph. Not for him the calm potations which but feebly stir the blood, nor the measured moderation of more lethargic peoples. To drink, and to drink hard and deep, had been the inveterate custom of all his fathers. Both biologically and socially he is a born drinker.

Nor has he shown a disposition to covet other vices. Not for him the drugs which bring sleep and dreams. He has not indeed been sexually pure, but neither has he been sexually perverse or abnormal. His passions may have been ill-controlled, but he has despised the abominations and desecrations which softer and slyer races have adopted.

Drink is the curse of our race as opium is of the Chinese. And one who has sufficient breadth of sympathy to think racially will find in this fact a new reason for refusing to give it quarter.

As the earth becomes increasingly subdued under the hand of man the peculiar strength of the British race becomes less of an advantage and its peculiar weakness becomes more of a handicap. As the objective field of excitement narrows the subjective grows more alluring. The thrills which can no more be found in sport or speculation are likely to be sought in drink. There will be more dull intervals to be filled in. Life is already very dull for the working classes. Long hours in a factory, with the night to spend in a tenement! Is that the proper habitat for a man whose ancestors followed Harry the fifth to Harfleur or raged down the pass of Killiecrankie? The cage puts an intense strain on the lion's nature. Something must be done, both to lessen the thirst for an artificial stimulus and to supply a stimulus less deadly in its consequences if we are to hold our own in a world whose population is growing and whose rivalries are being intensified.

Some Standards in the Retail Trade

It is not True that the Retailer is the "King of Business."---That He Alone Directs and is Responsible for Trade Policy and Trade Practice.

By W. W. SWANSON.

It is not true to assert that the retailer is the "king of business," and that he alone directs and is responsible for trade policy and trade practice. Consumers are equally responsible for commercial morality; and, in fact, for the most part, must be compelled to bear the burden of causing quackery and questionable trade practices wherever they appear. No doubt, an enormous amount of valuable work has been done in educating the taste of the consuming public, by our leading commercial men; and of teaching them what is the just and generous policy to be pursued in the retail business. Industrial and commercial leaders have in large measure educated the public in business practice and in business methods, and have helped to create decent standards of trade. At the same time it must be recognized that the dictates of self interest on both sides count for much. The cupidity of some consumers—the demanding of something for nothing—has corrupted a considerable part of the buying public as well as a few retailers, and has led to the perpetrating of many shams in business. Consumers, indeed, may be directly charged with having brought about certain demoralizing conditions in the retail market. In some towns and cities they have not been content with receiving real value and efficient service for their money, but have compelled merchants to adopt such expedients as the giving of trading stamps, daily bargains and cut rates, and of even individual prices. Such people cannot recognize a genuine bargain when they see it; and have raised such a clamor that some retail dealers have felt compelled, even at the cost of their own respect, to pander to this species of debased craving for a continuous bargain parade. The sooner that all merchants realize that the retail trade is not based wholly or solely upon price competition, the better it will be for all concerned. The truth is, that the progressive and reliable merchant to-day avoids price-

cutting and sensational advertising and is well content to pass this particular class of customers by; for he well knows that business is concerned with something much more vital than mere prices. He knows, for instance, that a reputation for values, for the quality of his goods, and for courteous and efficient service, amounts to much more in the estimation of worth-while customers than the advertising of meretricious values and cut-throat prices. His advertising and his service appeal to the public because they are based upon sincerity and truth, as well as upon fair dealing. If in addition to all this, he is wide awake and progressive enough to have the styles and fashions required and to have them first, he can feel sure that the quality of his business will win him profits and friends when his rivals have long since sought newer fields and greener pastures.

We have said that the consumer should share at least equal responsibility with the retailer in bringing about decent standards in the commercial world. He must realize that a bargain is not a bargain unless the article in question is really needed; and that he can usually secure a low price if his interests and purse so dictate, by buying from a reputable dealer at the close of the season when low prices usually rule. Hunting for bargains from store to store is an arduous occupation, as every woman knows; and the efficient housewife has learned that it pays ten times over to deal with a reliable firm that places the emphasis upon quality and service and not upon mere price. The merchant who is ever advertising bargains is sure to provide disappointments for oversanguine buyers; for the slight gains that may be made through buying at odd prices can in no way compensate for the drain made upon mental and physical energy. Where large sums are involved it will, of course, pay the housewife to make a careful comparison of goods, both as to quality and price,

offered in the regular way at different stores; but it rarely pays her to hunt around for special bargains on staple products.

Consumers have learned, in a word, that a merchant's reputation for fairness and honesty is worth a great deal more than cut prices. By patronizing such retailers, the consumer is actually and specifically casting a vote for decent standards in business practice. It is this "reaction of consumption upon production" that the wise merchant takes cognizance of when he founds his business upon the quality of his goods and the efficiency of his service — for repeat orders are the ones that take care of overhead expenses and yield business profits. The intelligent consumer realizes also that prices alone count for little, and that bargains offered in the guise of odd prices — at ninety-nine cents, forty-nine cents, and nineteen cents, and so forth — mean little or nothing unless quality is assured; and for assurance with respect to quality, the reputation of the merchant is everything or nothing. Moreover, the customer can make better comparisons when undisturbed by odd prices and the consideration of a cent or two that may be saved. In conclusion, it is certain that retail buyers need to be reformed at least as much as retail merchants themselves; and that it is essential for their future welfare that young men and women — the future fathers and mothers — be educated with respect to markets, qualities of goods, prices, and the proper uses to which the various commodities of the commercial should be put. Until that time the lure of odd prices and infinitesimal gains will continue to attract customers — but customers who in the end are bound to be themselves disappointed and who will furnish no reliable clientele to the retailing class.

Banking and Business Affairs in the U.S.

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

(Special Correspondence of The Journal of Commerce).

When Germany announced on February 1st a resumption of unrestricted submarine warfare, it was realized that in accordance with previous notification given by President Wilson this could mean but one thing—the severance of diplomatic relations with Germany. This was what happened on the morning of February 3rd, when Count Von Bernstorff, the German Ambassador, was given his passports, and Mr. Gerrard, the American Ambassador, was recalled from Berlin. The rupture of diplomatic relations between Germany and the United States follows a long series of events, beginning with the sinking of the Steamer Lusitania, which have sorely tried the patience of this country. That our action is not precipitate is apparent to all conversant with these events. We have exercised great restraint and patience, and have severed diplomatic relations only after having warned the German Government that no other course would be practicable unless the terms prescribed in our diplomatic correspondence in regard to submarine warfare should be strictly observed. Germany has chosen to disregard this warning, with the penalty which such disregard incurs. Whether the severance of diplomatic relations between the two countries means war or not, may depend upon overt acts, and the outcome cannot be much longer delayed. As other neutral nations may be expected to align themselves with the United States, the recent turn of affairs should tend to hasten the end of the war.

Strong Economic Position of the United States.

No nation ever faced war in a stronger economic position than that in which the United States stands to-day. We have the largest gold stock ever accumulated; our business enterprises of all sorts are in a position of unparalleled strength; the banks of the country—those existing under national charters at least—are practically bound together in one unbreakable system; our national debt per capita is trivial, and the credit of the Nation so high that loans to almost any amount can be easily floated among our own people. We have learned, by experience in making war munitions for others, the art of making them for ourselves. The question of food supply, so important to some of the European belligerents, concerns us but slightly. As one of the great food-producing countries of the earth, we shall find no difficulty, in the event of war, of feeding our own people while continuing to meet demands from other countries less favorably situated with regard to food supplies. There is one point at which, unfortunately, our strength is less than could be wished—our transportation facilities. These have already been severely taxed, and should war result from the present situation, this strain will be increased. But there is no doubt that with our customary ingenuity we shall find a way out of this difficulty. Should there be war, the financial support already given the Entente Allies will be greatly increased, and more direct aid will be given in other forms. If the war is to be won by the weight of financial and economic power, the entrance of the United States into the contest must tend to shorten its duration very materially.

Large American Balances in London.

Recent computations place the balances which New York banks have in London at from \$300,000,000 to \$500,000,000. The chief reason given for this is the very simple one that money invariably goes to the best market, the same as anything else. For some time the rate for money has been lower in New York than in London, and this, combined with the excellent security offered by the bills available for purchase in the London market, explains why many American banks are now leaving balances abroad for current investment. Should anything occur that would materially change the condition of the New York money market in the direction of higher rates, these balances now kept abroad would no doubt be much reduced. The keeping in London of large balances by the New York banks, and those of other important cities, together with the loans made direct to London banks, will almost certainly result in closer relations in the future between the banks of London and those of the United States. These relations have been important in the past, but they will be more so in the future. It is interesting to note in this connection that there has been considerable discussion of late in

the London financial press concerning the propriety of permitting foreign banks hereafter to operate with the same freedom they have had heretofore. The discussion arose with reference to banks of enemy countries, but there is a possibility that if restrictions are imposed at all after the return of peace, the banks of other countries may be brought within their range. There is another phase of this matter that is receiving some attention. It relates to the fact that the laws of many of our States do not permit foreign banks to do a general banking business. Even in New York the branches or agencies of foreign banks may do only a limited business. It is pointed out that if American banks expect to invade other countries with branches and carry on a regular banking business, by the rule of comity banks coming here from other lands should be given like privilege.

The February Flurry in Stocks.

Not since the re-opening of the Stock Exchange in December, 1914, has there been such a flurry in stocks as took place on February 1st. Sales of stocks on the single day came close to 2,000,000 shares, and declines of from four to thirty-one points were recorded in the more active issues. Wheat and other commodities also declined sharply, while cotton made a sensational decline of more than \$25 per bale. The fact that marked and rapid declines took place without approach to anything resembling a panic was due to several factors. In the first place, recent events—the peace talk in particular—had already caused considerable liquidation at lower prices than those ruling for a long time, and so the market was in a fairly good position to meet the shock that came with the opening of the Stock Exchange on the morning of February 1st. No doubt the present exceptionally strong position of the New York banks, and of those throughout the country generally, and the prevailing ease in the money market, buoyed up the spirits of the operators in stocks and gave them a feeling that if the worst came to the worst, it could not be so very bad. In this connection, it is not without interest to note that while the new banking law was not designed to support the stock market, but rather to discourage Wall Street operations, it can nevertheless afford very great assistance in time of trouble. Not only could the New York banks borrow largely on their direct obligations, but through their power of re-discounting with the Federal Reserve Banks, they could turn over a large amount of their commercial paper to these institutions, thus freeing a corresponding amount of their own funds to lend for stock market purposes. Of course, in the emergency above referred to, nothing of this kind was necessary. Furthermore, there is probably not a New York bank that does not regard its commercial loans as of first importance. It is a rare thing, even when call money rates have risen to extravagant figures, for the banks to require payment of their commercial loans or to advance rates on them.

Business Activity.

At this time there is no warrant for believing that the business pace has yet halted. For the week ended February 3rd, bank clearings in the United States were \$5,605,995,393, as against \$5,318,342,691 the preceding week, and \$4,682,732,769 for the like week last year. During the whole month of January the clearings, while lower than for any recent month since September, were yet the highest ever recorded for the first month of the year. Reflection of activity in business is strikingly afforded by the net earnings of the United States Steel Corporation—\$105,968,347, compared with \$85,817,067 for the September quarter. Figures given in a previous letter show the unprecedented totals of foreign trade. Domestic business in most lines continues good. Recent international events have thus far produced no special change in the ordinary business of the country, though the stock market, not inaptly regarded as a business barometer, has been seriously disturbed. It has been a matter of interest to close observers of economic conditions how much higher the wave of prosperity can rise before the inevitable recession comes. Authorities on commercial and financial crises have generally held that these crises may be looked for when people heretofore eager to buy become eager to sell. A change to the latter condition under present circumstances would appear not to be imminent so long as the Entente Allies continue to be under necessity

to buy, for this alone lends a decided stimulus to trade in general. But it is not impossible that events here may take a turn at any time which would have a most far-reaching influence on trade. While business continues under present abnormal conditions, such eventualities cannot be avoided, and the best that can be done is to prepare for them by keeping in the strongest position possible, while making absolutely necessary provisions for expansion. It is believed that business generally in the United States has for some time been observing this wise precaution. The position of the banks is especially strong.

Punitive Taxation.

That the new revenue measure is designed to be sectional in its incidence was frankly avowed by the Chairman of the Ways and Means Committee of the House. That it is designed to be punitive in character as related to business becomes equally clear on careful study of its provisions. As declared by so conservative a newspaper as "The New York Times": "Profits and wealth are the enemy." Taxes laid during a time of war should not be too closely scrutinized, as they represent the judgment of statesmen as to the readiest and most effectual means of providing funds that may be needed for national defense. It may be, too, that the emergency existing at the time the new Revenue Bill was proposed was such as to exempt it from criticism. But it seems to follow lines already made familiar to students of our recent taxation policy, namely, the determination not merely to raise adequate revenue, but to attach a penalty to the acquisition of wealth. If this policy had no other effect than to bring excess profits into the coffers of the State, it might be regarded with considerable composure by the masses of mankind who lack wealth; but, on the other hand, should it result in a check to initiative and enterprise, it might unfavorably affect a much wider circle than its proponents contemplate. If neighboring countries—Canada, for example—should treat accumulated wealth more liberally in normal times, the migration of capital from the United States to the more tolerant country need occasion no surprise. As thousands fled from certain parts of Europe centuries ago to escape religious persecution, so will capital migrate from one country to another to be free of the burdens which ignorance and prejudice seek to impose. The endeavor to make taxation bear chiefly or solely upon those of large wealth has another serious objection in that it tends to relieve the masses of voters of responsibility or concern about expenditures, thus acting as a direct incentive to extravagance. The use of the taxing power as a means of punishing wealth is therefore beset with serious dangers, but those charged with legislating are not always sufficiently mindful of them.

Activity in Shipbuilding.

The enormous destruction of shipping since the beginning of the European war, and the further stimulation of the demand for marine tonnage owing to the tying up of so much of the existing tonnage in subsidiary naval operations, have resulted in an outburst of activity in American ship-yards. Building is proceeding not only for this country, but for several foreign countries as well, and orders already booked for the construction of vessels in 1917 warrant the conclusion that the year will be a record one in ship building. Efforts have been repeatedly made to restore to the United States some of its former position in marine transportation, but without much success. It is realized, however, that the present is a favorable opportunity for renewing these efforts. To this end the new Government Shipping Board was created, with authority to employ \$50,000,000 in the construction and operation of an American line of steamers. Doubtless the present Seamen's Law, which by some shipping experts is regarded as detrimental to the development of an American Merchant Marine, will be modified. For some time after the close of the war, if not permanently, shipping interests in other countries will come under Governmental control to a greater extent than heretofore. This result will follow the taking over of this interest by the various Governments while the war was going on, and this change is liable to persist long after the occasion for it has disappeared. To a limited extent the same policy is being followed in the United States, and as above stated, the Government has already taken steps to engage in the ocean carrying trade. Perhaps there is a reason operating here that has not been felt in other countries. Some irritation has been aroused here over the profits which private capital has gained from investment in marine transportation. This may be due in the case of traffic between Atlantic and Pacific Coast points to some jealousy on the part of the railways; but it has also existed with reference to the oversea traffic.

Extravagance a Cause of High Cost of Living

The Time Has Arrived for Canadians to Take Stock--Perhaps a Food Dictator would be a Blessing--Heavier Taxation Might Put a Stop to Speculation

By E. S. BATES.

Wear rubbers and save leather for our soldiers in Europe. Such is the significant suggestion handed out by one of our largest rubber concerns. Good advertising, but the suggestion contains much food for sound thought. Leather prices have advanced to an unheard of level. Only recently a Boston manufacturer predicted that shoes now selling at ten dollars a pair would be selling at thirty dollars a pair before the end of the war. Leather, the best to be had, is needed and urgently needed, for the troops, and there is not a sufficient supply of the raw material to fill the world demand. On the other hand, the production of crude rubber is more than keeping pace with the demand. Britain fairly well controls the rubber output of the world. The result is that rubber has not advanced in price, and it is now cheaper to wear rubber than leather footwear. Hence the suggestion.

It is clearly patent that the only effective solution of the high cost of living problem in Canada lies in a combination of increased production and thrift. If the welfare of the troops was the first and chief consideration of everyone in Canada this combination would exist, and Canada would not be facing an acute problem in the rising cost of foodstuffs and necessary commodities. Moreover, there would be a greater portion available for the men in the field.

We must face the bold fact that Canada did not come up to the mark in the matter of production of foodstuffs during the past summer. Under the strong patriotic appeal the year 1915 was made a banner one in the annals of Canadian farm production. Our record grain crop, our record fruit crop, our vegetable crop, etc., regulated the world's supply of foodstuffs to such an extent that prices were maintained at little above the normal level up until a few months ago, and we made it easier for the War Office to keep the soldiers well-fed. Of course, the situation was helped along by a similar record production by the American farmers. But patriotism without being upheld by practical deeds is an intangible thing. The fear that possessed us all on this continent, fear of starvation, was allayed. Dollars shone brighter than patriotism and banished fear. The weather-man is blamed, but selfishness is one real cause. America has not toed the scratch. Canada, the granary of the Empire, failed to fill the bins to overflowing. When the need was greatest we failed to produce.

Consider other lines of marketable commodities. In no case was the opportunity presented, as in the case of foodstuffs, to replenish depleted stores. In the case of woolen goods large quantities of wool fibre have been absolutely destroyed by fire and explosion in the shape of clothing and supplies. These goods are absolutely withdrawn from the world market. They cannot be utilized again as shoddy and wool stock. Vast quantities of cotton have been used in the manufacture of explosives, and destroyed. In neither case is the world's annual production sufficient, without enormous effort, to supply even normal demands without the reworking of worn-out cloth, or the substitution of other fibres, or change in style. Leather and hardware are somewhat similar from the commercial point of view. Providence has ordained that the greatest necessity of mankind, foodstuffs, is the only necessity wherein opportunity is given annually to replenish depleted stocks.

Eliminate extravagance by compulsory means, make thrift obligatory, regulate spending, and there will be enough to go round. The soldier must not be deprived of one iota of his fare. This is our solemn duty.

A short time ago a prominent speaker addressing an audience of women blamed the middleman, cold storage, and all the time-honored, so-called excuses for the present condition of prices. Eliminate the middleman and cold storage, or control them, boycott the merchant, he said in substance, and institute co-operative methods and we shall have the ideal state: co-operative buying and co-operative production, co-operative selling and co-operative consumption, and we shall produce what we need and have it at the proper price. Still they ramp and rave, but it availeth not. The ideal state is yet

a long, long-way off. Social reformers, idealists and soap-box orators will have just cause for their effort so long as democracy exists and man remains a free-will agent.

The soldier in action is shot for getting drunk while on duty, yet there is no restriction, or scarcely any, on the civilian in Canada. The soldier on active service is deprived of his pay if he overstays his leave, or breaks some minor military law, but the stay-at-home roams the streets at will, a free-will agent. Why the inequality?

A year ago the War Lord of Hundon said, "Let there be thrift," and there was thrift with a vengeance. We liked to gloat over it. It gave us satisfaction. But all the time returned soldiers and officers told us that German prisoners are a well-fed looking lot. A year later the United Kingdom follows suit. Food control under the direction of a food dictator, and not a whimper from the Englishman. A boat is sunk to-day, one yesterday, two the day before, another to-morrow, and so on for weeks and months. Each boat carries foodstuffs, or provisions, or something needed. Consumption grows apace. Soldiers must be fed, and well-fed, so a food dictator is appointed to tell the people what they can eat, how much and where they must practice thrift. It brings home the full significance of war.

How about Canada? We still go on with scarcely a change from normal conditions, except that it costs more to live. Trade reports in all lines state that retail and wholesale business could not be better. A few lines of luxuries are withdrawn from the market, because they cannot be obtained, but Canadians generally are as well-fed, well-dressed, well-entertained and well-housed as ever they were. The only commodity of which there is an over supply is money, and bank deposits continue to grow. Only the laborer and the salary man are paying the price. There is no concerted effort to save. It is the mechanic, the speculator and the munition manufacturer who is accounting for the increasing bank balances. The butcher shops are experiencing no decrease in sales. The theatres and other places of amusement are filled, and luxuries are just as salable.

There is a lot of satisfaction to be gained from Canada's temporarily strong condition. But while we are piling up prosperity throughout the country, manufacturing millionaires by the dozens and inflating prices of commodities, what about our part in the prosecution of the great war? Our farmers are buying butter and grumbling at the price, because they can make more by turning their milk into cheese. Mechanics grumble at the rising cost of foodstuffs, but are buying phonographs, Ford cars, fancy dresses and furs at a rate unheard of in pre-war days. We have been carried away on a wave of artificial prosperity. Shortly we shall crest the wave and no one knows the depths of the other side. The rising cost of living is but one result of our insanity caused by our greed in face of our temporary prosperity. Every atom of our prosperity has been fought for and paid for by our brothers on the battlefields of Europe. Their suffering and sacrifice has purchased our peace and prosperity.

People say that war is abnormal, therefore war is a disturbing factor in all industrial and investment values. One writer says, "The world's work is forward moving; the world's hope is forward-looking. Therefore, all 'business' has an expectancy in life." They justify their actions in this way, saying, "Ah, well, we shall be better prepared to look after the returned soldiers, and meet after the war conditions than we would otherwise." Meanwhile crowded meetings are being held in every city in the Dominion. Crowded by the poor who are bearing the unequal burden. And such resolutions as the following are passed unanimously:

"Whereas the prices of the necessities of life have risen enormously during the last few years, and especially the last two years; whereas the outlook for the future promises that the prices may be raised higher; whereas monopolists of the food supplies pile up millions of dollars in profits while hunger and insecurity is the lot of the masses of the

people; whereas speculation, monopoly of the food supplies in the hands of a comparatively few people, and the lack of European competition, have to a great extent caused the rise in prices; whereas the wages of the working people have not risen to such a level as to cope with the high prices; and whereas private ownership of the food supplies is not competent to deal now with the food supplies of the people;

"Therefore, be it resolved: (1) That the Dominion Government take over the control of the food supply (2) that a maximum price be fixed on the most important articles of the necessities of life; (3) that a legal minimum wage be enforced so that the food supply should be at the disposal of all the people; and (4) that customs duties on foodstuffs be removed."

The resolution is a trifle strong, perhaps. But it indicates the trend of public opinion. The time has arrived for Canadians to take stock—an inventory of what we are doing in the prosecution of the great war. Three hundred and fifty thousand of Canada's manhood are fighting for the cause of the Empire. These men are bearing the brunt of danger and hardship. How many Canadians at home thoroughly realize the real meaning of war? It may be that Canada should become a bit more militaristic, for the time being at least. Perhaps, a food dictator would be a blessing. Heavier taxation might put a stop to speculation.

WOMEN'S INFLUENCE IN BUSINESS.

Mrs. Almy Discusses the Special Need and Ability of Women in Retail Trade.

"The woman in business has created a new standard," said Mrs. Almy in the course of an interesting address before the Montreal Publicity Association last week. Mrs. Almy, the head of the great departmental store in Montreal and a chain of similar stores throughout the States, is well qualified, as a successful business woman, to express her opinion on the future of women in salesmanship, publicity and window decoration as well as executive positions in a large departmental store.

With reference to the enormous activity of women since the war, Mrs. Almy pointed out that women had shown a tremendous aptitude for business as well as a usefulness in factories. Society women had organized bazaars, and in one case in her mind they had at one stroke sold at half price enough admission tickets in one or two days to pay all the expenses of a great bazaar which was to bring in hundreds of thousands of dollars, and perhaps a million. Any merchant who could meet his expenses for the year in two days would be exceedingly well satisfied with himself.

"A woman," said Mrs. Almy, "has a very peculiar aptitude for business, and the most useful thing is her power of intuition. She understands how dress appeals to women, for instance, and if she can succeed in making a customer look well she is always going to have that customer on her list.

"The wise merchant has grasped this fact. His road to success is plain. He needs women trained to understand woman's nature, woman's needs, her love for beauty, her necessity for stylish dress suitable for all occasions, her comforts, her necessities and those of every member of the home and the home itself. In answer to his need for women trained in salesmanship, versed in processes and products of manufacture and their markets knowing the latest fashion of the hour as well as woman's nature. There have arisen schools of salesmanship, retail classes in the business courses of high schools, continuation and vocational schools and comprehensive courses of business in college and university. Out of the logical connection between the lady who buys and the one who sells comes the knowledge of the right goods to be chosen by the buyer of the department who is frequently now a woman. In many of the most successful department and apparel stores of the present day where intensive methods prevail women are not only managers of departments but organizers, counselors, accountants, solvers of store problems, decorators, advertisers, proprietors, and at every step they use that peculiar, wonderful, unexplainable gift of woman called intuition."

Mrs. Almy concluded by describing a great French establishment managed and owned by a woman, and the perfection she found everywhere. In France she had found it to be the rule than men made things, were specialists in making things while women ran the business and did the bargaining. There was not a silver coin and not a stamp on a letter in France which did not carry the design of a fine, graceful woman with her face towards the dawn, and her hands sowing the seeds of commerce.

Mentioned in Despatches

New Earl of Elgin and Kincardine.—Canadians will be interested in the new Earl of Elgin and Kincardine, Lieut.-Col. Lord Bruce, owing to the fact that his father was born at Ottawa. The new earl is thirty-six years of age and unmarried. He was educated at Oxford and received an excellent training while acting as private secretary to his father during the latter's tenure of office as Secretary of State for the Colonies. The family name is intimately associated with the history of Scotland and occupies a big place in the Parliamentary and Colonial activities of the Empire. The Bruce family claim direct descent of King Robert Bruce of Scotland.

Brig.-Gen. Walter Long, son of the Right Hon. Walter Hume Long, has made the supreme sacrifice. The young man in question was well known in Canada, as he was attached for several years to the staff of the Duke of Connaught. Gen. Long was a brilliant polo player and as such made a big name for himself throughout Canada. Long, who was born in 1879, served through the South African War, where he won the D. S. O. and was frequently mentioned in despatches, and also won promotion. At the outbreak of hostilities two and a half years ago he went to England and rejoined his old regiment, the Scots Greys. Much sympathy is expressed for his father, who is also well known in Canada.

Col. H. W. Laird. The editorial sanction leads to all sorts of places, including the Red Chamber at Ottawa, and sometimes even the penitentiary. Col. H. W. Laird, an old newspaper man, has been named senator from Saskatchewan to succeed the Hon. T. O. Davis, Prince Albert. The new Senator was born in Port Dover, Ontario, in 1868 and after a high school and college education entered newspaper work. He served on papers in Toronto, and represented them in the Press Gallery, Ottawa, and then owned and edited papers in Port Hope and Coburg, finally going west, and after acting as secretary to Premier Haughton went into business in Regina. Col. Laird is an enthusiastic military man, and one of the most broad-minded and public spirited men in the west.

Lance Corporal John W. McInnis, who was killed in action on January 4th, was a brother of a well-known Montrealer, R. A. McInnis, of the Abitibi Power and Paper Company. Lance Corporal McInnis enlisted from Cobalt where he was with the Penn Canadian Mines. He joined the 3rd Universities Company in the fall of 1915. After he arrived in England he joined the second section of the reinforcements and when the company joined the Princess Pats in France he took active part in the scouting work for this famous regiment. He was wounded in the spring of last year, but returned to the front in October. Lance Corporal McInnis was born 29 years ago in Cache Bay, Ont. when his parents still live. For a number of years he was connected with the Traders' Bank occupying position in the branches at Sudbury, Edmonton, and Sturgeon Falls. He was a fine athlete, and one of the best of fellows.

The Earl of Cromer, probably the best known of Britain's pro-consuls, has just died in his 77th year. Cromer's name is indelibly associated with the reorganization of Egypt's finances. He was sent to Egypt in 1883 as British agent and Consul-general and remained in that country until ill-health compelled him to leave a quarter of a century later. He found Egypt a bankrupt, hopelessly disorganized country, and left it with its finances on a sound basis, an irrigation system which is the wonder of the world, improvements in labor laws, and the whole social and economic life of the people vastly improved. His name, Evelyn Baring, is one intimately associated with a prominent financial house in Great Britain. The young man first entered the army, but from there went to India as a financial member of the Council, and after three years was sent to Cairo. In addition to the work he has done in Egypt he has written a large number of books, many of them relating to Egypt. Last year he was appointed chairman of a commission to investigate the Dardanelles campaign.

Herbert C. Hoover, who has charge of the distribution of American food among the Belgians, is now on a visit to the neighboring republic and in an interview has stated that 5,500,000 Belgians are on the verge of starvation. Providing for their needs this year will require in the neighborhood of \$200,000,000. England, despite all her heavy war expenses, is giving \$5,000,000 a month to the Belgian Relief, while France is giving \$4,000,000 a month. Hoover is an engineer by profession and has undertaken construction work in a dozen out of the way points in the world. He was born in Iowa in 1874. He has done most efficient work in connection with the Belgian Relief work.

Sir Gilbert Parker.—Sir Gilbert Parker, the noted Canadian author and Member of the British Parliament, is visiting Canada and the United States, and hopes before he returns to be able to convince some of the people in the neighboring republic that the Allies are fighting for a principle, and their aims are not to be compared with Hun Kultur. Sir Gilbert Parker was born in Ontario in 1862 and educated at Trinity College, Toronto. He started out in life to study for the ministry, but ill-health caused him to give up that work and to turn to journalism. This work took him to practically every country in the world. Some twenty years ago he commenced writing books and plays and to-day is one of the best known writers in the English language. His best known works are "Seats of the Mighty," "Pierre and his people," "The Right of Way," and "The Weavers." He has been Member of Parliament for Gravesend since 1900. He was knighted a few years ago.

Charles R. Miller.—In this age of the strenuous life it is somewhat unusual to find an editor of a great metropolitan daily holding his position for a half century, and yet that is what Charles R. Miller, editor-in-chief of the New York Times has done. Miller is one of the best known writers in the United States, and as head of a great paper like the New York Times wields a tremendous influence. He got his first newspaper training on the Springfield Republican away back forty-five years ago. After three years experience there he went to the New York Times in 1875 as telegraph editor, and a few years later was made editor-in-chief of that paper, a position he has retained ever since. Mr. Miller makes a hobby of languages and reads French, Russian, Italian, Spanish and German in the original, and through his command of these languages keeps his finger on the political, social and economic pulse of the world. In writing his editorials he holds to the view that the first few sentences of the editorial should be a precise presentation of its purpose and argument. Mr. Miller is now an old man in years, but a young man in spirit.

"Jack" Stewart.—The other day H. B. Bennett, in a speech before the Railway Club in Montreal, declared that the Somme offensive failed to achieve its real purpose because of lack of railroads behind the lines. Whether this be true or not, there is no doubt but that the shortage of railways has been a big drawback, a hindrance which is being remedied as rapidly as possible. Some time ago the Imperial Government asked for fifteen hundred miles of Canadian road, and this is being taken up, rails, ties, spikes and all, and shipped to France. One of Canada's foremost railway builders, in the person of "Jack" Stewart, is in charge of this work. He is a member of the firm of Foley, Welsh & Stewart. John W. Stewart has built more miles of railway than any other man who ever lived. He built roads for James J. Hill in the United States, for the Canadian Pacific in Canada, for the Grand Trunk Pacific, for the Pacific Great Eastern, and so on, and has the unique distinction of always being able to get his roads through in record time and below the estimated cost. He is now in charge of seven thousand Canadian railroad builders and is making records constructing lines from the French seaboard to the battlefield at the Somme. When the drive starts in the spring Canadian owned, Canadian built, and Canadian operated railroads will insure a steady stream of projectiles for the Huns.

Governor A. R. McClelan.—Former Governor A. R. McClelan there of New Brunswick, whose death occurred a day or two ago, is a link with a previous generation of New Brunswickers. He was born at Hopewell in 1831 and engaged in business in his native town. His parliamentary career is a lengthy one, dating back to 1854 when he first represented Albert County in the Provincial Legislature. He was Commissioner of Public Works for two years, was then called to the Senate, and in 1896 was made Lieutenant-Governor of the Province. Apart from his political activities he was chiefly interested in educational work.

Lord Granville.—Great Britain has at length officially recognized Venizelos and his government in Greece and has sent Lord Granville there as British minister. Granville is one of the young peers with a thorough knowledge of European diplomacy. Since the outbreak of the war he has been Councillor in Chief of the staff of the British Embassy in Paris, and is therefore familiar with the views of France concerning the Venizelos Government. He also spent several years at the British Embassy in Berlin and so knows something of the Huns' intentions. The installation of Granville at Saloniki is thought to indicate that the Allied Forces will not withdraw from Saloniki, and that the war will be prosecuted with even greater vigor.

Sir Edward Holden, who has sharply criticized the action of the United States Federal Reserve Board for their policy in regard to Allied Loans, is undoubtedly Britain's foremost banker. He began life as a bank clerk and worked his way up not only to the general managership and presidency of the bank in which he started, but the bank, the London City and Midland Bank, under his management, has absorbed twenty-five other banks. He was a member of Parliament for some years, and during this time he took a particularly keen interest in the Land question—in which he is regarded as an authority—and in various financial and industrial problems. In the early stages of the war, he went to the United States, at the request of the British authorities to help straighten out exchange matters between the two countries. Sir Edward is sixty-nine years of age.

G. D. Robertson.—In appointing G. D. Robertson to the Senate the Government has established a precedent. The popular conception of a senator is a man who has made a million in business and who has been an active party politician. G. D. Robertson, on the other hand, is a worker and has spent his entire adult life as a telegraph operator in the employ of the Great Northwestern and the Canadian Pacific Railway Telegraph Companies. Some half dozen years ago he was elected chairman of the Order of Railway Telegraphers of the C. P. R. System, and two years ago was elected vice-president of the same order for Canada. He has been active in all disputes between telegraph operators and the companies, and is generally looked upon as one of the most representative labor men in the Dominion.

Poultney Bigelow, the well known American author, has been using some strong language about his country, to the members of the Toronto Canadian Club. Bigelow declared that the consular service of his country was composed of "broken-down, wheezy, political bums," and attacked the neutrality of the United States and its weak-kneed foreign policies in language that could hardly be more forceful. Bigelow is one of the best known authors and journalists in the neighboring republic. Born in New York in 1855, he was educated at Yale and Columbia Law School. He made his first journey around the world in a sailing ship away back in 1875, has been wrecked on foreign shores, travelled by canoe and on foot through out of the way places, and has a first-hand knowledge of the geographical, political, social and economic conditions of nearly every country in the world. Mr. Bigelow founded "Outing" in 1885, this being the first American magazine of amateur sport. He has lectured on modern history and colonial administration at all the principal universities in the United States, has written a score of books on political and geographical subjects, and altogether is one of the brightest and best informed men in the United States.

Public Opinion

ONTARIO'S WAR SHOWING.

(London Ont. Free Press).

Ontario has given 42 per cent. of Canada's men at the front, and will this year give forty-five per cent. of the Patriotic Fund for the support of soldier's wives. It is a proud record.

A WORLD WITHOUT PAPERS.

(New York Editor and Publisher).

Bill Sunday is not celebrated for moderation of statement, but when he says that, in a world without newspapers, "Hell would break loose in forty-eight hours," he shows real conservatism in forecast. The figure could be reduced to thirty-six.

WISHBONE AND BACKBONE.

(Chicago Tribune).

"Our aim is the same as President Wilson's. What he is longing for, we are fighting for."—Andrew Bonar Law.

Absent treatment and direct treatment, idealism and experience, wishbone and backbone, dreams and brass tacks.

SUGGESTS WILSON LOOK AT BATTLE-FIELDS.

President Wilson is advised by the Pall Mall Gazette to visit the shell-torn battlefields and villages of northern France to get a new perspective on war and peace. Such a visit, it believes, would cause him to change his mind concerning a lot of things. The Gazette, known as "Lloyd George's paper," adds: "If he thinks we show undue obstinacy in refusing to resume neighborly relations with an unpunished cut-throat, he should visit Europe and inspect the site whereon it is his laudable ambition to erect permanent tranquility."

A SMALL DAY'S WORK.

(London Observer).

Duncan Macpherson was sent to an outpost to observe any move of the enemy. With rifle and a few bombs he took his lonely stand. Suddenly he observed in the darkness the approach of an enemy scouting party. He opened fire. The enemy charged. Emptying his rifle, he flung a few bombs, and the while maintained a frightful yelling—defiance, threats, commands. Believing themselves facing a substantial entrenched force, the attackers retreated, leaving eleven dead on the field. Macpherson came off with a slight flesh wound, and was awarded a medal for bravery. The commanding officer wound up his brief address with: "And a good day's work it was sir."

"Tut", said the soldier, "tut it didn't tak' me twenty meenutes."

ELECTRICITY FORGING AHEAD.

(Engineering).

The Great Falls of the Missouri river have been turned into electrical energy by means of a huge power plant and dam which supplies the Chicago, Milwaukee and St. Paul's Railway with all the power it requires for a 600 mile line.

The Falls are 526 feet high, 350 feet higher than the Niagara Falls.

Up to last year the C. M. and St. P. Railway, as it is called, was run by steam. This winter 440 miles of the track will have been electrified, including three ranges of the Rocky Mountains and thirty-six tunnels, one of which runs one and a half miles through the ridge of one of the ranges.

The trains are capable of hauling extraordinarily heavy loads. A single engine will haul a train of 130 cars weighing 4,000 tons. The usual load for one of our locomotives is 200 tons.

The electrifying of this system will result in a vast saving in coal, engines, besides other materials, and there won't be any delays due to taking water and coaling.

The long-distance tunnels will be less unpleasant to passengers as there won't be any smoke or gas, and in the future the tourist in the Rockies will have his view of the magnificent scenery unspoiled by cinders and smoke.

NO SUCH NATION.

(Albany Journal).

Conceivably, a nation "too proud to fight" would be glad to accept "peace without victory," and lucky to get it. But there isn't such a nation.

A DIRE POSSIBILITY LEFT.

(New York Telegraph).

With a woman mayor, woman recorder, woman treasurer, and four women composing the city council, there will be nothing to interfere with the perfectly ideal government of Umatilla, Oregon, unless some miscreant turns loose a mouse in the city hall.

NOT UNITED STATES BUSINESS.

(Chicago Tribune).

Considering the sacrifices being made by the peoples of Europe, we can hardly fail to sympathize with the view not infrequently expressed abroad that the terms of whatever peace or accommodation of differences is arrived at is a matter strictly for those who have paid the price.

"LET US HONOR ENGLAND."

(Le Journal de Paris).

Therefore, do not let us forget that if we have been able to hold out, to persist in the struggle, the wearing-down process which our headquarters staff regard as the surest means of success, it is to England that we owe it. Let us honor England as the faithful, sure, loyal Ally, who has always given more than she promised. Let us never forget that her promised friendship has never permitted an occasion to pass without rendering homage to French valor. Let us do the same.

CANADA'S ADVANTAGES.

(Washington Post).

There is no denial of the fact that Canada is to have preferential tariff arrangements after the war as a part of the British Empire. The Allied nations will grant to Canada concessions which they intend to withhold from neutrals and nations now enemies. The British Government has already gone far toward repaying Canada for its generous assistance in the war. The diversion of trans-Atlantic steamship service from New York to Halifax is to be permanent, and much of the freight traffic formerly handled through New York will be handled through Halifax and St. Johns. It is proposed to deliver not only all of Canada's export business at Halifax and St. Johns, but to draw American freight thither through Detroit and other gateways. Steamship and rail connections will complete a route around the globe, all under the British flag.

THE LEAGUE TO ENFORCE PEACE.

(New York Sun).

One thing which Mr. Balfour's note was intended to make clear, and does make clear, is that President Wilson's gratuitous and unauthorized offer of "every influence and resource" within the command of the government and people of the United States in support of an international league to secure peace throughout the world is a meaningless and unwelcome offer to the allies unless it is more sharply defined. It amounts to naught unless it is a pledge to contribute money and troops and ships toward the actual physical work of enforcing peace in Europe and elsewhere.

Mr. Balfour states the case with regard to our Monroe doctrine much more intelligently in his note than the president did in his note. For Mr. Balfour dismisses the president's amazing proffer as an aimable pacifist generality of no particular importance to anybody; and he does this with velvety politeness by means of one little parenthesis in his penultimate paragraph when he speaks of securing peace "on the general lines indicated (so far as Europe is concerned) in the joint note."

CURRENT TAXATION.

(The Ground Hog).

Rob a chicken house and you're fined once. Build one, and you are fined (taxed) every year.

SUFFICIENT FREEDOM.

(Boston Transcript).

Would Mr. Wilson like to see Germany enjoy a greater freedom of the seas than she had when she sank the Lusitania and the Arabic?

THE SCHOOL MASTER'S ADVANTAGE.

(Toronto Globe).

President Wilson is now said to have cribbed his "peace without victory" speech from an address by Emperor Dom Pedro of Brazil to Lincoln. Yet some say education does not aid a political career.

THAT UNCLAIMED BALANCE

(Ottawa Citizen).

Why not pass legislation awarding that \$916,500 in unclaimed bank balances to the Patriotic Fund? Money that isn't working is of little use in war time. And this money is sentenced to life imprisonment. Get it out.

THE DANGER OF MILITARISM.

(Kansas City Star).

There is just about as much danger of the United States becoming "militaristic" by giving a few months' training to all its young men as there is for an office clerk to get the bug of being a prize fighter by taking fifteen minutes' systematic exercise every day.

THE LIQUOR TRAFFIC.

(Daily News, London).

The state today has an opportunity such as has never offered in this country of making itself master of the liquor trade. And in taking the necessary steps to achieve that end the government will be assured of the approval and support, not merely of habitual opponents of the drink traffic in its present form, but of an army of practical business men convinced at length of the necessity of fettering a force so disastrous in its reactions on national efficiency and national morale.

PUBLIC OWNERSHIP OF RAILWAYS.

(Toronto Globe).

The government railways that do not pay interest on the capital invested in them are for the most part colonization ventures. The Intercolonial was built to connect the Maritime Provinces with the interior by an all-Canadian line, and the men who built it put the question of profit aside as of no importance compared to the national benefit to be derived from the road. Without it there would have been no Canadian Confederation. The Temiskaming and Northern Ontario cost twenty millions, and has paid for itself over and over again by opening up two of the continent's greatest gold and silver fields.

THE WAR OF 1812.

(Cleveland Leader).

The young men who are attending George Washington University, in the city of Washington, met a short time ago to organize a coast artillery company. They were addressed by the assistant secretary of war, and he told them some wholesome truths which seem to have been lost sight of by a good many Americans.

It was probably a shock to most of them to be told that the United States did not achieve any such victory over England in the war of 1812 as they had been taught to believe. It was humiliating to them to learn that 5,000 well-trained British troops along the Canadian border held in check about 100,000 American militiamen and volunteer soldiers during the two years and a half that the conflict continued. Their ideas concerning the brilliant naval battles which their country won during that struggle underwent a change when they learned that by the end of the war the British navy had driven practically every American warship to cover. The true explanation of the condition of affairs in Europe which enabled this country to emerge from that war undefeated was not very gratifying to American vanity.

Comments on Current Commerce

By E. S. BATES

Canada's War Financing.—The debate in the House of Commons last week on the resolution to vote \$500,000,000 for war purposes for the fiscal year 1917-18 brought out some interesting statements regarding Canada's financial expenditure since the beginning of the war. Total war expenditures by all the government departments have amounted to \$443,850,903, while the probable expenditure for 1917-18 will amount to \$433,274,000. The net debt of Canada on January 31, 1917, was \$745,000,000, compared with \$615,000,000 on March 31, 1916, \$449,000,000 on March 31, 1915, and \$335,000,000 on March 31, 1914. The Finance Minister stated that the revenue this year would be sufficient to pay all ordinary capital expenditures and 60 or 70 million dollars of the principal of the war expenditures. The Government has advanced Great Britain \$152,000,000 for the purchase of munitions here, and a portion of this year's note will be used for the same purpose. Sir Thomas White stated that Canada would have to borrow \$250,000,000 for war expenditures on this side, and considerable addition to the purchase of munitions in this country by Great Britain. In connection with this he said that Canadian investors to reserve their savings for commercial loans, in preference to Allied loans in the United States, where there is also a large amount of money, and where the money is used to purchase supplies. The extent to which Britain can purchase supplies here depends upon her borrowing capacity here, and that depends on the Canadian investor. Britain's borrowings in Canada at the present time are at the rate of about \$25,000,000 a month.

Maintaining our Trade Balance.—Canada's total trade for the twelve months ending Dec. 31, 1916, amounted to \$1,879,171,893. This was exclusive of coin and bullion. The total imports of merchandise amounted to \$766,726,891, and the total exports of merchandise amounted to \$1,112,445,002, the excess of exports over imports amounting to \$345,718,111, compared with an adverse balance of trade in 1914 amounting to \$53,003,797. This is a most favorable showing, but it is abnormal and cannot be taken as indicating anything but a temporary condition of affairs. It is estimated that over four hundred million dollars of this export trade last year was due entirely to war munitions. The huge increase in the value of the exports of animal and agricultural products during 1916 was also due in large part to the very high prices ruling for these products during the year. But Canada will require a favorable trade balance each year after the war in order to carry the debt she is now piling up in the prosecution of the war. This means greater production, less imports and larger exports, control of the home markets, and reduction of the exportation of raw materials in favor of increased exportation of products manufactured therefrom.

Philadelphia's Chain Grocery Stores. It is rumored that the five chain store system now doing business in Philadelphia where chain stores have attained perhaps their highest state of organization will shortly be brought under one system. Of the 5,500 retail grocery concerns in that city 1,285 stores are controlled by five companies, namely the Aeme Tea Company, Childs Company, Robinson and Crawford, Bell Company, and the George M. Dunlap Company. In addition to this Philadelphia has two retail buying exchanges—the Gerara and Frankford grocery companies—in which there are about 2,400 retail stores. The consolidation would require enormous capital but it is said that this is forthcoming. If the plan goes through the retail grocery trade of Philadelphia will be virtually a trust, and like other gigantic undertakings of this kind will meet with considerable criticism. It is claimed that such consolidation would result in a very material reduction in operating cost, but the plan is an indication of the extent to which consolidation can be carried once the ball is started rolling. One management, elimination of unnecessary stores and reduction in operating cost appear to be the principal factors commending the undertaking.

Argentine's New Currency Proposals. One of the first acts of the new radical government now in power in the Argentine Republic has to do with the monetary system of the country. At present there is in the country a double currency, gold and paper, and until the outbreak of the war these currencies were

interchangeable at the Conversion Office, which gave 44c gold for each paper dollar, as well as paper against gold in the same ratio. The law now proposed, is the outcome of a long agitation to place the currency system of the Republic on a gold standard. The new monetary reform proposals will abolish this double currency and establish a gold currency on the basis of the gold dollar, worth \$0.9649 United States, or 47.6193 English currency. According to the monthly circular of the British Bank of South America, gold would be received at the Conversion Office for the purpose of minting, and convertible notes issued by the said office given in exchange at fixed values, varying from \$5 to \$1,000, less cost of minting, etc. The coining of gold would be unlimited, but the coining of silver, nickel and other tokens would be in accordance with the country's needs, and only by decree of the Executive. The present circulation would be withdrawn within a determined period, new currency being given against the present notes at their proportionate value.

The Empire Farm Scheme. In connection with the scheme, outlined in cable dispatches from London last week, to develop upward of 200,000,000 acres of undeveloped Government lands in Western Canada as a means for providing funds for paying off the costs of the war, figures supplied by the Department of Agriculture at Ottawa showing approximate areas of undisposed or available Dominion lands in Western Canada are interesting. It is shown that the areas of surveyed unalienated lands within 20 miles of railway lines amounted to 15,443,200 acres at the end of 1916. The areas of surveyed lands over 20 miles from railway lines amounted to 10,122,800; areas of unsurveyed lands within 20 miles of railway lines to 4,179,640, and areas of unsurveyed lands over 20 miles to 239,765,849 acres. The areas of School lands, Railway lands and Hudson Bay lands reserved but not yet patented amounted to 19,017,610 acres. The ambitious scheme of this body of English capitalists would undoubtedly be a gigantic undertaking but these men have been grappling with great problems during the past few years and such a scheme as this might well be within the realm of possibility. The question is: has Canada such an acreage of cultivable lands now available? Much of this land near railway lines has been left by settlers because it was unsuitable, and although there are large areas of good lands distant from railway lines the development of these lands under any such scheme as is proposed would entail enormous expenditure on transportation and settlement facilities that apparently are not taken into consideration under the estimate of \$200,000,000 for the carrying out of the scheme. But the Empire is now working as a unit and something akin to this Great Empire Farm may be one of the early outcomes of the war.

The Patriotic Fund and Income Taxation. The ability of the people of Canada to subscribe to the Patriotic, Red Cross and other funds incidental to the war is reflected to a satisfying degree in the increase in notice demand deposits in Canadian chartered banks shown in the December bank return. The December return shows a further gain of \$9,400,000 in these deposits, making an increase of \$122,000,000 for the year, and representing nearly three-fifths of our total gain in deposits. The people of Canada have subscribed over \$19,000,000 to the Patriotic Fund alone since the beginning of the war. This is a tremendous sum to be raised by voluntary contribution and in face of the satisfactory showing in bank deposits it can scarcely be said that the contribution has meant a tremendous effort. But the fact that it has been voluntary for patriotic causes and bears no direct return gives it added distinction. However, it now seems as though the time had arrived for these funds to be taken off the voluntary contribution basis. The ability of the Canadian people to pay higher taxes seems assured and with the present display of wealth the time seems opportune for the institution of a Federal Income Tax for the purpose of meeting the demands for which these funds have been created. Once put into operation the income tax would prove a profitable source of revenue in meeting the heavy burden of debt we are now piling up. It would then be viewed as a necessity, while good reasons for its institution are now available. It would also place the burden of these funds more equitably on the people's shoulders.

Making Livestock Pay. A Western paper calls attention to the results which are accruing from the new policy inaugurated last summer by the Federal Department of Agriculture in connection with culling out the young live stock brought to the stockyards in Western Canada and resulting this stock to farmers. Ed. Haskamp, of Humboldt, Sask. in February, 1916, bought 33 steers averaging 667 pounds at a cost of 6c a pound. This totalled \$1,321. Freight, rent for pasture, grain and other feed, allowance for work and freight back to Winnipeg totalled \$300. The other day he sold the lot for \$2,093.80, leaving a net profit of \$773.80. Other instances are cited. One homesteader sold his seasons catch of animal skins for \$800, invested the money in calves and has started in the livestock business in earnest. The government pays the travelling expenses of the farmer and assists in making the purchases. This and other progressive methods are doing much to change Western agricultural development. According to the latest available figures the three Prairie Provinces reported over 43 per cent of the total cattle in Canada. Last season Manitoba and Saskatchewan raised sufficient butter to fill the needs of the West, and in addition exported a number of cars to Great Britain. The West can no longer be called a wheat-mining country. This much, was conclusively proven by the Hon. George Brown, of Regina, in a speech delivered in Montreal last week wherein he told how the West has assumed a prominent place in Canada's production of livestock, butter, eggs, wool, hogs, mutton and other farm produce.

Indigo Production Increased. The remarkable demand for vegetable indigo occasioned by the cessation of exports of aniline dyestuffs from Germany has brought about the revival of the indigo industry of British India. In a memorandum recently issued by the Indian government final estimates are given of the 1916-17 crop of indigo. The total area is given as 756,400 acres, which is 114 per cent in excess of the finally revised acreage of last year, which was 353,100 acres. The total yield of dye is estimated at 95,500 cwt., as against 55,100 cwt. last year, an increase of 73 per cent. The dyewood production of Jamaica, Mexico, Guiana, Honduras and Central America has also been increased during the past year so that one problem at least appears to be about over. This increase in the vegetable dyes, together with the development of the aniline industry in Great Britain and the United States must shortly have the effect of relieving the dyestuff shortage.

MAKE YOUR DOLLARS FIGHT.

The new War Savings Certificates which have been created by the Government to encourage thrift and economy and to give everyone an opportunity to assist in financing our war expenditure, are now on sale at every bank and money order post office in Canada. The \$25 certificate sells for \$21.50, the \$50 for \$43, and the \$100 for \$86.

As an investment these certificates offer many attractive features—chief of which are the absolute security and the excellent interest return. For every \$21.50 lent to the Government now, \$25 will be returned at the end of three years.

There are two other features which are especially interesting to small investors. First, the certificates may be surrendered at any time, if the buyer should need his money; and second, each certificate is registered at Ottawa in the buyer's name and, if lost or stolen, is therefore valueless to anyone else.

But while they are excellent from an investment standpoint, the certificates should appeal strongly to Canadians because they offer to those who must serve at home a splendid opportunity for a most important patriotic service. The person who honestly saves to the extent of his ability and places his savings at the disposal of the Government by purchasing these certificates, may feel that he is having a direct share in feeding, equipping, and munitioning our Canadian soldiers, who are so nobly doing their part.

DOMINION PERMANENT DIRECTOR.

At the annual meeting of the Dominion Permanent Loan Co., Mr. J. B. O'Brien, of Foley & O'Brien of Renfrew, Ont., was elected to the Board of Directors.

AMONG THE COMPANIES

CANADIAN TRANSFER COMPANY.

At the annual meeting of the shareholders of the Canadian Transfer Company, Limited, Messrs. Chas. Cassils, Hugh Paton, George R. Starke, Sir H. Montagu Allan and F. W. Molson were re-elected directors and F. M. McRobie general manager and secretary.

CANADA PERMANENT MORTGAGE CORPORATION.

The annual statement of the Canada Permanent Mortgage Corporation shows net profits, after all deductions for interest, charges and losses and for war taxes and contributions to war funds, of \$866,126, or 14.43 per cent, on the paid-up capital stock of the company. This compares with \$872,105, or 14.53 per cent., earned in 1915, and \$876,000, or 14.6 per cent., earned in 1914, 14.74 per cent. earned in 1913, 13.78 per cent. earned in 1912, and 12.46 per cent. earned in 1911.

The Canada Permanent transacts an extensive deposit business, allowing depositors 3½ per cent. interest, and this department evidently shows considerable growth.

UNITED STATES STEEL CORPORATION.

The United States Steel Corporation has just declared an extra quarterly dividend of 1¼ per cent., together with the usual disbursement of 1¼ per cent. These dividends, covering the last three months of 1916, bring the total of regular and extra common dividends for the year up to 8¼ per cent.

Total earnings for the quarter were \$105,968,347, constituting a new high record. Total earnings for 1916 were \$333,625,086, or more than double those during any preceding year. The 1916 earnings compare with 1915 earnings of \$140,250,066, and exceed the previous best year, 1907, when earnings amounted to \$160,964,674, by \$172,660,412.

NATIONAL TRUST COMPANY.

At the annual meeting of the National Trust Company held a few days ago in Toronto, reports were presented showing net profits of \$236,254. With the balance brought forward amounting to \$73,560 there was \$309,814 available for distribution.

Z. A. Lash, vice-president of the Company, who presided, reviewed conditions in Canada since the outbreak of the war, and referred to the outlook for 1917. He said, in part, as follows:

"We enter the year 1917 with justifiable hope, but, nevertheless, with grave anxiety. The next twelve months will undoubtedly be the crucial ones of the war. They will decide the fate of the Allies and will determine the character of the civilization which will dominate the world during the next 100 years.

"We cannot lightly regard the recent decisions of Britain, France and Italy to mobilize and conserve their resources and energies.

"We in Canada have done much to assist the allied cause, but we can, and must, do more. We must be prepared to make every sacrifice.

CANADIAN PACIFIC RAILWAY COMPANY.

That gross and net earning of Canadian Pacific Railway have attained the highest volume on record in the first half or the current fiscal year and that the returns indicate the dividend derivable from railway receipts is more than earned for the full year in six months, are the outstanding features of the totals made possible by the publication of the December returns.

The six months totals of gross and net for six years past compare as follows:

Six Months to Dec. 31.	Gross.	Net.	P.C. of Net to gross.
1916	\$76,717,965	\$30,874,765	40.3
1915	66,470,163	29,624,187	44.6
1914	55,938,125	19,673,576	35.1
1913	75,286,162	27,211,436	36.1
1912	73,526,191	27,131,152	36.8
1911	62,566,365	24,470,247	39.1

After making allowance for the proportion of deductions from net earnings, before dividends there would be slightly over \$23,000,000 against the \$18,200,000 required for the full 7 per cent for the year. The balance of 3 per cent comes from special income.



MR. C. A. BOGERT,
General Manager Dominion Bank, whose excellent report appears elsewhere in this issue.

DULUTH-SUPERIOR EARNINGS.

Gross passenger earnings of the Duluth-Superior Traction Company for the third week of January were \$27,989, which is an increase of \$3,594, or 14.7 per cent., over the earnings of the corresponding period of 1916.

EXCELSIOR LIFE INSURANCE COMPANY.

The annual report of the Excelsior Life Insurance makes a favorable showing. Premiums after deducting re-insurances amounted to \$665,139, and receipts from interest, rents, etc., \$252,060, a total of \$917,600, and an increase over the previous year of \$105,291, the largest increase in the history of the company. Disbursements to policyholders amounted to \$311,992.

Total assets available for security of policyholders are \$4,523,556, an increase of \$264,602. The total assurances now amount to \$21,078,582.

SMART-WOODS, LIMITED.

A marked improvement in earnings was shown by Smart-Woods, Limited, for the year ended December 31st. Net profits for the year were \$516,190, against \$397,659 last year, and \$108,628 in 1914.

After allowing \$122,055 for interest, war tax, donations to Patriotic fund, depreciation and bad debts, the balance for the year was \$394,134.

Although an amount of \$53,126 was set aside for back dividends in 1915, nothing was paid, but in 1916 full dividends on the preferred amounting to \$108,255 were paid, as well as all the deferred dividends which called for another \$135,671.

The balance at credit was \$639,649 against \$559,440 last year.

After allowing a full year's dividend on the preferred stock, there is left a balance of \$235,879 equal to 16.6 per cent. earned on the common stock.

HOLLINGER GOLD MINES.

Hollinger Consolidated Gold Mines reports gross profits for the last four weeks of the fiscal year amounting to \$225,057, or \$21,943 less than the one per cent dividend requirement. The falling off is attributed to acute labor conditions prevailing and the holidays. The mill, which was shut down for three days, ran only 85.3 per cent. of the possible running time, compared with 90.5 per cent in November when 50,304 tons of \$8.78 ore went through the mill, whereas 49,618 tons of \$8.49 ore was the December record.

While the labor situation in Northern Ontario is far from satisfactory, it is reported as somewhat improved lately.

The December results brought the operating profit of the company for the year 1916 to \$2,866,984. This compares with \$2,063,466 in 1915 from the Hollinger mine. The merger of the Hollinger, Acme and Miller-ton mines having taken place in June, 1916, it is not possible to make a complete comparison, as between the respective properties merged.

THE ANCHORITE MINE.

The Anchorite property, which is under option to the Coniagas Company of Cobalt, is being vigorously explored. Results obtaining are satisfactory, and there would now appear to be every reason to believe that the option will be taken up and a more extensive development program arranged for. The Anchorite lies just to the south of Dome Lake.

ASBESTOS CORPORATION OF CANADA.

The Asbestos Corporation of Canada reports profits of \$537,938 for 1916, an increase of \$151,561, or about 40 per cent over 1915. After increasing the expenditure on betterments by \$30,000 over the previous year, and meeting the usual interest charges, the company had a net profit of \$15,476 to add to surplus, an increase of \$121,882, or about 130 per cent. This surplus for the year represents earnings at the rate of 5.4 per cent on the preferred stock and brought the total surplus up to \$500,102, or better than 12 per cent on the preferred.

CONFEDERATION LIFE ASSURANCE COMPANY.

At the annual meeting of the shareholders of Confederation Life Assurance Company John Firstbrook, of the Firstbrook Box Company, was elected to the board of directors, to fill the vacancy created by the tragic death of the late Col. W. C. MacDonald, managing director. The office of managing director continues vacant.

The annual report showed that premiums received during the year, less re-assurances, amounted to \$2,944,331, as against \$2,600,771 in the previous fiscal year. Interest on holdings and rents totalled \$1,077,920, as against \$994,667 in 1915. Net invested assets of the company now total \$20,885,085, an increase of more than \$1,000,000 over December 31, 1915.

RIORDON PULP AND PAPER COMPANY.

Four dividend increases have been made by the Riordon Pulp and Paper Company in the past year.

Increases in the Riordon dividend followed one another in rapid succession, the company declaring an initial dividend in May last of one and one half per cent. to cover no special period. In August the dividend was placed on a one per cent. per quarter basis, and in November it was decided to pay a bonus of one per cent. per quarter in addition to the regular dividend.

Directors of the Riordon Pulp and Paper Company a few days ago decided to increase the dividend from one per cent. per quarter to one and one half per cent., putting the stock on a regular six per cent. basis, instead of the former rate of four per cent. per annum. They also declared a bonus for the quarter ending January 30th of one per cent., both disbursements payable February 15th, and making the quarterly distribution equal to a rate of ten per cent. per annum.

MINING DIVIDENDS IN JANUARY.

For the month of January dividends of the Cobalt Porcupine and Kirkland Lake Mines aggregated over a million and a quarter dollars in dividends. Cobalt Mines contributed \$884,492 or a little more than two-thirds of the total. Porcupine Companies contribute approximately one-quarter of the total, while the Tough Oakes of Kirkland Lake is responsible for the balance. A summary follows:

Cobalts:	P.C.	Amount.
Nipissing	10	\$ 600,000
Crown Reserve	5	99,998
La Rose	1	74,931
McKinley Darragh	3	67,431
Peterson Lake	1½	42,032
Porcupine:		
Hollinger Consolidated	1	246,000
Porcupine Crown	3	60,000
Kirkland Lake:		
Tough Oakes	2½	65,188
Total disbursement		\$1,255,580

Mr. W. A. Black of the Ogilvie Milling Company, has been elected a director of the Dominion Textile Company, succeeding the late Hon. Robert Mackay.

BANK OF MONTREAL

Established 1817

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

BOARD OF DIRECTORS:

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

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

Head Office, MONTREAL

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

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

A GENERAL BANKING BUSINESS TRANSACTED

RAILWAY EARNINGS

The gross earnings of Canada's three principal railways for the week ending January 31st amounted to \$5,565,260 an increase of \$800,361 or 5.9 per cent. over the earnings for the corresponding period last year. The following is a comparative statement for the periods stated:

	Jan. 31st.	Last year.	Increase.
C. P. R.	\$3,071,000	\$2,733,000	\$338,000
G. T. R.	1,564,660	1,459,499	105,161
C. N. R.	929,600	572,400	357,200

THE MANUFACTURERS' LIFE.

The thirtieth annual report of the Manufacturers' Life Insurance Company shows that the insurance issued and revived amounted to the large sum of \$13,629,213, making the total insurance in force \$89,118,259, a net increase of \$5,372,187. The premium income showed an increase of \$141,360, and amounted to \$3,373,598, while the income from investments was \$1,286,043, an increase of \$130,517, making the total income \$4,659,641 an increase of \$271,877. The payments to policyholders amounted to \$1,782,380, in addition to which there was set aside a further sum of \$2,007,105 for reserves and dividends to policy holders.

MUTUAL LIFE OF CANADA.

The annual meeting of the Mutual Life Assurance Company was held a few days ago at Waterloo when satisfactory reports were presented. The volume of new business written during the year shows a marked increase over any previous twelve months period, with \$1,618,390 as the amount of the gain over 1915. The net increase in the amount of business in force over that of the previous year is \$8,553,551, which is due not only to the amount of new business written, but also to the comparatively few lapses. The business of the company at the close of the year totalled \$199,645,581, the assets \$29,361,963, and the surplus over all liabilities \$4,595,151.

CANADA LANDED AND INVESTMENT CO.

Net earnings of the Canada Landed and National Investment Company for the year amounted to \$170,246, after providing for all charges. Last year the net was \$199,200. Loans on mortgages contracted about \$300,000, but on the other hand the holdings of securities increased by \$232,000.

After providing for the extraordinary taxes during the year the net profits of the company were equal to 15.95 per cent. of the paid-up capital, as compared with 16.53 per cent. last year and 15.96 per cent. in 1914. The slight decline is almost wholly due to increased interest charges and special taxes.

BRITISH COLUMBIA MINES.

Output for Last Year \$42,970,555.

According to official figures the output of British Columbia's mines for last year shows a tremendous increase over all other years. The returns from all sources are valued at \$42,970,555. This is 45 per cent better than the showing of the year 1915, and 32.50 per cent greater than for 1912, which was the banner year previously. Following is a summary of the output of chief metals and coal products: Gold, \$5,389,229; silver, \$2,099,838; lead, \$3,186,773; copper, \$18,429,934; zinc, \$3,648,599; coal, \$7,093,352; coke, \$1,622,850; building materials, \$1,500,000.

1904-1916—MOTOR VEHICLE PRODUCTION OF UNITED STATES MANUFACTURERS FOR THIRTEEN YEARS.

1904	21,700
1905	33,896
1906	52,462
1907	67,389
1908	85,846
1909	126,500
1910	175,800
1911	209,957
1912	378,261
1913	500,000
1914	*573,114
1915	*892,618
1916	*1,617,708

*Passenger cars and commercial vehicles. Figures for the preceding years include passenger cars only.

ONTARIO'S HYDRO-ELECTRIC SYSTEM.

Ontario's Hydro-Electric System showed a net surplus of \$351,833 for the year ended Oct. 31st 1916. Of the next surplus of \$351,833, the sum of \$181,791 will go to the depreciation reserve account. The sinking fund due on the total capital cost is \$167,132.22. There is now to the credit of the municipalities in the Niagara district in reserve account \$270,542. The total average horsepower used in the system was 109,583, at an average cost of \$9.10 per horsepower. The total receipts were \$2,028,792. As regards the Severn system, the total expenses, including generating, figured at \$54,438; the revenue, \$94,694, a surplus of \$40,000 odd. The total surplus in the operation of the Port Arthur system is \$20,862.

GRANBY CONSOLIDATED.

Estimated earnings of Granby Consolidated for six months ended December 31, 1916, were \$2,533,079, less dividends of \$600,000, leaving surplus of \$1,933,079.

The report shows there were treated during the six months ending December 31, 1916, at Grand Forks smelter, 464,927 dry tons, and at Anyox smelter 446,357 dry tons, a total of 911,784 dry tons.

Production of metals was as follows:

	Pounds.	Ounces.	Ounces.
Anyox smelter	16,179,521	193,142	4,681
	Copper.	Silver.	Gold.
Grand Forks smelter	6,351,710	78,362	13,228
Total	22,531,231	271,504	17,909

CANADA STEAMSHIP LINES LTD.

The Canada Steamship Lines Limited has joined the rapidly growing list of companies who are wiping out accrued interest charges.

Directors of Canada Steamship Lines, Limited, at a meeting held a few days ago declared a dividend of 7 per cent on the \$12,500,000 preferred stock of the company. The dividend is payable March 1 to shareholders of record February 15. This declaration reduces the accumulated dividend arrears to 5 1/4 per cent.

The present declaration calls for a distribution of \$875,000.

Net earnings from operation continue to be estimated about \$4,000,000, against \$1,732,037 in 1915. The balance after interest, depreciation, etc., has been placed as high as \$2,500,000, which would be 20 per cent on the preference stock.

The only announcement from the meeting other than the dividend declaration was that the annual meeting of shareholders had been fixed for March 7.

CIGARETTES.

Ten years ago the annual consumption of cigarettes in the United States was under five billion. In five years it then added another six billion. In five years more it has added almost fifteen billion more. The annual figures run as follows:

1916	25,232,960,928	1910	8,663,709,484
1915	17,939,234,208	1909	6,836,652,435
1914	16,869,520,463	1908	5,760,501,296
1913	15,570,798,437	1907	5,270,556,938
1912	13,183,693,899	1906	4,511,997,137
1911	10,486,379,819		

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$100,000,000

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

THE BANK OF NOVA SCOTIA

The Canadian Bank of Commerce

ESTABLISHED 1867

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

BOARD OF DIRECTORS

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President.	Z. A. LASH, Esq., K.C., LL.D., Vice-President.
JOHN HOSKIN, Esq., K.C., LL.D., D.C.L.	A. C. FLUMERFELT, Esq.
J. W. FLAVELLE, Esq., LL.D.	ROBERT STUART, Esq.
A. KINGMAN, Esq.	SIR JOHN MORISON GIBSON, K.C.M.G., K.C., LL.D.
HON. SIR LYMAN MELVIN JONES.	G. F. GALT, Esq.
HON. W. C. EDWARDS.	WILLIAM FARWELL, Esq., D.C.L.
E. R. WOOD, Esq.	H. C. COX, Esq.
JOHN AIRD, General Manager.	H. V. F. JONES, Assistant General Manager.

BRANCHES IN CANADA

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

BRANCHES AND AGENCIES ELSEWHERE THAN IN CANADA

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

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

SAVINGS DEPARTMENT

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

Rural Credits in Manitoba

The Manitoba Rural Credits Association will have Authorized Capital of \$1,000,000—
Capital will be Divided Into Shares of \$5 Each.

Hon. Edward Brown, Provincial Treasurer of Manitoba, made the following brief outline for The Wall St. Journal of the Rural Credits Act now under consideration by the government of Manitoba. Some changes may be made before the bill is finally passed by the House, but they will not be of a very material character.

The Manitoba Rural Credits Association will have authorized capital of \$1,000,000, which, however, can be increased by Order-in-Council as required. Capital will be divided into 200,000 shares of \$5 each, and one-half will be subscribed for by the government of the province, and the other by borrowers as money is loaned, it being a condition of every loan that borrower must subscribe for 5% of his loan. In this way control of the organization is always vested in the government and the borrowers, and any profits will be devoted toward further reducing the rate of interest paid by the borrowers by way of dividend on their shares.

It is proposed that municipalities of the province shall be units of the organization, and no money shall be loaned in any municipality until such time as a by-law has been submitted to rate payers in the form of a money by-law. The bill will provide, further, that the government shall have power to levy against all rateable property in any municipality to cover any losses from year to year.

Only one form of mortgage will be issued, viz., a 30-year mortgage. It is proposed to lend money at cost, plus 1% for expenses. Cost will be determined by the rate at which the government is able to borrow. The money will only be loaned to farmers cultivating their own land, and up to 50% of value, for the following purposes only:

- 1.—To purchase land for agricultural purposes.
- 2.—To pay off prior mortgages.

3.—To make improvements on lands in the erection of buildings, etc.

4.—To increase farmer's holding of livestock.

5.—To pay for floating liabilities incurred previous to application.

All loans shall be made on amortization plan, i.e., entire principal and interest is spread over 30 years, and is repaid by a fixed amount to cover both principal and interest in an annual payment. Thus \$1,000 for 30 years will require an annual payment of \$72.65, which amount will retire the loan at maturity.

How the money is to be raised:

The capital will be used for the purpose of providing a margin of 10% between mortgages and bonds issued. Thus, on a paid-up capital of \$1,000,000 bonds up to \$9,000,000 may be issued, giving association a total of \$10,000,000. These bonds will be guaranteed by the government of the province, both principal and interest.

It is proposed to offer bonds of the association within the province, hoping to secure, to a large extent, necessary capital by our own people. To make the bonds more attractive, they will be made as near to a liquid security as possible.

A portion of annual payments which the farmer makes from year to year is paid into a sinking fund, and the primary purpose of this sinking fund will be to purchase bonds of the association wherever they are offered for sale.

In addition to the capital, secured locally, it is proposed to establish an agency in Chicago for sale of these bonds, and also an agency in Toronto.

The mortgages of the association will be hypothecated to a trustee, so that the security of the mortgage is directly available, in the first instance, to bondholders. The bonds will be issued in two forms:

1.—A regular coupon bond for 10, 15, and 20 years, with a clause providing for recall by giving six months' notice.

2.—An amortization bond for the same periods issued on a monthly plan and a yearly plan, for encouraging thrift within the province.

In suggesting this legislation, there is no desire on the part of the government to affect in any way large investments at present current within the province by mortgage corporations. It is proposed, however, to not only reduce the risk the loan companies are at present taking, but further to reduce the expense of lending money.

Montreal Board of Trade Elections

The results of the contests for the Board of Trade executive were announced last week. Mr. A. R. Doble defeated Mr. W. G. M. Shepherd with 538 votes as compared to 384. Mr. P. D. Gordon was elected treasurer by a very small majority over Mr. George J. Crowdy. Mr. W. A. Coates secured the largest vote ever recorded for a member of the Council of the Board of Trade with 804 votes to his credit.

The following were elected for the Council, with their respective votes: W. A. Coates, 804; Jas. Cleghorn, 743; A. H. Dalrymple, 726; James W. Pyke, 734; Thomas Williamson, 744; Arthur Browning, 676; W. E. Findlay, 597; Alfred W. Gifford, 687; Donald Munro, 618; John C. Newman, 590; Carl Riordan, 672; George Sumner, 793.

The defeated candidates were Messrs. William Galbraith and John Hyde.

For the board of arbitration the following were elected: Robert M. Ballantyne, George F. Benson, James Carruthers, W. W. Craig, R. J. Dale, C. B. Esdaile, Harry A. Hodgson, W. H. D. Miller, Joseph Quintal, H. W. Raphael, Farquhar Robertson and H. E. Walker.

Mr. Hebert, the new president, was given a very warm reception, and expressed his gratification at being elected to the presidency, with a council that promised excellent work during the year. He said that the council last year had heavy problems to meet, and it was probable that the incoming council would have as hard work, especially if, as they all hoped, peace should be declared during the year. This would involve a closing down of the munitions factories, which had made the present prosperity, and the return of the men at the front. It was necessary to prepare for these contingencies without delay.

Another problem which the council, he declared, would deal with, was that of the returned soldiers. The nation owed a debt of gratitude to these men, and this debt would be met. He stated that the Montreal Board of Trade would get into touch with other boards throughout the country in order to solve this problem of the returned soldier, more especially with regard to placing them on the land.

EUROPEAN CREDIT AFTER THE WAR.

Gold is not the only factor in making investments or carrying on business—there must be a corresponding supply of labor and materials.

Europe's credit will be better when peace comes than it is while the war is continuing, according to George E. Roberts, vice-president of the National City Bank, New York, who addressed the members of the Traffic Club of New York at their regular monthly meeting held at the Hotel Waldorf-Astoria discussing "Trade Conditions After the War." Mr. Roberts said, in part:

"Men do not want gold merely to look at or as a cherished possession; they want it as a means of making investments and of carrying on business. But gold is not the only factor in making investments or carrying on business. There must be a corresponding supply of labor and materials. If one country has a disproportionate amount of gold the attempt to use it all in connection with a relatively small amount of labor and materials will force the latter to such a high level that investments cannot be advantageously made or business carried on. This is the position in which we shall stand after the war. Either there must be a great movement of labor from Europe to the United States or there will have to be a great transfer of gold from the United States to where labor is available. It is more probable that gold will go out than that labor will come here on such a scale.

"Don't make the mistake of thinking that Europe will have nothing to give us in exchange for gold, or that gold will only go out in the event that there is a large trade balance against us. Europe's credit will be better after the war is ended than it is while the war is continuing. If the money markets of this country are lower after the war than those of Europe there will be enormous borrowing here and American capital will go abroad to participate in the business opportunities which scarcity of capital there will afford.

"Our danger is that under the stimulus of present abnormal conditions we may expand our indebtedness on the basis of these new gold supplies and inflate wages and prices until our costs are above the level where they can be permanently maintained. As the volume of business falls and prices fall money will become idle here and will naturally seek employment in other countries. It will be right that gold should go out. We will have more than our share of the world's stock. It will be an incumbrance to us, and it will be desirable to have the normal equilibrium restored."

INSURANCE INVESTIGATION.

The case of the Manufacturers' Association was presented, last week, at Toronto at the insurance investigation. Counsel, among other things, submitted: "The control exercised by the Canadian Fire Underwriters' Association over fire insurance rates and terms has approached the nature and proportions of a monopoly.

"The control has manifested itself in arbitrary ratings and rulings which are frequently discriminatory and otherwise prejudicial to manufacturers and other property owners.

"The practice of the Canadian Fire Underwriters' Association is not sufficiently sensitive to merit, and does not afford a proper incentive for protection work."

It was strongly urged that there should be no interference with unlicensed companies and condemned the proposal to levy a tax on premiums paid to such companies on contracts entered into outside the province. The present tax paid by brokers on premiums for unlicensed insurance and the tax on fire losses should be abolished. The control of the Underwriters' Association over Goad's plan is declared to be inimical to the public interest, and should be prevented by the copyright law or the anti-combine law. Government control of rates would be an ineffective substitute for competition.

GROWTH OF CANADIAN POSTAL SERVICE.

The last fiscal year for the Canadian postal service finished with a net revenue of \$18,858,409.93 and an expenditure of \$16,009,138.77 leaving a surplus of \$2,849,271, according to the statement made by the Hon. P. E. Blondin in the annual report of the Post Office Department tabled last week.

The estimated number of letters posted in the year in Canada was 684,901,000, an increase of eleven million. One out of every 5,067 went to the dead-letter office.

BANK CLEARINGS.

The bank clearings for the Dominion, for the week ending Thursday last, showed an increase as compared with the corresponding period last year, of 18.9 per cent.

Weekly Bank Clearings.

	Feb. 1, 1917.	1916.	P.C.
Montreal.. . . .	\$66,613,747	\$56,981,483	16.0
Toronto	50,641,615	41,022,117	23.4
Winnipeg	36,683,973	31,021,778	21.8
Vancouver	5,387,031	4,672,799	15.5
Ottawa	5,040,741	4,555,312	10.8
Hamilton	4,109,820	3,497,496	18.1
Calgary	4,289,672	3,373,482	27.7
Quebec	3,581,126	3,069,837	17.0
Halifax	2,344,480	2,426,289	12.1
Edmonton	2,118,283	1,899,162	12.2
Regina	2,097,669	1,599,986	0.6
London	1,817,625	1,687,733	7.5
St. John	1,508,665	1,611,092	6.4
Saskatoon	1,281,536	918,584	39.8
Victoria	1,041,282	678,300	0.6
Brantford.. . . .	993,773	586,396	70.2
Moose Jaw	895,509	819,745	9.2
Peterboro	551,893	541,048	1.9
Lethbridge	517,305	342,978	51.2
Brandon	396,794	363,631	7.9
Fort William	373,689	315,605	13.5
Medicine Hat	426,203	229,427	89.4
New Westminster	260,466	178,574	48.1
Total	\$192,762,412	\$30,722,938	21.1

WHAT'S A MAN TO DO?

The income is fixed and it will not stretch. The cost of living advances it is also a period of thoughtless purchase. Luxuries and little extravagances more than ever are subtly presented to us, and perhaps it is but natural that we follow the crowd in our desire for those things that present prosperity brings; yet—

What's a man to do?

Well, why not take account of stock, now, just as every good business man does, once or more a year? Why not put our homes on a business basis, and fix limits of expenditure beyond which we will not go?

Furthermore, why not analyze ourselves a bit? If our incomes are inflexible, maybe it is because we don't give enough in service, thought and hard work.

Isn't it this that a man must do? And—incidentally—doesn't it spell success?—Insurance Press.

MONTREAL STOCK EXCHANGE

The stock market is one of the most irrational institutions known to mankind. Away back in December, when there was talk of peace, there was a severe re-action. Last week, when there was the danger of an outbreak between Germany and the United States, the market again re-acted. When the actual break occurred and the uncertainty was removed, the market showed strength, and at the close of their session on Saturday, stocks had regained from four to ten points of the losses sustained during the previous days.

On the whole, the week was a disastrous one for the local stock exchange, stocks sagging from two or three points to nineteen, as in the case of the Nova Scotia Steel. As a matter of fact, only one stock on the entire list showed a gain,—and this was an advance of less than point. There is the feeling, however, that the worst is over and from now on the stock market will show strength. The uncertainty between peace and war gained an opportunity for the professional trader to bear the market, and the gains made in the course of months could be easily lost in a day or two.

If war should come at the present time, the United States companies are in a greatly different position and a much more favorable one than when war was declared two and a half years ago. At that time, nearly every company in the United States and Canada was barely able to make both ends meet. Business had been slow and earnings were at a low ebb. Now, after two years of war prosperity every company in Canada and the United States possesses large reserves. From a financial standpoint they are well equipped to meet whatever the future may have for them. In addition to that, the American companies who have been making munitions for the Allies, will now be forced to make them for their own country, with the result that war business will be as active as ever. War should be construed as a bullish institution not as a bearish.

Comparisons of the volume of business transacted on the Montreal board last week and the week preceding follow:

	—Week ending—	
	Feb. 3.	Jan. 27.
Shares	96,743	30,420
Mines	4,200	1,850
Bonds	\$229,525	\$281,625
Unlisted	3,664	2,193
Do. bonds	1,100

Merchants' Bank of Canada has opened a branch at Collingwood, Ont., under the management of F. L. McJachen.

**MAKE YOUR DOLLARS
FIGHT
AT THE FRONT.
BUY
DOMINION OF CANADA
THREE-YEAR
WAR SAVINGS CERTIFICATES**

\$ 25.00 FOR \$21.50
50.00 " 43.00
100.00 " 86.00

INDIVIDUAL PURCHASES LIMITED TO \$1500.

FOR FULL PARTICULARS APPLY AT ANY BANK
OR ANY MONEY ORDER POST OFFICE

JAN. 9, 1917

FINANCE DEPARTMENT
OTTAWA

THE DOMINION BANK

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

BANK OF ENGLAND STATEMENT.

The Bank of England report for the week shows a decrease in the total reserve of £774,000. The proportion of reserve to liability is 16.63 per cent, against 19.10 last week, 23.50 a year ago, 31.12 at the same date in 1915, and 53.37 at the same date in 1914.

The weekly statement shows the following changes: Total reserve decreased £774,000, circulation increased £816,000, bullion increased £41,672, other securities decreased £2,109,000, public deposits decreased £5,957,000, other deposits increased £29,545,000, notes reserve decreased £777,000. Government securities increased £26,493,000. Rate of discount 5½ per cent.

The detailed statement compares as follows with the same week one and two years ago:

	1917.	1916.	1915.
Gold	£56,754,712	£36,938,556	£51,271,657
Reserve	35,514,000	52,687,976	67,648,582
Notes res.	34,118,000	36,540,045	50,138,899
Res. to liab.	16% %	23½ %	31¾ %
Circulation	39,599,000	34,199,420	34,826,925
Public dep.	44,763,000	58,245,525	38,611,418
Other dep.	168,776,000	98,583,710	123,936,641
Govt. sec.	160,355,000	32,835,661	21,324,358
Other sec.	37,727,000	105,140,129	108,088,718

STATEMENT OF BANK OF FRANCE.

The weekly statement of the Bank of France shows the following changes: Gold in hand increased 10,139,000 francs, silver in hand decreased 2,657,000 francs. Treasury deposits increased 3,304,000 francs, general deposits increased 35,339,000 francs, bills discounted increased 14,814,000 francs, advances decreased 9,518,000 francs.

The detailed statement compares as follows, in francs (last 000 omitted):

	1917.	1916.	1915.
Gold	5,130,161	5,019,575	4,233,825
Silver	284,839	353,150	365,820
Circulation	17,524,306	14,034,425	10,473,523
Gen. deposits. . .	2,191,034	1,909,550	2,328,250
Bills discounted . .	2,132,799	3,521,450	972,700
Treas. deposits . .	111,164	114,450	70,575
Advances	1,257,688	1,195,435	725,502

THE BANK OF BRITISH NORTH AMERICA

Established in 1836
 Incorporated by Royal Charter in 1847.

Paid up Capital..... \$4,865,665.65
 Reserve Fund..... \$3,017,333.33

Head Office: 5 Gracechurch Street, London
 Head Office in Canada: St. James St. Montreal

H. B. MACKENZIE, General Manager

Advisory Committee in Montreal:
 SIR HERBERT B. AMES, M. P.

W. R. MILLER, Esq. W. R. MACINNES, Esq.

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

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

SAVINGS DEPARTMENT AT ALL BRANCHES

G. B. GERRARD, Manager, Montreal Branch

Imperial Bank of Canada

ESTABLISHED 1875

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

Feleg Howland - - President
 E. Hay - - General Manager

Head Office: Toronto

Dealers in Government and Municipal Securities.

Dealers in Domestic and Foreign Exchange.

Careful attention given to Accounts of Merchants, Manufacturers and Farmers

119 Branches in Dominion of Canada.

... THE ... Molsons Bank

Incorporated by Act of Parliament 1855.

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

HEAD OFFICE: MONTREAL

COLLECTIONS

Collections may be made through this Bank in all parts of the Dominion and in every part of the Civilized World through our Agents and Correspondents, and returns promptly remitted at lowest rates of exchange.

COMMERCIAL LETTERS OF CREDIT AND TRAVELLERS' CIRCULAR LETTERS issued, available in all parts of the World.

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
 F. L. FEASE, 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. NEW YORK
 Princes Street, E. C. Cor. William and Cedar Streets.

SAVINGS DEPARTMENTS at all Branches

BANK OF HAMILTON

ESTABLISHED 1872

Head Office: HAMILTON

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

THE PRUDENTIAL TRUST COMPANY LIMITED

Head Office - - Montreal

Branches and Agencies

Toronto Winnipeg Regina Edmonton
 Quebec St. John Vancouver
 Halifax London, Eng.

There are the strongest reasons why you had better leave your affairs in the hands of a Trust Company and not private individuals.

Communicate with



EST'D 1872

THE STANDARD BANK OF CANADA

HEAD OFFICE - TORONTO

This Bank offers every facility in the conduct of accounts, of manufacturers, farmers and merchants.

SAVINGS DEPARTMENT at every Branch. 235

MONTREAL BRANCH

E. C. GREEN. Manager 136 St. James Street

THE HOME BANK OF CANADA

ORIGINAL CHARTER 1854

Branches and Connections throughout Canada.

HEAD OFFICE AND NINE BRANCHES IN TORONTO

Montreal Offices:
 Main Office, Transportation Building, St. James St.
 Bonaventure Branch, 523 St. James Street.
 Hochelago Branch: cor. Cuvillier and Ontario Sts.
 Verdun, Que.

UNION ASSURANCE SOCIETY LIMITED OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1714

Canada Branch, Montreal:
T. I. MORRISFY, RESIDENT MANAGER.
North-West Branch, Winnipeg:
THOS. BRUCE, BRANCH MANAGER.

AGENCIES THROUGHOUT THE DOMINION

Success and Progress

These are two outstanding features of the history of the North American Life over the past 30 years.

Year.	Income	Payments to Phldrs.	Assets.	Assurance in Force.
1885	153,401	38,016	343,746	4,849,287
1895	581,475	105,712	2,300,513	15,779,285
1905	1,660,064	538,827	6,958,014	37,589,047
1915	2,749,951	1,386,025	15,716,889	56,245,313

This is a rapidly growing institution and offers an attractive opportunity for a live agent.

NORTH AMERICAN LIFE ASSURANCE COMPANY

"Solid as the Continent."

Head Office, Toronto, Ont.

Founded in 1893

THE LAW UNION AND ROCK INSURANCE CO. LIMITED OF LONDON

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

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

The London & Lancashire Life and General Assurance Association, Limited

Offers Liberal Contracts to Capable Field Men
GOOD OPPORTUNITY FOR MEN TO BUILD UP A PERMANENT CONNECTION
WE PARTICULARLY DESIRE REPRESENTATIVES FOR CITY OF MONTREAL
Chief Office for Canada:
164 ST. JAMES STREET, MONTREAL.

ALEX. BISSETT - - - Manager for Canada

WESTERN ASSURANCE COMPANY

INCORPORATED 1851
Fire, Explosion, Ocean Marine and Inland Marine Insurance.

Assets Over - - - \$1,000,000.00
Losses paid since organization, over - - - 63,000,000.00
HEAD OFFICE - - - TORONTO, ONT.

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

QUEBEC PROVINCE BRANCH:
61 ST. PETER STREET, MONTREAL
ROBERT BICKERDIKE, Manager

The Independent Order of Foresters

Policies issued by the Society are for the protection of your family and cannot be bought, pledged or sold.
Benefits are payable to the beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies Issued From \$500 to \$5,000
TOTAL BENEFITS PAID (Over).....\$50,000,000

FRED. J. DARCH, Secretary. ELLIOTT G. STEVENSON, President.
S. H. PIPE, F. A. S., A. I. A., Actuary.

MUNITION COMPANY DISASTERS IN THE UNITED STATES COST \$100,000,000.

Lives Lost Total 150 During Period of War.

Explosions at powder mills and munition factories since the outbreak of the war have cost, according to statistics compiled by the Insurance World, 150 lives and \$100,000,000 in loss of property. Reports have been in circulation ever since the Kingsland, N.J., explosion to the effect that cancellations were being considered by the companies, but until the publication of the statistics there was no general appreciation as to the extent of losses sustained. Insurance companies did not suffer the entire loss in the damage to property nor in compensation to the men killed, but they are reported to have stood a large part of it.

Following the Kingsland and Haskell explosions, in which a combined property loss of approximately \$20,000,000 was suffered, it was reported that the companies were considering an increase in the insurance rates on such plants to approximately 5 per cent. The rate in view of the experience of the companies would still be inadequate if it were raised to 10 per cent, or more, and it is probable that few of them will be attracted back to the class, no matter how high rates go.

The losses reported cover those for the entire period of the war. Most of the fatalities occurred in 1916, the number of deaths exceeding 90. In the first year of the war, 1914, only three persons were killed. During this year none is known to have been killed, but several were reported missing. The remainder were killed during 1915. There were two explosions which resulted in the death of more than 20 workmen. Practically all of the explosions occurred in New York, New Jersey and Delaware. A few were scattered through New England, and one occurred in Tacoma, but there were no fatalities to these.

BRITAIN'S PENSION SCHEME.

The new British pension minister's pension scheme will cost the country not less than \$250,000,000 a year. There will be a minimum of \$5 a week to the widows of soldiers and sailors unable to do any wage earning work, while adequate sums will be paid to disfigured and crippled men, irrespective of ability to return to active civilian life. The new pensions staff will include about 2,000 persons at the outset.

MONEY IN WAR AND PEACE.

The seventy-second annual report of the New York Life Insurance Co. shows resources of over \$866,000,000. This amount would pay the money cost of the war in Europe for less than ten days. The total payments to policy holders by the company in 1916 were \$81,000,000—less than the money cost of one day of war. The amount of insurance in force in the company on December 31, 1916, was over \$2,500,000,000, which is a little less than the monthly increase of European war debts in 1916. The total new business of the New York Life in 1916 was over \$263,000,000, which would pay the cost of the war for less than three days.

Notwithstanding the fact that the New York Life has a large European business, its mortality rate for the year, measured by the ratio of the actual to the expected, shows a reduction from the rate of 1915, and from that of the preceding three years. The cost of living has increased—the cost of life insurance remains practically the same.

Of the \$263,000,000 of new business written in 1916, \$239,100,000 was written in the United States.

Mrs. Mullins: "What's the matter, Mrs. Jones?"
Mrs. Jones: "Why, this young varmint 'as swallowed a cartridge, and I can't wallop 'im for fear it goes off."

10 Key

Speed -- Accuracy -- Simplicity

With the
DALTON
Adding and
Calculating
Machine



Speed and accuracy are the keynotes of the Dalton success—speed made possible by the *touch method* of operation—accuracy by the *automatic* placing of figures in their correct columns.

Touch operation on the Dalton affords advantages as great as on the typewriter. But touch operation is impossible with the 81-key keyboard.

10 Keys—fewer parts—less to get out of order.

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And with ONLY 10 KEYS—1/8 as many as other adding machines—the possibility of error is reduced to a minimum.

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BRANCHES IN ALL CANADIAN CITIES.



UNITED TYPEWRITER CO., LIMITED

109 Notre Dame St. West,

MONTREAL.

Head Office - - - Toronto, Ont.

'A Little Nonsense Now and Then'

"Does your husband worry about the grocery bill?" asked a housewife reported in the Boston Transcript. "No; he says there's no sense in both himself and the grocer worrying over the same bills."

Farmer: "Why haven't you harnessed that horse yet, Missie?"

The Lady Help: (holding bridle and bit) "I can't get this into his mouth, so I'm waiting for him to yawn."—London Opinion.

The Host: "I thought of sending some of these cigars out to the front."

The Victim: "Good idea! But how can you make certain that the Germans will get them?"—London Referee.

Visitor (to father of D.C.M.): "You must be proud of your son winning such a prize, Mr. Giles?"

Giles: "It's nothing new to us, mum; we're a prize-winning family; I got fust for 'taters at the flower show; 'Erb 'e got fust in the ploughin' match; and little Emily has got a medal for recitin' at the Band of 'Ope."

A rich manufacturer of asbestos took a house just across the street from a sweet-spirited old lady, and his family proceeded to enjoy itself in what seemed to her a very worldly fashion.

But the old lady was never known to speak ill of anyone, even when her neighbors played tennis on Sunday. She only said:

"Dear me! they must have great faith in their asbestos."

The master of the household had ordered that the maid should clean a coat of his with gasoline. The order was not carried out; so he asked his wife:

"Why don't this girl of ours clean my coat with gasoline?"

"Oh," said the wife, "ever since that chauffeur jilted her she hasn't been able to stand the odor of it."—Everybody's Magazine.

Among the passengers on a train on a one-track road in the Middle West was a talkative jewelry drummer. Presently the train stopped to take on water, and the conductor neglected to send back a flagman. An express came along and, before it could be stopped, bumped the rear end of the first train. The drummer was lifted from his seat and pitched head first into the seat behind. His silk hat was jammed clear down over his ears. He picked himself up and settled down in his seat. No bones had been broken. He drew a long breath, straightened up, and said: "Well, they didn't get by us, anyway."—Argonaut.

An Irishman was returning with his family from Liverpool to Dublin, and had reported at the steamship office to register his baggage as required. He addressed the English attendant in charge, an official of some height and stiffness: "I have come to register me luggage!" said Pat.

"What is your name?" demanded the attendant, brusquely.

"Sure, me name's son the luggage," replied Pat no less curtly, with a nod in its direction.

The clerk hesitated a moment, then he stepped over and inspected the baggage. Returning, he said: "I see your name is obliterated."

"Obliterated!" exclaimed Pat; "your eye, man, me name's O'Brien!"—National Magazine.

On the Frankfort-Hadaway farm, near Coal Mines stop, on the Youngstown & Southern suburban electric line, is a pugnacious male sheep whose headwork is wonderful, according to the Youngstown Telegraph. "Billy" doesn't use his head for his own advantage as much as he does to boost others along. One afternoon, not long since, a youth who lives in the vicinity left the car at Midway station and was walking quietly across the field when he felt a terrific attack from the rear that lifted him completely off his feet and advanced him a yard or so before he recovered his balance. Turning, and recognizing "Billy" as his assailant, the young man started to sprint. Pursued and pursuer made a streak through the atmosphere until the youth, some yards in the lead, cleared the pasture gate with a single bound. A farmer, who happened to be passing, said to the young man: "I must say you are some runner." "Huh!" grinned the youth, "you oughta seen the start I got."

HAIL IN SASKATCHEWAN.

In the Province of Saskatchewan last year twenty-five insurance companies collected hail premiums of \$1,417,853, and paid hail losses of \$1,872,408, or about 132 per cent. The expenses, which should be added to the deficit, were 30 per cent.

CHAMPION GOLFER INSURES.

An interesting policyholder of the Canada Life is Harry G. Legg, of Minneapolis, who has been seven times golf champion of the State of Minnesota and five times champion of the Trans-Mississippi Golf Association. The application was secured by Minnesota Manager J. A. Hunter, himself a golfer of repute.

REMARKABLE INSURANCES.

A famous French illusionist, M. A. de Biere, has his thumbs, on which he relies for his cleverest tricks, insured for \$12,500.

Paderewski's hands are insured for \$500,000. On one occasion, when an injury to the first finger of his right hand prevented his filling a professional engagement at Philadelphia, he received \$5,000 under the terms of his policy.

Kubelik's right hand is insured for \$50,000, on which the premium is said to be \$15,000 a year. In both cases the sum is payable in the event of total incapacity, proportionate amounts being guaranteed in cases of partial disablement.

Mme. Cavalleri's larynx also is insured for \$500,000.—The Spectator.

MONEY NOT WANTED.

Two beneficiaries of a policy in the Bankers' Life Company, of Des Moines, will not accept the money to which they are entitled. They are members of the Mennonite colony in South Dakota, and they believe in the reciprocal laying of feet, but do not believe in life insurance. One of the tenets of their faith is non-resistance, but, paradoxical as it may seem, they are resisting an effort to pay them the life insurance money which their son wished to leave them. The son, evidently a backslider from the true faith, made his parents the beneficiaries of one of his life insurance policies. Following his recent death, it developed that the Des Moines Company's money was not acceptable in the sight of the Mennonites. They declare that life insurance is a wager on life and death, and that they consider the life insurance money left them by their son as "blood money" on his head. They absolutely refuse, therefore, to take the money, and the Bankers' Life Company faces the difficult proposition of determining how it should be disposed of.—Insurance Register.

THE MOVIE CRISIS.

William A. Brady, president of the World Film Co., says the motion picture industry is at the disaster point. Production cost of films has increased twenty-fold, and princely salaries have turned the heads of stars.

PROSPEROUS and PROGRESSIVE

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

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

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

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AN IDEAL INCOME

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Commercial Union Assurance Co. LIMITED OF LONDON, ENG.

The largest general Insurance Company in the world

Capital Fully Subscribed	\$14,750,000
" Paid Up	1,475,000
Life Fund and Special Trust Funds....	74,591,540
Total Annual Income Exceeds	47,250,000
" Funds Exceed	142,000,000
" Fire Losses Paid..	183,366,690
Deposits with Dominion Government ...	1,226,467

(As at 31st December, 1915.)

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

Applications for Agencies solicited in unrepresented districts.

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

A Free Course in "Salesmanship"

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

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

This is done by a correspondence course and personal assistance, free of charge. When he is fully prepared for the work, we place him in a position and help him to make good.

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

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY

Head Office, Toronto.



THE EXPORTER'S FIELD

CANADA'S TRADE BALANCE FOR 1916 ROSE TO \$325,000,000.

Manufactured Exports Exceed Agricultural Exports for First Time in Country's History.

The figures of the Canadian Trade Return for December, 1916, issued last week, show that the exports of Canadian produce for the twelve months reached \$1,091,706,403 more than double the total for 1913 and more than treble that of 1912, although these years marked the crest of the Canadian boom.

Imports of merchandise also reached a new high level at \$766,726,391, but as a result of the phenomenal export figures there remained a favorable trade balance of no less than \$324,979,412.

In 1912 Canada bought abroad nearly \$94,656,690 more merchandise than she sold abroad; this unfavorable balance was down to \$223,000,000 the following year as a result of a food crop and in 1914,

as a result of forced economy in buying in the last six months when business became paralyzed by the war, the balance against Canada was down to \$102,000,000.

The reverse movement under war orders and a big harvest sold at war prices brought a favorable balance of \$203,582,071 for 1915, which is now exceeded by \$122,000,000 in the 1916 return.

Munition and other war orders played a big part in increasing the 1916 export trade. In 1912 and 1913 Canada was exporting from \$40,000,000 to \$50,000,000 worth of manufactured goods a year. In December alone last year such exports rose to \$54,000,000, a record for any month, and the total for the year was \$449,477,143, approximately ten times the showing of the 1912-13 period.

Exports classed as agricultural products had to take a secondary place, although still establishing a new high record at \$364,605,703. Increases are general in other classifications of exports, but manufactured and agricultural products accounted for the bulk of the year's gain.

PRELIMINARY STATEMENT OF THE TRADE OF CANADA FOR DECEMBER.

Prepared by Trade Statistics Branch, Department of Trade and Commerce, Ottawa.

Month, and Twelve Months ending December, 1914, 1915 and 1916.

	Month of December			Twelve Months ending December		
	1914	1915	1916	1914	1915	1916
Imports for Consumption.						
Durable goods	17,487,608	24,865,899	38,147,146	302,516,364	261,842,173	422,173,311
Free goods	12,593,567	29,881,822	29,827,131	178,802,345	188,705,601	344,553,580
Total imports (mdse.)	30,392,913	45,699,721	68,014,567	481,319,309	450,547,674	766,726,891
*Coin and bullion	1,961,979	9,429,288	611,512	132,864,585	21,275,888	37,352,622
Total imports	31,454,883	55,129,009	68,626,079	614,183,894	471,823,662	804,079,513
Duty collected	4,935,048	9,242,125	12,085,082	81,771,651	91,907,722	139,002,178
Exports.						
Canadian Produce—						
The mine	3,791,299	5,632,984	8,457,039	53,781,132	61,814,582	81,281,244
The fisheries	2,136,581	2,067,121	2,630,149	18,659,961	21,673,415	24,349,835
The forest	2,698,804	3,553,083	4,262,423	41,871,383	49,779,509	55,224,919
Animal produce	8,301,667	9,430,534	12,882,235	68,216,972	94,513,460	117,909,753
Agricultural products	11,289,411	49,389,763	47,213,553	127,122,783	230,044,063	364,605,703
Manufactures	7,761,702	21,810,697	54,261,266	69,151,924	151,651,844	440,477,143
Miscellaneous	224,145	287,209	330,509	491,699	3,952,972	7,857,806
Total Canadian produce	37,193,609	92,171,402	130,037,174	379,295,854	614,129,845	1,091,706,403
Foreign produce	1,654,488	1,423,201	2,496,831	49,019,658	39,358,567	20,738,599
Total exports (mdse.)	38,848,097	93,594,603	132,534,005	428,315,512	653,488,412	1,112,445,002
*Coin and bullion	79,923	101,342	147,143	16,618,773	128,337,710	196,468,416
Total exports	38,928,020	93,695,945	132,681,148	444,934,285	781,826,122	1,308,913,418
Aggregate Trade.						
Merchandise	69,241,010	139,285,324	200,548,572	909,634,821	1,104,036,186	1,879,171,893
Coin and bullion	1,141,893	9,530,630	758,655	152,483,358	140,613,598	233,821,038
Total trade	70,382,903	158,815,954	201,307,227	1,062,118,179	1,253,649,784	2,112,992,931

*Note. It will be noted that the figures relating to the imports and exports of coin and bullion for the twelve months ending December, 1916, were: imports, 1916, \$37,352,622; 1915, \$21,275,888, and exports, 1916, \$196,468,416; 1915, \$128,337,710. Although it has been customary to include these figures in trade returns, the total trade figures are seriously disturbed by them in this instance and they should not be taken as an indication of the trade of Canada.

EXPORTS FROM PRINCE EDWARD ISLAND TO UNITED STATES.

Exports from Prince Edward Island to the United States in 1916 passed the million-dollar mark, being practically double the trade of any former year. Foxes, fox skins, and miscellaneous furs represent a value of \$100,000 in this total. Fishery products amounted to approximately \$100,000. Potatoes and potato starch were exported to the value of \$175,000. Shipments of eggs amounted to 178,061 dozen, valued at \$61,129. The returns also show sheep and wool exports to the value of \$25,000 and horses \$2,855.

The prices at which products were invoiced do not show any extraordinary rise.

Direct schooner trade from Charlottetown to New York and Boston was a feature of transportation during 1916. Sixteen schooners from various island ports carried potatoes and vegetables.

Mr. Roy Campbell who has been secretary of the Montreal branch of the Canadian Manufacturers' Association has joined the staff of the Rirdon Pulp and Paper Company.

BRITISH FOOD REGULATIONS.

Food Controller requires that the 29th millers must mill up to 81 per cent of whole wheat or add to 76 per cent wheat 5 per cent barley, corn, rice, or oats flour, option given to millers to increase barley, corn, rice, or oats to 10 per cent. After May 1 it will be illegal to buy or sell confectionery at retail prices exceeding 3 pence per ounce as to chocolate and 2 pence for all others, including coverings.

IRON ORE EXPORTED FROM NEW- FOUNDLAND.

The total ore mined and exported from Newfoundland since the commencement of operations in 1895 to date is estimated at 15,000,000 tons, all of which previous to the war went to the United States, United Kingdom, Canada, the Netherlands, and Germany. Since the outbreak of the war Canada has taken the major portion, some of which is being utilized for munition purposes. The Government geologist estimates the iron-ore deposits in Newfoundland at 3,638,500,000 tons.

: Foreign Inquiries :

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COMMISSION MERCHANTS IMPORTERS - EXPORTERS

All Textile Materials—Raw Flax, peeled, comb-
ed, Tow, Hemp and Fibre, Jute, Cotton, etc.
Grain and Seed—Seed Grains a Specialty.

TOKYO

Japanese Novelty

We ship 50 Assortments of the Lat-
est Japanese Novelties and Toys, post-
paid, upon receipt of 5 shillings.
Something new for Trade or Gift.
Satisfaction or money refunded. Deal-
ers and Jobbers invited. Buy direct.
Make money.

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AMSTERDAM

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PAPER AND BOARDS
Overtoom 36-40, AMSTERDAM
is in the market for large quantities of differ-
ent sorts of:
PACKING-PAPER, on rolls and sheets.
TISSUE-PAPER, 17/20 Gr. M2.
GREASEPROOF and Glazed PARCHMENT.
CELLULOSE-PAPER, 30/60 Gr. Mr. (M. G. Cap
and Sulphite).
FELTPAPER, on rolls, 450/1000 Gr. M2.
DUPLEX- and CHROMOBOARDS.
and asks for offers.

INCREASE IN BRITAIN'S FOREIGN TRADE.

The British Board of Trade reports for the year of 1916 increases in imports of £97,259,000 and increases in exports of £121,677,000. The chief import increases were in food and raw material, including £129,000,000 in cotton. The principal export increases were in manufactured articles, including a gain of £32,000,000 in cotton textiles. Cotton goods exported during the year totaled 5,255,504,000 yards, against 4,748,543,000 yards in 1915. Woolen exports to the United States during the year aggregated 4,609,000 yards, which compares with 4,149,000 yards in 1915. Worsteds exported to the United States during the year amounted to 7,753,000 yards, in comparison to 17,605,000 yards the year before. Of worsted yarns, 35,900 pounds were exported to the United States during the year, and 507,900 pounds in 1915.

Consul John P. Bray reports from Johannesburg, South Africa, that the output of gold in the Transvaal for October, 1916, amounted to 792,399 ounces, representing a monetary valuation of \$16,278,897, thus close closely approaching the record month of March.

BLACK DIAMOND
FILE WORKS

Established 1863 Incorporated 1897

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

G. & H. Barnett Co.
PHILADELPHIA, Pa.

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PROFESSIONAL

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

HOWARD S. ROSS, K.C. EUGENE R. ANGERS
ROSS & ANGERS
BARRISTERS and SOLICITORS
Cristine Building, 20 St. Nicholas St., Montreal

DIVIDEND NOTICE.

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 Thursday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1917.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 23rd January, 1917.

METROPOLITAN LIFE.

Directors of the Metropolitan Life Insurance Co. announced to 700 visiting managers that the business of 1916 had indicated the most prosperous conditions of any year in the history of the company. Assets are \$608,097,634, an increase of \$66,000,000. After paying \$10,424,467 dividends, there is a surplus to policyholders of \$28,167,511. Income for 1916 was \$153,043,319, a gain of \$14,995,173. The total insurance written was \$596,856,528.

DINING CAR SERVICE FOR GRAND TRUNK.

Enlargement of Dining Car Service on Grand Trunk Railway.

The Grand Trunk Railway has adopted a new method of drawing the special attention of the travellers to the many reasonably priced dishes served in its dining cars. With the desire of emphasizing the fact, that the smallest order receives the same attention as the largest one, the railway has designed a special menu. This is to be distributed in the first-class cars on the train. It has been felt that many people, having reason to travel only occasionally, had experienced a certain diffidence in entering the dining car, and it is believed that this wider distribution of information regarding the facilities for obtaining a meal will do a great deal toward removing this feeling.

WHAT ARE YOU WORTH?

This article appeared in a recent number of the official organ of the Northwestern Mutual Life:

"Wealth is the result of abstinence and the accumulation of surplus income. Ask a man what he is worth and he will usually answer by telling you how much he has accumulated. But worth is more truly buying power, which is the sum of past, present and future activity values. Thus every man is worth what he has saved plus what he is capable of earning, less the cost of feeding, clothing and housing himself, that is, his bodily machine. While the courts have followed all sorts of rules in determining the value of life and activity, the history of personal injury litigation establishes the principle and shows that in a great many instances the courts think more of the interests of the widow and orphans than did the husband and father who would carry no insurance. Workmen's compensation and employers' liability laws and mothers' pensions, etc., are merely attempts to express by statute law the principle that life is valuable and, in a feeble way, to do for the individual what he so carelessly neglects to do for himself.

On the basis of the 12th Census, assuming a wealth producing capacity of \$100 per annum and 5 per cent interest, Dr. James W. Glover of the University of Michigan estimates the loss of work-years by the male population between ages 20 and 60 on account of death by tuberculosis alone at \$671,018,025, or \$10 per capita of the total population.

"Some years ago Dr. E. E. Holt of Portland, Me., investigated the incomes of a number of occupations and published the tables following. His laboring men earned approximately \$1.50 a day. Those above this class were designated as 'professionals and specialists.' The accuracy of this table is not so important as the principle involved."

Professionals and Specialists.	
Age.	Economic Value.
25 years	\$25,898.94
30 "	27,702.00
35 "	28,921.85
40 "	29,344.68
45 "	28,829.52
50 "	27,138.24
55 "	23,974.38
60 "	19,337.94
65 "	13,209.48

Laboring Men.	
Age.	Economic Value.
25 years	\$3,184.71
30 "	3,217.03
35 "	2,950.34
40 "	2,740.92
45 "	2,491.91
50 "	2,176.62
55 "	1,781.57
60 "	1,256.82
65 "	594.67

Professionals and Specialists.

Age.	Economic Value.
25 years	\$25,898.94
30 "	27,702.00
35 "	28,921.85
40 "	29,344.68
45 "	28,829.52
50 "	27,138.24
55 "	23,974.38
60 "	19,337.94
65 "	13,209.48

As it has been some time since these figures were prepared and the scale of wages in all lines is greatly in excess of the figures quoted, therefore the economic value of a man as given in the table would be increased in the same proportion as the increase in wages.

THE DOLLAR IN 1915.

For each dollar of cash income in 1915 the New York Life Insurance Company paid ninety cents to policyholders or their beneficiaries, or set it aside as reserves for future payments. The remaining ten cents was paid to agents, for taxes, administration expenses, etc. The apportionment of each dollar was as follows:

	Cents.
Paid for death claims	22
Paid to living policyholders	36
Set aside for reserve and dividends	32
Total	90
Paid to agents	5
For branch office expenses, agency supervision and medical inspection	2
For insurance department tax, licenses and fees	1
Grand total	100

Since organization, the New York Life has paid in death claims and for dividends, matured endowments, surrendered policies, etc., \$1,072,291,850.

J. P. Dickell has been elected president of the McIntyre Porcupine Mines to succeed the late Col. Alex. M. Hay. E. P. Johnston was elected to the vacancy on the board of directors.

THE MINISTER OF FINANCE

REQUESTS

THE PEOPLE OF CANADA TO

BEGIN NOW

TO SAVE MONEY FOR THE

NEXT WAR LOAN

JAN. 9, 1917

DEPARTMENT OF FINANCE
OTTAWA

Mutual Life Assurance Company of Canada

Waterloo, Ontario

FINANCIAL STATEMENT

For Year Ended December 31st, 1916

CASH ACCOUNT

INCOME	
Net Ledger Assets, 31st December, 1915	\$25,454,429.95
Premiums (Net)	3,992,005.05
Interest, Rents, &c.	1,621,267.64
	<u>\$31,067,702.64</u>
DISBURSEMENTS.	
Death and Disability Claims	\$ 834,229.75
Matured Endowments	592,965.00
Surrendered Policies	171,265.87
Matured Deferred Dividend Policies Surrendered	194,066.00
Surplus	654,153.91
Annuities	9,856.85
	<u>\$2,456,607.38</u>
Expenses, Taxes, &c.	888,365.82
Balance Net Ledger Assets, 31st December, 1916	27,722,729.44
	<u>\$31,067,702.64</u>

BALANCE SHEET

ASSETS.	
Mortgages	\$14,999,079.37
Debentures and Bonds	8,292,196.98
Loans on Policies	4,022,377.42
Real Estate	306,030.74
Premium Obligations	45,598.96
Cash in Banks	123,134.64
Cash at Head Office	6,832.89
Due and Deferred Premiums	555,088.85
Accrued Interest, &c.	961,713.44
Re-insurance Due	50,000.00
	<u>\$29,361,963.29</u>
LIABILITIES.	
Reserve, 3 1/2% and 3%	\$22,814,794.00
Special Investment Reserve	542,557.75
Reserve for Unreported Death Claims	25,000.00
Surrender Values claimable on Lapsed Policies	2,144.00
Death Claims unadjusted	336,788.00
Matured Endowments unadjusted	25,132.00
Present value of amounts not yet due on Matured Policies	169,949.00
Dividends due Policyholders	40,680.90
Dividends allotted to Deferred Dividends Policies issued since Jan. 1, 1911	181,264.83
Dividends allotted to Accumulative Dividend Policies other than Deferred Dividend Policies	406,115.78
Due on account of Office Expenses and Medical Fees	19,144.33
Taxes and Rents accrued	44,709.77
Premiums and Interest paid in advance	86,100.50
Credit Ledger Balances	72,431.56
Surplus 31st December, 1916	4,595,150.87
	<u>\$29,361,963.29</u>

Audited and found correct,
J. M. SCULLY, F. C. A.,
Auditor.
Waterloo, January 19th, 1917.

GEO. WEGENAST,
Managing Director.

SUMMARY STATEMENT

Income	\$ 5,613,273	Gain over 1915	\$ 640,491
Paid to Policyholders	2,456,607	Increase over 1915	420,793
Assets	29,361,963	Gain over 1915	2,420,246
Surplus	4,595,151	Gain over 1915	341,907
New Assurances	15,376,377	Gain over 1915	1,618,399
Assurance in Force	109,615,581	Gain over 1915	\$,553,551

News of the Week

Monday, January 29.

Bitter cold prevails on all battle fronts. British pierce enemy's line at Armentieres and continue Tigris advance gaining trenches southwest of Kut-el-Amara.

Near Verdun heavy bombardment continues.

Russians take 1,000 prisoners at Moldavia.

Berlin announces sinking of British troopship in Mediterranean, January 25.

Squadron of British warships gathered off coast of New York.

26 of crew of Yarrowdale, arrive at Copenhagen.

1 British and 2 Norwegian vessels sunk by German sub.

Greece makes public apology by saluting Allies' flags in the Zappern.

Canadian post offices will not accept parcels for Canadians imprisoned in Germany.

Earl Cromer dies in London.

Half billion dollars is to be appropriated by Government for war purposes for year ending March 31, 1918.

Prussian income taxes for 1916 were \$124,500,000 as compared with \$88,500,000 in 1915.

Government received request from Town Council of Tutuerglen, Ont., for admission into Canada of citizen of enemy country. Bond of \$50,000 is offered for his proper conduct.

New Radio station in California conversed with Australia, a distance of 6,000 miles.

Tuesday, January 30th.

On Somme front British carry out successful night raids. Considerable aerial activity continues over lines in France. Nine German machines brought down. French and Belgians resist German attacks between Soissons and Rheims and near Het Sas, Belgium.

Norway loses 3 vessels.

Germany suffering from severe cold, and potato famine.

Spanish ships will not serve belligerent nations. Deportations of Belgian workmen continue.

\$3,000,000 contract, to construct aviation school at Toronto, awarded Bate, McMahon Co., Ottawa.

Dutch colony has leased eight square miles of grazing land near Prince Albert for dairy industry.

Wednesday, January 31.

British repulse an attempted raid on new position at Le Transloy. Principal fighting takes place southwest of Riga. Russians capture positions and Germans gain a little ground. Cold weather and snowstorms are interfering with the Salonica operations, which outside of some artillery actions and raiding events have been quiet.

Germany sends official note to U. S. A. United States on verge of war.

British steamer, Artist, sunk by German sub.

Lloyd's announce three steamers sunk, British, Norwegian and Danish.

French records show over 600 German airplanes bagged in 1916.

£5,000 awarded by British Admiralty Court to three American sailors who saved tug Vigilant.

Germany threatens to sink all hospital ships in English Channel.

King George appeals for men for volunteer home defence regiments.

Attempt is made on lives of Lloyd George and Mr. Henderson.

Fatalities in the Laurentic disaster number 349.

Turks surround Lebanon with military cordon, about half the Christian and Druse tribesmen have died.

The Dresden Arsenal has been blown up, and a thousand women and young girls killed.

Thursday, February 1.

All battle fronts are quiet. Only small engagements taking place.

During January, Germany has lost seventy-five airmen.

German sub unsuccessfully attacks British cruiser Amethyst off Buenos Ayres.

American schooner attacked by German sub., in the Bay of Biscay.

Lloyd's announce nine vessels sunk and eight lives lost.

All public buildings, Munich, Germany, are closed owing to lack of coal for heating.

War expenditure for Dominion, 1916, \$166,197,755.

Immigration bill, vetoed by President Wilson was passed by House.

(Continued on page 19.)

The Dominion Bank

At the Forty-Sixth Annual General Meeting of the Shareholders of The Dominion Bank, held at the Head Office in Toronto on 31st January, 1917, the following Statement of the affairs of the Bank as on 30th December, 1916, was submitted:

PROFIT AND LOSS ACCOUNT.

Balance of Profit and Loss Account, 31st December, 1915.. .. .	\$ 344,439.71
Profits for the year, after deducting charges of management and making full provision for bad and doubtful debts	\$ 969,065.02
Less	
Dominion Government War Tax (on circulation)	\$54,112.34
Taxes paid to provincial Governments	21,450.00
	75,562.34
Making Net Profits of	893,502.68
	\$1,237,942.39

Which amount has been disposed of as follows:

Dividends (quarterly) at Twelve per cent. per annum	\$720,000.00
Contribution to Canadian Patriotic Fund	\$25,000.00
Contribution to British Red Cross Society	2,500.00
Contribution to British Sailors' Relief Fund	2,000.00
	29,500.00
Contribution to Officers' Pension Fund	25,000.00
	74,500.00
Written off Bank Premises	100,000.00
	874,500.00
Balance of Profit and Loss carried forward	363,442.39
	\$1,237,942.39

GENERAL STATEMENT

LIABILITIES

Capital Stock paid in	\$6,000,000.00
Reserve Fund	\$7,000,000.00
Balance of Profits carried forward	363,442.39
Dividend No. 137, payable 2nd January, 1917,	180,000.00
Former Dividends unclaimed	939.75
	7,544,382.14
Total Liabilities to the Shareholders	\$13,544,382.14
Notes in Circulation	7,118,232.00
Deposits not bearing interest	\$13,282,791.87
Deposits bearing interest, including interest accrued to date	57,190,822.16
	70,473,614.03
Balances due to other Banks in Canada	196,714.90
Balances due to Banks and Banking Correspondents elsewhere than in Canada	787,557.22
Bills Payable	138,912.00
Acceptances under Letters of Credit	307,047.13
Liabilities not included in the foregoing	300,233.10
	79,322,310.38
Total Liabilities to the Public	\$92,866,692.52

ASSETS.

Gold and Silver Coin	\$ 1,915,648.41
Dominion Government Notes	9,220,183.25
Deposit with Central Gold Reserves	1,500,000.00
Notes of other Banks	835,395.44
Cheques of other Banks	3,539,659.51
Balances due by other Banks in Canada	10,582.37
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,729,601.76
	18,751,070.74
Dominion and Provincial Government Securities, not exceeding market value	612,272.98
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	7,500,764.35
Railway and other Bonds, Debentures and Stocks, not exceeding market value	4,184,382.61
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	4,325,652.69
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	1,251,750.69
	\$37,625,896.06
Other Current Loans and Discounts in Canada (less rebate of interest)	48,976,389.91
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	53,975.34
Liabilities of Customers under Letters of Credit, as per contra	307,047.13
Real Estate other than Bank Premises	28,096.44
Overdue Debts (estimated less provided for)	115,583.02
Bank Premises, at not more than cost, less amounts written off	5,482,251.92
Deposit with the Minister of Finance for the purposes of the Circulation Fund	263,900.00
Mortgages on Real Estate held	13,437.70
	55,240,796.46
	\$92,866,692.52

E. B. OSLER,
President.

C. A. BOGERT,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS.

We have compared the above Balance Sheet with the books and accounts at the Chief Office of The Dominion Bank, and with the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on December 30th, 1916, we certify that, in our opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us at another time during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON,

R. J. DILWORTH,

of Clarkson, Gordon & Dilworth, C.A.

Toronto, January 17th, 1917.

NEWS OF THE WEEK.

(Continued from page 18).

Friday, February 2.

On all fronts inactivity prevails. Germany suffering from lack of fuel and food. British nation put on its honor to limit food. Eight more steamers sunk—one Spanish, three Norwegian, one Russian, one Belgian and two British. France mobilizes all civilians for national defence. New German orders for 60,000 Belgian workmen.

Germany refuses to permit inspection of interned ships. Germany inaugurates a submarine mail service.

Saturday, February 3rd.

British and French carry out several surprise attacks on western front, entering the enemy's trenches, doing damage and bringing back prisoners each time. British are also continuing their offensive in Mesopotamia, gaining three hundred yards east of Tigris-Hai junction and three hundred yards on a front of 800 yards to west.

Heavy fighting in Riga region and Russians holding their own.

All other fronts quiet. The United States break diplomatic relations with Germany.

German Americans promise to support U.S. Belgian relief to suffer by blockade.

Germany releases 72 American captives on Yarrowdale.

2,000 U. S. citizens attached to embassy in Berlin. American steamer Housatonia torpedoed after warning.

Bryan wants referendum before going to war with Germany.

Quality of the Lower Grades of Wheat

Wheat of No. 4 Grade, and Sometimes of No. 5, gives a good and sometimes a better quality of flour than No. 1 Hard or No. 1 Northern.

By R. HARCOURT, Guelph University.

From year to year there is some discussion regarding the quality of the flour from the lower grades of wheat. Many of the larger milling firms have long ago recognized the fact that frequently the lower grades of wheat, when profitably milled, and that they may even be used in preference to the flour made from the higher grades. These large millers have their chemists, a part of whose duty it is to select the wheat of each year and to determine the amount of wheat going to the mill so that the best results can be got from the wheat available. The operation in the smaller mill, however, is not so rigid and very frequently continues its operations to the milling of the higher grades of wheat. We have studied for many years the quality of the flour from all the grades and have found almost every season that No. 4 wheat and sometimes No. 5, gives as good and sometimes a better quality of flour than No. 1 Hard or No. 1 Northern. Sometimes the color is not quite so good, and, naturally, the yield of flour is lower. But even on this point there may not be a very wide difference as much will depend upon what caused the wheat to be graded down.

A No. 4 wheat will probably always contain some frosted wheat and if this wheat has been frosted when quite green, it is of low value or even worthless, but if the wheat was fairly well matured when frosted the injury is not so serious. Sometimes, however, the wheat is graded down for other reasons, as for instance, some years ago there was a lot of wheat with a wrinkled skin which was otherwise a good plump kernel. This wheat would probably not yield as much flour, but the quality of the flour made from it was not influenced by the wetting which was said to have caused the crinkly appearance of the outer part of the kernel.

Although we have some data on this point back as far as 1904 possibly it will be sufficient to quote from our records of the past six years. To reduce the amount of data, only the results of the baking tests of No. 1 Northern and No. 4 Commercial grade of each year are given below and only the essential factors are included. The baking tests were all made in the same way and an equal weight of flour was used in each of the tests. The difference in the quality of the bread made from the two grades is represented by giving 100 points each for the color, texture and appearance of the bread made from the No. 1 Northern and assigning a higher or lower figure according to the quality of the bread made from the No. 4 wheat. In every case the flour was made with our little experimental mill.

	Wet Gluten of loaf	Wt. of loaf	Vol. of loaf	Quality of Bread		
	grams.	grams.	c.c.	Color	Texture	Appearance
1911 Crop.						
No. 1 N...	37.5	505	2580	100	100	100
No. 4 C. G.	38.3	518	2920	101	101	104
1912 Crop.						
No. 1 N...	41.2	523	2850	100	100	100
No. 4 C. G.	41.5	519	3030	98	101	105
1913 Crop.						
No. 1 N...	38.3	522	2620	100	100	100
No. 4 C. G.	37.3	528	2520	98	105	96
1914 Crop.						
No. 1 N...	39.9	500	2900	100	100	100
No. 4 C. G.	40.2	522	2740	95	90	95
1915 Crop.						
No. 1 N...	40.5	496	2370	100	100	100
No. 4 C. G.	37.1	496	2600	97	102	103
1916 Crop.						
No. 1 N...	39.0	509	2670	100	100	100
No. 4 C. G.	35.9	494	2800	97	102	104

All these tests were made with wheat that came to us through the elevators and thus represent the thoroughly mixed wheat as they come to the miller in the East. It will be noticed that the flour from the wheat of the crops of 1911, 1912, 1915 and 1916 gave a large loaf, thus showing greater expansive power. In every year but one the color of the bread from the higher grade of wheat was the better, but the opposite is true regarding the texture of the crumb of the bread, for in all but one year the texture of the bread made from flour milled from the

lower grade the texture was decidedly better. Frequently even No. 5 gave a very good flour.

It is, however, very doubtful if, one year with another, a miller would be justified in blindly buying the lower grades assuming that they would always give the desired results, for as stated previously, the reason for grading down may vary somewhat from year to year and the nature of the frosted wheat present may vary in the wheat of the same season. Usually the kernels of the lower grades are thinner and, consequently, more glutinous and thus yield a strong flour, although the yield of the flour will just as naturally be lower. It has been claimed by some that the value of the wheat is just in proportion as it will yield flour and there is a great deal to be said in favor of this contention, for the difference in the quality of the flour is not very wide. Yet, in some seasons and in some lots of wheat it does seem as though the lower grades furnish a sufficiently stronger flour to raise the value above the standard just given. An experienced miller may be able to pick out such a wheat, but the selection of such wheat is one instance of where a chemist is a help to his employer.

This year there are some peculiarities in the crop. The drought particularly in the earlier ripening sections of the Western Provinces caused a too rapid ripening of the wheat, with the result that there was a great deal of sound shrunken wheat. How small and light this wheat was is clearly indicated by the weight per bushel fixed by the Grain Standard Board for the special grades which it very wisely introduced this year. Namely 54 pounds per bushel for No. 1 special, 51 for the No. 5 special and 49 for No. 6 special. If mixed with the normal grades a very large percentage of this wheat would have been lost in the cleaning. When kept by itself it could be cleaned satisfactorily and it produced a good quality of flour. Some millers will not purchase frosted wheat at any price, but would and did purchase this sound shrunken wheat and thus a market was got for wheat which would otherwise have been largely lost. Furthermore, the normal grades were not disturbed. The following results of baking tests show the quality of flour made from these special grades. In these tests each special grade is compared with the corresponding normal grade.

	Wet Gluten of loaf	Wt. of loaf	Vol. of loaf	Quality of Bread		
	grams.	grams.	c.c.	Color	Texture	Appearance
No. 4 ...	35.0	498	2800	100	100	100
No. 4 Special...	35.4	495	2700	97	98	97
No. 5 ...	37.3	505	2300	100	100	100
No. 5 Special...	40.2	505	2550	99	102	110
No. 6 ...	40.7	507	2450	100	100	100
No. 6 Special...	40.5	506	2460	98	105	105

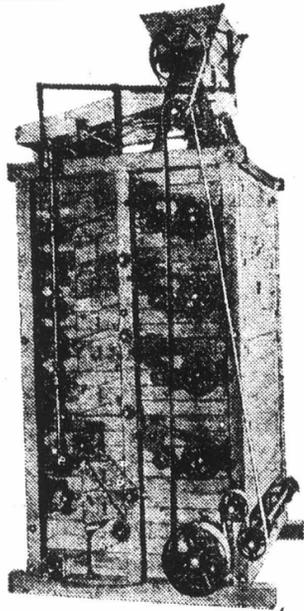
A further quality regarding these wheats is that the flour produced a bread that in color, texture and appearance was in some instances from 10 to 20 per cent superior to that made from the higher grades of wheat. If it were needed, the results secured from the shrunken wheat of these special grades confirms the statement that the thin grains of the normal low grades tend to strengthen the flour.

Recent developments confirm the wisdom of the Grain Standard Board in introducing the special grades this year. The first wheat marketed naturally came from the earlier sections of the country where the drought was most severe. From these districts there was naturally a great deal of this shrunken wheat. If this wheat had been mixed with the regular grades much confusion would have resulted. As the season advanced and the wheat from the more northern districts was marketed more frosted wheat and much less of the normal shrunken wheat has been inspected. If these had been mixed throughout, there would have been a continued change in the quality of the grades and a very large percentage of the sound shrunken wheat would have been lost. Or the grades would have been made the same by cleaning out this light wheat and nearly all of it would have been dockage and been used up as cattle feed. This year when the world's crop of wheat is so small it appears as though the Grain Standard Board had acted wisely in providing grades under which this uncommonly large amount of shrunken wheat could be marketed.

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COMMODITY MARKETS

Week's Wholesale Review

At the time of the writing the United States Government has severed diplomatic relations with Germany. What will be the outcome is a matter of wide speculation. The future looms large with possibilities. The general unrest is reflected not only in the stock markets and the wheat pits, but throughout commerce as a whole. The renewed activity of German submarines is likely to interfere greatly with imported goods. The embargo on all freight destined to Montreal is still in force, except on perishable goods, munition materials and coal. Even in the lines excepted the recent cold weather and storms are delaying transportation considerably. Soft coal and coke are becoming very precious articles to our manufacturers, and there is some talk of some of our large industries closing down through lack of supplies. Some of the Montreal flour mills have been forced to close for several days owing to lack of freight facilities. The inactivity apparent in many lines since the New Year owing to inadequate supplies of raw materials and poor transportation service, has resulted in more available labour, than there has been for sometime. The strike of the cloak and garment workers in Montreal is still in force and the clothing trade is seriously hampered. All the largest factories are completely shut down and are under police protection. The associated owners are determined to hold out until the strikers give way to some extent in their demands.

Satisfactory reports are received from the dry goods houses, collections last month being in some cases 10 per cent over January, 1916. Textile mills are working to capacity. Good orders are being sent in from travellers all over the country for spring and sorting goods.

A number of orders have been received during the past week for leads and paints for future delivery at firm prices which have an advancing tendency. Boot and shoe manufacturers are busy filling orders for spring delivery at record prices.

In grocery circles sugars are moving more freely at the decline noted last week. The high prices prevailing on canned goods have curtailed sales. Molasses is scarce on spot and consequently very strong. Teas are very firm owing to the shipping conditions from the Orient. Eggs are very high as receipts have been curtailed by the cold weather.

DAIRY PRODUCE.

BUTTER: The butter trade remains featureless, sales being made of finest creamery in round lots in many cases half a cent lower than our quotations. There is very little trade passing in dairy butter which is unusually scarce this year. Prices are firm with little change likely to take place in the near future. Recent advices from London report a weak butter market, New Zealand and Australian butter being 2s lower, making a total drop of 8s to 10s within the past few weeks, equal to about 2c to 2½c per lb.

This condition is attributed to the suspension of Government orders, which has resulted in speculators who bought forward taking fright and eagerly pressing sales, and to the fact that the depression arising from this cause has happened concurrently with the increase of arrivals from Australia and New Zealand. It is said that the Government propose to buy margarine for the troops, and that they have commandeered Otto Monsted's margarine factory.

CHEESE: Canadian cheese, to all intents and purposes is off the market, as stocks in store consist of holdings of Government cheese and goods already bought by United Kingdom firms. A few receipts arrive each week which are picked up at 23c to 24c. Dealers report a good demand for States cheese in this market from Great Britain at rapidly increasing prices. The Liverpool cable advanced to 14½s for both colored and white last week. Even of States cheese, there is only a limited amount offering. Although the cheese trade is not materially affected by the embargo on the railways from Montreal, shipping congestion at the seaboard is hindering business to a marked degree. Rates have advanced from \$1.50 to \$2.00 per 100 lbs. from St. John and Portland at which price no space is offering until March. With the increased German submarine menace the war risk rates are up from 3 per cent to 7 per cent. Canadian cheese in England is nearly exhausted. The bulk of this season's New Zealand cheese is said to have been commandeered by the Government.

Butter:		
Choice Fall Creamery Solids	0.43	0.43½
Winter Creamery	0.42	0.42½
Undergrade Creamery	0.40	0.41½
Dairy butter	0.37½	0.38
City Selling Price to grocers:		
Creamery Solids	0.44	0.45
Do., Prints	0.45½	
Do., No. 2	0.43	
Do., Prints	0.42½	
Cheese:		
Finest Western	0.25½	0.26
Fine Eastern	0.24	0.24½
Winter Make	0.20	0.23
City Selling Prices to grocers:		
Stilton cheese	0.26	0.27
Large	0.25	0.26
Twins	0.25½	0.25½
Quebec Cheese	0.25	0.25
Canadian Strong Cheese	0.26	0.27
Roquefort	0.65	0.65

LIVE STOCK.

MONTREAL: The offerings of live stock at the Montreal sales last week amounted to 1,700 cattle, 500 sheep and lambs, 3,400 hogs and 700 calves. Supplies of cattle were greater than usual last week, and as packers and butchers were apparently fairly well stocked trade moved slowly. That the present abnormal range of prices is beginning to curtail consumption is making itself felt. Prices held firm at the advance in sympathy with strength at other centres. Canning stock was in favour and prices rose 15c to 25c a 100 lbs. Supplies of small meats were limited, milk fed calves being particularly scarce. Prices held firm under a fair demand. Hogs were remarkably strong at Monday's sale, advancing a further 25c per 100 lbs., making a net rise of \$1.50 for the month of January, and incidentally the highest prices ever recorded in the history of the trade. On Wednesday prices were easy at the new level.

TORONTO: Receipts of live stock at the Toronto stock yards last week amounted to 5,179 cattle, 651 calves, 10,450 hogs and 1,285 sheep and lambs. These figures show little change from last week, but compare favorably with receipts on the corresponding week last year. The cattle market was strong at the opening, but at midweek medium offerings were 25c to 30c a cwt. lower. Good to choice butcher's held firm at slightly higher prices. Small meats were only fairly steady, prices on light sheep and calves remaining unchanged while choice lambs were 25c per cwt. off and medium lambs as much as 50c to 75c lower. Although the hog market opened weak, prices gained strength at each day's sale. The market closed for the week virtually unchanged at the very high level of the preceding week.

Current prices in carload lots are as follows:

	Per cwt.			
	Montreal.		Toronto.	
Butcher steers, best	10.25	10.50	10.00	10.80
Do., good	9.75	10.00	9.75	10.25
Do., fair	9.25	9.50	9.50	10.00
Do., medium	8.25	8.50	8.75	9.25
Do., rough	7.75	8.00	6.75	7.50
Butchers' cows				
Choice	8.00	8.25	7.75	8.50
Do., good	7.50	7.75	6.75	7.50
Do., fair	7.00	7.25	6.00	6.50
Butcher bulls, best	8.75	9.00	7.50	9.00
Do., good	8.25	8.50	6.75	7.25
Do., medium	7.75	8.00	5.75	6.50
Canners' cattle, bulls	5.75	6.00	4.25	4.50
Do., Cows	5.00	5.25		
Light Ewes	9.25	9.50	9.50	10.25
Heavy Sheep	8.75	9.00	7.50	9.00
Culls	8.75	9.00	4.00	7.00
Lambs, Quebec	13.00	13.25		
Do., Ontario Stock	13.50	14.00	14.00	14.50
Calves, milkfed	9.00	11.00	13.00	14.00
Do., grassfed	5.00	7.50	5.00	6.00
Hogs, selects, weighed				
off cars	14.50	15.00	14.10	14.50
Do., heavy weights	14.15	14.40	13.85	14.25
Sows	12.75	13.00		

DRIED FRUITS AND NUTS.

DRIED FRUIT: Currants are arriving in small quantities in New York. Stocks are consequently trifling in the Montreal market and at the present basis of prices the demand is exceedingly light. There does not appear to be any weakness prevailing in the primary market and therefore present price levels are likely to continue for some time. Dates are firm. As regards figs there is no gain-saying the fact that the Tapnet fig is the lowest priced article in the dried fruit line to-day.

There is very little new business doing in California dried fruits. The markets are holding firm

on these lines as stocks are light. Stocks of prunes are pretty well cleaned up on the coast, so that no weakness in prices is anticipated. Oregon prunes are in fair supply in New York. Prices on California figs have been named and are 10 per cent higher than last year's. A fairly large carry over of raisins from the last crop is reported, but it is held in strong hands and will be marketed gradually throughout the year at steady prices. The same applies to cut fruits such as apricots, peaches and pears, for although the carry over is fair there is no likelihood of lower values. In the event of peace the general opinion here is that prices will be well maintained, as an active inquiry is anticipated from European countries as soon as shipping conditions right themselves.

NUTS: The carry over on almonds and walnuts appears to be fairly heavy and prices are consequently on a low basis. It would not be surprising if after a few of the weak holders were eliminated, a higher range of prices were to take place, and a change for the better were apparent on these lines. There is no encouragement to purchase nuts in the primary market for the heavy war risk would bring quotations up to to-day's prices here. For this reason we believe that jobbers will let their stocks run down to a very low ebb. Brazils are almost exhausted. The crop of Sapucaires is expected to be a large one and first shipments will no doubt be made some time this month. At the moment we cannot say what prices will be. The market on peanuts and shelled goods is excited as prices advanced recently ½ cent per pound with every indication of still further advances. This condition has been brought about by the decision of the Texas growers to use their crop for peanut oil purposes. Although there is a good crop of Virginia peanuts this variety advanced as soon as the action of the Texas people became known.

Dried Fruits:		
Apples, choice winter, 50 lbs. boxes	0.11	0.11
Apricots	0.19	0.22
Peaches, choice	0.12	0.12
Candied Citron peel	0.27	0.29
Candied lemon peel	0.23	0.24
Candied orange peel	0.25	0.25
Currants, loose cleaned	0.21	0.21
Currants, carton cleaned	0.20	0.20
Dates, loose Hallowee	0.11	0.11
Dates, Fards choicest	0.12½	0.12½
Figs, carton	0.14½	0.14½
Do., California, bricks	0.95	1.20
Prunes, Santa Clara, per box	0.10½	0.13½
Raisins, Muscatels, 4 Crown	0.11	0.11
Do., 3 Crown	0.11½	0.11½
Do., Valencia, 4 Crown	0.11	0.11½
Do., California, seedless, 16oz. pkg.	0.12	0.14
Nuts.		
Walnuts, Grenoble	0.18½	0.20
Do., Marbot	0.17	0.17
Almonds, Tarragona	0.21	0.22
Filberts, Sicily	0.118½	0.20
Brazils, large, washed	0.22	0.23
Pecans	0.20	0.24
Almonds, shelled	0.40	0.45
Walnuts, shelled, Bordeaux fine split	0.45	0.46
Peanuts	0.09	0.13
Hickory nuts	0.09	0.09

CANADIAN PRODUCE ASSOCIATION.

As already announced the fifth annual Convention of the Canadian Produce Association will be held to-day and to-morrow, February 6th and 7th at Freeman's Hotel, Montreal. This is the first opportunity that the members of the Association in this district have had of extending a welcome to their fellow associates throughout the Dominion. A large attendance at the meetings is already assured. Among those who have intimated their intention of being present are representatives of the Department of Agriculture, Ottawa. The banquet will be held on Tuesday when the speakers of the Evening will be the Hon. J. C. Caron, Minister of Agriculture, Quebec, and A. A. Ayer, Esq. of Montreal.

All the opening session addresses of welcome will be delivered by His Worship, the Mayor of Montreal and Z. Hebert, Esq., president of the Montreal Board of Trade. This will be followed by the President's address; report of Secretary-Treasurer, report of Standing Committees of Arbitration, by J. Vaillancourt, of Montreal; Transportation by H. R. Gray, of Gunn, Langlois & Co., Limited, Montreal; Legislation by R. J. McLean, Toronto; Committee to look after Branches, A. H. Wilford Wingham. Appointment of Committees for 1917:—Nominating, Transportation, Legislation, Arbitration, Committee to look after Branches.

FRUIT AND VEGETABLES.

FRUIT: Shippers of perishable goods are not affected by the Montreal embargo on freight by the C. P. R. and G. T. R., but the severe cold of the past few days has made transportation of fruit and vegetables a risky business. There is a good deal of frozen goods on the market in such lines as oranges, potatoes, tomatoes, etc., which are selling at very low prices. We are informed that the D. & H. Railroad has an embargo on all goods leaving New York, including perishables as well as slow freight. The embargo is indefinite, depending on weather conditions. Business in general is quiet owing to these adverse conditions.

Lemons advanced in New York about 50 cents last week, which will result in firmer prices in this market. The future trend of the lemon market depends mainly on freight conditions from the Mediterranean and the hindrance afforded by the German submarine campaign. California oranges are higher for good quality stock. Florida oranges and tangerines are showing a slight weakness in the primary markets. There is a great deal of frozen stuff offering which is selling as low as a dollar a box at auction. The demand for grapefruit is limited. An old car each of Cuban and Mexican grapefruit have arrived. The latter being of particularly fine quality. Shipments of Florida and Jamaica grapefruit are arriving freely. Apples are scarce and very firm, especially so. As the demand is good, they are moving freely. Fancy box American varieties are on the market in small quantities, with heavier supplies expected shortly.

Bananas are in good demand at firm prices. No new developments are expected before the opening of the new season in the spring. This fruit is scarce owing to transportation difficulties.

VEGETABLES: The onion market is very strong as holdings are small. New York is asking as high as \$8.50 per 100 lbs. in a jobbing way which works out to 11c to 12c per lb. These prices effectually prohibit importations into this market at present quotations. All indications point to an advance in Spanish onions, as the supply of these goods is far exceeded by the demand. The quality of receipts is poor due to abnormal weather conditions. Florida celery is beginning to arrive and will shortly be on the market in good supply. California celery is about over. A car of Florida tomatoes is due by express and supplies are likely to be heavier from now on. Last year these tomatoes were frozen and wasty so the quality of this first car this year will be of interest to dealers. A specially fine car of Cuban tomatoes has arrived compared with shipments other years. Potatoes are very firm as good quality is difficult to obtain. Receipts are at a low ebb owing to the bad weather. Turnips and other root vegetables are still in good demand from American buyers. Stocks are getting low. Cabbage is very high in New York, selling at \$5.00 to \$6.00 per bbl, as compared with \$4.50 to \$5.00 in Montreal.

Current quotations are as follows:

Fruit:—	
Baldwins, per bbl	5.70 6.00
Cranberries, per bbl	9.00 10.50
Cranberry pippin, per bbl	5.00
Greenings, per bbl	5.50
Pewaukes, per bbl	4.00 4.50
Mackintosh Reds, per bbl	5.50 7.00
Fameuse, per bbl	5.00 6.00
Spies, per bbl	8.50 9.00
Bananas, per bunch	2.50 3.00
Grapes, Almeria, per keg	7.00 9.00
Grapefruit, Florida and Cuban	3.25 4.00
Do., Jamaica	3.00
Lemons, Palermo, per box	2.75 3.50
Oranges, California, Navel, per box	2.75 3.75
Do., Floridas	3.25
Do., Mexican	2.00 2.25
Pears, Winter Nellis, per box	4.50 5.00
Vegetables:—	
Artichokes, per bag	1.25
Beets, per bag	1.25
Beans, American, per hamper	4.00 4.50
Brussels, Sprouts, per qt.	0.22 0.27
Cabbage, Montreal, per bbl	4.50 5.00
Carrots, per bag	1.00
Cauliflower, California, per doz.	3.00
Celery, Florida, per crate	4.00 5.50
Do., California, per crate	9.00 9.50
Horse Radish, per lb.	0.20
Boston Lettuce, head, per box	1.75
Do., curly, per doz.	0.75
Onions, Spanish, per case	6.75 9.50
Do., red, per 75 lb. bag	3.00 3.50
Potatoes, Quebec, per 80 lb. bag	2.25
Do., Green Mountains, per 80 lb. bag	2.40
Do., Sweet, per basket	2.75 3.25
Parsley, per doz. bunches	0.50 1.00
Salsify, per doz. bunches	0.50 0.60
Turnips, per bag	1.00
Tomatoes, hothouse, per lb.	0.25 0.30
Cuban, per crate	6.00

THE GRAIN MARKETS.

The wheat market has experienced many exciting days since the war in Europe began and has become accustomed to cope with the unexpected, but not since the actual declaration of war has the market encountered such a severe shock as resulted from the German note outlining the future submarine policy and the ensuing break in diplomatic relations between that country and the United States. Prior to the recent startling events in political circles the market was fluctuating nervously within narrow limits, swayed from side to side by traffic considerations, reports of damage to the winter wheat crop, heavy flour sales at Minneapolis, and lack of foreign buying. The market broke 11 points last Friday when the German note was made public. On Saturday, after a further decline of 6c the market shot skywards 14c; excited buying on the part of speculators who had over-estimated the depressing effect of a severance of diplomatic relations with Germany being responsible for the violent upward turn in prices. A further advance of 5½ cents is reported to-day (Monday).

Shipping conditions are naturally more or less unsettled by the increased dangers to navigation and marine war risks are firm at the recent advance. Sailings were not cancelled and the impression is that shipments will go on as usual, at least to the Allied Governments. Large clearances are predicted in the near future as shipping can more easily be protected now that diplomatic relations between Germany and the United States have been severed. Traffic conditions are very unfavorable, the recent severe cold weather having added materially to the difficulties of the situation. Traders are not disposed to make cash wheat purchases in the west. Grain which should have been delivered weeks ago has not yet arrived, and heavy demurrage is being paid on account of the wheat not being available for loading on steamships which are now in port.

Corn has been influenced by the same factors as wheat. The demand has been good, but offers are light owing to lack of transportation facilities. Oats swayed in sympathy with corn, traffic conditions hindering export business. Winnipeg closing quotations are \$1.73½ for May, \$1.72½ for July, and \$1.40½ for September, a loss of 2½c for May, ¾c for July, and one cent for September for the week. Chicago reports May \$1.74½, July \$1.49½, September \$1.38½, again of 3½c for May, and 3½c for July.

Grains:—		per bushel.
Spring Wheat Manitoba, No. 1		
Do., No. 2	1.76	
Do., No. 3	1.71	
Do., No. 4	1.63	
Winter Wheat Ontario, No. 2	1.62	1.64
Do., No. 3	1.60	1.62
Oats:—		
No. 2 C. W.	0.67	
Do., No. 3 C. W.	0.65	
Do., Extra No. 1 feed	0.65	
Do., No. 1 feed	0.64	
Do., No. 2 feed	0.63	
Ontario Oats, No. 2, white	0.61	0.63
Barley, No. 2	1.08	
Do., Feed	1.00	
Corn, American, extrack	1.18	

PROVISIONS.

Continued strength is reported in the live hog market, further advances being noted during the past week. Prices range from \$14.25 to \$14.50 per 100 lbs. on the off car basis in Toronto and up to \$14.65 in Montreal. Dressed hogs are also firm at \$21 wholesale. A fair demand is reported for all lines of smoked and cured meats chiefly in small lots. Lard is steady and firm at unchanged prices.

Current prices are as follows:

Hams:—		Per lb.
Smoked Hams, 8-14 lbs.	0.26	
Do., 14-20 lbs.	0.24	
Do., 20-25 lbs.	0.23	
Do., over 25 lbs.	0.22	
Bacon:—		
Breakfast	0.28 0.30	
Windsor Bacon, selected	0.27	
Windsor Bacon, boneless	0.32	
Barrel Pork:—		Per bbl.
Short cut pork	38.00	
Clear Fat Pork	40.00	
Mess Pork	37.00	
Bean Pork, American	35.00	
Plate Pork, 200 lbs.	32.00	
Pure Lard:—		per pound.
Tierces	0.21½	
Tubs	0.21½	
Pails	0.22	
Tins	0.22	
Cases, 3, 5, 10's	0.22½	
Prints	0.23	
Compound Lard:—		
Western Grades:—		
Tierces	0.17½	

Tubs	0.17½
Tins	0.18
Cases, 3, 5, 10's	0.18½ 0.18¾
Prints	0.19
Cooked meats:—	
Roast shoulder pork	0.29
Roast hams, boneless	0.37
Cooked hams, boneless	0.37
Cooked hams, rind off	0.37
Head cheese	0.09
English brawn	0.11

HIDES AND LEATHER.

Beef hides are very firm as supplies are so light that tanners are showing eagerness to obtain the goods offering. The market for lambskins has also been stronger and prices are 10c a skin higher. Calf skins are ruling strong at a 3c per lb. advance. Imported hides from European sources are very scarce owing to the embargoes placed by the Governments of the various countries producing hides. Indications at present are, however, that when the embargoes have been removed foreign hides will be procurable in adequate quantities.

The leather market is unchanged, the demand from boot and shoe manufacturers being only fair. Heavy supplies were laid in on the advancing market and consequently buyers are pretty well stocked up. A good trade is reported in automobile and furniture leather at firm prices. Small quantities of English leather keep coming in, which consist mainly of sheep skins and other light stuff not used for military purposes. A little export business was reported in sole leather about a week ago. The demand for leather belting is so good that factories are kept busy supplying orders. Belting leather is very high in price as the dear hides of last fall are now leaving the tanneries and being placed on the market at very firm prices. Prices in this line are expected to remain strong for another six months at any rate.

Current quotations follow:

Hides:—		Per lb.
No. 1 inspected	0.26	
No. 2	0.25	
No. 3	0.24	
Rough	0.22	
Sheepskins, each	3.90	
Calfskins	0.37 0.40	
Sole Leather:—		Per Pound.
Spanish sides	No. 1 No. 2	0.58 0.58
Oak Sides, Canadian, dry hides		0.65 0.61
Do., from hides, green		0.68 0.66
Oak backs		0.72 0.70
Oak bends		0.82 0.80
Upper Leather:—		Per ft.
Gun Metal Sides	0.45	0.50
Chrome Box Sides	0.44	0.48
Matt Sides	0.48	0.44
Patent Chrome	0.48	0.55
Kangaroo Grain	0.42	0.42
Russett Oil Grain	0.42	0.48
Elk	0.36	0.40
Splits Wax	0.36	0.40
Automobile, Carriage, and Furniture Leather:—		
Spanish furniture	0.37	0.38
Hand buffed	0.35	0.36
Machine buffed	0.35	0.32
Deep buffed	0.19	0.20
Split	0.20	0.16
Belting Leather:—		
Belting butts, shoulders, off	1.75	
Belting butts, shoulders, on	1.50	
Harness	0.62 0.65	
Skirting	0.35 0.37	

EXPORTABLE SURPLUS OF WHEAT IN THE UNITED STATES.

The latest estimate of the United States wheat crop for the year 1916 is 607,557,000 bushels, and it is estimated that on July 1 the surplus from the crop of 1915 amounted to 163 million bushels, of which 74 million bushels were on farms and 89 million bushels were commercial stocks. This makes the total quantity for disposal to be 770,557,000 bushels. The per capita consumption of wheat in the United States is approximately 5.3 bushels, and on the basis of the present population the requirements for food in the current crop year are expected to be about 535 million bushels. The amount required for seed purposes is approximately 80 million bushels; so that the total domestic requirements will be about 615 million bushels. This quantity deducted from the 770½ million bushels given above as the estimated production of 1916, plus the surplus from the harvest of 1915, leaves about 155½ million bushels as the quantity available for export during the United States crop year 1916-17. If we add the Canadian surplus of 99½ million bushels, as estimated in the Census Monthly of October (page 273), we get a total of 255 million bushels as the combined exportable surplus of the United States and Canada.

DRUGS AND CHEMICALS.

The trend of events in political circles has been reflected of late in the market for drugs and chemicals, causing a general hardening of the market with few exceptions. Carbolic acid is firmly held, but quality of satisfactory, pharmaceutical character is difficult to get. Potash has advanced, and bichromates are still climbing. Great difficulty is being experienced in the production of alcohol.

Cascara sagrada is likely to be dearer as there is a good demand from Europe. Opium is firm although enquiry is light. Acphenetin advanced sharply last week in New York as supplies are very low. A sharp advance is reported in nuxvomica. Chloroform is very firm at the last advance. The high price of both Norwegian and Newfoundland cod liver oil is tending to check the trade. Glycerine shows an upward tendency. With the severance of diplomatic relations with Germany a very conservative feeling has developed in drug and chemical circles.

Acetone	Cream Tartar
Acetone, per lb.50c	Crystals, per lb.45c
Alum	Powdered, per lb.49c
Lump, per lb.11c	Esson Salts
Powdered, per lb.12c	Bags, per lb.3½c
Burnt, per lb.30c	Barrels, per lb.3½c
Alumina Sulph	Iodides
Technical, per lb.35c	Potass. \$5.50
Iron free, per lb.50c	Soda \$6.00
Ammonia Aqua	Mercury \$6.35
Fort, per lb.15c	Peroxide of Hydrogen
Ammonia Carb	Dozen
Per lb.25c	¼-lb. bottle \$1.25-\$1.50
Antimony	½-lb. bottle \$2.00-\$2.50
Oxide, per lb. \$1.25	1-lb. bottle \$3.50-\$4.00
Sulph pwd., per lb.35c	Potash
Arsenic	Bicarb, p. lb. \$2.35
White, per lb.15c	Bichrome, per lb.60c
Arsenic of Lead	Permanganate, p. lb. \$4.00
Paste, per lb.18c	Carbonate, per lb. \$1.75
Powdered, per lb.20c	Chlorate, per lb.75c
Barium	Caustic, per lb. \$1.85
Chloride, per lb.55c	Sal Ammoniac
Nitrate, per lb.50c	Lump25c
Blue Vitrol, per lb. 20c	Gran. white15c
Borax	Saltpetre
Pwd., hbl., per lb.11c	Crystals, per lb.35c
Crystals, bags, lb. 11½c	Granular, per lb.35c
Crystals, hbl., lb. 10½c	Soda
Calcium	Bicarb, per lb.4½c
Peroxide \$2.65	Caustic, stick50.60
Sulphate	Bichrom, per lb.60c
Recip., per lb.50c	Benzoate, per lb. \$13.50
Chloride of Lime	Acetate, per lb.35c
Drums, per lb.8c	Nitrate, per lb.25c
Barrels, per lb.10c	Phosphate Gran. lb.
Cases, of 1-lb. Tins. 13c	tins, doz. \$2.00
½-lb. Tins.14c	Sal, per lb.3½c
¼-lb. Tins.15c	Sugar of Lead
Camphor	White, per lb.29c
per lb. \$1.25	Sulphur
Cobalt	Flour, per lb.3c
Metal, oz.60c	Sub3½c
Oxide, lb. \$1.95	Roll3½c
Sulphate \$1.15	

COUNTRY PRODUCE.

EGGS: The demand for eggs is greater than the supply owing to the curtailed production and poor transportation in the cold weather. The Chicago market reports an advance of 2c. April eggs being quoted at 38c last Saturday as compared with 36c the week before. Fresh eggs are also up 3c. conditions in that market being similar to those prevailing in Montreal. The cars of Alberta eggs already referred to are on their way and are expected to arrive this week. This will materially help the situation in Montreal. Chinese eggs are also counted on but not before the fifteenth of the month.

POULTRY: Prices of poultry are a shade higher than last week. Very little live poultry, if any at all, is arriving on the market at present. The weather has been so cold that shipping has been at a standstill. Dealers report that the stock of poultry held in cold storage is not as large as it was this time last year, and although prices are shaded higher, they anticipate a very good demand. A steady trade is reported, stimulated no doubt by the high cost of other foodstuffs.

HONEY: Honey is firmer as the cold weather appears to have increased the consumption. Stocks in the province of Quebec are low.

POTATOES: Potatoes are firm at the recent advance as stocks are getting low with few receipts to replenish them. Export shipments have been made to the U. S. from New Brunswick as American prices are even higher than ours. The demand is good in Montreal.

Eggs:—

Special New Laid	0.55	0.60
Extras	0.45	0.46
No. 1	0.42	0.43

Poultry—Live:

	per pound.	
Fowls, 5 lbs. and over	0.20	0.21
Fowls, small	0.17	0.18

Fresh Killed Poultry:

Turkeys	0.29	0.30
Old Turkeys, cocks	0.27	0.28
Do., Roasting	0.29	0.30
Fowls, hens	0.17	0.18
Do., roosters	0.15	0.16
Chickens	0.21	0.22
Do., Crate fattened	0.23	0.24
Squabs, per pair	0.35	0.45
Geese	0.16	0.17
Ducks	0.17	0.18

Maple Products:—

Pure maple syrup, quart cans	0.40
Pure maple syrup, 9-lb. tins.	1.00
Extra choice syrup, 13-lb. tins	1.25
Pure Maple sugar, per lb.	0.13

Potatoes:—

New Brunswick, Delawares, 90-lb. sacks	2.65	2.75
Quebec, 90-lb. bags		2.50

Beans:—

Can. hand-picked car lots	7.30
Three-lb. pickers	7.20
Five-lb. pickers	6.50
Six to seven-lb. pickers	5.60

FLOUR, CEREALS AND MILLFEED.

The flour market has held steady all week at the decline, and with the recent re-action in wheat values on Saturday a stronger feeling is apparent. Trade, which is quiet at best, has been further curtailed by the embargo on all freight destined to or leaving Montreal. As this cessation of transportation facilities has curtailed the available wheat supply, Montreal mills have been forced to close down while others are only shipping the two or three cars of flour a day allotted to them by the railways. If the weather continues favorable the freight embargo is likely to be lifted in a day or two, when the trade in domestic flour will regain its usual activity. Foreign buyers are still making enquiries for Canadian flour, but all export business is limited to the small amounts of ocean freight space offering. No shipments are reported for the week.

As buyers' stocks of winter wheat flour are reaching a point where they have to be replenished, a more active trade is reported in this grade of flour. All purchasing has naturally been subject to the embargo on freights, as stocks in Montreal are low. Mill feeds are very firm under a heavy demand. Great difficulty has been experienced in filling orders of feeds from western mills as so many cars have been side tracked for weeks at a time. Rolled oats are weaker under a fair demand.

MONTREAL PRODUCE RECEIPTS.

Receipts of the principal commodities at Montreal for the past two weeks follow:

	Week end.	Week end.
	Feb. 3, '17.	Jan. 27, '17.
Wheat, bushels	156,542	99,408
Oats, bushels	141,723	141,468
Barley, bushels	2,160	9,643
Flour, bushels	10,562	1,080
Butter, packages	1,632	1,314
Cheese, boxes	7,000	
Eggs, cases	677	677
Potatoes, bags	228	14
Hay, bales	23,377	

RECEIPTS OF BUTTER, CHEESE AND EGGS.

Receipts of butter, cheese and eggs in Montreal for the week ended February 3rd, 1917, were as follows, with comparisons:

	Butter,	Cheese,	Eggs,
	pkgs.	boxes.	cases.
Week ended Feb. 3, 1917	1,632	7,000	2,233
Week ended Jan. 27, 1917	1,314	2,420	677
Week ended Feb. 5, 1916	745	1,472	3,486
Total receipts May 1, 1916,			
to Feb. 3, 1917.	498,425	2,231,240	630,661
Total receipts May 1, 1915,			
to Feb. 5, 1916	495,812	1,994,168	101,495

WHEAT SPECULATION.

The City Council of Port Arthur has passed a resolution, asking the Government to put a stop to wheat speculation in Canada on ground that exchange gamblers are thus tampering with prices of flour, which people must pay for. Resolution is to be followed by a similar one from Fort William. These two cities are at the head of Canadian lakes, from which all grain is exported.

SMART WOODS
LIMITED CANADA

Manufacturers of

Jute and Cotton
Bags, Tents,
Clothing, Etc.

FACTORIES IN
MONTREAL, TORONTO,
OTTAWA, WINNIPEG

Text of President Wilson's
Announcement to
Congress

Washington, February 3.—The severance of diplomatic relations with Germany was formally announced to the country and the world by President Wilson at a joint session of Congress at 2 o'clock to-day. The text of the address follows:

The Imperial German Government on January 31 announced to this Government and to the Governments of the other neutral nations that on and after February 1, the present month, it would adopt a policy with regard to the use of submarines against all shipping seeking to pass through all designated areas of the high seas, to which it is clearly my duty to call your attention.

Let me remind the Congress that on April 8 last, in view of the sinking on March 24 of the cross-channel passenger steamer Sussex by a submarine without summons or warning and the consequent loss of the lives of several citizens of the United States, who were passengers aboard her, this Government addressed a note to the Imperial Government:

"If it is still the purpose of the Imperial Government to prosecute relentless and indiscriminate warfare against vessels of commerce by the use of submarines without regard to what the Government of the United States must consider sacred and indisputable rules of international law and the universally recognized dictates of humanity, the Government of the United States is at last forced to the conclusion that there is but one course it can pursue. Unless the Imperial German Government should now declare and effect an abandonment of its present methods of submarine warfare against passenger and freight carrying vessels, the Government of the United States have no choice but to sever diplomatic relations with the German Empire altogether."

In reply to this declaration the Imperial German Government gave this Government assurances:

"The German Government is prepared to do its utmost to confine the operations of war for the rest of its duration to the fighting forces of the belligerents, thereby also insuring the freedom of seas, a principle which the German Government believes now, as before, to be in agreement with the Government of the United States.

"The German Government is prepared to do its utmost to insure the Government of the United States that the German naval forces have received orders, in accordance with the general principles of visit and search, and merchant vessels received by international law both within and without the area declared a naval war zone, shall not be sunk without warning and without saving lives, unless these ships attempt to escape or offer resistance," but it adds, "neutrals cannot expect that Germany, forced to fight for her existence, shall, for the sake of neutral interest, restrict the use of an effective weapon if her enemy is permitted to continue to apply at will methods of warfare violating the rules of international law.

"Such a demand would be incompatible with the character of neutrality, and the German Government is convinced that the Government of the United States does not think of making such a demand, knowing that the Government of the United States has repeatedly declared that it is determined to re-

(Continued on page 24).

TEXT OF PRESIDENT WILSON'S ANNOUNCEMENT TO CONGRESS.

(Concluded from page 23).

store the principle of the freedom of the seas from whatever quarter it has been violated."

ASSURANCES ACCEPTED.

To this the Government of the United States replied on May 8, accepting the assurance given, but adding "the Government of the United States feels it necessary that it take it for granted that the Imperial Government does not intend to imply that the maintenance of its newly announced policy is in any way contingent upon the course or results of diplomatic negotiations between the Government of the United States and the belligerent Governments, knowing that passages in the Imperial Government's note of the 4th might appear to be susceptible of that construction. In order, however, to avoid any misunderstanding, the Government of the United States notifies the Imperial Government that it cannot for a moment entertain, much less discuss, a suggestion that respect by German naval authorities for the rights of citizens of the United States upon the high seas, should in any way, or in the slightest degree, be made contingent upon the conduct of any other Government, affecting the rights of neutrals and non-combatants. Responsibility in such matters is single, not joint, absolute, not relative.

To this note of May 8 the Imperial Government made no reply.

On January 21, the Wednesday of the present week, the German ambassador handed to us, along with a formal note, a memorandum which contained the following:

"The Imperial Government therefore does not doubt that the Government of the United States will understand the situation thus forced upon Germany by the Entente Allies by all methods of war and by their determination to destroy the Central Powers, and the Government of the United States will further realize that the now openly disclosed intention of the Entente Allies' Governments gives back to Germany the freedom of action which she reserved in her note addressed to the Government of the United States on May 4, 1916.

"Under these circumstances Germany will meet the illegal measures of her enemies by forcibly preventing, after February 1, 1917, the passage of ships, France and Italy and in the Eastern Mediterranean, all navigation, that of neutrals included, from and to England and from and to France, etc. All ships met within the zone will be sunk."

NO ALTERNATIVE.

I think that you will agree with me that, in view of this, which suddenly and without prior intimation of any kind, deliberately withdraws the solemn assurance given in the Imperial Government's note of May

4, 1916, this Government has no alternative, consistent with the dignity and honor of the United States, but to take the course which in its note of April 8, 1916, it announced that it would take in the event that the German Government did not declare and effect an abandonment of the methods of submarine warfare which it was then employing and to which now it purposes again to resort.

I have therefore directed the Secretary of State to announce to His Excellency the German Ambassador that all relations between the United States and the German Empire are severed, and that the American Ambassador at Berlin will be withdrawn, and to hand to His Excellency the passports.

Notwithstanding this unexpected action of the German Government, this sudden and deeply deplorable renunciation of the assurances given this Government at one of the most critical moments of tension in the relations of the two Governments, I refuse to believe that it is the intention of the German authorities to do in fact what they have warned us they will feel at liberty to do.

I cannot bring myself to believe that they will indeed pay no regard to the ancient friendship between their people and our own, and destroy ships and take the lives of Americans in the wilful prosecution of the naval programme they have announced their intention to adopt. Only actual overt acts on their part can make me believe it now. If this inveterate confidence on my part in the sobriety and prudent foresight of their purpose should unhappily prove unfounded, if American ships and lives should in fact be sacrificed by their naval commanders, in heedless contravention of the just and reasonable undertakings of international law and the obvious dictates of humanity, I shall take the liberty of coming again before the Congress to ask authority to use any means that may be necessary for the protection of our seamen and our people in the prosecution of their peaceful and legitimate errands on the high seas. I can do nothing less. I take it for granted that all neutral governments will take the same course.

We do not desire any hostile conflict with the Imperial Government. We are the sincere friends of the German people and desire to remain at peace with the government which speaks for them. We shall not believe that they are hostile to us unless and until we are obliged to believe it, and we purpose nothing more than reasonable defense of the undoubted rights of our people.

We wish to serve no selfish ends. We seek to stand true alike in thought and action to our principle which I sought to express in my address to the Senate only two weeks ago—seek merely to vindicate our right to liberty and justice and an unmolested life. These are the basis of peace, not war. God grant that we may not be challenged to defend them by acts of wilful injuries on the part of the Government of Germany.

CUNARD LINE

Canadian Service
LONDON TO HALIFAX
(Via Plymouth)
HALIFAX TO LONDON

(Calling Falmouth to land Passengers)
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.

ANCHOR-LINE DONALDSON LINE

WESTBOUND:
Glasgow to Portland, Me.
also
Glasgow to St. John, N. B.

EASTBOUND:
Portland to Glasgow
Halifax to 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.

CANADIAN NORTHERN RAILWAY EARNINGS FOR DECEMBER.

The following is the statement of earnings and the expenses for the month of December, 1916, of the C. N. R.:

	1916.	1915.	Increase.
Total gross earnings...	\$ 3,485,400	\$ 3,435,600	\$ 49,800
Operating expenses	2,661,600	2,233,500	428,100
Net earnings	823,800	1,202,100	378,300
Aggregate gross earnings from July 1st..	21,631,500	17,251,600	4,279,900
Aggregate net earnings from July 1st..	6,296,100	5,524,500	771,600

(*—Decrease.

BURY GOES TO RUSSIA.

The C. P. R. issued the following statement re Mr. Bury:

"Referring to a despatch from Ottawa relative to Vice-President Bury's trip across the Atlantic, Lord Shaughnessy stated that as the Canadian Pacific is handling large quantities of Russian freight via Vancouver and Vladivostok, it was thought desirable a principal officer of the company should visit Russia with a view to acquiring such geographical and other information as might be of service in dealing with transportation problems, and Vice-President Bury decided to go himself."

TO INVESTORS

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

DOMINION OF CANADA DEBENTURE STOCK

IN SUMS OF \$500, OR ANY MULTIPLE THEREOF

Principal repayable 1st October, 1919.

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

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

Proceeds of this stock are for war purposes only.

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

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

DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.