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## The Journal of Commerce

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### Personal Sacrifice

WE are reaching a stage of the war when measures of a more drastic character than those hitherto employed may be necessary in all parts of the Empire to make all the resources of the people available. While there are signs that the enemy nations are weakening, it is too much to expect that they will quickly surrender. The war may yet last for many months. The end will come all the sooner if Great Britain and her Allies put forth increased efforts. That much has been done in Canada, in all directions, is readily admitted. We have sent the very flower of our youth to bear arms for the Empire's service, and many of them have made the supreme sacrifice of their lives. We have turned many of our workshops into munition factories, which are supplying the material without which the war cannot be carried on. Our people have sustained with splendid liberality a hundred movements for the benefit of our soldiers at the front, for the support of their families at home, and for the relief of those who are coming back wounded and disabled. The calls of the Government for assistance in the form of loans have been handsomely met. Our women have done, and are doing, noble work in many directions. All this we may have the comfort of knowing. But great as this service has been, and still is, it is not enough.

that the great meeting at the Guildhall to inaugurate the War Savings Campaign, that was held in the summer of 1915, was thronged by over-dressed people of both sexes, who arrived in elaborate motor-cars; and a few months later the extravagances of a great political wedding, and the menu at the Guildhall banquet of last year, set up a rock of popular opposition against which the eloquence of war-savings preachers beat in vain. Since then, the rise in prices and the big profits earned by shipowners and coalowners and others have roused a natural suspicion among the working-classes that they are being exploited, and have made still more difficult the task of those who urge the workers, in their own interests and in those of the nation, to self-denial for the cause of victory. Example at the top is still, though many rich people have set it with excellent results, plentifully lacking.

It is a picture of English life that is thus presented by the sober-minded financial journal. But does it not, in part at least, depict the condition elsewhere? Is there not even in Canada too much money spent on the luxuries of life, money that is needed for the many branches of war work? It is not only the diversion of the money from the field where it is needed to the field where it is not that is regrettable. The example that is set when money is so spent by those who can afford it is not a good one, especially at a time when the need of economy among the masses is preached everywhere.

When a rich lady in New York was criticized, a few years ago, for having given an entertainment characterized by great luxury and extravagance, she pleaded in defence that most of the money spent gave work and profit to hundreds of poorer people, whose labor went to supply the luxurious dress and decoration and food and drink which made up the entertainment. She claimed that the economy that was advocated in some quarters would mean the depriving of such people of their means of livelihood. How far an argument of that kind can properly be used in defence of luxury will always be a question for debate. If interference with any given line of industry deprives a large number of people of employment, when no substitute work is available, there will be some argument against interference. But such an argument cannot apply to our Canadian conditions. If there is a cessation of work in any class of luxuries there is abundance of work in other directions. There is no need that anybody blessed with health shall be idle. More time and more money for the things that are necessary in the prosecution of the war; and less time and less money for the things that do not really matter—this will be a good resolution for the New Year.

In every branch of war-work, in every avenue of service, there is need for renewed effort, for patriotic sacrifice. It is more than ever necessary that effort shall be concentrated on the things that matter, and that there be a stern resolve to set aside the lesser things. Is there all the personal effort and individual sacrifice that are called for? The masses of the people are being appealed to for the exercise of economy and thrift. Are those of the more well-to-do class setting a wholesome example? The London Economist has been discussing that question as it relates to affairs in England. "When all allowance is made," says that journal,

"the fact remains that the financial and productive resources of the nation have been left to be frittered away, according to the taste and fancy of the individual citizen, in a way that does us little credit as a nation of business men, and, if allowed to continue, may jeopardize the cause of liberty and justice which we and our Allies have now the honour to champion. Ministers have tried appeals and persuasion, which have had some effect, but not nearly enough. They might have had more if those who made and organized the appeals had set the example, which even a sense of humour, to say nothing of a sense of national duty, might have shown them to be needed. The public never forgot

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Is a Dominion Income Tax in Sight?  
By H. M. P. Eckhardt.

Banking and Business in the United States  
By Elmer H. Youngman.

"Hospital" Elevators  
By E. Cora Hind.

Optimistic Feeling in Hardware Circles.

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## British Diplomacy

IT IS the Englishman's privilege to grumble, and in most cases he is disposed to make use of it. In Mr. Wells' latest book he pictures his Mr. Britling as a man who is really proud of all things English, yet is constantly abusing them. Quite often during the war English writers and speakers have suggested that British diplomacy is much inferior to that of the Germans. Recently, the grumblers have taken to finding fault with the British Ambassador at Washington, who is said to be a less effective representative than the German Ambassador. All this seems to be merely the manifestation of the Englishman's propensity for grumbling. There is no reason to suppose that at Washington or anywhere else the representatives of Great Britain have failed to render efficient service. Indeed there are not wanting indications that on the diplomatic battlefield Britain and her Allies have constantly beaten the clever German and Austrian agents. One striking proof of this is to be seen in the unity that has been maintained by all the nations at war against the Teutons. It is no secret that the breaking up of that union has been one of the objects for which the Central Powers have been striving. Russia was informally approached to negotiate a separate peace, and for a while the German agents thought they had succeeded in breaking the alliance between Britain and Russia. But with the dismissal of Premier Sturmer and the appointment of Trepoff to succeed him that hope disappears. France was reminded by German agents that if she cared to do so she might obtain good peace terms by separating herself from Russia and Great Britain. But France remains loyal to her agreement. Hatred of England is the dominant feeling of the war party in Germany. All the arts of German diplomacy have been employed to isolate England, to separate her from her allies and to make trouble for her in neutral countries. The failure of every effort of this kind, the triumph of a diplomacy in which it is certain that Great Britain has had the leading part, is evidenced in the recent vigorous note of the Entente Allies in reply to the German peace note.

The unity of the Entente is unbroken. The Governments of ten nations—Great Britain, France, Belgium, Russia, Italy, Portugal, Japan, Roumania, Serbia and Montenegro—unite as one in a powerful statement of their determination to resist the German assault on civilization.

British diplomacy may not advertise itself from the housetops, but it does its work effectively.

## The Cause of the War

THE Ottawa Citizen expresses regret that the reply of the Entente Allies to the German peace note "should have devoted so much attention to a review of the causes of the war, and so little to what the Allies consider essential to an understanding before peace could be even discussed." Whatever may be said as to the latter part of this criticism, the first part of it seems to be unsound. There can be no fair statement of the position of Great Britain and the Allied nations that does not take account of the causes of the war. That the statements made concerning Germany's infamous action are true is admitted. But our contemporary says that in putting these facts forward the Allies were telling the world "what it already knew." There are many things which the world has long known, which nevertheless have to be told and retold. Some

of the greatest lessons of life, which have been known for ages, have to be taught over and over again, that they may be fully understood and may have their proper effect. Even in ordinary everyday affairs the need and value of reiteration are recognized. So it must be with the story of the beginning of the war. If the whole world knows Britain's side of the story, it will be none the worse for hearing it often. But does the whole world know the story in all its horror? Do the neutral nations know it well, when we find the President of the United States saying in a great state paper that all the belligerent nations are contending for the same object? Do the German people know all the facts? Is there not reason to believe that they have been grossly deceived by their rulers as to the efforts which were made by Great Britain and Russia to prevent the dreadful conflict? It is in the interest of truth, of a full understanding of the subject by all concerned, that the facts which show so clearly the innocence of Great Britain and her Allies and the infamy of Germany at the beginning of the war shall be published again and again, and shall be kept in view in the consideration of any peace proposals that may come.

## If the People Turn

A VERY remarkable passage occurs in an address delivered a few days ago at Budapest by Count Tisza, the Hungarian Premier, at a meeting of the Government party. Count Tisza may be called one of the most powerful Hungarian statesmen. That does not mean that he has always been so powerful. In the mixed and often turbulent population of Hungary a statesman does not usually reign for a long term. Violent party conflict and frequent change of officials are, in ordinary times, the common order of Hungarian things. Count Tisza has had his victories and his defeats. War, however, has had a steadying effect even upon the Hungarians. Count Tisza has just figured most prominently in the splendid pageant of the coronation of King Charles at Budapest. To him fell the high honor of bearing the ancient crown of Hungary, and placing it on the head of the young King. Besides holding great power in Hungary Count Tisza has been in close communion with the Austrian part of the dual monarchy, and has been one of the chief advisers in the war policy of Austria-Hungary. Hungary has had to bear a large share of the burdens of the war. Sometimes it has been suggested that Hungary has been bearing more than her share. She has not, however, hitherto faltered in her support of the war. If anything had been needed to spur her to greater zeal it was furnished when Roumania, joining the Entente Allies, made war upon the neighboring territory of Transylvania. Hungary seems to have been more cordially united with Austria as respects the war than in some other matters. All parties in Hungary have united very heartily in the demonstrations in honor of the new King. It was, no doubt, in connection with the coronation proceedings that Count Tisza found occasion to speak to his Parliamentary supporters. The peace proposals that had been made by the Central Powers and the scornful rejection of them by the Entente Allies were naturally the subject of consideration. It was in this connection that Count Tisza said:

"If our enemies insist on continuing the absolutely purposeless slaughter we shall continue hostilities, either until we succeed in convincing them of the uselessness and hopelessness of the war, or until the impulse of self-preservation induces the nations which are being sent to slaughter

to turn against their governments and make an end of the war."

It may be assumed that Count Tisza, in using these remarkable words, intended them to apply to the countries with which the Austro-Hungarian Empire was at war. But are they not susceptible of application the other way? There was, no doubt, a time when the people of the Central Powers confidently expected an early if not an easy victory over the enemy nations. That Germany had been anticipating war and preparing for it was as well understood as that some of the opposing nations, notably Great Britain, had no such expectation of war and little or no preparation for military operations. It was natural for the Teutons, in such circumstances, to look for a speedy conquest. Hungary, probably, was not very anxious for war, but fell into line when war came, expecting early victory and compensation in some form. But all these hopes and expectations have since been destroyed. In the third year of the war, notwithstanding their occasional victories, the leaders in all the Central Powers must now realize that in the end they will be beaten. They have been waiting for some favorable moment when they might venture to suggest peace. That moment seemed to come when Roumania was crushed. But it is certain that, even in what they might have thought the favorable moment, Germany and her allies would not have talked of peace if they had not realized the hopelessness of their conflict. They have made their advance towards peace and expressed their willingness to meet in a peace conference. The reply has come from the Entente Allies that there can be no such peace conference until Germany and her allies are prepared to recognize their obligation to make reparation for the crimes committed against the Allies, and give some satisfactory guarantees to protect the world from a repetition of the German infamy.

If the people of Germany and Austria-Hungary are permitted to receive the reply of the Entente Allies—the decision that has been taken and the reasons given for it by the ten nations subscribing to it—there must soon be an awakening of public opinion. The expectation of ultimate victory can hardly be longer successfully held out by the military leaders. The conviction which the leaders must already have of ultimate disaster will gradually sink into the minds of the people. Will there not then come the situation so well described in Count Tisza's words, when "the impulse of self-preservation induces the nations which are being sent to slaughter to turn against their governments and make an end of the war?" And when the war is brought to an end in this way, what will be the state of the kings and princes and military rulers of the Central Powers who have brought all this slaughter upon the world?

Delicate questions as to precedence were avoided by the Entente Allies in their reply to Germany's peace note, by the adoption of the alphabetical rule. The Governments of "Belgium, France, Great Britain, Italy, Japan, Montenegro, Portugal, Roumania, Russia and Serbia" express their views in the document.

There is at least one frank man in Wall Street. It is Mr. George W. Perkins who condemns President Wilson's recent note because, he says, the United States is not ready for peace. Unquestionably American business has been greatly increased by the war. It is not often, however, that a prominent man frankly says that for that reason he would like to see the slaughter in Europe continue.

# Is a Dominion Income Tax in Sight?

By H. M. P. ECKHARDT.

Canada's total expenditure on war for the fiscal year ending March 31st, 1916, according to the revised figures issued by the Department of Finance, was \$166,197,755 — an average of \$13,849,813 per month. For the eight months of the current fiscal year, up to November 30th, 1916, the war expenditure amounted to \$146,527,530, or \$18,315,941 per month. Continuation at the same average rate for the four remaining months of the fiscal year would result in a total war outlay of roundly \$220,000,000. In the budget speech of last February the Finance Minister estimated the war expenditure for the fiscal year ending March, 1917, at \$250,000,000, the ordinary expenditure of the Government at \$135,000,000, the capital expenditures at \$30,000,000, and the revenue at \$170,000,000 — the anticipated deficit being \$245,000,000. A study of the expenditures shown for the first eight months tends to create the impression that in each of the three items of outgo the aggregate expenditure for the year will fall short of the amount estimated. We have seen that taking it on the pro-rata basis for the remaining four months, the war outlay for the fiscal year would reach \$220,000,000 instead of \$250,000,000 estimated. Taking the ordinary and capital expenditures in the same way they would come out \$104,000,000 and \$24,000,000 respectively, instead of \$135,000,000 and \$30,000,000 as appearing in the estimate. Perhaps this apparent gain of \$67,000,000 will be largely, if not completely wiped out when the closing entries are put through; and it will be the safest course to assume that all three branches of expenditure in the last analysis will be practically up to the estimated figures.

There is no longer any doubt that the revenue will exceed the estimate by a handsome margin. Total receipts for eight months are \$144,912,573. This is at the rate of \$217,000,000 for a full year; and it appears reasonably certain that the aggregate collections shown at closing of the books will be in excess of \$200,000,000. With its total revenue of \$23,164,765, the month of November established a new high record. Besides the very large customs revenue, there were in that month important receipts from the excess profits tax. The item "Miscellaneous" revenue in November, 1915, amounted to \$5,650,200, as against \$1,413,326 in November, 1915. The presumption is that the increase of roundly \$4,200,000 arose chiefly from payments of amounts due under the excess profits tax. So it appears that the increase of debt during the fiscal year will not be more than \$215,000,000, and it may not exceed \$200,000,000. While the war lasts we have to expect that our net debt will increase at least \$200,000,000 per year, and another year of hostilities will bring to the fore the question of methods of raising additional revenue. There is considerable speculation as to whether the business profits tax will be expanded into a general income tax. This is a special tax imposed for a period of three years; and at its expiration in 1918 it is not likely that the financial position of the Dominion Government will be such as to permit the abandonment of any of the important taxes. Owing to the increased interest charge on the national debt, the pension requirements and other legacies of the war, the Government then will be giving its attention more to the matter of new taxes than to remission of old taxes.

It is worth while here to recall the several reasons or points, adduced by the Finance Minister in his budget speech of February 11, 1915, as influencing his decision at that time against a general income tax. The chief objection was the fact that the several provinces were likely to be obliged to resort to measures for raising additional revenue, and the Minister considered that the Dominion should not enter upon the domain to which they are confined to a greater extent than is necessary in the national interest. He explained that in certain of the provinces income is subject to taxation by municipalities, and in two instances by the provinces themselves. Then, there was the consideration that in order to bring into force an income tax the Dominion Government would be obliged to create machinery for assessment, revision and collection. It was stated that this would involve a heavy expense as compared with the amount that

would be realized. With reference to this the speech proceeds as follows:

"Taking the income tax of the United States as a basis it would appear that Canada could hardly expect to derive from a similar tax a sum in excess of two million dollars, from which would have to be deducted the heavy expense connected with its administration."

In view of the considerations mentioned the decision was that it was not expedient to put the income tax in force "for the present." Now let us examine the situation with the object of discovering whether circumstances have changed in any respects, during the 22 months that have passed since the speech was delivered, so as to be more favorable to the institution of a general income tax. First, take the matter of creating the machinery for assessment, revision and collection. It appears to be the case that the machinery called into being to administer the business profits tax would be useful in connection with the administration of an income tax. Perhaps with some expansion or enlargement this machinery would be capable of dealing with an income tax.

Next with reference to the estimate of a \$2,000,000 yield on a Canadian income tax framed on the United States model, it is to be observed that this was apparently based on the United States results in the first year, or rather ten months' period of its operation. The receipts from the American tax in that first period were roundly \$28,000,000; and taking Canada relatively according to population, a similar tax in Canada might be estimated to produce \$2,000,000. However, the United States income tax in the fiscal year ended June 30, 1916, produced roundly \$120,000,000—viz., \$52,000,000 from corporations and \$68,000,000 from individuals. And in September, 1916, the rate of taxation was in-

creased, it being estimated that in the fiscal year ending June, 1917, the "corporations alone will pay, \$125,000,000. Now if we take Canada pro rata, according to population, it would seem that \$120,000,000 as collected by the United States would indicate a Canadian revenue of \$10,000,000. And there is the further point that in the United States the exemption limit is \$3,000 per year. It would appear to be impracticable or undesirable, if an income tax were instituted here, to exempt all incomes up to \$3,000. In all probability our exemption limit would be placed lower; and this might be taken as pointing to a larger per capita revenue here.

In his list of objections the Minister also mentioned that in Britain taxable incomes are largely derived from investments. "They have therefore a settled and permanent character, are ascertainable with fair accuracy and are capable of being levied upon at their source. With us this is not the case. "Circumstances have not greatly changed in this respect during the two years. While it is true that Canadian investors have meantime taken up the two domestic war loans the \$200,000,000 of bonds so issued are expressly exempt from Dominion income tax. Should it be decided to put an income tax in force, the corporations would be required to shoulder increased responsibility and work. They would be obliged to take declarations from stockholders and holders of their bonds, and undertake other similar duties. It has seemed unfair that the tax on profits should be levied exclusively on business — large professional incomes escaping altogether.

Perhaps it will be deemed advisable to continue the excess profits tax while the period of abnormal prosperity lasts. So long as hundreds of industrial and mercantile concerns are making extraordinary profits, the Government will get more out of them by way of the business profits tax than it would in the form of a general income tax. But when, at or around the end of the war, the abnormal earnings disappear, the yield from the excess profits will probably slump, and apparently that will be the time for the Government to replace it with a general income tax, which would press more evenly on the different classes. At that time, too, there may be a slump in imports which would react severely on the custom revenue.

## Britain's Financing in the War and After

By HARTLEY WITHERS, Editor of the "Economist," in the N. Y. Journal of Commerce.

Huge as is the cost of the present war, Great Britain is paying for it as it goes on.

This statement is apt to be taken as a truism, but is actually a truism. It conflicts with a commonly received delusion on the subject of war, and the way in which it is paid for. This common delusion cherishes the belief that war can be and is paid for out of capital, or out of the production of posterity; that is, out of things made long ago, or out of things that are going to be made some day. In fact every war has to be paid for by somebody, as it goes on and out of current production. Accumulated capital is in the form of railroads, factories, plant, houses, tilled fields and other things that cannot be taken out and shot out of a gun, or used to feed or clothe soldiers. The production of posterity is equally useless for these purposes. Soldiers cannot eat the wheat that is still unsown, or wear hoots made out of the hides of cattle not yet born. War has to be made out of the current production of mankind, and every article that an army uses has to be paid for, at or near the time of delivery, by somebody.

This somebody who pays may or may not be a citizen of the nations at war. If a warring nation borrows money from others, then those others pay to that extent for the war as it goes on, and the borrower pays them back, with interest, out of its future production. This means that the future production of one nation is to that extent transferred to the citizens of another, but posterity is not as a whole poorer by reason of this transfer. Those who paid for the war while it went on are richer, those who borrowed instead of paying are poorer.

### Borrowing for War.

Again, if a nation sells its investments abroad in order to find money to pay for war, it buys current production by selling claims that its former production has given it for interest and repayment. When an Englishman sells Pennsylvania Railroad

bonds to somebody in New York, that somebody in New York pays for food and munitions that England needs. But the world's accumulated capital is not thereby diminished. The Pennsylvania road continues to earn profits and the only difference is that henceforward it pays interest, and will some day pay the value of its bond to an American instead of to an Englishman.

### Britain's Borrowing and Lending.

By these methods, though the war is paid for by somebody as it goes on, a nation can pledge its future production and realize the fruits of its former production. Both these methods Great Britain has used. She has borrowed chiefly from America, and sold securities chiefly to America. She will therefore have more interest to pay to America and less to receive from America. But it is safe to say that the whole extent of her borrowing and of her sale of securities does not come to as large a sum as that of the loans that she has made to her Allies and colonies during the course of the war. These loans were estimated by the British Chancellor of the Exchequer in a speech that he made Aug. 10 going to amount to \$4,000,000,000 on March 31st, 1917. It is now known that this estimate will be exceeded. Nobody knows the value of the securities that Great Britain has sold abroad, but the biggest estimate of it, combined with the sums she has borrowed, is comfortably within \$4,000,000,000.

Great Britain then is paying what the war costs her—apart from the sums that she is finding for her Allies and colonies—as it goes on, and at the same time many classes within her borders are enjoying unusual prosperity. In other words, all the food, clothes and equipment required by her army and navy are being found out of her current production, either by being produced at home, or by being bought abroad by the sale abroad of goods and services now being produced at home. This she is doing while

(Continued on page 16).

# Banking and Business in the U.S.

## Enormous Mineral Production Last Year

By ELMER H. YOUNGMAN, Editor Bankers' Magazine.

(Special Correspondence to The Journal of Commerce).

New York, January 6. Estimates place the mineral output of the United States for 1916 at a valuation of \$2,000,000,000, or more than twenty-five per cent greater than for the preceding year. This is digging the metals out of the earth at a rate which may lead to depletion in the not distant future. Conservation of natural resources, so far as relates to mineral wealth, does not yet seem to have made much impression. Large as are the deposits of valuable ores, they cannot be inexhaustible, and as a means of self-preservation, it may soon become necessary to take steps to check the intensity of certain kinds of mining. Greater general business activity and the war are responsible for the exceptional mineral output of 1916.

### Reserve Banks Showing Better Profits.

Reports of better earnings of the Federal Reserve Banks will go far to reduce the tension between these institutions and some of the member banks which did not relish a compulsory contribution of capital, upon part of which they were to receive six per cent, if earned. For a time some bankers thought the prospect of ever getting anything in the way of dividends was not good, and there were even threats of withdrawal from membership, that, had they been carried out, might have disrupted the entire system. This dissatisfaction over earnings will now gradually disappear. It was perhaps not quite reasonable to expect that a new type of bank, of limited functions, should show very high earning powers at first. As a matter of fact, direct profit to the member banks is by many regarded as of minor consequence compared with the support given the whole banking fabric of the country by the Federal Reserve System.

### Growth of Banking in New York State.

In a period of about two years, or from September 30th, 1914, to November 29th, 1916, resources of institutions under the supervision of the State Banking Department of the State of New York increased approximately \$1,500,000,000, or from \$1,380,417,973 to \$5,821,584,712. Trust companies increased their resources over \$588,000,000 in a year. The tremendous impetus given to business in many lines by the European war explains a considerable part of this exceptional growth. These figures, of course, do not include the national banks, which are under the jurisdiction of the Federal Government. The State banks of New York have long occupied a strong position. It is no secret that the National Bank Act itself was at least partially based upon the banking law of the State of New York. Some defects in the latter law have developed from time to time, but they have been generally corrected with promptness by the State Legislature.

Trust companies continue to gain largely in volume of business, as do the mutual savings banks. It is sometimes referred to as a curiosity of banking in the United States that these latter institutions have scarcely extended beyond the Alleghany Mountains, and with few exceptions, are unknown west of the Mississippi.

### Free Telegraphic Transfer of Funds.

With the announcement of the free telegraphic transfer of funds, recently made by the Federal Reserve Bank of New York, there is brought to the front vexing exchange problems once more. Charges heretofore made by some banks for furnishing exchange were justified on the ground that shipments of currency were costly and should be paid for by the person receiving the benefit. Now, if funds are to be transferred upon the mere payment of the telegraph tolls, this contention can no longer be maintained. Bankers in this country are slow to realize that the Federal Reserve Banks have introduced, to a limited extent, of course, the branch banking system, and that under this system it is much easier to make transfers of funds. It has been said, in justification of exchange charges, that you cannot get money from one place to another by the mere act of wishing; and while this is true enough, the head office of a bank can transfer funds by an act much less clumsy than the shipping of currency, and this is what is gradually happening here. Such convenience as this innovation implies

has been enjoyed for many years by several European countries, where transfers by telegraph have been common, not only for banks, but for individual depositors.

### Land Banks Getting Under Way.

Designation of districts has been made for the new land banks, authorized by the Rural Credits Law, and the cities named where the banks are to be located. Inauguration of another kind of bank in this country illustrates afresh the fondness of the people of the United States for variety in their financial institutions as in their money. There are so many sorts of banks that it is difficult offhand to name them, much less to define the spheres and functions of each. First, there is the Treasury, which is in some respects a bank, as it accepts deposits of gold and silver in exchange for paper certificates, and at seasons virtually makes loans to the banks. The postal savings banks and the Federal Reserve Banks are substantially Government institutions, though the share capital of the Reserve Banks are substantially Government institutions, all by the National banks. Then there are the National banks, State banks of deposit and discount, trust companies, Mutual Savings Banks, Stock Savings banks, private banks, and before long land banks will be in operation. It would seem this ought to provide all the financial machinery needed, and yet there are many who believe that a bank for trade and enterprise, modelled somewhat after the proposed British bank, is much wanted to complete the country's financial mechanism. Such an institution, it is claimed, would not only prove serviceable in extending American trade and enterprise in foreign fields, but might advantageously take over much of domestic financing now done by the ordinary commercial banks or the trust companies.

### The Leak to Wall Street.

Both financial and political circles have been much perturbed of late by reports of premature disclosures of diplomatic correspondence at Washington, whereby speculators in Wall Street were enabled to reap considerable profits. It is not the first time that New York financial circles have been alleged to have advance information of important events at Washington. The action of the market has sometimes foreshadowed with remarkable accuracy the court decisions on important cases affecting the railways or other corporations. Very likely, in these cases, the Wall Street operators have simply taken the decisions on other similar cases as a criterion of what would be done in a latter case, and have been willing to take the chances. Often they have shown themselves shrewd guessers; but the present instances is not quite on a parallel, and there are definite statements of a Government leak to Wall Street. What an investigation of the matter may disclose, it is yet too early to state.

### Savings Departments in National Banks.

Prior to the enactment of the Federal Reserve Law, some National banks were conducting departments to care for small savings accounts. On having the matter brought to his attention, the Comptroller of the Currency ruled that while the National Banking Act did not authorize this practice, it did not forbid it. But with the enactment of the Federal Reserve Law, this practice was recognized and legally sanctioned. The purpose of this was not only to provide, through the National banks, savings facilities in communities where there were no mutual or stock savings banks, but also to give the National banks an added opportunity for business and profit. In a number of localities the State banks of deposit and discount are authorized by law to do a savings bank business, and it was the aim of the provision of the Federal Reserve Act to place the National banks on an equality with the State banks in this respect.

In a recent ruling the Attorney-General of the State of New York declares that the banking law of that State prohibits the use of the term "Savings bank" or "Savings department" by a National bank. This, of course, is only an opinion, but until the matter is judicially determined will have the force of law in the State named.

As a general rule the Federal law is supreme over

banking matters where Congress chooses to legislate. But there may be a question in this case whether it was the intention of Congress to pass a law that would place the National banks in conflict with the institutions organized under State authority.

### Increase in Agricultural Prosperity.

Farm crops for the past year were smaller in volume but larger in value than for the preceding year. Six of the leading cereals, while showing a decline of 19.6 per cent in yield, show a gain of 23.8 per cent in value. The total value of all crops for 1916 was 32 per cent above the 1915 value. Potatoes lost 20.6 per cent in yield and gained 87.8 per cent in value. Assuming that the war may last for some time yet, farmers might study with profit the crops that have shown exceptional advances in values, much greater than the slightly lessened yield would seem to warrant. Not long ago, Southern farmers were advised to plant less cotton, counsel which does not seem very wise now, for the advance in the value of cotton in 1916 over 1915 was 78.6 per cent on an increase in yield of 2.8 per cent.

### Acceptances Growing in Favor.

Statistics recently compiled by the Comptroller of the Currency show that bank acceptances are growing in favor and playing an important part in financing foreign trade. On a recent date the New York banks reported total acceptances at \$153,807,400, and fairly large amounts were reported by the banks of Philadelphia and a few other cities. A good deal of the new mechanism of finance introduced by the Federal Reserve Act has been found especially serviceable during the period of war financing. Undoubtedly, the banks as a whole, have a greater feeling of security than they had prior to the enactment of the law, and this has made them freer to engage in foreign financing.

### Bank Loans and The Munitions Trade.

Reports have been current of late that the ruling of the Federal Reserve Board frowning on bank advances on foreign Treasury bills has resulted in the cancellation of munitions contracts made by the Entente Allies in the United States and the turning of these orders over to Canada. The recent \$50,000,000 advance by the Canadian banks and the very large trade in Munitions do not necessarily indicate however, that American finance is to be less actively concerned than heretofore with the war operations on the other side. The Federal Reserve Board's ruling was intended primarily to safeguard the liquid character of the assets of the larger banks, not to stop the war trade. There will be other large loans, though in different form.

### Growth of the Manufacturing Exports.

Figures compiled by the National City Bank of New York show that the United States, in the year 1916, made a new world's record for the export of manufactures — \$3,000,000,000, compared with a total of \$2,000,000,000 made by Great Britain in 1913, the previous high record. Of course, the phenomenal figures for last year were due in large part to the war exports, but it is not without interest that prior to war, America's share of the world's exportation of manufactures was gaining more rapidly than those of the other great exporters of manufactures. Great Britain's exports of manufactures grew from \$1,140,000,000 in 1903 to \$2,012,000,000 in 1913, an increase of approximately 77 per cent; those of Germany from \$784,000,000 in 1903 to \$1,681,000,000 in 1913, an increase of 115 per cent; those of France from \$470,000,000 in 1903 to \$772,000,000 in 1913, an increase of 65 per cent; while those of the United States grew from \$468,000,000 in 1903 to \$1,185,000,000 in 1913, an increase of 153 per cent. These figures illustrate the changing of the character of American exports from food and raw materials to manufactured products.

### Railway Construction at a Standstill.

While there was slight gain in railway construction in 1916 as compared with 1915, the amount of new mileage built was smaller than for any other year since 1864. This notwithstanding that the railways are showing largely increased net earnings. The claim is made that this represents only a temporary improvement, and that until the future Governmental policy toward the roads is more clearly defined, they would not be justified in making new constructions or adding largely to the equipment of existing lines. From the very large car shortage, and the embargo on the movement of certain kinds of freight, it is evident that the facilities of the roads are inadequate to meet present demands. Possibly the railway executives are rather more pessimistic than the fact warrant, though there are undoubtedly suffered from a multiplicity of State regulations. Still, the steady growth in earnings and the heavy

(Continued on page 20).

# "Hospital" Elevators

By E. CORA HIND, in the "Manitoba Free Press."

Years ago when all elevator storage at the head of Lake Superior was owned by the C. P. R. that company built a small cleaning elevator to take care of the screenings from the big houses and by the year 1912 the company owned three such elevators. They were not under license, there was difficulty in giving them any statutory license; consequently they were not under any effective supervision by the warehouse commissioner, and all the railways were helping along an irregular business which they had in their power to close up.

The irregularity consisted in the railways diverting cars to these houses and accepting for them, in lieu of bills of lading (the only legal document for such diversion) a bond which the railway companies themselves devised. For example, Davidson and Smith, Black and Muirhead, or any one of these houses learning of a car of grain consigned to any commission firm, which they thought they would like, would approach the commission firm and offer a small premium, frequently not more than 1/2 cent per bushel, to have the car diverted to them and the railway company accepted the diverting order and the special bond above referred to, instead of the bill of lading, which is, after all, the only legal document for the diversion of a car from the original consignee to another.

If to-day the railways were to combine and say we will not divert any cars to mixing or hospital houses, except on receipt of the "Bill of Lading" it would put a very considerable crimp in more than 75 per cent of the business done by these houses. As it is, more than one big firm has a standing arrangement with one of these "hospital" elevators that they will turn over any car they (the hospital) want on a fixed premium of, say, 1/2 to 3/4 of a cent. A few of the hospitals make a point of seeing and judging the merits of a car before asking for the diversion of it to their house, but the bulk of the business is done on the principle that any car will be diverted to their house.

At the conference of grain interests over the matter of unequal distribution of cars at Fort William last winter it was claimed that the "hospitals" did not always go through the preliminaries of asking the consignees for diversion of cars, but pounced upon them and asked for diversion afterwards.

## Terminals But Not Terminals.

By one of those curious anomalies that creep into acts of parliament, all these private or "hospital" elevators are "terminal" elevators. Clause Y of Section 2 of the Grain act states "Terminal elevator includes every elevator or warehouse which receives grain, and is located at any point declared by the Governor-in-Council to be a terminal." Fort William and Port Arthur have been declared terminals; therefore all the elevators at the head of the lakes are terminals, whether they have any facilities for acting as terminals or not. As one witty member of the grain commission remarked recently all these private or "hospital" elevators might as well be called aeroplanes as "terminals"; they are as well fitted for one office as the other. They have, with two exceptions which are new, no storage capacity. They do not issue warehouse receipts — in fact, they dare not, for if they did it would be quite possible for some one, a rival, for example, to buy up sufficient warehouse receipts to put a house out of business by simply compelling them to retain in their working house bins the grain that those receipts represented.

It was not until after the passing of the Grain act of 1912 that any of these private houses had "hospital" licenses. Under that act "hospital elevators" were defined as "including every elevator or warehouse which is used for the cleaning or other special treatment of rejected or damaged grain and which is equipped with special machinery for that purpose." There is nothing to indicate that these houses shall not handle other grain as well, nor that they must necessarily give it special treatment; some of them have cleaning machinery only. Under Clause 3 of Section 124 of the act houses having "hospital" licenses are permitted to have grain headed out. This is subject to Section 99, which deals with the systematic reduction of the quality of grade, and Clause 5 of Section 115, which states what kinds of grain may not be graded.

## Power to Make Rules.

The power to make rules for the regulation of "hospital" elevators was left with the board of grain commissioners. It will be noted from all of the foregoing that there is nothing in any of the clauses which prevents these houses being erected on the water front, and, as a matter of fact, all the later and larger houses are on the water front and do ship in boats. While they are terminal in name, they do not issue warehouse receipts because they have no storage therefore they are not and cannot be subject to the regulations which govern public terminal elevators. These regulations require that owners or lessees of such elevators must not buy nor sell grain that he must account for every bushel of every grade going out; he must be subject to being officially weighed up whenever the board of grain commissioners deem it necessary and any shortages of his house are public knowledge.

It is not very difficult to see that under these conditions it is better to have a hospital than a public terminal elevator. It is not surprising, therefore, that the number of these elevators has rapidly increased with more now under erection, and that all the later houses are larger and have every modern facility for the quick handling and mixing of grain. These houses claim that last year they handled a quarter of all the grain business at the head of the lakes, or in other words, they handled through these houses and mixed in one form or another somewhere in the neighborhood of ninety million bushels of wheat alone, to say nothing of other grains; if figures are based on receipts at these ports, if they are based on amounts of grain actually shipped, it would be somewhat less, but still an enormous amount, and all this under a grain act that is fundamentally opposed to the mixing of grain. It would be funny if it were not iniquitous.

## Should be Made Public.

The board of grain commissioners has been watching these houses with great care, and if the board reported to the department of trade and commerce the amounts of grain handled through them, cargoes shipped, etc., these reports have never been included in the published annual reports of the commission and are without doubt pigeonholed somewhere in the department. It is to be hoped that at the forthcoming session of parliament some of the western members will insist upon their production. They should make very interesting reading.

Evidently the commissioners felt that it was time something was done, and they did the only thing in their power to do: They refused to issue new licenses for "hospital" elevators. The act gives them power to state the number of "hospitals" there shall be at any one point.

This, in effect, drove the owners of these private houses to Ottawa to seek for the amendment of the Grain act to permit of them mixing grain. The full and final text of their defence of private houses has never been seen by any but the eight men who went to Ottawa on this delegation. The claim is that they had to present it to Sir George Foster hurriedly, that it had been much changed and altered on the way down and there was no time to have it copied and that only notes were retained; but the interests behind these elevators are undoubtedly among the strongest in the grain trade and it is claimed they put up a powerful case. It has leaked out gradually that Sir George Foster only approved the possibility of these amendments coming before the house on the understanding that they should be practically unopposed; the deputation would have to secure assurances that the Grain Growers' associations and similar organizations would not object. The whole matter, so far as detail was concerned, was kept very quiet. A short time after the deputation returned a list of amendments was submitted by the board of grain commissioners to the Winnipeg Grain exchange and other bodies for consideration, and there the matter rested. The memo of suggested amendments is as follows:

1. Amend Section 2 (y) to read as follows:—

(y) "Terminal elevator" includes every elevator or warehouse which receives or ships grain for the

public, and is located at any point declared by the Governor-in-Council to be a terminal.

2. Add the following as 2 (bb):

"Private elevator" means an elevator or warehouse which is equipped for receiving, handling and shipping all grades of grain, and which does not receive, handle or ship any grain for the public.

3. Amend Section 124 to read as follows:

124. (1) Every hospital and private elevator shall be required to take out a license and furnish a bond in such amount as the board determines.

(2) Every hospital and private elevator shall be governed by such regulations and restrictions as are imposed by the board.

(3) Notwithstanding anything in this Act, but subject nevertheless to the provisions of Section 99 and Sub-section 5 of Section 115, grain which is being shipped out from a hospital or private elevator shall, at the request of the owner or possessor thereof, or of his authorized agent, be inspected and graded, and the grade so arrived at shall be the grade thereof.

4. Amend Section 99 to read as follows:

(99) All grain placed in public, private or terminal elevators in the division shall be subject to inspection both inwards and outwards.

The council of the grain exchange was not by any means united in their views as to the wisdom of these amendments and the matter was referred to the whole exchange for consideration and action.

## Hospital Elevator Grain Controlled.

On January 5 all hospital elevator interests received the following letter, over the signature of the secretary of the Dominion Grain Association:

"Under directions from the board, I am to-day notifying the chief inspector and chief weigh master that on and after February 1, 1917, all hospital elevator owners and operators will be prohibited from mixing or blending grades in their elevators. Any deviation from a disregard of this order will mean immediate suspension of license."

Commissioner J. P. Jones, who is the only member of the board at present in Fort William, when asked as to the actual meaning and effect of this notice to owners and operators of hospital elevators, said that its effect will be to make hospitals live up to the technical interpretation of the act as it stands to-day. Thus, hospital elevators will be able to do nothing but terminal storage and to fulfil their ostensible function of taking care of damaged grain. "The status of hospital elevators," said Mr. Jones, "has never been properly defined, but they have been protected in their operation by rules and regulations laid down by our board. They were permitted to buy and sell grain which they held in storage, contrary to what is permitted to terminal elevators. This privilege they will still retain, but they will, after February 1, be compelled to keep each grade intact, and only blend it with grain of like grade."

He was of the opinion that the majority of hospital elevators have too small a storage capacity for them to pay a reasonable return on the investment in machinery installed out of the storage fees allowed on grain.

## TEACHING THRIFT.

The United States National Education Association and the American Society for Thrift are offering cash prizes amounting to over \$1,000, as well as special medals for the best essays on thrift, written by school children. These organizations have announced that "each county superintendent in the United States is receiving an urgent request asking him to assume the leadership and perfect the organization in his county.

"Every child in the United States will, under this plan, be permitted not only to compete for the cash prizes, aggregating more than \$1,000, which are being offered for thrift essays, but the winner in each county will be given a special medal and will be invited to appear on the programme of the county institute and read his prize winning essay.

"An indication of the widespread interest in this matter is shown by the fact that the National Education Association has placed an order for 2,500 medals, and Secretary D. W. Springer states he believes the number of counties competing in the great American essay contest will even exceed this number."

More than 20,000 children participated in the thrift essay contest last year, and eleven contestants, representing eight States, received prizes.

## Public Opinion

### AMERICANS AND THEIR HISTORY.

(Toronto Globe).

Nothing in all America is more significant, nothing more suggestive of the new day in American life, than is the sense of historical perspective which is finding new and distinct expression in widely separated parts of the United States.

Two generations ago, for instance, the history textbooks used in the schools of the United States were the very saddest travesty imaginable. At their best those school books were partisan political pamphlets, crammed with misreadings of historical facts and steeped in ignorance and prejudice. In their view George Washington was not only the Father of his country, but the father of all free countries everywhere, and the Revolution was humanity's first effort after liberty and self-government. As a result, American scholars themselves being judges, the great body of public opinion in the United States, dependent, as it was, on the lower grade schools, and without university discipline in its teachers, was a real menace to the nation in every time of serious national crisis. The very worst features in the aftermath of the Civil War, in North and in South alike, might have been averted had the mind of the American people been disciplined by the serious study of American institutions, and especially by the history of the long centuries of struggle for civil and religious liberty and for self-government which give unity of purpose and a wealth of meaning to the annals of the Anglo-Saxon and the Anglo-Celt, both in Britain and in America. That was the peril of American politics in post-Revolution days.

And this same peril of unstable public opinion is recognized by many careful American students today.

No greater service can be done to the freedom, the democracy, and the good-will of the world, at this time of world stress, than the great service now being rendered, deliberately rendered, by the teachers of history and the exponents of opinion in the United States and in Canada, in their effort to make the peoples of both nations read clearly their common title to the essentials of liberty and free government. Their unity is not in geography or even in blood, but it is in their common ideas and in their institutions of law and life and history.

The ignorance and the prejudice in both the countries of America, and in all the democracies of Britain and the Allies, will be swallowed up in the clearer knowledge of their common history. Then the narrower nationalisms that made wars inevitable will find their true fruition in the co-operation of the nations for the largest liberty of each in the common good of all. And in this high and worthy thing Canada and Canadian teachers also must play their part.

### AN INTERNAL ENEMY.

(San Francisco Star).

Premier Lloyd George has the power granted him to regulate the "drink problem" in England; now will he have the courage and the strength to do it? He warned England before he dreamed of his present position in these words:

"We are not only fighting Austria and Germany, we are fighting an enemy more powerful than either, and that is Strong Drink." (Even the capitals are his).

Then a commentator adds: "If the war shall make Great Britain a sober country, it will be worth the frightful cost." This morning's paper, a London despatch, says, "absolute prohibition is on the new premier's programme."

### FAVORS FULL CONSCRIPTION.

(Ottawa Citizen).

The Citizen holds up both hands for conscription, that is conscription of excess incomes, excess profits, and economic (ground) rent. Conscription of this nature would stimulate recruiting and quickly fill up Canada's quota. It would, moreover, enable a grateful country to "remember the returned soldier."

### VIOLENT PACIFISM.

(New York Commercial).

When a young product of New York's free schools and college writes to the New York "World," that "nobody will ever succeed in placing a gun on my shoulder and ordering me about or telling me to do things against my will," he makes it appear that history is not taught in our educational institutions. More than half a century ago other young men in this city made similar avowals at a critical time in our history and tried to put them in practice. What followed was called the draft riots in which several hundred recalcitrants were shot down in the streets of this city. The history of the United States proves that excessive patience turns suddenly to extreme ferocity. In these war times a crisis may be precipitated any day in which such men as this bumptious young alien would pay the price of disloyalty to the flag that gives him a chance to rise.

Our army and naval records prove that men of foreign birth and extraction are as loyal as any others. The trouble is not racial, it is educational. Too many youths attending certain free institutions have adopted the attitude of this young man; and he appears in the light of their spokesman, otherwise he would not be worth noticing. It is a fad of the hour, but the hour is a bad one for airing it.

### A CHANCE FOR THRIFT.

(The London Chronicle).

It is pointed out that the epicure at a sitting may eat, drink and smoke the equivalent of munitions to a startling amount; the follower of fashion may waste still more on dress; and yet a greater indictment can be leveled against luxurious indolence. A series of comparative values has been worked out broadly thus:

10s saved, say on feasting, equals eighty cartridges.  
Bottle of champagne equals 100 cartridges.  
Box of cigars equals 400 cartridges.  
Lady's new hat equals four steel helmets.  
New dress equals four service rifles.  
Diamond tiara equals one field gun.  
Motor car equals airplane.  
Piano equals 100 shells.  
Lap dog equals twenty shells.

### AMERICAN POWER.

(New York World).

The German General Staff may regard the American army as a joke. The German Admiralty may demonstrate that with the combined British, French, Italian and Russian navies against the Central Powers, the addition of the American navy or all the navies left in the world could make no appreciable difference. But wars are not won merely with armies and navies. They are won with money, and the entrance of the United States on the side of the Allies would practically double the economic resources of France and Great Britain. That contribution would be instantly available. It would not be necessary to recruit a soldier, or man a single reserve ship of the navy before throwing that tremendous power into the scale against Germany.

### STATE SERVICE ABOVE PRIVATE INTERESTS.

(Smith's Falls News).

National Service means that we are to get into that frame of mind which will cause us to think of the needs of the country, to realize that the interests of the state have a greater claim on us than our self-interest. This applies to everyone, from the highest in the land to the lowest. The Prince of Wales' motto "I serve" may well be the motto of every citizen of the British Empire at this time. There are many ways of serving the nation besides going to the front. The man on the farm and the mechanic in the workshop may be serving the nation as usefully as the man in the trenches. Every man should be doing the work which represents his most efficient service to his country.

### CANADA AND ENGLAND—A CONTRAST.

(Industrial Canada, Toronto).

England provided herself with a coalition government at the outbreak of the war; Canada hasn't achieved that progress yet. England had conscription a year ago; Canada will make an appeal for voluntary national service on the first of January. England solved the munition labor problem long ago by enlisting her munition workers and bringing them under control and discipline; in Canada thousands of dollars are being spent on newspaper advertising in an effort to alleviate the labor problem of the munition manufacturer by a short-sighted plan that will more likely add to his difficulties than lighten them. England long since took practical steps to enforce thrift; outside a couple of war loans, Canada so far has done nothing but talk. England has taxed every income in excess of \$600, in some cases the levy being over 50 per cent; Canada is apparently satisfied to delegate the major portion of her share of the expense to posterity.

### FINANCE IS FUNDAMENTAL.

(The Wall Street Journal).

There are three religious organizations in the world whose business bases are to-day the envy of all their rivals, for their financial organizations are nearly perfect. These are the Roman Catholic Church, Christian Science and "Billy" Sunday's organization. Law and medicine will be greater successes when financially organized — greater successes for the profession and for client and patient.

It is, therefore, with gratification we note what will surprise most medical practitioners, that the famous Mayo Brothers of Rochester, Minnesota, have now reached an income basis of \$100,000 per month.

The work, of course, is not accomplished alone by two surgeons, however great their skill. They have 12 assistants of the highest medical and surgical ability. But they permit no patient to set a price upon the services of their institution.

E. H. Harriman had not money enough to induce them to leave their hospital and attend him in New York; and James J. Hill was not permitted to say as to how much he was to be charged.

### TRIBUTE TO LLOYD GEORGE.

(Pittsburgh Chronicle Telegraph).

Lloyd George first financed the war as chancellor. Then, as munitions minister, he made up the shell shortage. Recently he settled the Irish question. Then he was the head of the war department. Now he is premier.

A convict came out of jail recently. A friend met him at the gate. The convict, as he shook hands, said:

"Well, mate, wot's happened since I got tucked away 20 years ago?"

"There's war been declared," said the friend.

"Yes, what else?"

"We got a new king."

"So Edward's gone, eh? Who's took on his job?"

"George."

The convict gave a chuckle of pleasure.

"Good old Lloyd," he said. "I allus knowed he'd come out on top in the end."

### THE IDLING LIFE OF A REPORTER.

(New York Herald).

Those Columbia School of Journalism students who went on strike recently because they considered an essay on Journalism in Philadelphia too arduous an assignment, will probably seek a new profession after reading in the Herald recently of the quarter hour's work of a Herald reporter.

This reporter, who earlier in the night had reported a dozen individual New York histories without threatening to strike, discovered a fire, turned in an alarm, blew a police whistle, ran to the burning residence, alarmed the sleeping family, carried a fainting servant from the fourth floor to the street, assisted the police in rescuing five other persons and then telephoned a detailed account of all these happenings to the Herald office—all in fifteen minutes.

This incident is cited not to indicate that this Herald reporter is more dexterous than other men in the profession but to give to the School of Journalism students an idea of the work a real reporter can perform when he has nothing else to do.

## Mentioned in Despatches . . . . .

**C. C. Blackader**, who has been elected to the directorate of the Royal Bank of Canada in succession to the late Hon. David McKeen, is one of the best known publishers in the Maritime Provinces. He is head of the Halifax "Acadian Recorder," the oldest newspaper in Nova Scotia. Mr. Blackader was formerly a director of the Union Bank of Halifax until the time it was taken over by the Royal Bank. He now goes on the board of the Royal. In addition he is prominent in fire insurance matters, being formerly head of the Acadia Fire Insurance Company; and is also a director of various other corporations. He is a prominent Liberal and also prominent in the Anglican Church, and in the benevolent organizations of Halifax.

**Gen. Gerard Amanrich**.—Everyone who has visited France has been impressed with the wonderful spirit of the people. They have set themselves absolutely to the task of winning the war, and men and women of all ages and conditions are grimly doing their "bit." A recent example of the unconquerable spirit of France is shown in the action of Gen. Gerard Amanrich, a commander of the Legion of Honor, who had been retired from rank on account of old age, in rejoining the army as a private in an artillery regiment. The general is sixty-five years old, but is showing his fellow countrymen that years cannot conquer his spirit.

**M. J. Haney**, the new president of the Home Bank of Canada, is one of Canada's best known big business men. Mr. Haney was born in Ireland in 1854 and was brought by his parents to New York, but finally deciding that his future was to be found north of the 49th parallel, crossed to Canada, where he worked on a farm. Later he went in for railroad construction and built many sections of road throughout Canada, including a big portion of the C. P. R. Mr. Haney is a director of the North American Life Assurance Company and of many transportation and industrial corporations. He is probably best known for his interest in Roman Catholic educational and benevolent institutions.

**Lieut.-Col. L. T. Martin**.—The war is gradually teaching the military authorities in Canada the advisability of getting the most suitable men for various duties. Lieut.-Col. L. T. Martin, of Montreal and Renfrew, who has just been appointed to command a new construction battalion is "to the manner born." His battalion will be recruited from all over Canada for the purpose of building railroads, bridges, and other important duties connected with the transport service. Col. Martin has been in railway constructing work for the past ten years, being a director of the Kennedy Construction Company and a member of the firm of O'Brien and Martin. He has been engaged not only in railway building and constructing, but in dredging and other work of a similar nature.

**James A. Farrell**, president of the United States Steel Corporation, is looming large on the business horizon of the American Republic owing to the tremendous earnings which his company has been making during the war. However, it did not take the war to make Farrell an international salesman. He is said to be the greatest salesman the United States ever produced. As a boy Farrell visited nearly every country in the world with his father, who was a sea captain. Both at that time and later when he was working as a boy laborer in a wire mill he read everything he could get his hands on relating to foreign trade. Later when he became head of the United States Steel Corporation he went after the export business, with the result that he built up a trade of almost one hundred million a year; this in pre-war times. Farrell is unspoiled by success, takes an intensely practical and human interest in the welfare of his employees, and in every way is one of the biggest business men in the neighboring republic. Six years ago when Farrell retired as president of the Steel Products Company to accept the presidency of the United States Steel Corporation, a billion dollar company, his former employees to the number of several hundred gathered to say farewell and present him with a loving cup. When the farewell speech was being made one of his stenographers burst into tears and in two minutes there was not a dry eye among the hundreds present. Mr. Farrell was born in New Haven, Connecticut, in 1863.

**Z. Hebert**.—The growth of the Entente Cordiale in so far as it relates to the citizens of Montreal is shown by the elevation of Mr. Z. Hebert to the presidency of the Montreal Board of Trade. Mr. Hebert is the first French Canadian to hold this office. In business life he is head of the wholesale grocery firm of Hudon, Hebert and Co., was born in the city of Montreal in 1866, educated here, and then as a junior clerk entered the firm of which he eventually became the head. He takes a keen interest in military matters, in hospital work, and in other worthy objects. He has been a member of the Board of Trade for the past twenty-five years.

**Col. H. S. Birkett**.—Canadians generally will be glad to know of the honor which has come to Col. H. S. Birkett, of Montreal, who has been made a Companion of the Bath. The doughty colonel was born in Hamilton in 1864, but educated in England. At the outbreak of war he was Dean of McGill's medical faculty and a big man in the medical life of the city. In addition to his medical duties, the Doctor took an almost equally keen interest in military matters. As a matter of fact, he used to work about twenty-four hours a day, dividing his time between McGill, his extensive medical practice, and his military duties.

**Dr. Frank D. Adams**, who has been elected president of the Geological Society of America at a meeting recently held at Albany, New York, is dean of the Science faculty at McGill. He is a native of Montreal, born in 1859, and educated at McGill, Yale and Heidelberg. Dr. Adams is probably the best known geologist on the continent, has written numerous papers and articles on geological formations, and has explored almost every square foot of the lesser known regions of Canada. He is extremely popular with his students and fellow professors, and is also very highly thought of by the citizens of Montreal. In addition to his academic work, Dean Adams takes a very active part in all matters relating to the betterment of the city.

**Mayor Walters**, of Hamilton, will henceforth be known as Major Walters. This young man has decided not to stand for re-election, but instead will go overseas with a Hamilton battalion as second in command. Men like ex-Mayor Walters have given cause for calling Hamilton the Ambitious City. He came in from the farm a few years ago, took off his coat and went to work, and in a very few years became mayor of the city to which he had come as a penniless lad. He is a wide awake, progressive individual, thoroughly imbued with need of civic reform, and for some years has been a prominent factor in the Union of Canadian Municipalities. Mayor Walters is the second mayor of an important Canadian city to don the khaki, Mayor Graham of London, being the first to change from the civic to the military arena.

**Trappist Monks' Home at Oka**.—The recent fire which destroyed the Trappist Monks' home at Oka has called fresh attention to this religious order and the part they have played in the religious activities of the Dominion. In so far as Eastern Canada is concerned the headquarters were at Oka, a picturesque hamlet on the Lake of Two Mountains, an expansion of the Ottawa River. At Oka they carried on an experimental farm, made the famous Oka cheese, grew the famous Fameuse apples, and waxed rich through the pilgrims and tourists who visited them. The Trappist Order believe in the rule of silence, and the men work in their cheese factory and in the fields absolutely silent. They rise at 2 A. M. for prayers and retire to bed at sundown, abstain from meat, fish, eggs and butter, and eat but very sparingly of other foodstuffs. Many of the monks would undoubtedly have lost their lives had they not been at prayers when the fire broke out.

**Harry Lauder**, the well known Scottish comedian, has been bereaved through the death of his son, Capt. John Lauder, of the Argyle and Southerland Highlanders. Harry Lauder is world famous as a comedian and a singer of Scottish songs. Since the outbreak of war he has given up practically his entire time to the securing of recruits for the army, and to giving entertainments in hospitals for wounded soldiers. Lauder began his career as a mill boy in a flax spinning mill, and then as a miner, but in recent years has amassed a fortune on the stage. The son who was killed was his only child.

**Capt. William D. Adams**, who has been awarded the Military Cross for conspicuous bravery on the firing line, is a native of St. John, but he went overseas with a Montreal battalion. Capt. Adams was educated at the Royal Military College, Kingston, and prior to the outbreak of hostilities was in business in Montreal and in Toronto. He was given a commission in the 14th Battalion and was placed in charge of the machine gun section. The fact that he has been for over two years on the firing line, especially in such an exposed post, makes the new honor which has come to him particularly timely.

**Mr. J. C. Saunders**, an old and efficient official of the Finance Department at Ottawa, has been promoted from the position of Dominion Book-Keeper to that of Assistant Deputy Minister, made vacant by the retirement of Mr. H. T. Ross, K.C., who enters the service of the Canadian Bankers' Association. Mr. Saunders' first work in the Dominion service was done in the Intercolonial Railway office at Moncton. Later he entered the Finance Department where continued good service won him promotion from time to time, and he now rises to one of the highest places in the department. Like his predecessor, Mr. Ross, Mr. Saunders is a Nova Scotian. He is a son of the late Rev. E. M. Saunders, D.D., an eminent Baptist Minister.

**John Masefield**.—As the war progresses more war poems of merit are finding their way into print. In the early days of the struggle Kipling was known as the greatest of our soldier poets. The war has given us John Masefield, whose "August, 1914," contains some of the most thrilling lines this brilliant writer ever wrote. Masefield has been in active service. Lieut. W. H. Hodgson's verses "Before Action" will live as long as the language endures. Hodgson was killed in the great Somme offensive. Rupert Brooke's "If I Should Die" made that poet famous. Brooke met his death at Gallipoli. Private Donald Cox's verse "To My Mother" is also one of the masterpieces of the war. Patrick MacGil, formerly known as "the navy poet," has just issued a book of soldier songs which are of surprising merit. Another poet to add to his fame is Lieut. A. P. Herbert, who records his experiences in Gallipoli in "Half Hours at Helles." Our own Canon Scott, rector of a Quebec Church, is another who has added to his fame through his war poems.

**The Right Hon. W. F. Massey**, Prime Minister of New Zealand, is looming large in Imperial affairs. The New Zealand premier is remaining over in England for the purpose of attending the forthcoming Imperial Conference. Mr. Massey has been premier of New Zealand for the past four years, but previous to that held cabinet rank in the New Zealand Government. He is an Irishman by birth, being born in County Derry in 1856, and went to New Zealand as a boy of fourteen. As a young man he took up farming and got his start in public life through farmers' clubs and agricultural societies. He is a hard headed business man, thoroughly imbued with Imperialism, and has led his little country into giving a generous contribution of men and money. The New Zealanders have been brigaded with the Australians and won undying glory at Gallipoli and on the Somme. Despite the fact that New Zealand is at war and is maintaining a very large contingent at the front she has given very generously to war purposes, her contribution to Belgian Relief being \$1.75 per capita as compared with 10c per capita from the United States.

**Dr. James Loudon**, for over forty years connected with the University of Toronto, of which fourteen were spent as president, has just died in his seventy-fifth year. The late President Loudon was born in Toronto, educated at Upper Canada College, and the University of Toronto, from which he graduated as a gold medalist in 1862. He then became connected with the staff of his Alma Mater, and on the death of Sir Daniel Wilson in 1892, succeeded to the presidency and contributed in a very large measure to the commanding position the University occupies at the present time. Dr. Loudon combined in a rare degree the quiet, painstaking attitude of the student, the tolerance and broad sympathies of the born teacher, and the comprehensive outlook of the man of affairs. Dr. Loudon never courted publicity, and was only known intimately by a few of his students, but to those few he was not only respected but loved. His place as an educationalist, both teacher and writer, will bulk large in the history of Canadian educational movements.

# AMONG THE COMPANIES

## CONSOLIDATED MINING AND SMELTING CO.

Very satisfactory results are shown in the eleventh annual report of the Consolidated Mining and Smelting Company for the year ended Sept. 30th. The gain in profits was \$200,000. Earnings were at the rate of 17.2 per cent on the capital as compared with 13.7 in 1915.

The net is reached after writing off \$278,381 for depreciation and charging profit and loss account \$598,745 for expenditure in development on its properties. The net profits do not include the dividends from the West Kootenay Power and Light Company, which amount to \$83,333.33, nor the surplus earnings which that company made before the dividend it pays.

James J. Warren, the managing-director of the company, in his report recites the various industries that the company is now successfully operating, namely, zinc, copper, lead, gold, silver, sulphur and hydrofluosilicic acid. He refers to the fact that the heavy construction work that was necessary to bring these properties up to efficiency is almost complete, with the exception of the zinc plant. He also refers to the fact that the Rossland Mines are gold mines, and it is understood that the company is not pushing their gold output, allowing this to accumulate so that they will have the steady business to go on with after the war.

The comptroller states that the operations of the zinc plants have been written off to construction. Also that the increase in plant during the year, deducting depreciation, has been \$2,047,634.

The president states that the overdraft, which is abnormally high, but as it is represented by a stock of metals actually on hand at the close of the year, it will be speedily liquidated.

The company, therefore, faces the coming year in an exceptionally strong position.

During the year the company launched its electrolytic zinc plant, and increased its copper production. It produced in all 3,088,000 pounds of zinc, all of this between March and September 30, and 4,446,000 pounds of copper. The five metals, gold, silver, lead, copper and zinc, produced in the year had a value of \$7,892,000.

The president, W. D. Matthews, in his report, says in part:

The main increase in property account has been through the issue of \$1,500,000 of stock at par for the \$2,000,000 of common stock of the West Kootenay Power and Light Company, Limited. The reasons for this purchase were fully gone into at the special meeting held when the purchase was authorized.

The new issue (about \$2,100,000) offered to the shareholders on the 1st November, 1916, has been almost entirely subscribed for. The rights to shares not taken up are largely held abroad. Subscription no doubt will be received just as soon as the shareholders entitled have had time to reply to the circular.

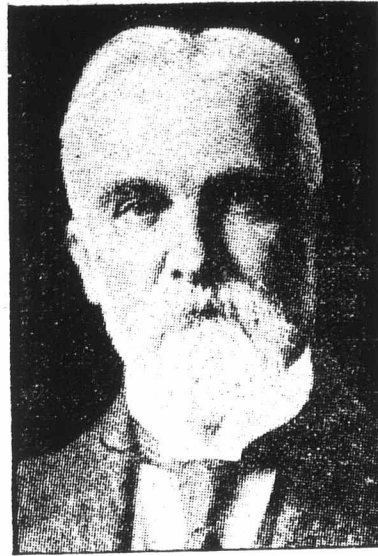
Your operations at the smelter, refineries and mine are continually expanding, entailing increased responsibilities on your officials. Especially is this so when the demands for lead, copper and zinc for war purposes are so insistent. The output of these metals is sold for months ahead.

Notwithstanding the heavy shipments of ore from your different mines, the ore reserves have been well maintained. Nevertheless it is the policy of your directors to acquire and develop other properties from time to time, so that if any particular mine should become exhausted, a successor would be ready to take its place. With such a large section of the main Rocky Mountain range tributary to your smelter, it should not be difficult to provide at least as large an ore tonnage as has been available in the past.

The overdraft is abnormally high, but as it is represented by a stock of metals actually on hand at the close of the year, it will be speedily liquidated.

## ABITIBI POWER AND PAPER CO.

Along with the first dividend cheque to preferred shareholders of the Abitibi Power and Paper Company the announcement is made that the annual meeting of the company will be held on February 12. Cumulative unpaid dividends of Abitibi date back to January 1, 1914. Hence there is due to shareholders 12 1/2 per cent.



MR. W. D. MATHEWS,  
President Consolidated Mining & Smelting Company.

## CONIAGAS MINES, LTD.

Since the Coniagas Mines, Limited were incorporated in November, 1906 or ten years ago the Company has paid back in dividends the sum of \$8,440,000.

The annual report of the Coniagas Mines, Limited, states that the combined output of the mine and smelter operated by the company during the year exceeded \$4,500,000. The year's operations were satisfactory owing to the higher price of silver and the market for Cobalt metal. The average price received by the company for silver was 63.11c, as compared with 49.25c and 56.75c in the two previous fiscal years. The silver mined and shipped during the fiscal year amounted to a little over a million and three-quarter ounces, as compared with about two million ounces for the previous year.

The Superintendent (F. D. Reid) reports a total of about 6,000,000 ounces of ore reserves on October 31 in addition to which there is something under 1,000,000 ounces silver estimated in the sand and slime tailings stacked up on the property, which are now estimated as of substantial value owing to recent discoveries in extraction by what is known as the oil flotation process.

During the year options on two promising gold prospects in the Porcupine district were taken but work has not yet been carried sufficiently far to determine whether the directors are warranted in exercising the options on either of these properties. The dividend of \$200,000 declared as payable on November 1 last made a total return to the shareholders since incorporation in November 1916 of \$8,440,000.

The total shipments of silver from this property aggregate about 24,000,000 ounces.

The company's ore was mined and concentrated during the past year at the net cost of 15.24 cents per ounce, as compared with 13.618 cents per ounce for the previous year. This cost includes all overhead expenses, royalties and all other expenses exclusive of shipping, smelting, refining and marketing charges, which amounted to 4.27 cents per ounce of silver, as compared with 3.252 cents for the previous year. It also included the cost of development of the Aganico property but excluded an undetermined war tax.

## DOMINE MINE.

The recent rich strike report at the 700 foot level of the Dome Mine property is said to consist of over 50 feet of \$14 ore and will, it is estimated, add very materially to the life and value of the mine.

## WINNIPEG RAILWAY.

Street railway gross earnings for November were \$282,899, leaving net, after fixed charges provided for, \$12,778.

## CHARTERS FOR 1916 TOTAL \$3,528,832,200 IN THE UNITED STATES.

The placing of exceptionally large orders in the United States by the belligerent powers for war munitions, chemicals, drugs, etc., led to the creation of many new companies in the United States during 1916 and charters for companies with a capital of \$100,000 or over involving a total of \$3,528,832,200 were filed.

This is the best showing made since 1901, which holds the distinction of having furnished the largest total on record, when the output of new enterprises organized in the Eastern States alone represented \$3,714,105,000. It will be recalled that it was in that year when the United States Steel Corporation was incorporated in New Jersey with a authorized capital stock of \$950,000,000.

Of the past year's total, concerns formed in the Eastern States with a capital of \$1,000,000 or over furnished \$2,708,326,500, against 1,426,267,100 in the preceding twelve months.

Authorized capital stock of new companies in the United States, which are largely an outgrowth of war conditions amounted to \$959,854,000 for the period from the beginning of war to the end of 1916, according to the New York Journal of Commerce divided as follows: Oil and gas companies \$548,316,000 ship operating and building \$108,972,000, war munitions and supplies \$1343,027,000 dyes and chemicals \$168,539,000.

## EARNINGS OF U. S. RAILROADS IN 1916.

The year 1916 established new high records for railway earnings in the United States. Both the gross and net revenues of the steam railways of that country have been the largest in their history, according to a statement by Julius H. Parmelee, Statistician of the Bureau of Railway Economics.

For the fiscal year 1916 the gross revenues of steam roads having annual operating revenues above one million dollars amounted to \$3,396,808,234. The net revenues of the million-dollar railways in 1916 was the greatest in history, amounting to \$1,176,804,001. The million-dollar roads operate over 90 per cent of the total railway mileage, and earn over 95 per cent of the total railway revenues, their returns are therefore fully representative of railway operations as a whole.

Operating expenses in 1916 were also on the increase. They amounted to \$2,220,004,233, which represents the greatest annual expenditures in the history of American railways, although only slightly greater than their expenses in 1914, which was the next largest year in the matter of expenses.

## TORONTO RAILWAY COMPANY.

Very satisfactory gains were made by the Toronto Railway Company in 1916. The gross receipts of the Toronto Railway Company for 1916 amounted to \$5,822,907.28, an increase of \$212,608.68, while the city's percentage amounted to \$910,090.90, an increase of \$92,436.24 as compared with 1915.

The receipts for December were \$526,795.15, and the city's percentage \$63,297.34.

The gross receipts are not quite equal to those of the record years of 1913-14, when they were \$6,056,005.92 and \$6,052,512.15 respectively, but they are an indication that the volume of traffic is increasing, notwithstanding the fact that there has been a decrease in the population of the city due to the war.

## PETERSON LAKE COMPANY.

The quarterly report of the Peterson Lake Company dated November 30, 1916, compares as follows:

	Three Months ago.	Year ago.
Cash	\$105,046	\$167,592
Accounts rec.	723	158
Accounts pay.	2,239	2,037
Surplus	103,540	165,663

The surplus of current assets over current liabilities is down \$62,123 from the figures of last August, of which \$42,032 represent the 1 1/2 per cent dividend paid in October last.

As a similar dividend was paid this week and neither the company nor its lessees have been producing the surplus is probably in the neighborhood of \$60,000 at the present time.



# AMONG THE COMPANIES

## DOMINION STEEL FOUNDRY.

Dominion Steel Foundry announces an interim dividend of 20 per cent, payable January 16 to stock record of January 10. This company started off on a dividend basis in January, 1916, and the present declaration makes a total distribution of 60 per cent since then.

## UNITED STATES STEEL CORPORATION.

The United States Steel Corporation spent about \$60,000,000 for new steel construction last year, compared with \$15,337,432 in 1915 and \$23,171,013 in 1914. Expenditures would have been larger if more workmen had been available. Since organization United States Steel has spent approximately \$550,000,000 for new construction, a figure \$42,000,000 in excess of par value of common stock. Construction expenditure this year may be as large as they were in 1916. But on account of the scarcity of labor and high cost of construction United States Steel is exercising caution in matter of new construction.

## QUAKER OATS COMPANY BUYS MILLS.

Definite announcement is made that the Quaker Oats Company will take over the plant of the Sudbury Flour Mills, at Sudbury, Ont. Officials of the Sudbury Flour Mill have been formally notified to this effect, and expect officials of the Quaker Oats Company, will shortly arrive to undertake such re-arrangement of the plant as may be necessary to meet their needs, and to commence immediate operation thereafter. The negotiations have been conducted at Ottawa and Chicago, and the exact nature of the deal is not known, but it is believed that a two or three year lease of the premises have been secured by the Quaker Oats Company with the option of purchase at the end of the term.

Following the recent disastrous fire which destroyed the huge plant of the Quaker Oats Company at Peterborough, Ont., officials of the company visited Sudbury and expressed themselves as well satisfied with the arrangement of the local milling plant for their purposes and more than impressed with Sudbury as a commercial centre.

## TORONTO RAILWAY'S ANNUAL.

The annual general meeting of the shareholders of the Toronto Railway will be held at its office, Toronto, at noon on Wednesday, February 7, 1917.



HON. C. A. MAGRATH,  
Chairman International Joint Commission, who  
addressed Montreal Canadian Club yesterday.

## OXFORD LIGHT & POWER COMPANY.

The \$50,000 6% 30-year first mortgage gold bonds of the Oxford Electric Light and Power Co., Limited, which were purchased by Halifax houses, are being offered publicly at 98 and interest with 30% of stock as a bonus.

The company has an authorized capital of \$100,000 of which \$50,000 is issued and \$100,000 authorized, 6% bonds of which \$50,000 will be issued. The company serves the town of Oxford, N. S., which is a flourishing industrial centre, containing the Oxford Woolen Mills, a foundry company, furniture company, flour mills, woodworking company, and other minor concerns. The directors include T. S. Rogers, of Halifax, as President; C. C. McNeil, managing director; C. McG. Mitchell, H. M. Bradford and A. J. Mackintosh.

Shipments of merchandise to Russia go forward with more and more difficulty if they are not governmental purchases, says to-day's issue of "Greater New York." The port of Archangel is closed for the season—the attempt last year to keep the port open by means of ice breakers not having proved satisfactory.

## CANADIAN RAILWAY EARNINGS.

\$500,000,000 more business for the Country in 1916.

The last twelve months have witnessed a great expansion of business in Canada as shown by the gross earnings of the three principal Canadian railways, for the year 1916 ending on December 31st. The earnings of the Grand Trunk, the Canadian Pacific and the Canadian Northern show a spectacular increase of \$50,119,057 or 27.2 per cent over the total for 1915—the equivalent according to railway statisticians of at least \$500,000,000 more business done by the country as a whole.

The earnings of these three roads, C.P.R., C.N.R. and G.T.R., represent more than 75 per cent of the total railway earnings of the Dominion. In 1916 the three aggregate earnings of \$234,341,499. On that basis the aggregate for all roads for the year would be in the vicinity of \$290,000,000, as against \$256,702,703 in the twelve months ended June 30th, 1915, the previous record.

Months.	Earnings.		P.C. Increase.
	1916.	1915.	
January	\$ 14,724,216	\$ 10,668,213	36.9
February	14,676,915	11,439,036	28.3
March	17,344,245	13,612,706	27.4
April	18,077,805	13,118,678	37.8
May	19,959,336	12,734,402	56.7
June	19,840,175	13,181,036	50.5
July	20,956,091	13,915,649	50.6
August	22,315,176	14,983,481	49.5
September	20,670,726	17,356,533	19.1
October	22,509,120	21,558,391	4.6
November	22,222,953	20,839,500	6.6
December	21,053,745	20,833,784	1.05
Totals	\$234,341,499	\$184,222,442	27.2

## McKINLEY DARRAGH'S MINING CO.

The quarterly report of the McKinley Darragh Mining Company shows that the company is improving its cash position as a result of the high price received for its product. Cash on hand on December 20th was \$234,450, against \$273,671 three months ago, and \$220,972 six months ago. The cash surplus (cash on hand, ore at smelter and ore at mine ready for shipment) totals \$392,924, comparing with \$374,797 three months ago, \$374,119 six months ago, and \$363,385 a year ago.

## 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.

# 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. B. GORDON, ESQ. . . . . Vice-President

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

## Head Office, MONTREAL

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

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

### THE LATE SIR FREDERICK BORDEN.

Sir Frederick Borden, Minister of Militia in the Laurier Cabinet, has just died in his seventieth year. Sir Frederick, who was a cousin of the Prime Minister, has been in ill health for several months, so that the end was not unexpected. He was born at Cornwallis, N. S., in 1847, educated at King's College, Windsor, and at Harvard Medical School. For a great many years the late War Minister practiced medicine, at the same time taking a very keen interest in military matters incidentally serving through the Fenian Raid. He represented King's County in the House of Commons from 1874-82, when he was defeated. He entered Parliament a few years later and on the accession of Sir Wilfrid Laurier was made Minister of Militia, a post he ably filled until the defeat of the party in 1911, when he himself suffered defeat. Since that time Sir Frederick has been living in retirement. The late minister was an efficient administrator and was unusually popular with both sides of the House. Sir Frederick was an ardent Imperialist and did much to strengthen the ties binding Canada to the Motherland. He lost a son during the South African War.

### BANK OF FRANCE REPORT.

The weekly statement of the Bank of France issued January 4th shows the following changes: Notes in circulation increase 322,521,000 francs, Treasury deposits increase 27,511,000 francs, general deposits increase 53,661,000 francs, bills discounted increase 126,046,000 francs, loans decrease 20,487,000 francs, gold in hand increase 3,868,000 francs, silver in hand decrease 3,833,000 francs.

### BANK OF ENGLAND STATEMENT.

The Bank of England report issued on January 4th shows the proportion of the Bank's reserve to liability is 19.76 per cent, against 18.50 last week. The changes reported for the week are as follows. Total reserve increased £433,000, circulation increased £219,000, bullion increased £652,549, other securities decreased £14,672,000, other deposits decreased £10,338,000, public deposits increased £1,031,000, notes reserve increased £475,000, government securities increased £4,999,000.

Rate of discount 6 per cent.

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

Gold	£55,158,088	£51,102,560	£68,848,493
Reserve	32,513,000	34,358,315	51,421,918
Notes res.	32,052,000	34,176,425	50,839,455
Res. to liab.	19% %	21% %	32% %
Circulation	39,915,000	35,194,245	35,876,575
Public deposits	53,146,000	58,156,684	23,808,643
Other deposits	112,065,000	105,835,576	133,348,529
Govt. securities	62,187,000	32,840,016	14,810,345
Other securities	91,787,000	114,748,048	108,921,870

### U. S. CHARITIES.

Benefactions in the United States in 1916, chiefly to charities, colleges and war relief, are estimated at \$250,000,000, not including \$400,000,000 estimated to have been given in bonuses to employees. Rockefeller agencies distributed over \$30,000,000. War relief funds reached about \$40,000,000, of which \$10,269,000 went to Belgium.

### MONTREAL STOCK EXCHANGE.

The past week on the local stock exchange was somewhat duller and quieter than has been the case even in the boom times of last fall. Following the severe slump of mid-December and the Christmas and New Year's holidays, it would only be expected that a certain amount of dullness would characterize opening week.

Notwithstanding the dullness on the exchange, practically every stock on the list showed a good gain over the figures for the previous week. These gains ran all the way from 1 to 2 points up to 9 in the case of Canada Car preferred and 9% in the case of Canada Forgings, and 6 1/4 in the case of Brompton's. The chief activity was centered in steel stocks, Dominion Steel Corporation contributed nearly 20,000 shares of the week's total, while Steel Company of Canada had transactions to over 15,000. Each stock gained between 2 and 3 points on the week's transactions.

There is a growing conviction that the coming of peace is not going to mean a tremendous upheaval on the stock exchanges. The peace flurry of a month ago, and which caused a violent shake-out in the market, has discounted further peace reactions, at the same time business-men, brokers and others are realizing that this country and the United States are prosperous, that companies have huge reserves and are in an entirely different position to what they were when war was declared 2 1/2 years ago. You cannot undo prosperity, and these two countries are prosperous. Sales for the past two weeks with comparisons for the first week in 1916 follow.

	—Week Ending—		
	*Jan. 6, 1917.	‡Dec. 29, 1916.	Jan. 8, 1916.
Shares	62,650	48,012	23,427
Mines	4,400	3,100	1,970
Bonds	\$390,625	\$188,500	\$125,700
Unlisted	4,841	2,531	8,609
Do. bonds	\$4,600	.....	\$8,800

(\*)—Five days. (‡)—Four days.

### CANADIAN BANK CLEARINGS.

The total clearings of Canadian Banks for the week ending January 4th, amounted to \$226,840,383 an increase of \$22,260,324 or 10.9 per cent above the corresponding period last year. Last week's returns as compared with the same week last year, and the change per cent are as follows:

		Corresponding	
Cities.	Jan. 4.	week last year.	P.C.
Montreal	\$80,175,680	\$63,886,321	25.5
Toronto	60,019,892	53,554,882	12.0
Winnipeg	38,634,043	33,263,955	12.2
Vancouver	6,986,810	5,753,540	21.4
Ottawa	5,307,818	5,120,968	3.6
Calgary	5,009,927	3,595,731	15.6
Hamilton	4,693,055	4,277,558	9.7
Quebec	4,033,436	3,156,130	27.2
Regina	3,465,759	2,726,871	27.2
Halifax	3,345,543	2,277,691	24.2
London	2,643,301	2,427,979	8.9
Edmonton	2,542,414	2,517,276	0.9
St. John	2,272,708	1,765,920	28.2
Saskatoon	1,629,396	1,350,940	20.6
Moose Jaw	1,351,097	1,262,033	7.0
Victoria	1,334,330	1,198,423	6.9
Brandon	681,276	468,894	23.8
Lethbridge	788,137	531,864	48.2
Peterboro	590,992	644,355	8.3
Fort William	589,192	490,494	20.1
Kitchener	547,324	.....	.....
Sherbrooke	539,398	.....	.....
Medicine Hat	495,676	385,035	.....
New Westminster	249,901	239,861	.....
Total	\$226,840,383	\$22,260,324	10.9

### LARGEST IN TEN YEARS.

1916 proved a record year on the New York Stock Exchange. Transactions were marked by a speculative activity which passed the levels reached in 1909 and aggregated the largest since 1906. The sales of stocks for the year were 230,060,900 shares, which compares with 214,692,215 shares in 1909 and 284,063,459 shares in 1906. The 1915 total was 172,501,784. The par value of the bonds sold amounted to \$1,133,935,300, against \$958,772,700 in 1915.

### NEW BRITISH WAR LOAN, JAN. 11TH.

London, January 5.—It is officially announced that the new British war loan will be issued January 11th.

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

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

## BRANCHES IN CANADA

44 in British Columbia and Yukon. 88 in Ontario. 81 in Quebec. 129 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.

### STANDARD BANK'S ISSUE.

The November bank return shows that \$270,085 of the Standard Bank's new issue of \$500,000 were paid during that month. The official schedule of installments called for 10 per cent. or \$50,000, on November 18th, but shareholders have the option of paying in full at any of the installment dates. The amount of stock taken up in excess of the 10 per cent. due November 18th was therefore \$220,085. As this presumably represented the remaining 90 per cent. of stock taken up in full, it follows apparently that the shareholders took up and paid in full for approximately \$244,540, or nearly one-half the total amount offered. The circumstance reflects favorably on the state of the investment market, says the "Toronto Globe." Probably many of the stockholders thus paying in full would be able to provide the funds without borrowing. Money lying on deposit draws but 3 per cent.; when put into this new stock at 200 it yields 6½ per cent.; hence it pays to draw upon the savings balance and clean up all installments. Also it would be profitable to borrow and pay up in full if the rate on the loan did not exceed 5½ per cent. The incident shows that in spite of the special difficulties under which the banks have been laboring discriminating investors have not lost faith in bank stocks.

### BRITAIN'S WAR INTEREST.

The interest on the British debt created under the war loans of 1914-15 amounted during the financial year ended March 31st last to £38,445,856, \$192,000,000 according to a White Paper just issued.

The total capital national debt, which on March 31, 1915, was £1,104,967,076, had increased by March 31, 1916, to £2,133,147,644, the statement shows.

### JOINS ROYAL BANK.

At a meeting of the directors of the Royal Bank of Canada held a few days ago, Charles C. Blackader, Halifax, was elected a director to fill the vacancy caused by the death of Lieut.-Governor MacKeen.

### CANADIAN RESOURCES UNDER SURVEY.

A. D. Little, Ltd., of Montreal and Boston, a private concern chartered by Dominion government and working under auspices of Canadian Pacific, has undertaken to compile all available data regarding Canada's natural resources. The plan was originated by Lord Shaughnessy last May. The corporation includes in its organization chemists and engineers of many years' experience in industrial applications of science. Bulletin No. 1, entitled "Natural Resources Survey," has been issued and others will follow.

Canadian government agencies have acquired a vast wealth of data, never properly collated and classified. It is initial object to recast into quickly available form the information, in government publications, scientific and technical journals, corporation records, and special reports of individuals.

A census will also be made of Canadian scientific and technical men, with particular reference to their specialized lines. Special libraries and research facilities of the country will be catalogued, and classified lists made of corporations and individuals most directly interested in specific natural resources, and presumably able to utilize them to advantage.

Although initiated by chief executive of Canadian Pacific and supported by that company, work of the survey will be conducted in interests of no individual or corporation, but impartially, for benefit of all, and with sole purpose of advancing industrial development and prosperity of the Dominion. Scientific organizations and business associations have assured their support.

Already several industrial researches are in progress on lines selected from their promise of yielding results of particular general benefit, or of immediate advantage to individual communities or industries. The survey is a natural complement and correlative to larger plans to which the Dominion and imperial governments are committed for mobilizing resources of Canada.

For illustration, A. D. Little, Limited, are conducting a research study on utilization of straw. The problem has been divided into 20 parts, among which might be mentioned chemistry of straw, dis-

### DOMINION LOAN REPAID.

Another interesting change in the bank return is seen in the decrease of roundly, \$10,000,000 in bond holdings. On tracing this up it is found that the Dominion and Provincial Government bonds held by the banks as at November 30 were \$11,000,000 less than on October 3rd, and superficial observers might be led to the conclusion that the change indicated selling of the remainder of the bank's holdings of the first war loan. However, it appears that the repayment by the Dominion Government of the \$21,000,000 three months' loan secured from the banks on August 1st was responsible for the item of decrease. The practice of the various banks in reporting the two special three months' loans to Dominion Government on August 1st and September 1st has not been uniform. Some of them carried the three months' notes under the heading "Dominion and Provincial Government bonds," and others carried them as "loans to Dominion Government." When the reduction of \$11,000,000 in Dominion and Provincial bonds is taken along with the decrease of \$9,600,000 in loans to Dominion Government shown in November the total reduction almost exactly balances the Dominion's repayment of \$21,000,000. On December 1st the Government retired the remaining portion of that short-date loan, \$9,000,000, thus clearing the books in preparation for the \$50,000,000 short-date loans the banks are to make in January and February to restore the shortage in Government funds created through the using of \$50,000,000 of proceeds of the last war loan in the way of new credits to the Munitions Board.

### NEW VICE-PRESIDENT.

Richard Bolton has been elected vice-president of the Montreal City and District Savings Bank, to fill the vacancy caused by the death of Hon. Robert Mackay.

tinative distillation, fuel and gas valued, feeding fuel of straw—they have a process whereby they increase feed value of straw—paper-making possibilities, alcohol from straw, etc. A report will be printed in sections and also entire.

# LUMBER, PULP AND PAPER

## FLAX PULP FOR FINE PAPER MILLS.

One of the most interesting new developments in the paper industry is the manufacture in Canada of flax pulp. The Bureau of Plant Industry of the United States Department of Agriculture has been investigating the matter for some time.

Arthur D. Little, Ltd., has undertaken the production of flax pulp in a large commercial way. The flax pulp is not a substitute for wood pulp but is used in the manufacture of paper. It is expected to be used in such quantities as it is believed it can be sold more cheaply than rags can be bought.

In Canada about nine hundred tons of flax straw goes to waste each year. In the United States fully three million tons of flax is wasted, so the industry may spread to this country. The Arthur D. Little Company has experimented with the flax crop in their Boston plant and it has been found that they will both in the United States and Canada and find a satisfactory way.

Most of the flax grown in the United States and Canada is for the oil. Some of it is for fibre but very little. The straw from the seed flax does not furnish a fibre suitable for textile purposes and so formerly has been wasted. The new use for it will be a great boon to flax farmers. An official of Arthur D. Little, Ltd., is credited with the statement that if they could get all the waste straw it would mean \$2,000,000 a year to Canadian farmers.

## INTERNATIONAL PAPER

That International Paper common is to be classed as a war stock is one of the inferences which its drastic market decline appears to disclose. The price of the common has been nearly cut in two. From the high of the year of 75½ there was a drop to Friday's low of 39, or 36½ points.

It is worth bearing in mind, however, that so far as 1917 results are concerned International Paper is practically fire and panic tight. At least 80 per cent of its 1917 paper contracts have been signed and at prices which assure earnings for next year that should run between \$60 and \$80 per share even on the conservative basis that quotations for its other products than newsprint may possibly not come up to full expectations.

In other words, International Paper common occupies the rather anomalous position of selling for about 50 per cent of the profits it is likely to pile up for its common stock next year.

## CATALPA FOR FENCE POSTS.

Although the growing of catalpa for fence posts was a subject that attracted much attention ten or twelve years ago, one hears very little about it nowadays. In the "Kansas Industrialist," the weekly college paper of the Kansas State Agricultural College, C. J. Scott, Kansas State Forester, recommends the planting of catalpa for fence posts by farmers under certain favorable conditions that he describes. It is suitable for planting on high prairie land in the western part of the State and is chiefly adaptable in general to the eastern half of the State only. To secure a good second growth from sprouts the cutting of posts should be done in late winter for early spring, March being a suitable month.

## AN AEROPLANE FACTORY.

The recent announcement that \$1,000,000 will be spent by the Dominion Government in the construction of an aeroplane factory, probably at Toronto, lends special interest to the report that the proposed aeroplane station to be established by the United States Government at Duluth, Minnesota, will be made the basis of an aero forest fire patrol system.

## WHAT IS SULPHITE?

Almost everybody in the printing and allied trades can answer this question, but for the benefit of those who are not quite certain over the matter it may be explained that sulphite pulp is obtained by a chemical process in which acid is used. The wood chips are separated from the other constituents and broken into cellulose, as it is known in trade, sulphite. When the same process is conducted with alkali the product is known as soda pulp.

## WOOD WASTAGE.

The 48,000 sawmills in the United States waste in the form of sawdust, shavings, slabs and other wood refuse 36,000,000 cords per year — enough to fill a bin one-half mile high with a base covering a 40-acre lot, or to make a solid block more than a quarter of a mile on each edge, a recent bulletin of the United States Forest Service States.

"Perhaps one-half of this so-called waste product is not, strictly speaking, waste," says this bulletin, "but serves a useful purpose as fuel under the boilers. Much of the remaining 18,000,000 cords not only serves no useful purpose, but in most cases is a source of inconvenience and danger, and costs the mill time and money.

"Sawmill waste is disposed of in various ways. Some goes to the local fuel market, some to pulp mills, or to wood distillation plants. Shavings and log cuttings, as well as other mill waste, are sometimes used to fill low places in the yard. However, the most common method of getting rid of waste is by burning either in a fire pit, having an open fire which sometimes has a protecting wall on the side toward the mill, or in a burner, enclosed on all sides and having a spark-arresting screen at the top and a fire grate near the bottom. In both cases some kind of a conveyor is necessary to bear the waste from the mill to the fire. This is usually a sort of trough with a metal bottom along which is a slowly moving chain or cable, equipped with cleats or buckets.

"A closed burner and conveyor costs about \$12,000 for a mill of 100,000 feet daily capacity. Forty per cent of the larger mills, cutting more than 55,000 board feet daily, are equipped with closed burners. Forty-five per cent have fire pits. The remainder have neither, and dispose of their waste in some other way.

"It is estimated that for a mill of 100,000 feet capacity the cost of conveying the waste from the machine where it is made and destroying it in a closed burner is 42 cents per cord, or \$10.05 per day. Burners seldom bring in any revenue, although in a few cases ashes are sold for fertilizer, and in a number of other the burner furnishes hot feed water for the boilers."

## USING THE BARK OF TREES.

The Forest Products Laboratory experts of Madison, Wis., in their efforts to reduce the amount of waste in the lumber industry, have long declared that they have been able to utilize everything but the bark, just as the pork packer is said to market everything but the squeal of the hog.

Now they have even found a way to use the bark. By a new process, waste bark can be used to partially replace expensive rag stock in the manufacture of felt roofing, and is already being used commercially by mills co-operating with the laboratory experts. The bark thus used is that remaining after the extraction of the tannin for leather work, and the same waste bark has been used successfully for the making of a commercial wallpaper. Experiments now in progress indicate that the hemlock bark may be used for sheathing paper, carpet lining, bottle wrappers and deadening felt.

## FIREPROOF PAPER.

An English patent has been taken out by T. J. I. Craig and others, of Manchester, on a method of fireproofing paper. According to an abstract in Journal of the Society of Chemical Industry, in the process of rendering materials non-inflammable by means of sodium aluminum carbonate, these materials in which the proofing agent cannot conveniently be precipitated in situ, may be treated by mixing or coating with a preparation of the double carbonate.

## UNITED STATES GOVERNMENT TO BUILD MILL.

Erection of government pulp and paper mill to output 30,000,000 pounds of print paper a year for government use has been approved by joint congressional committee on printing.

## FORESTRY FACTS.

Since 1908 when fire protection was first introduced in Canada on a scientific basis the decrease in fires has been most marked.

The Detroit News-Tribune leads this continent in the amount of advertising carried. In November its total was 1,820,168 lines. Eleven papers in the United States carried more than 1,000,000 lines in November.

Reorganization of the forest protection service of the Province of Ontario has been decided upon by Hon. G. H. Ferguson, Minister of Lands, Forests and Mines.

The gross value of the estate of the late John Hendry, of Vancouver, a former President of the Canadian Forestry Association, was \$1,248,829.23, and the net value was \$72,783.63.

Losses sustained within the area patrolled by the St. Maurice Forest Protective Association of Quebec during 1916 were very small.

On nearly 13,000 square miles of territory, the fire damage to merchantable timber was \$700.83; to young growth, 1,185.88; to cut over lands, \$3,484.50.

According to the report of the Quebec Lands and Forests Department, the total revenue for the year was \$1,807,259.

The farm woodlots of the United States contain about 10 per cent. of the total standing timber in the country, and the annual product from them is about \$195,000,000.

A portion of the half million dollars' worth of French briar imported annually by the United States for the manufacture of pipes will now be replaced by the use of mountain laurel roots from the Southern Appalachians.

## INVENTED THE ENVELOPE.

To S. K. Brewer, a bookseller and stationer of Brighton, is usually given the glory of having invented the envelope in England. Before this time people simply wrote the addresses on the outside of their folded letters; but, about 1830, Brewer offered some sheets of paper for sale on which it was difficult to write the addresses. He then introduced small envelopes, and these quickly caught the fancy of the fine ladies of Brighton. The demand for these quickly spread.

## FORESTER TO INSPECT TIMBER.

In order to inform woodlot owners relative to methods of selling, prices and cost of lumbering operations, a bureau of exchange for the benefit of those having marketable timber for sale has been established by the Ohio Experiment Station at Wooster. Inspections of timber land for the purpose of estimating marketable timber will be made by a representative of the Experiment Station upon the request of any owner.

Traveling expenses and the subsistence of the representative while doing the work are the only incidental charges to the woodlot owner. He receives a report, including an estimate of merchantable material, its quality and stumpage value. In addition suggestions will be given for the management and improvement of the timber areas.

## FIGHTING FOREST FIRES.

In co-operation with the Post Office Department, the Pennsylvania Department of Forestry has prepared a big forest fire placard which will be placed in every post-office in Pennsylvania located in or near a forested area. An order has also been issued by the Postmaster General advising Pennsylvania postmasters that all rural mail carriers must report any forest fires they see to the nearest fire warden.

**LONDON STOCK EXCHANGE PRICES FOR THE YEAR 1916.**

The regular monthly comparison published by the "Bankers' Magazine" of the aggregate value of 387 securities dealt in on the Stock Exchange shows a depreciation during the past year of £148,932,000, or 5.39 per cent. Compared with the close of November, the values show a decline of £39,433,000, or 1.4 per cent, which follows a decline of £33,300,000, or 1.2 per cent during the previous month.

The heaviest decline was shown by foreign government stocks, which fell off £13,007,000, or 2.4 per cent. British and India funds depreciated £3,302,000, or 0.6 per cent; American railroads £7,240,000, or 1.9 per cent; South African mines £678,000, or 1.5 per cent, and British railroads £1,778,000, or 0.9 per cent.

**BRITAIN'S LOANS TO HER ALLIES.**

Britain's loans to her allies are now being backed by collateral security. The recent \$20,000,000 loan to Belgium is secured by properties and sources of revenues of Belgian Congo. England is advancing from \$35,000,000 to \$40,000,000 a month to Italy and it is practically settled that Italy will pledge Italian Somaliland as security. If these loans exceed \$250,000,000, trade privileges, as well as mortgages on property in Tripoli, may be given as security. British and French advances to Russia amount to nearly \$2,000,000,000. As Russia has been unable to meet charges on railroad and state loans held in France, France has advanced them to investors and for amortization, these advances amounting to \$304,000,000 on November 1st last.

**OUR RESOURCES VS. THE TUETONS.**

In so far as population, wealth, area and resources are concerned the Entente Allies have infinitely more at their command than the Central Powers. The Allies have eleven times the area and nearly six times the population possessed by the Tuetons.

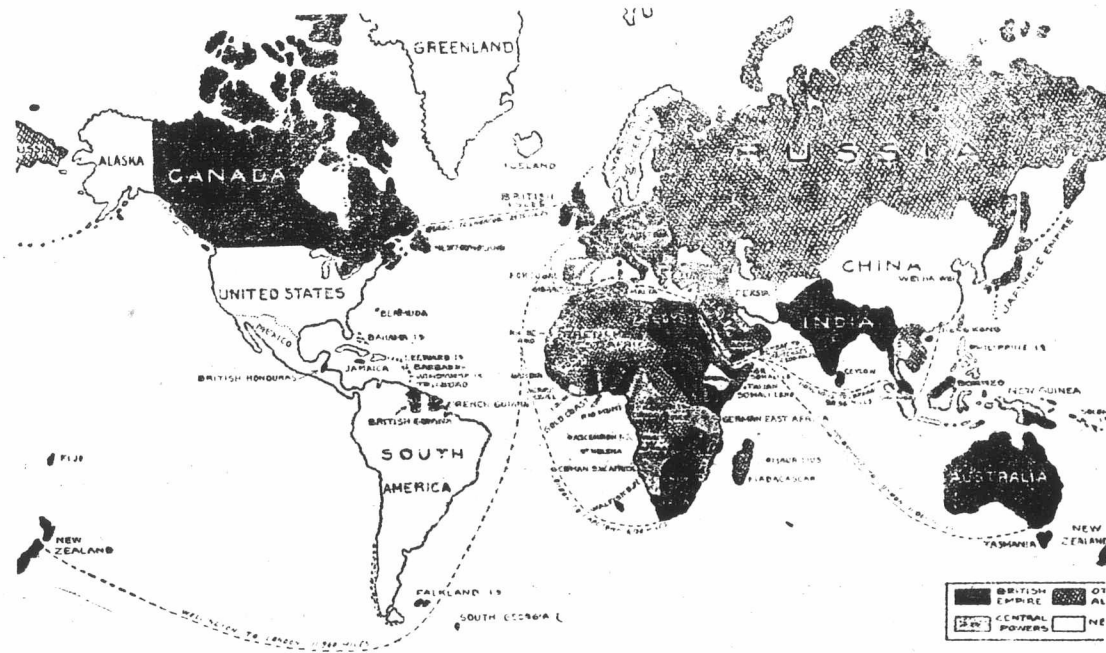
In wealth the Allies have three times the resources of the Central Powers.

The Allies control more than one-half the world's habitable land, estimated at 52,824,533 square miles, and nearly one-half of its entire population estimated at 1,751,700,000 souls. The exact distribution is as follows:

	Area controlled		Population controlled	
	Sq. miles	P.C.	Number	P.C.
By the Allies	29,208,528	55.29	862,200,000	49.24
By the Central Powers	2,960,082	5.60	164,000,000	9.38
By the United States	3,741,828	7.08	110,000,000	6.30
By the other neutrals	16,914,095	32.03	615,500,000	35.08
<b>Total</b>	<b>52,824,533</b>	<b>100.00</b>	<b>1,751,700,000</b>	<b>100.00</b>

A more detailed table follows:

	Wealth.	Area		Population.
		Sq. miles	Population.	
<b>The British Empire—</b>				
Great Britain and Ireland	\$ 85,000,000,000	121,331	45,000,000	
Canada	7,000,000,000	3,892,621	8,500,000	
Asia, including India	15,000,000,000	1,952,912	323,000,000	
Other Brit. possessions including Africa and Australasia	23,000,000,000	6,778,902	61,000,000	
<b>Total British Empire</b>	<b>\$130,000,000,000</b>	<b>12,745,766</b>	<b>437,500,000</b>	
<b>The Other Allies—</b>				
France	\$ 50,000,000,000	207,054	40,000,000	
French colonies	5,000,000,000	4,776,032	48,000,000	
Russia	40,000,000,000	8,647,657	180,000,000	
Japan, including Korea, etc.	15,000,000,000	258,266	72,000,000	
Italy	20,000,000,000	110,623	35,000,000	
Italian colonies	(No estimate)	596,000	2,000,000	
Belgium	9,000,000,000	11,373	7,500,000	
Belgian Congo	(No estimate)	900,000	15,000,000	
Portugal	2,500,000,000	35,490	6,000,000	
Portuguese colonies in Asia and Africa	(No estimate)	832,267	9,200,000	
Rumania and Servia	1,000,000,000	88,000	10,000,000	
<b>Total British Empire and the other Allies</b>	<b>\$272,500,000,000</b>	<b>29,208,528</b>	<b>862,200,000</b>	
<b>The Central Powers—</b>				
Germany	\$ 80,000,000,000	208,780	65,000,000	
German colonies (before the war)	(No estimate)	1,027,820	14,000,000	
Austria-Hungary	25,000,000,000	260,034	49,000,000	
Turkey and Bulgaria, including Asiatic Turkey	3,000,000,000	1,463,448	36,000,000	
<b>Total Central Powers</b>	<b>\$108,000,000,000</b>	<b>2,960,082</b>	<b>164,000,000</b>	



London will remain the world's financial centre. The above chart showing the ramifications of British investments is taken from the New York Tribune.

... THE ...

# Molsons Bank

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

**HEAD OFFICE : MONTREAL**

**96 Branches Scattered Throughout Canada**

Edward C. Pratt, - General Manager

# 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.  
Notre-Dame Branch: cor. Cavillier and Ontario Sts.  
Verdun, Que.

ESTABLISHED 1872

# BANK OF HAMILTON

Head Office: HAMILTON

CAPITAL AUTHORIZED..... \$5,000,000  
CAPITAL PAID UP..... 3,000,000  
SURPLUS..... 3,475,000

THE

# Royal Bank of Canada

Incorporated 1869

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

HEAD OFFICE: MONTREAL

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

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

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

SAVINGS DEPARTMENTS at all Branches

**POTATOES INSTEAD OF HOPS.**

Hop growers in England are being urged to grow foodstuffs instead of hops. And it is estimated that if 15,000 of the 30,000 acres of hop land were grubbed at once, and if half this acreage were planted with potatoes a total crop of 75,000 tons might be expected—a quantity sufficient to supply a million people for three weeks. The remaining 7,500 acres, if planted with oats, might be expected to yield 150,000 sacks, which would be sufficient to feed a million people for rather more than a week.

# THE EXPORTER'S FIELD

## CANADA'S STATISTICAL STORY OF 1916.

The following interesting statistical story is told by the Toronto Globe:—

	1916.	1915.	1914.
Canada's total exports (11 mos. edg. Nov.)	\$979,646,838	\$559,893,809	\$389,467,415
Canada's total imports (11 mos. edg. Nov.)	\$698,976,783	\$405,949,673	\$450,926,446
Canada's total trade (11 mos. edg. Nov.)	\$1,678,623,621	\$965,843,482	\$840,393,861
Western grain crop (bushels)	500,000,000	750,000,000	318,419,000
Western wheat crop (bushels)	167,000,000	376,448,000	140,958,000
Value of western grain crop	\$426,000,000	\$391,947,000	\$250,654,000
Value of Ontario field crops	\$180,000,000	\$210,674,415	\$199,152,945
Total mineral production of Canada (value)	\$170,000,000	\$137,109,171	\$128,863,075
Pig iron production (gross tons)	1,046,185	815,870	669,256
Steel ingots and castings (gross tons)	1,298,325	911,514	739,858
Copper production (pounds)	125,000,000	100,785,150	75,735,960
Zinc (value)	\$1,000,000	None.	None.
Gold production (value)	\$20,500,000	\$18,977,901	\$15,983,007
Silver production (ounces)	26,000,000	26,625,960	28,449,821
Coal production (short tons)	14,365,000	13,267,023	13,637,529
Nickel production (pounds)	83,000,000	68,308,657	45,517,937
Porcupine output (ounces)	475,000	366,574	251,131
Porcupine output (value)	\$9,800,000	\$7,580,766	\$5,190,794
Porcupine dividends	\$4,160,000	\$2,200,000	\$1,350,000
Cobalt output (ounces)	22,529,249	23,653,713	25,162,841
Cobalt output (value)	\$14,342,328	\$11,704,300	\$12,765,461
Cobalt dividends	\$4,958,650	\$4,424,501	\$5,258,914
Total British Columbia mines production (value)	\$45,000,000	\$29,447,508	\$26,388,825
Bank clearings	\$10,564,043,329	\$7,797,430,809	\$8,063,539,898
Bank capital paid up, November 30th	\$10,564,043,329	\$7,797,430,809	\$8,063,539,898
Deposits in banks in Canada, November 30th	\$1,295,870,723	\$1,120,954,457	\$1,016,879,005
Current loans of banks, November 30th	\$813,791,947	\$830,403,518	\$837,235,495
Liabilities of chartered banks, November 30th	\$1,716,214,920	\$1,463,200,922	\$1,320,307,465
Assets of chartered banks, November 30th	\$1,957,511,502	\$1,702,194,396	\$1,561,458,119
Failures, number during year	1,652	2,661	2,890
Failures, liabilities (for nine months)	\$20,681,441	\$41,162,321	\$30,741,292
Insurance in force with companies in Canada	\$1,390,000,000	\$1,310,000,000	\$1,216,955,432
Canadian borrowings during year	\$269,820,000	\$341,892,871	\$272,925,067
Government issues	\$200,665,300	\$214,814,133	\$85,415,330
Municipal issues	\$50,014,880	\$66,508,073	\$84,388,421
Railway issues	\$5,640,000	\$37,915,665	\$59,405,666
Public utilities	\$4,000,000	\$10,225,000	\$9,777,954
Miscellaneous issues	\$9,500,000	\$12,430,000	\$33,947,686

(\*)—Excluding coin and bullion.

### PERCENTAGE FLOUR REQUIREMENTS CAUSE DIFFICULTIES IN SCOTLAND.

Canadian millers who have been puzzling of late over the baffling entanglements of trade that have arisen over the British percentage flour requirements will read with interest the following extract from the Glasgow Herald. In this article it is suggested that confusion has arisen in consequence of the disparity of procedure on the part of the Wheat Commission and the Board of Trade respectively. He states that when the Government parted with their powers to the Wheat Control Commission, that Commission, which had been acting in an advisory capacity since shortly after the outbreak of war, became an executive Commission, with full powers, and they have exercised their powers with sound judgment. When they assumed executive control, being naturally anxious to secure full supplies of flour, they invited a conference with the National Flour Importers' Association, whose headquarters are in London, and as a result of that conference, which took place in the middle of October, they agreed, being in control of the freight market, that they would give flour importers rates on a fair parity with those applied to wheat. They asked the flour importers to carry on their businesses as usual and bring on as much flour as possible, and to furnish them with weekly schedules of their purchases. All this was perfectly plain sailing, and the trade went on as usual. Meantime, however, the government, either on their own initiative or urged thereto by outside influences, adopted the idea that a great saving to the nation was to be effected by a compulsory standardisation of flour. This was not a matter for the Wheat Control Commission, but for the Board of Trade. The Board of Trade, entirely ignoring the importers of flour, took a number of English port millers into their confidence, and the regulations applicable to flour which were published in the newspapers are the result.

In Scotland, however, imported flours being mostly dry and fine and having large bread-producing capacity, have always been in favour, and as a matter of fact half of Scotland's bread supplies is imported as manufactured flour. Since August 1, the

beginning of the new crop season, for instance, the importation of manufactured flour into Scotland considerably exceeds the equivalent of flour imported at wheat, and the home-grown crop of wheat is a mere trifle. Those flours come from Canada and the United States, and to a small extent from Australia. But they are bought for despatch not from scaboard, so far as the North American portion is concerned, they are bought and despatched from scores of mills, scattered over the West, mostly in the Mississippi and Red River Valleys (the large mills in Minneapolis which have hitherto done a considerable portion of the business being this season very unfavourably placed because of the failure of the American Spring Wheat crop). They are largely contracted for, as a general rule, for distant despatch, so that a purchase made, say in October can hardly be expected to arrive before December, and arrivals frequently are three, four or five months after despatch from mill. Now the new Board of Trade regulations of percentages cut right across all this business.

But in the ordinary way flour importers have been buying as usual, and their commitments will run into many hundreds of thousands of sacks, and bakers in many cases have been making contracts for flours probably none of which will conform to these percentage requirements. Any difference up or down, however slight, throws them out. The Wheat Control Board have again come to the rescue of the flour importers and bakers, but what they propose, while perfectly just in itself, will rather aggravate than relieve the situation. They say:—We are helpless: we must interpret the Board of Trade regulations as we find them; but to get round the difficulty we will take over at the market price on behalf of the Government all those flours held on spot or which when they arrive do not conform to the Board of Trade standard. As probably none of those flours in any position will conform to the new standard they have undertaken to buy the whole stock for the Government on January 1. That relieves the flour importer and baker from penal consequences, but it does not supply the bread consumer. What the Wheat Control Commission will do with this flour when they have it is not known. They may send it to a distance to feed the Army; obviously

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they cannot dispose of it in the country without breaking the law. At this point the large English port millers who have helped the Board of Trade in the elaboration of this percentage scheme step in to say they are in a position to supply the deficiency, which cannot be supplied by the Scottish millers, whose milling capacity is only sufficient to supply about half of Scotland's requirements. But the quantity they can send to Scotland will be limited by the present serious dislocation of the steamship coastwise traffic.

Some solution of the present difficulty, however, will have to be found, otherwise Scotland will be faced not merely with a great lowering of the quality of its bread but with a very serious bread crisis.

The exportation of native tobacco in leaf and of glass bottles of all kinds from Italy has been prohibited by an Italian royal decree.

**SHORT TERM NOTES FOR FOREIGN AND DOMESTIC USE.**

The short term note market of New York had an active year. In September the Government of Great Britain and Ireland placed a note issue of \$250,000,000, secured by collateral consisting of American stocks and bonds and obligations of neutral nations which was followed in the month of November by another English loan of \$300,000,000, to mature in three and five years, respectively, also secured by similar collateral. The Government of France borrowed \$100,000,000, to mature in three years, on a 5% per cent basis, through the American Foreign Securities Corporation, which was formed to be the custodian of various collateral securing this issue. This transaction marked the initial borrowing of any of the Allied nations on a secured obligation. Russia was granted a credit of \$50,000,000, maturing in two years and to yield 6½ per cent per annum, also \$25,000,000, maturing in five years, to yield 6% per cent. The Chinese Republic borrowed \$5,000,000 against its note issue, and notes of the Dominion of Canada and governments of Italy, Argentine nation, Norway, Sweden and Switzerland were actively dealt in. The cities of London, Paris, Bordeaux and Marseilles also borrowed against their notes, and a transaction worthy of mention is the sale of \$5,000,000 Brazilian Railway Light & Power Company notes in this market. All of these found ready favor with the investment public.

The following interesting statement regarding the activities of the short term note market has been made by Mr. Arthur K. Salomon of Salomon Bros. & Hutzler, "The short-term security market has assumed throughout the year 1916 an important place in our dealings of an international character.

A form of short-term financing which has grown in favor with municipalities is the issue of serial bonds to mature in from one to twenty years. This enables the payment for improvements from present taxation and lessens the amount of outstanding long term obligations. The City of New York sold \$15,000,000 bonds on April 19, 1916, to mature from one to fifteen years, in equal annual instalments, on about a 4.03 per cent basis. In view of such securities being exempt from income tax payments, they have steadily risen in value and this issue of the City of New York is at present selling on a 3.90 per cent basis.

In brief, in 1916, the United States has made great strides as an international money center. Today we are transacting business in a volume of figures far beyond any thought of before the war. We have imported over \$600,000,000 of gold, have also repurchased from abroad large amounts of our securities, have a balance of trade in our favor of about \$2,500,000,000 and invested about \$2,000,000,000 in foreign loans.

While all this financing has absorbed a vast amount of money, there are no indications that the popular demand for short-term issues is diminishing, as many banks and lending institutions have found short-term notes so readily negotiable that they particularly favor such investments for the employment of a portion of their secondary reserve.

**RISE IN SILVER DURING 1916.**

The silver market displayed noteworthy strength during 1916, says the New York Journal of Commerce. This was reflected in an advance in the New York price from 55½c in January to 76½c in December. The upward movement was based on the heavy demand for the white metal by the European belligerents for coinage purposes in connection with paying the large number of enlisted men.

**SOLDIERS FOR THE LAND.**

The Hon. G. Howard Ferguson, Minister of Lands, Forests and Mines, speaking at Cookstown, Ont., recently, said the Ontario Government was appropriating one million dollars to assist returned soldiers to go on the land. They would establish training schools and advance money to help them stock farms and make improvements.

**DOLLAR EXCHANGE FOR NEW ZEALAND**

Chairman of board of directors of the Bank of New Zealand announces that arrangements have been completed with American banks whereby dollar credits can be secured to facilitate trade between New Zealand and America.

**LOANS FLOATED IN THE UNITED STATES.**

Foreign loans floated in the United States since the beginning of the war to the end of 1916 amounted to \$2,325,900,000, of which approximately \$175,000,000 has been repaid. The loans to the belligerent nations were \$908,400,000 to Great Britain, \$270,500,000 to Canada, \$695,000,000 to France, \$160,000,000 to Russia and \$45,000,000 to Germany.

The banking credit of \$50,000,000 to a New York corporation for the purchase of grain is in reality a loan to Great Britain, as the corporation is composed of British agents and the purchase of all grain in the United States and Canada is now transacted through the British Government.

Inability to obtain figures as to the sales of German war bonds in the United States makes an estimate of German indebtedness there uncertain. It is probable that the banking credits advanced to German interests will never be fully ascertained. Not only are such transactions private, but in this case they are doubly so, due to the operation of the British blacklist and the fact that shipments to Germany have not been direct, but chiefly through the neutral countries to the north of the Central Powers.

With the exception of about \$120,000,000 floated in New York by Canada for war purposes, the greater part of Canadian financing has been carried out by provinces and municipalities.

The following is the list of Canadian loans and banking credits in the United States during the war:

Canada.	
Canadian Government—	
Notes, 5 per cent, one and two years	\$45,000,000
Notes, 5 per cent, five, ten and 15 years	75,000,000
Government of Newfoundland, 5 per cent, three years	5,000,000
Province of Ontario—	
Notes, 5 per cent, ten years	10,000,000
Bonds, 5 per cent, five years	3,000,000
Loan, 3½ per cent, nine months	2,000,000
Province of Quebec—	
Bonds, 5 per cent, ten years	4,000,000
Bonds, 5 per cent, three to five years	6,000,000
Province of British Columbia—	
Bonds, 4½ per cent, ten years	2,000,000
Bonds, 4½ per cent, 25 years	1,000,000
Treasury bills, 4½ per cent, one year	2,700,000
Province of New Brunswick—	
Bonds, 5 per cent, five years	700,000
Province of Alberta—	
Bonds, 5 per cent, ten years	2,000,000
Bonds, 5 per cent	4,000,000
Province of Manitoba—	
Bonds, 5 per cent, three years	963,000
Bonds, 5 per cent, three years	1,000,000
Bonds, 5 per cent, five years	5,475,000
Province of Saskatchewan—	
Bonds, 5 per cent, five and ten years	1,000,000
Bonds, 5 per cent, three years	2,500,000
Bonds, 5 per cent	3,500,000
Province of Nova Scotia—	
Bonds, 5 per cent, ten years	1,000,000
Bank loan, 4½ per cent, one year	1,000,000
City of Toronto—	
Serial bonds, 5 per cent	3,669,000
Notes, 5½ per cent	3,000,000
Bonds, 4½ per cent, due 1949 and 1955	2,500,000
City of Quebec—	
Bonds, 5 per cent, five years (1920)	2,125,000
City of Vancouver—	
Treasury notes, 6 per cent	1,644,000
Bonds, 4½ per cent, ten years	827,000
City of South Vancouver—	
Bonds, 6 per cent, three years	790,000
City of Montreal—	
Bonds, 5 per cent, twenty years	2,000,000
Bonds, 5 per cent, three years	6,900,000
City of Ottawa—	
Bonds, 5 per cent, twenty and 30 years	1,032,000
Notes, 5 per cent, one year	1,000,000
City of Prince Rupert	1,600,000
City of Sault Ste. Marie—	
Bonds, 5 per cent, thirty years	500,000
City of Calgary—	
Treasury notes, three years	2,000,000
City of Maisonneuve—	
*Notes, 6 per cent, two and three-quarter years	800,000
City of Hochelaga—	
Bonds, 5 per cent, twenty-eight years	375,000
City of Victoria, B. C.—	
Bonds, 5 per cent, three years	1,000,000
Canadian internal, 5 per cent, estimated	30,000,000
Toronto Harbor	1,500,000

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**GERMANY'S FINANCIAL POSITION.**

Considerable light on the financial situation within the German Empire is cast by a commercial bulletin recently issued by the German Embassy. According to the figures submitted, the outstanding notes of the Reichsbank, which now amount to \$1,652,271,000, are nearly four times the amount in circulation just before the war began. The war loan bank certificates have reached a total of \$603,000,000, in addition to minor issues of other notes. The aggregate of paper, therefore, is nearly \$2,300,000,000, or more than five times the amount of the Reichsbank notes in 1914. The gold stock of the Reichsbank has increased from \$323,000,000 to \$599,000,000. The net addition to the circulation of paper money is, therefore, more than \$1,500,000,000. This expansion in paper currency issues goes far to account for the high prices now prevailing in Germany.

When Germany meets foreign competition with her huge paper pyramid her financial system will crumple up like a house of cards.

**U. S. MINES' PRODUCT FOR 1916.**

The advance estimates submitted by the Geological Survey of the United States to the Secretary of the Interior indicate that the total value of mineral production in 1916 may reach the three billion dollar mark.

Quebec School	200,000
Miscellaneous loans of Canadian provinces and municipalities (estimated)	24,399,500
City of Montreal	3,800,000
Total Canada	\$270,500,000

### BRITAIN'S FINANCING IN THE WAR AND AFTER.

(Concluded from page 3).

at least five millions of men are in training or in the field or in the navy. That she can do so, shows what an enormous margin is provided by the spending of a rich modern community on amusement and luxury, which is can forego in time of national crisis. How great this margin was in Britain's case is shown by a comparison of the pre-war expenditure per head in England and in Germany. In Germany according to a calculation made by, Dr. Helfferich, a population of 68 millions produced yearly \$9,800,000,000 worth of goods and services and consumed \$7,500,000,000 worth in a year—that is \$115 per head. In England, Sir George Paish calculated the aggregate national income at \$12,000,000,000 and the annual consumption at \$10,000,000,000. With a population of 47,000,000 that makes \$212 1-2 consumed per head, a difference of \$97 1-2 per head between Britain and Germany. So that if Britain only reduced her consumption of goods per head to Germany's pre-war level, that would give her a margin of over \$150,000,000,000. If we add to this sum the \$2,000,000,000 that Great Britain was estimated to be saving before the war we get \$6,500,000,000, which is probably about what the war itself is now costing Great Britain. If we deduct from her total expenditure the \$1,000,000,000 that she normally spent on Government and defense before the war, and the sums that are being lent to Allies and colonies.

#### The Future Strain.

If, however, Dr. Helfferich's and Sir George Paish's estimates are correct, Great Britain can meet even the present cost of the war by putting into it the amount of her annual pre-war savings, and the strain represented by reducing her consumption per head to the level shown before the war in Germany, where the population was certainly amply supplied with the good things of life. If she can do this much by so moderate a sacrifice it is evident that she still has a good margin to pull at if greater efforts are demanded of her, as they surely will be. After the warning given by the United States Federal Reserve Board early in December, cautioning the national banks against investing in the loans of

the warring powers, Great Britain will evidently have to rely more still on her own resources for financing herself and her Allies. Power to finance depends on power to produce and to reduce consumption. Britain's power to produce will depend on the demands made on her male workers by conscription—her power to reduce consumption is very considerable, because extravagance is still rife in many classes.

#### After the War.

If, as I believe, England is paying for the war as it goes on, her national resources will be at end of it much as they were when it began. She will be poorer for it in this sense that she will not have made the great addition to her capital wealth that would have taken place if the war had not happened. She will also be relatively poorer because other countries, notably the United States, will have enormously increased their wealth while she has stood still. On the other hand, war will have shaken her up and invigorated her, and taught her many lessons in organization and method which will be useful in peace. Her debt charge will be enormous, but will mainly involve a transfer of wealth from the taxpayers to debtholders who will be her own citizens. If she learns war's economic lessons and continues to produce much and consume little, and if her capital and labor work in harmony and with more and more scientific methods, her productive power after the war should be much greater than before it, as long as she does not lose too many men before it ends.

### THAT LITTLE ISLAND.

(Toronto Telegram).

"It's a little island," the United Kingdom is repeatedly told, that its day is past, that its people are decadent, that its doom is sealed.

Yet that little island was never so truly the centre of the world as yesterday when a premier from the ranks of the people spoke to the listening universe—the mightiest audience that ever hung upon the sound of a human voice.

### ONTARIO'S MINERAL OUTPUT.

Northern Ontario, besides producing most of the world's nickel, produces a surprising amount of other minerals, and recent development there has been extraordinary. As officially estimated, the 1916 production was as follows:

Nickel, 42,000 tons valued at \$21,000,000; copper, 22,000 tons, \$9,400,000; gold, 485,000 ounces, \$10,000,000; silver, 21,600,000 ounces, \$13,500,000, iron ore (nine months, practically the season) 271,034 tons, \$673,170; cobalt and nickel oxides, \$425,000; malldrite, \$21,000; non-metallic minerals, such as brick, stone, lime, cement, natural gas, petroleum, graphite, talc, quartz, feldspar, etc., about \$10,000,000, or a total of \$65,000,000. This compares with a total for the previous year of less than \$57,900,000, which included less than \$47,750,000 metallic products, the most important of which were as follows:

Nickel, 34,039 tons, \$17,019,500; copper, 19,608 tons, \$8,921,600; gold, 411,588 ounces, \$8,501,391; silver, 23,730,839 ounces, \$11,742,463.

### LARGE PURCHASE OF COTTON FOR RUSSIA.

Cotton valued at approximately \$3,500,000 was recently purchased for account of the Russian Government by a prominent New York banking house. The quantity amounts to 35,000 bales, secured at approximately 20 cents a pound, or \$100 a bale. About 25,000 bales are in New Orleans warehouses and 10,000 bales in New York. The cotton in New York will be shipped to Russia in small lots as steamship room offers advantageously. Nearly all the cotton will be shipped to Vladivostok from New Orleans and New York.

### CANADIAN FORESTRY ANNUAL.

The eighteenth annual meeting of the Canadian Forestry Association will be held in Ottawa, on Monday, January 15th, 1917, commencing at 10 a.m. Lieut.-Col. J. B. Miller, President, will occupy the chair.

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**A LIFE INCOME FOR THE WOMAN IN BLACK.**

Not long ago the woman in black was a maiden in white with orange-blossoms in her hair and a pledge on her lips. She may have been a wage-earner, steady and competent. When she became the mother, to the duty of making the home was added that of rearing children.

On the success of her duties as mother now depends largely the character of the children; on the value of their character rests in the ultimate the security of the race.

Let us view her as she comes back to the home from the funeral.

The last sympathizing friend has departed. The children, too young to understand, are at the neighbor's home. Before her is the darkened room, yet redolent of roses. With the housekeeper's instinct, she straightens this and that, coming to a little pile of letters, placed to be seen by the friend who did not go to the cemetery. She opens and reads. Any condolences bring back her flood of tears. Here is one from his employer, containing a cheque for a month's salary. How generous! The cheque was not earned. Generosity is ever the twin of charity. This is the last pay-cheque and a gratuity. Is it charity's beginning? They had been frugal and there are some hundreds in the savings-bank. Even that is in his name and she knows the law's delay lies between her and its possession, even if the court shall allow it all to her. The expense of the illness and the funeral will take much of this. Perhaps there will be enough to lend to that specially sympathetic relative who only yesterday had whispered to her that he would invest her money and earn at least ten per cent for her. Then she remembered that not long ago this same relative had sought to borrow their savings and they had concluded the loan would not be safe. Another envelope, with the name of a life insurance company on it. She had opposed life insurance, she now bitterly recalls. He seemed so strong and she thought she would go first. She opened quickly and read: "I was your late husband's friend for a number of years. I feel deeply with you in your loss. But I have more than sympathy to bring you. I persuaded your husband to place a Continuous Monthly Income policy on his life for your benefit. Beginning with the first of next month, my company will begin to pay you a monthly income to continue as long as you shall live. The amount of this monthly income will be the same as the monthly housekeeping allowance you have had. Should you die before receiving it for two hundred and forty months, or for twenty years, the balance of the unpaid portion of such two hundred and forty instalments will be continued to your children. For you, the income lasts as long as you may live; it will last if you die within twenty years until the youngest child is of age. I will call the day after the funeral to take the proofs of death. May each cheque, as it reaches you in the years to come, assure you comfort and tell afresh the story of your husband's love."

No need now for the woman in black to speculate with her mite nor to struggle for scanty wages. Ready invested is her fund, its fixed income to come as she had been used to receive her allowance, guaranteed now by the millions of the company, protected by the supervision of the State, as certain as the solvency of the world. Down through life's eventide may go this woman in black, perhaps with weary feet, through stubble-fields of gathered harvests, yet each month shall shine in her sky the crescent of a new hope, the Continuous Monthly Income cheque. —Life Association News.

**BIG BUSINESS MEN CARRY INSURANCE.**

Many of the biggest business men in the United States and Canada carry heavy life insurance. They find that big insurance is a guarantee that their business will survive if they should die. Some of the big amounts carried by merchants follow: John Wanamaker has life insurance to the extent of \$4,000,000; Gimbel Brothers have \$1,500,000; Litt Brothers of Philadelphia, has a line of \$1,000,000; and Henry F. Selfridge of London, has another \$1,000,000.

**VALUE OF GROUP INSURANCE.**

"Group insurance," said a corporation head who had been studying the plan, "gives the members of an employee's family a year's notice of his death by providing a year's pay in that eventuality."

**LAUGHABLE ANSWERS.**

A number of answers given in applications for life insurance, which are more or less amusing, have been garnered by the British Medical Journal, and a few of them are as follows:—

Mother died in infancy.  
Father went to bed feeling well, and the next morning woke up dead.

Grandfather died suddenly at the age of 103. Up to this time he bade fair to reach a ripe old age.

Applicant does not know anything about maternal posterity, except that they died at an advanced age.

Applicant does not know cause of mother's death, but states that she fully recovered from her last illness.

Applicant has never been fatally sick.  
Father died suddenly; nothing serious.

Applicant's brother, who was an infant, died when he was a mere child.

Grandfather died from gunshot wound, caused by an arrow shot by an Indian.

Applicant's fraternal parents died when he was a child.

Mother's last illness was caused from chronic rheumatism, but she was cured before death.

**THE GROWTH OF INSURANCE.**

The growth of life insurance in the United States during the last thirty-four years is out of all proportion to the increase in population. While the population has doubled, and savings bank deposits have trebled, Old Line life insurance has multiplied by ten.

In 1880 there were in force 922,265 policies with \$1,602,375,000 of insurance.

In 1914 there were in force 9,166,943 policies, with \$15,729,781,000 of insurance.

**TO HELP INSURANCE CLERKS.**

The President of the Equitable Life of New York announces that the Home Office clerks whose salaries are less than \$1,800 a year will receive an emergency remuneration cheque each month equal to 10 per cent of their salary until the abnormally high prices of necessities are lowered.

**SUICIDES IN THE STATES.**

Frederick L. Hoffman, the well-known statistician of the Prudential Life, has published an interesting paper on the suicide record for 1915. The rate for the year was 20.3 per cent per 100,000 of population for 100 American cities, as compared with 20.0 per cent per 100,000 for the preceding quinquennial period, and 20.7 per cent per 100,000 for the preceding year, which was the highest rate on record since 1890, except for the year 1908.

**THE QUICK AND THE DEAD.**

Automobiles killed 729 persons last year on the streets and highways of New York State, as compared with 663 in 1915.

**PROSPEROUS and PROGRESSIVE**

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Life Fund and Special Trust Funds....	74,591,540
Total Annual Income Exceeds .....	47,250,000
" Funds Exceed .....	142,000,000
" Fire Losses Paid .....	183,366,690
Deposits with Dominion Government ...	1,225,467

(As at 31st December, 1915.)

Montreal, Canadian Branch:—Commercial Union Bldg  
267-236 St. James Street, Montreal.

Applications for Agencies solicited in unrepresented districts.

J. McGRIGOR - - - - - Mgr. Canadian Branch  
W. N. JOPLING - - - - - Asst Manager

**A Free Course in "Salesmanship"**

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

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

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

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY

Head Office, Toronto.



## "A Little Nonsense Now and Then"

He—Do you remember Horatius at the bridge?  
She—I don't think I ever met him. You know, we invite so few men to our card parties.—Stray Stories.

A street car with the front sign reading "Dorchester" and the side signs "Ashmont and Milton"—a motorman of Hibernian extraction and a nervous woman.

The dialogue: "Does this car go to Dorchester?"  
"Yes, leddy; get right on."  
"Are you sure it does?"  
"Yes, leddy; get right on."  
"But it says, 'Ashmont and Milton's' on the side."  
"We ain't goin' sideways, leddy; get right on."

Not long ago the editor of an English paper ordered a story of certain length, but when the story arrived he discovered that the author had written several hundred words too many.

The paper was already late in going to press, so there was no alternative—the story must be condensed to fit the allotted space. Therefore the last few paragraphs were cut down to a single sentence. It read thus:

"The Earl took a Scotch high-ball, his hat, his departure, no notice of his pursuers, a revolver out of his hip-pocket, and, finally, his life."—Everybody's.

An Irishman was suddenly struck by a golf ball. "Are you hurt?" asked the player. "Why didn't you get out of the way?"

"An' why should I get out of the way?" asked Pat. "I didn't know there was any assassins around here."

"But I called 'fore,'" said the player, "and, when I say 'fore,' that is a sign for you to get out of the way."

"Oh, it is, is it?" said Pat. "Well, thin, when I say 'foive,' it is a sign that you are going to get hit on the nose. 'Foive.'"—New York World.

The hostess summoned one of her guests to the lawn to try his luck with the new moon, and said: "You must hold this silver dollar in your left hand, look at the new moon over your right shoulder, make a wish, and it will come true."

The thing was very quickly done, and they rejoined the party. Later the hostess asked if the wish had been made, and, upon being informed that it had, she remarked:

"Where is my silver dollar?"  
"Oh!" replied the guest. "I wished that I might keep the silver dollar, and it came true."—Harper's.

"Yes," said Mr. Meekton, of the Washington Star. "I'll go shopping with you and carry the bundles. Put, Henrietta I shall insist on one thing." "What do you mean?" "When you leave me waiting for you for an hour or so on the corner in front of a department store you must take the trouble to explain to the policeman who I am."

Young Man: "So Miss Ethel is your eldest sister. Who comes after her?"

Small Brother: "Nobody ain't come yet, but Pa says the first fellow that comes can have her."—Stray Stories.

An old farmer was driving along a lane near a golf-course and stopped for a moment to watch the time.

"What's that?" he demanded curiously.  
"Golf," was the reply. "Want to try your hand, uncle?"

"Don't mind if I do," declared the farmer, wrapping the lines around the dashboard and climbing down.

The players gave him a few points about hazards and flags and finally one pointed to a flag on a hill 50 yards away. "At the foot of that pole," he said, "is a hole. The object is to put this ball in the hole with the smallest number of strokes."

The farmer took the club, sighted for some time, and then swung a whale of a stroke. The ball soared into the air, and fled unerringly into the hole. It fell short, bounced, rolled, and struck the hole's breadth from the objective—a hole that made the experienced players

"I missed it!" the farmer exclaimed.—

## THE COST OF LIVING AND INSURANCE.

Every day we see items in the daily newspapers dilating on the increasing cost of practically all commodities, and almost daily we read of wages being increased, or of demands being made and strikes threatened, if they are not increased, usually to a maximum of about 25 per cent. In the October issue of "Field Notes," the official paper of the Northwestern Mutual Life of Milwaukee, Wis., there is presented a graphic illustration of commodity prices for a twenty-five year period \$11.50 now is worth about as much as \$9.75 was worth last year, or as \$8.75 was worth two years ago. \$11.50 now is worth not a cent more than was \$5.75 back in 1896 or just twenty years ago. It stands to reason, therefore, that a man who sought to protect his family twenty years ago by \$20,000 life insurance, now needs in excess of \$40,000 or twice what was then sufficient. The man who sought to protect his family with \$20,000 life insurance two years ago, now requires an additional \$10,000 to keep his insurance protection on the basis he originally intended. The same percentage maintains all along the line, whether your patron is the holder of a \$1,000 policy or of one for \$100,000. As "Field Notes" remarks, "There is no excuse for failure to write a large volume of business during the remainder of the year, for the people have the money to pay for insurance and the rising prices offer the best possible reason for men who are now insured to increase their lines." And it might be remarked in passing, life insurance costs, not more, but actually less, than it ever did in the past. In this respect, it stands practically alone.—Insurance World.

## DECEMBER FIRE LOSSES.

The losses by fire in Canada and the United States for December amounted to \$231,442,995 as compared with \$182,836,200 in 1915. The losses in both countries for the past forty years aggregate \$6,281,260,220. The December losses by fire in Canada include that at Peterboro, Ont., which caused a loss of \$1,500,000; a tannery at Quebec, loss \$35,000; a business block at Ottawa, loss \$100,000; in Montreal, a garage and other smaller fires, loss \$35,000; at Summerside, P.E.I., two business sections, \$112,000; at Campbellford, Ont., bridge works plant, \$60,000; Barrie, Ont., a college building, \$100,000; at Toronto, car barns and repair shops, \$500,000; and Farnham, Que., asylum buildings, \$250,000.

## PROMOTIONS IN MANUFACTURERS' LIFE.

Mr. J. B. McKechnie, General Manager of the Manufacturers' Life Insurance Company, announces that the directors have made the following official appointments: Mr. L. A. Winter to be Treasurer, Mr. A. J. Prest to be Secretary, and Mr. E. S. Macfarlane to be Assistant Secretary. All three have been for many years in the service of the company, the new Treasurer for twenty-four years, the Secretary fifteen years, and the Assistant Secretary, thirteen years.

## A RECORD INSURANCE POLICY.

All insurance records were broken in contract written by Equitable Life Assurance Society of New York, with Union Pacific Railroad involving over \$30,000,000 on the group plan, under which is provided insurance equivalent to one year's salary, not to exceed \$2,500, on each employee. Equitable also wrote \$7,000,000 insurance on Montgomery Ward employees, and on Studebaker Corporation's 10,000 employees and 18,000 of B. F. Goodrich Co.

## DID A DAY'S WORK.

The solicitor who sold a \$30,000,000 policy to the Union Pacific Railroad covering most of the 40,000 employees felt he had done enough for the day and went home directly after lunch.

## TORONTO'S ASSESSMENTS.

According to the annual report of Assessment Commissioner Foreman, the total value of assessable property in Toronto upon which the taxes will be paid has increased \$6,187,732. For 1915 the total assessment was \$592,123,873, while for 1916 it was \$585,936,141.

## UNION ASSURANCE SOCIETY LIMITED

OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1711

Canada Branch, Montreal:  
T. L. MORRISEY, RESIDENT MANAGER.

North-West Branch, Winnipeg:  
THOS. BRUCE, BRANCH MANAGER.

AGENCIES THROUGHOUT THE DOMINION

## 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	581,478	105,712	2,300,518	15,779,385
1905	1,660,064	538,827	6,968,014	37,580,047
1915	2,749,951	1,386,025	15,716,889	56,245,318

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 1806

## THE LAW UNION AND ROCK INSURANCE CO. LIMITED

OF LONDON

ASSETS EXCEED \$48,000,000.

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

Canadian Head Office:

57 Beaver Hall Hill, MONTREAL

Agents wanted in unrepresented towns in Canada

J. E. E. DICKSON, Canadian Manager.

W. D. AIKEN, Superintendent Accident Dept.

## The 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.

## WESTERN ASSURANCE COMPANY

INCORPORATED 1851

Fire, Explosion, Ocean Marine and Inland Marine Insurance.

Assets Over - - - \$4,000,000.00

Losses paid since organization, over - - - 63,000,000.00

HEAD OFFICE - - - TORONTO, ONT.

W. R. BROCK, President.

W. B. MEIKLE, Vice-Pres. & Gen. Man.

QUEBEC PROVINCE BRANCH:  
61 ST. PETER STREET, MONTREAL

ROBERT BICKERDIKE, Manager

## 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

**BLACK DIAMOND**  
FILE WORKS

Established 1863

Incorporated 1897

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

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

Owned and Operated by  
NICHOLSON FILE COMPANY



**PROFESSIONAL**

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

**IMPERIAL BANK OF CANADA**

DIVIDEND NO. 106.

Notice is hereby given that a Dividend at the rate of twelve per cent (12%) per annum upon the paid-up Capital Stock of this Institution has been declared for the three months ending 31st January, 1917, and that the same will be payable at the Head Office and Branches on and after Thursday the first day of February next.

The transfer books will be closed from the 17th to the 31st January, 1917, both days inclusive.

By Order of the Board,

E. HAY,

General Manager.

Toronto, 20th December, 1916.

**Prices at Record Levels on Basic Metals**

**Peace Proposals have Little Effect on Market.**

The passing of the Old Year into the New Year has been marked in industrial circles by more than the usual slack holiday season. Renewed efforts on the part of the Central Powers and influential neutrals to bring about an early peace, has spread abroad the impression that if the end of the war is not in sight it is at least a factor to be reckoned with in booking future business. Recent diplomatic events have created a feeling of caution in the hardware and metal markets, particularly as prices have now reached a level that is regarded as dangerously high. Notwithstanding the uncertainty of the future, however, prices have not weakened and there is strong indication of continued firmness. In any case in iron and steel, reductions are not likely to happen for some time for orders actually in hand will keep the mills busy for the greater part of the year and large quantities of steel will be required in the period of reconstruction.

Taking a closer survey of conditions in the metal market, one finds that prices on all lines have advanced to a great extent during the past two years. This is particularly true of steel products, caused by the demand for war purposes. There is perhaps too great a disposition to attribute the present shortage of iron and steel entirely to the war. American and Canadian industries have been stimulated in many lines, and the general prosperity in the two countries has affected all classes. The farmer is getting record prices for his products and his increased buying power has been reflected in every industry.

The production of pig iron during the past two years has gone up over 30 per cent, reaching almost 40,000,000 gross tons during 1916, compared with a previous high record of 30,000,000 tons. The American mills, however, are still planning for large additions to their open hearth capacity, basing their optimism on the world's future need of steel for the building of ships, railway cars and equipment generally without regard to the rehabilitation of Belgium and Northern France. An American commission recently reported that \$2,500,000 will be re-

quired to be spent to rebuild the hundreds of towns and villages that have been destroyed in the battle fields of Europe.

While it is possible that steel has reached its high price limit, it is the general impression that there will be no break for some time to come. The prices of pipe and wire products are still reported by Pittsburgh, as low in comparison with the cost of wire rods, billets, sheet and steel bars. We have apparently reached a point, however, where it is necessary to adopt a conservative financial policy. Manufacturers are probably carrying heavier stocks of metal than has been necessary for some years, owing to their having to place orders for raw materials and semi-finished goods long in advance, in order to obtain delivery. The jobbing trade are also carrying heavy stocks purchased on an advancing market, and the retailer is probably in the same position. The banks have been advising caution and not without reason, if we are to learn a lesson from the recent collapse of the stock market. They are indeed taking a practical view of the situation, and recommending that manufacturers and merchants should set aside a considerable reserve to be known as "Stock Inventory Reserve," with the idea of providing for depreciation in prices that are almost sure to occur sooner or later. Merchants who have sold their goods at market prices on the upward movement can probably afford to set aside such a reserve, thereby protecting their future interests. It is however, felt by those best informed that any reduction that may occur in steel prices will be gradual. This is greatly to be hoped for as a sudden and drastic reduction would reflect itself in all other lines of trade.

**Market Fluctuations.**

Generally speaking metal markets have shown no change of late, although copper has weakened slightly on account of the restrictions placed on its use by the British Government. Tin is easier, but lead is holding firm although the market is dull. Prices on domestic pig iron are still withdrawn, and no information is available as to when new quotations will be issued. Stocks of foundry iron have been exhausted and Canadian furnaces have no pig iron of the grade to sell. The following market changes in the price of basic metals that have taken place during the year just terminated will be found of utmost interest:

	1915	1916	1916
	Dec.	Dec.	Inc.
Pig iron, ton	\$23.00	\$42.00	82.6
Bar steel, cwt.	2.80	4.75	69.7
Iron bars, cwt.	2.80	3.75	50.0
Iron, gal. sheets, cwt.	5.75	7.50	30.4
Boiler plates, 1-4-1-2 cwt.	2.85	....	....
Steel Billets, mild, ton	33.35	64.00	91.2
Antimony, lb.	.40	.18	55.0
Brass, casting, lb.	.25	.30	20.0
Copper, casting, lb.	.20 1/2	.36	80.0
Lead, lb.	.7	.9 1/2	35.7
Nickel, lb.	.21	.13	11.1
Spelter, lb.	.21	.13	61.5
Tin, ingots.	.46	.46	....

\*Decreases.

**U. S. EXPORTS TO EUROPE, \$3,464,000,000.**

Exports to Europe from the United States for the eleven months ended with November amounted to \$3,464,518,000, as compared with \$2,316,985,000 for the same period of 1915, according to detailed reports of foreign trade by countries which have just been issued by the Department of Commerce at Washington. Total exports from the United States for the eleven months amounted to \$4,960,302,000, as against \$3,195,364,000 in 1915. This was an increase of approximately \$1,750,000,000 for the year, and gave a balance of trade in favor of the United States of about \$2,750,000,000. Imports for the eleven months reached \$2,186,821,000.

Exports of war supplies from the United States since the movement began in January, 1915, to the end of October, 1916—the latest figures available—totalled \$2,356,897,000. This estimate errs upon the side of extreme conservatism rather than towards extravagance. Of this enormous sum, \$903,916,000 represented explosives, firearms, aeroplanes and wire, articles used directly on the field of battle. War accessories, such as automobiles, motorcycles and scientific instruments, added \$226,788,000. War supplies of a general nature, including horses and mules, metal working machinery for the vast munition factories of England, France, Italy and Russia, boots and shoes for the soldiers, brass, chemicals and copper, amounted to \$1,226,193,000.

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

**Bank of Nova Scotia**

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 24th January next, at Eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,

H. A. RICHARDSON,

General Manager.

Halifax, N.S., December 15th, 1916.

**DIVIDEND NOTICE**

**THE STANDARD BANK OF CANADA**

**QUARTERLY DIVIDEND NOTICE No. 105**

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st day of January, 1917, and that the same will be payable at the Head Office of this City, and at its Branches on and after THURSDAY, the 1st day of February, 1917, to Shareholders of record of the 22nd of January, 1917.

The Annual General Meeting of Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the 28th of February next, at 12 o'clock noon.

By Order of the Board,

G. P. SCHOLFIELD,

General Manager.

## Sensational Fluctuations in Trend of Wheat Prices

World Shortage and Peace Rumors Cause Violent Reactions

With the close of the year 1916 another dramatic chapter in the agricultural history of Canada and the United States is completed. The same elements have been present as in the years preceding, but in a different relationship, namely, the size of the crop and the needs of Europe. In 1916 this change in relationship was nothing short of revolutionary, and, notwithstanding the sensational developments that have hitherto kept pace with the war's progress, the past year has witnessed the most spectacular of all. From a supply that was ample to care for the greatest needs of the Allies, the production of the United States dropped to a point that was barely sufficient for its own requirements. Its exports have been made from its surplus from previous years, and with this now practically exhausted, further shipments must be at the expense of home needs.

Similarly in Canada, our 1916 wheat crop fell from an abnormally high point in 1915 to a total production considerably under half. The needs of our scattered population amount to a much smaller proportion of our whole output than in the case of our neighbor, so that it is not likely that our domestic supplies will be in any way curtailed. On the other hand so great a decrease as has taken place in our exports becomes a factor in the world's markets.

Under these circumstances prices have naturally risen to abnormal heights with the inevitable speculation accompanying these conditions, but only to topple in equally spectacular fashion when peace became a possibility.

The experiences of the year have demonstrated more clearly than ever that wheat is a world proposition. The world has been short of wheat, and whatever may have been the causes in the different producing countries the result has been the same in all of them.

### Marked Decreases in Crop Returns.

To obtain a proper view of the 1916 wheat crop, it is necessary to place as a background the 1914 and 1915 harvests. That of 1915, for instance, reached almost four hundred million bushels in Canada, or well over double the 1914 crop, which amounted to only a little over 160,000,000 bushels. The United States crop of 1915, raised under very similar weather conditions exceeded a billion bushels, the greatest ever produced in any single country in the world's history, the only exception being the figures of Asiatic and European Russia when combined in a single total.

Prior to the breaking out of war in August, 1914, the farmers of the United States and Canada were facing exceptionally low prices for wheat because there appeared to be no market for their enormous crop. Then came the thunderclap of the war and the almost immediate demand for all the wheat that could be shipped. In 1914 the United States wheat crop had been abnormally large, reaching the then enormous total of 891,000,000 bushels, which was regarded as almost a freak of nature, and it seemed hardly credible that it could be repeated. Hitherto a crop of 763,000,000 bushels (in 1913) had been considered remarkable and stood as a record, with the average about 670,000,000 bushels. All the wheat which ships could be found to carry out of this bumper crop, added to what had been left over from the 1914 crop, was exported and still left a surplus in the United States of 160,000,000 bushels, and 27,000,000 bushels in Canada. This was a fairly liberal carry-over, provided the 1916 crops should turn out all right, and in the early part of the year there was little reason to believe it would be otherwise.

### Disastrous Crop Conditions.

Yet 1916 will stand out in agricultural annals as a year that was as freakish in the matter of light production as its predecessor was in heavy production. About everything happened to the crop that could possibly happen. In considering sensational reports of crop damage that find their way into the market from time to time, it has often been facetiously remarked that the crop-killers have trotted out all the destructive agencies they had in reserve, yet in the past year it has seemed as if all this were literally true.

The New York Journal of Commerce reviews the unfavorable weather conditions existing last summer in an interesting article on the subject in their statistical New Year issue.

"There were," says the Journal, "4,236,000 acres of winter wheat smothered under a pack of mid-winter ice, and the States of Ohio, Michigan, Indiana, Illinois and Missouri, which in 1915 produced a surplus of 80,000,000 bushels above their own requirements, in 1916 fell 30,000,000 bushels short of providing for their own wants. The hessian fly and green bug were responsible for the loss of 20,000,000 bushels in Kansas and Oklahoma in May and June. On July 1 spring wheat promised to make a crop of 270,000,000 bushels, but as early as July 9, B. W. Snow definitely announced the presence of black rust in South Dakota, and the destruction that followed this visitation is said to be unparalleled in the history of agriculture, the spring wheat crop finally showing only 158,000,000 bushels of thin, light-weight, shriveled grain, the scourge sweeping on into Canada before its course was run."

A total wheat crop in this country of 640,000,000 bushels, in Canada of 159,000,000 bushels, or a North American total of 799,000,000 bushels against a total of 1,402,000,000 bushels in 1915 could mean nothing but a violent disturbance of the world's adjustment between supply and distribution. Coincident with the decrease of more than 600,000,000 bushels, for the two great available sources of supply, came severe crop shortage in Europe, and now harvest time in Argentina develops what is substantially a wheat crop failure in the third greatest source of supply. As one authority points out, the world is upon short bread ration and to pull through until another harvest it is necessary not only to consume the product of the year, but to draw dangerously upon the surplus carried from year to year as the margin of safety against bread famine.

### Prices Will be Measured by Necessity.

Europe's necessities and the comparative accessibility of our shores for short-voyage wheat tonnage make it practically certain that North America will be drained of wheat before a new crop year rolls around, unless there are hidden stores unmeasured by any available statistics. In such an event prices will be measured only by human necessity for food; but, on the other hand, these high prices will tempt forth unexpected reserves which may or may not be sufficient to stretch out the depleted supplies. Already we have exported the major portion of our surplus without touching upon this safety reserve, and that with only half the crop year gone.

The price movement, as has already been pointed out, has been sensational. Under the promise of a good crop and with a falling off in exports, wheat at Chicago early in May declined to 99½¢, which was considered phenomenal with the war still in progress. From this point it gradually started upward until the black rust scare started with spring wheat and then prices darted upward in what clearly became a runaway market. The high point was reached on November 13 when the market touched \$1.95¼ in Chicago, although it reached \$2.04 in Winnipeg, and also passed the \$2 mark in Minneapolis.

### Talk of an Embargo.

Flour naturally advanced with wheat and in the public protest against the increased price of bread, which became a necessity, the idea of the embargo on foodstuffs was developed, which attained great popular favor, culminating in the introduction of a bill in Congress authorizing an embargo, which is still pending, although apparently with little chance of passage.

The price of wheat gradually declined from the high point, but managed to hover within a 10¢ reduction until the last fortnight of the year, when Germany's peace proposals sent prices crashing downward through fears that it would mean the opening of the Dardanelles and the release of the vast stores of Russian wheat supposed to be bottled up. Declines of more than 40¢ a bushel from the top were reported.

## Empire Cotton

## Mills <sup>Welland, Ontario</sup> Limited

Manufacturers of

### Textiles, Sail Duck,

### Bag Cloths

and

### Seamless Bags

Write for Quotations

### BANKING AND BUSINESS IN THE UNITED STATES.

(Concluded from page 4).

pressure of new business are factors that can not be disregarded.

#### Gain in Bank Note Circulation.

For the month of December there was a gain of \$2,619,621 in the outstanding volume of bank circulation. Still, going back a little it will be seen that the bank notes are shrinking in volume. It is the expectation that in the course of time the notes of the National banks will disappear altogether, being supplanted by the Federal Reserve notes. So long as the National banks hold Government bonds, they may as well issue the notes, which are a source of slight profit. Some banks will perhaps continue to issue the notes as a matter of sentiment. It adds to the prestige of a small country bank to see its name conspicuously printed across the face of notes circulating as money. If the National banks gradually surrender the privilege of note issue to the Federal Reserve Banks, we shall then have only a dozen banks in the country with the right to issue circulating notes. As the National bank circulation lapses, the United States will have a circulation based upon coin and commercial paper instead of upon the Government debt. The idea of a pure credit bank note, so familiar in Canada, has not made much headway here, where the superstition prevails that only the Government can safely be entrusted with the right to issue the circulation.

#### Bank Training Being Rewarded.

It is only a short time ago, comparatively, that the bankers in this country began to make provision for institutional training of young men for banking such as had long been common in England and in most of the British dominions. That the system of bank training, tardily inaugurated here, is proving effective, appears from the number of young men who have availed themselves of this training and who have reached important official positions in a number of the large city banks. Not only is this education for banking provided by several organizations, but some of the banks themselves maintain departments of special instruction where the employees before or after banking hours may avail themselves of these privileges. In former years it was sometimes said that American bankers came to their duties with no special knowledge of their business. They were manufacturers, merchants and not infrequently lawyers and farmers. If this experience was wanting in technical banking knowledge, it nevertheless afforded a pretty sound insight into character and a familiarity with local business conditions. But the old order in banking is slowly passing, and before long the American bankers will not be less well professionally trained than his foreign competitor.

### THE AUSTRALIAN PUBLIC DEBT.

Since the outbreak of the war the public debt of Australia has increased by nearly £130,000,000. Since 1901 it has gone up 130 per cent.

The debts of the states and Commonwealth on June 30, 1916, were about £440,000,000, and if the new war loan be added the total would be increased by £23,000,000. It is estimated that the loan indebtedness is equal to slightly more than two years' income of the citizens of Australia.

## Optimistic Feeling in Hardware Circles

Demand Normal Notwithstanding High Prices.

The slackness that is always apparent during the holiday season is allowing hardware merchants leisure to draw their breath before entering upon the strenuous period facing them in the new year 1917, which promises to equal the 1916 struggle to keep pace with constantly advancing prices. Canadian dealers report a good demand for hardware of all kinds during the year just closed, notwithstanding the high prices ruling. In fact steadily rising prices have stimulated rather than checked the demand all over the country as many retailers have booked heavy orders on the advancing market, sufficient to supply them for very long periods.

How far this stocking up has accounted for the fact that last year's business was greater than the previous year's it is difficult to say. At any rate there is no doubt but that the repeated attempts of retailers to order goods that are now almost unobtainable had led to fictitious estimate of the present demand for hardware. For example enquiries for a line of goods formerly imported, may be received by half a dozen firms all of whom are unable to fill the order, and each one separately sets it down as possible business lost.

As in many cases manufacturers have been able to extend their lines so as to cover deficiencies in the range of imported goods, the lack of trade from overseas has added materially to the year's business. Generally speaking the hardware trade is as good as it was previous to the war, except for building hardware of the better grades, the demand for which has been greatly reduced in proportion to the decrease in the building taking place. This has been offset, however, by the large amount of rough hardware that is being used in the erection of munition factories and other industrial plants, so that the total business will be found to show very little change.

### Marked Increases in Price.

Prices on all lines have risen steadily, the general range being from 25 to 50 per cent. Although speculation doubtless enters into this market as into all others, the strength in hardware prices is built on a more substantial basis than in the case of the raw material. Part of the advance has been brought about by an increased demand for goods and a natural feeling on the part of holders to conserve stocks as much as possible, in view of the shortage of goods that is becoming more and more apparent. A large proportion of the increase in values may be accounted for by the bull markets on the basic metals. Owing to the fact, however, that other costs have not gone up to anything like the same extent as metals, the cost of the finished article has in no case advanced at the same rate as the manufacturing materials.

The labour question is a primary factor in the situation, covering as it does the greater portion of the cost of the completed article. Wages have increased from 25 to 50 per cent, and with the higher scale of pay have come many serious difficulties for the manufacturer as well. The war has drained the country of skilled workers, leaving in their place women and old men who demand high wages although they are unable to produce the same results. Other items have also added their quota to the total increase. Car shortage and traffic congestion have caused delays and losses, and overhead expenses are on a materially higher basis.

### Imports Greatly Reduced.

To realize conditions in the importing end of the hardware business it is only necessary to look

through the sample cases in any large importing house. The cards on which are displayed the small hardware are more than empty, and a number of them have been put away altogether for appearance sake. Many of the remaining samples only represent the tail end of the stocks of European goods carried before the war.

Hitherto we brought in large quantities of hardware from Germany, Austria and Belgium, all of which has been completely cut off by the war. The English trade has also been reduced to a minimum. Thus we find ourselves today in company with all other former customers of Europe, turning to the United States to supply us with such articles as we are unable to furnish at home. American makers, with a demand for hardware from all over the world, are, to say the least, not disposed to sacrifice their goods. The new trade has caused a heavy investment of capital, and with the coming of peace their market may or may not be permanent. As in the case of the domestic made goods, many factors such as the war tax, shortage of cars, and the higher cost of labour and raw materials, have increased prices of imported goods until the demand for some new bids fair to be eliminated altogether. Take for example a charcoal iron that sells today at \$1.25 wholesale as compared with 45c before the war. The value is not there for the money in comparison with an electric iron. Prices of imported goods have risen anywhere from 50 to 200 per cent.

### Firm Prices Throughout the List.

In sympathy with the strength in bar iron and steel, prices on galvanized sheets are firm, under a good demand. Pipe and pipe fittings show an improved demand. In shelf goods, retail dealers continued to buy right up to the turn of the year, instead of holding off for a few weeks in order to bring their buying into the new year as was their former custom. The demand for enamelware and tinware is not very great at present, but it will likely improve very much within the next month or six weeks, when dealers will order supplies for their spring requirements. The rise in the price of tinware is out of proportion to the change in enamelware, owing to the fact that the cost of tinned sheets has increased more than steel sheets. As the price of tinware approaches enamelware the demand for the former naturally falls away in favor of the higher class article.

The sale of carpenters' tools is not very brisk just now, but it is expected that this spring's business will show an improvement over last year's. Asbestos goods are scarce and the supplies are not equal to the demand. Prices on black and galvanized sheets are firm. Wire and wire nails are firmly maintained and supplies are somewhat scant. In poultry netting and wire nails it will be well for dealers to send in their orders for next season's needs as early as possible so as to make certain of securing delivery.

The outlook for spring business is very hopeful. It would appear as if prices would be well maintained through the apparent shortage in supplies, and that the demand in general would be greater than last year. Dealers are booking for spring delivery on all the leading lines.

### AUTO ACCIDENTS.

Statistics covering the United States registration area show that fatal automobile accidents have been steadily increasing from 6.5 per million of population in 1907 to 23.9 in 1911 and 59.3 in 1915. At the rate of 60 fatalities from this cause per million of population for 1916, the approximate number of deaths caused by automobiles during the year would be 5,200, or 100 a week. In addition to fatal cases, there are, of course, a great number of disabling injuries as the result of automobile accidents.

## THE LATE T. CHASE CASGRAIN.

Honorable T. Chase Casgrain whose death occurred a few days ago has been Postmaster General of the Board and Council for the past year and a half. In the years immediately preceding that he practised his law in Ontario, the late Mr. Casgrain was an American by birth having been born in Detroit in 1852. He was educated in this Province and lived probably his entire life in Quebec and Montreal. For many years he sat in the Quebec Legislature and for some 5 years was Attorney General for the Province. From 1892 to 1896 he was a member of the House of Commons and returned to that field a year and a half ago when he was made Postmaster General. The late minister was a Conservative of the old school. He was broad-minded and tolerant and keenly interested in many worthy objects outside of his law practices and parliamentary duties. One of the movements he was most keenly interested in was temperance reform.

## THE UNION BANK OF CANADA.

The Union Bank of Canada reports that after all deductions, the bank carried forward \$93,160 against \$103,019 the previous year. The net profits of \$651,183 for the year 30th last, against \$659,688 in 1915, the decrease being explained as due to the slower recovery in western business, as compared with eastern business.

The balance sheet shows among liabilities an increase in circulation of \$1,142,000. Deposits without interest expanded \$7,200,000, and interest bearing deposits \$9,500,000.

On the assets side coin increased from \$1,481,000 to \$1,139,492, while Dominion notes decreased \$810,000; deposits with the Central Gold Reserve increased from \$2,800,000 to \$4,700,000, while Dominion and Provincial Government investments, grew from \$685,707 to \$2,100,547, and Canadian Municipal and British Foreign and Colonial Public Securities grew from \$395,349 to \$14,445,701.

Call loans in Canada decreased \$125,000, while those outside increased by \$4,301,000. Current loans in Canada increased \$232,000 to \$49,173,367.

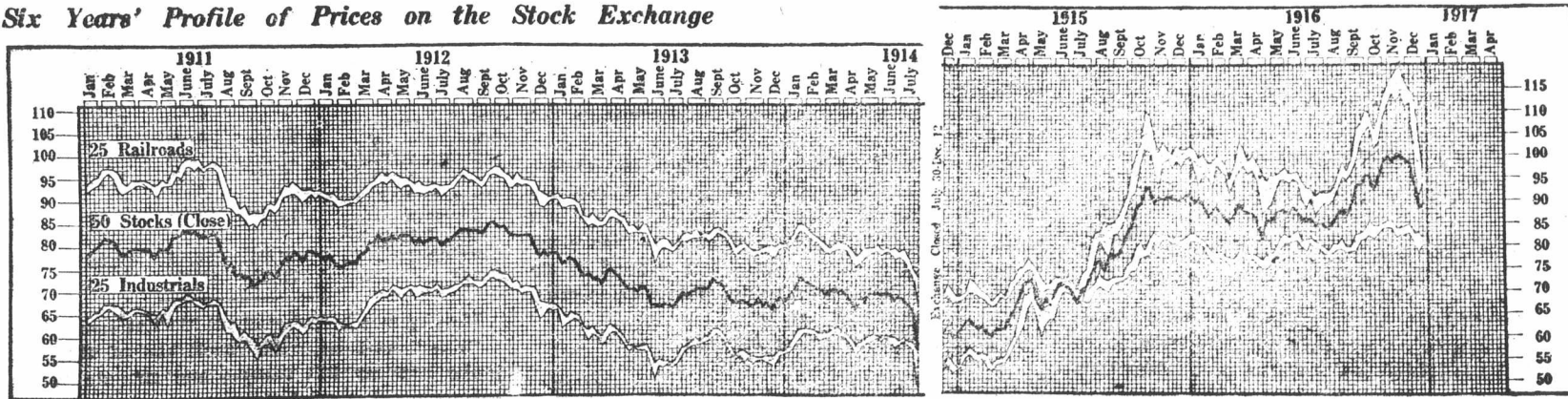
## TRADE AT ST. JOHN, N. B.

The year that has just closed has been most satisfactory from a trade standpoint for St. John N.B. Almost all industries have been working up to full capacity, and with the port trade exceptionally brisk the industrial classes have been well supplied with spending money. The farmers have realized good prices on all their products. The potato crop was about 20 per cent. short of the previous year, but the enhanced price more than compensated for the loss in this direction. Hay, oats, and turnips were a good crop.

A new record for bank clearings was made the past year in this city, the total for the twelve months being \$90,586,132, as against \$77,018,854 in 1915, an increase for 1916 of \$13,567,268. The biggest year in the past was 1912, when the clearings amounted to \$88,967,218. The auditor-general, in his statement of provincial finances, reports a surplus in ordinary revenue account the past year of \$12,077.

Certain amendments to the regulations governing the cutting of timber and pulpwood on Dominion lands have been made. The order-in-council provides that all such wood cut on Dominion lands under permit must be manufactured in Canada.

## Six Years' Profile of Prices on the Stock Exchange



New York Stock Exchange Fluctuations as compiled by the Annalist.

# COMMODITY MARKETS

## WEEK'S WHOLESALE REVIEW.

Business is still quiet in wholesale circles, as most trades have not yet resumed their accustomed activity after the holiday season. Travellers are all home now, sorting samples and preparing to set out again on the road for their spring trips. Every indication points to the heavy booking for spring delivery, as the general demand for merchandise does not appear to be checked to any extent by the high prices ruling.

Merchants at any rate are starting the new year with the confidence of a profitable year—though difficult—just completed. It is impossible to forecast the future. The peace discussions now taking place are having an unsettling effect on all markets and causing commercial leaders to stop and take thought of the narrow and the immense possibilities contained in what may happen in the near future. The banks are recommending a conservative policy which is amply justified under present uncertain conditions. What the effect of an influx of thousands of returned soldiers into our own labour market and that of every warring country in the event of peace is a matter that it will be too far-reaching to estimate.

## DAIRY PRODUCE.

**BUTTER:** Stocks of creamery butter according to statistics published on the first of the year, show a decrease of 16,715 packages during the month. The total quantity of creamery butter in store in Montreal is estimated at 59,553 packages as compared with 64,871 packages last year. Although the amount of butter available is small, dealers expect to be able to supply the bulk of the trade until the new make comes on, except possibly during a few weeks at the end of the season. The situation is largely dependent on the demand from outside points. There is no doubt but that the high price asked for butter is checking the demand to a certain extent. The trade is still very quiet owing to the light receipts that are dribbling in. The market for finest fall creamery is firm at 43c to 43½c owing to the limited amount available, but winter goods are selling down to 38c on account of the poor quality of offerings. At Gould's Cold Storage on January 4 150 packages of winter made creamery sold at 38c f. o. b. country points.

**CHEESE:** The cheese market is also quiet, being still of a holiday character. Receipts continue to arrive in very small quantities as is always the case at this season of the year. Export trade has been inactive of late, although prices are firmer, the Liverpool public cable being quoted at 133s for white and 134s for colored, a gain of 3 shillings for the week. Stocks of cheese in Montreal appear to be much larger than last New Year's Day, but nevertheless the amount actually for sale is less as a large proportion of the 64,784 boxes are Government cheese and stocks already bought by English houses. As in the case of butter, September and October goods are firmly held at quoted prices, although current receipts are bringing from 2c to 4c lower according to quality. At Gould's Cold Storage on January 2 the offerings of cheese amounted to 1,200 boxes of winter-make which sold at 20c per lb. f. o. b. country points.

Butter:—		
Choice 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	
Do., Prints	0.44½	
Do., No. 2	0.42	
Do., Prints	0.42½	
Cheese:—		
Finest Western	0.25	0.25½
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	
Quebec Cheese	0.24	
Canadian Strong Cheese	0.27	0.28
Roquefort	0.25	0.65

The Department of Agriculture at Washington, estimates value of all crops in the United States, in 1916 at \$8,934,587,000, an increase of \$2,105,989,000 over 1915 and of \$2,867,206,000 over the average of years 1910 to 1914.

## FLOUR, CEREALS AND MILLFEED.

In sympathy with continued strength in the wheat market, flour prices were advanced another 20c since our last quotations, making a standard price of \$10.00 a barrel for first patents. Millers are receiving very little new business at present as the trade appears to be well supplied, but on the other hand the mills are far from idle, as they are shipping out flour on the heavy orders booked a month or two ago. If prices continue to rise, the demand is bound to improve with the advancing market, but as a general rule buyers to-day are liquidating their stocks and for the most part will not repurchase in round lots under present abnormal conditions. The export trade is inactive owing to the lack of available tonnage. Some enquiries were reported over the cable last week and we are informed that the first sale of a round lot of the new Canadian export standard grade was made for shipment to London. Winter wheat is quiet and unchanged. There is a good demand for feeds at unchanged prices, and many of the mills are oversold. A scarcity of shorts is still reported. Rolled oats are up 10c to 20c a bag, owing to the fact that the demand at present is in excess of the supply. With a strong market stocks were fairly low at the end of the year, since when some fair sized orders have caused a firmer feeling.

	Montreal.	Toronto.
	Per 97-lb. bag.	
Flour:		
First patents	5.00	4.95
Strong patents	4.75	4.70
Strong Bakers	4.65	4.60
Feed Flour	2.85	2.70
Winter wheat flour,		
90 per cent.	4.10	4.25
Cereals:		
Rolled Oats, 90-lb. bag	3.50	3.60
Oatmeal, 98-lb. bag	3.85	3.90
Graham flour, 98-lb. bag	4.90	
Rolling wheat 100-lb. b.	3.60	
Rye flour, 98-lb. bag	3.40	3.55
Feeds:—		
		Per ton.
Bran	32.00	33.00
Shorts	35.00	36.00
Middlings	38.00	41.00
Moullie, pure grain		
grades	46.00	50.00
Do., mixed	44.00	47.00
Barley feed	41.00	
Crushed Oats	45.00	
Oatfeed	46.00	
Hay, No. 2	13.00	9.00
An extra charge of 30c is made for flour in barrels.		

## FRUIT AND VEGETABLES.

**FRUITS:** The market for fruit is quiet after the heavy demand during the holiday season. Prices on the whole show little change. The apple market, however, shows a slightly easier tendency, owing no doubt to heavier shipments to this market, on account of the shortage of ocean freights. The Government is taking 85 per cent of outgoing tonnage instead of 70 per cent to 75 per cent as formerly, and thus many apples that would have otherwise been sent overseas are being offered to the domestic trade. Fameuse apples are becoming scarcer, as the season is drawing to a close. The demand for cranberries was good during the holiday season, but has fallen off again. Grapes are also quiet, the demand being considerably less after Christmas and New Year. The local orange market is lower in sympathy with easier prices in California, owing to very heavy shipments of frozen fruit which had to be marketed immediately. Sicily lemons are higher, due no doubt to the fact that the California lemons are arriving in a more or less frozen condition. The lemon market showed an advance at the last sale in New York of 25c to 40c a box. A heavier demand is expected with the changeable weather as lemons must always be on hand for colds. Grapefruit is steady with a tendency to advance on the best qualities.

**VEGETABLES:** California celery is, scarce, there being no fancy stock this year. Prices are therefore likely to advance. Spanish onions will soon be over, as stocks are getting low. Sweet potatoes are higher as they are being shipped by express in small lots owing to the danger of freezing if sent by freight in car lots.

Current quotations are as follows:

Fruit:—	
Cranberries, per bbl.	11.00
Cranberry pippin, per bbl.	5.00
Greenings, per bbl.	5.50

Pewaukies, per bbl.	4.00	4.50
Mackintosh Reds, per bbl.	5.50	7.00
Fameuse, per bbl.	5.00	6.00
Bananas, per bunch	2.50	3.00
Grapes, Almeria, per keg	5.00	7.50
Grapefruit, Florida and Cuban	3.25	3.50
Do., Jamaica		3.00
Lemons, Palermo, per box	2.75	3.50
Limes, per box		1.75
Oranges, California, Navel, per box	2.75	3.50
Pears, Winter Nellis, per box	4.50	5.00

Vegetables:—	
Artichokes, per bag	1.25
Beets, per bag	1.00
Beans, American, per hamper	4.00
Brussels Sprouts, per qt.	0.18
Cabbage, Montreal, per bbl.	3.50
Carrots, per bag	1.00
Cauliflower, Canadian, per doz.	2.50
Celery, per crate	7.75
Horse Radish, per lb.	0.20
Boston Lettuce, head, per doz.	1.25
Do., curly, per doz.	0.75
Onions, Spanish, per case	5.75
Do., red, per 75 lb. bag	3.00
Potatoes, Quebec, per 80 lb. bag	1.80
Do., Green Mountains, per 80 lb. bag	1.90
Do., Sweet, per basket	3.00
Parsley, per doz. bunches	0.50
Salsify, per doz. bunches	0.60
Turnips, per bag	1.00
Tomatoes, hothouse, per lb.	0.25
Cuban, per crate	6.00

## LIVE STOCK.

**MONTREAL:** A quiet week is reported at the live stock yards, particularly in the case of cattle, for which the demand was very limited. Prices declined 25c a 100 lbs., but even at this reduction, drovers found it impossible to dispose of all their stock, as the market was already well supplied with the remainder of the heavy lots bought before the holidays. Small meats on the contrary were firm, as offerings were limited. The market for live hogs is stronger and prices last week were marked up to \$13.40 to \$13.50 for choice selected stock. The supply of hogs on the market was small, but still ample to fill the limited demand.

The following table shows the receipts of live stock at the Montreal Stock Yards, West End Market for the past two years:

	1916.	1915.
Cattle	63,213	73,913
Sheep and lambs	69,046	81,380
Hogs	130,700	120,972
Calves	51,193	38,940

**TORONTO:** Receipts of livestock at the Toronto Stock Yards last week amounted to 3,428 cattle, 803 calves, 8,527 hogs and 2,331 sheep and lambs. Although receipts of cattle were three times as large as the week before, the run was considered light, and consequently offerings brought higher values than usual. An advance of 50c a 100 lbs. was noted on all grades of cattle, a number of choice weighty steers cashing in at \$10.00 a cwt. There was a fair market for stockers and feeders. Milkers and springers were scarce. Sheep and lambs were steady. Live hogs went up in price 25c to 35c, owing to the fact that packers' requirements were in excess of offerings available.

	Per cwt.	
	Montreal.	Toronto.
Butcher steers, best	9.25	9.25
Do., good	8.75	7.90
Do., fair	8.25	7.00
Do., medium	7.50	7.50
Do., rough	7.00	6.25
Butchers' cows		
Choice	7.25	7.00
Do., good	6.75	6.50
Do., fair	6.25	5.40
Butcher bulls, best	8.00	7.20
Do., good	7.50	6.40
Do., medium	7.00	5.40
Canners' cattle, bulls	5.25	4.10
Do., cows	4.25	4.40
Heavy Sheep	8.25	7.50
Light Ewes	8.75	9.00
Culls	7.75	3.00
Lambs	12.50	8.50
Calves, milkfed	10.00	12.00
Do., grassfed	5.00	5.00
Hogs, selects, weighed		
off cars	13.40	12.75
Do., heavy weights	13.25	12.50
Sows	11.40	11.50

Murphy was bragging about his fine herd of cows. "Why," said he, "last week one of those cows broke into my hill pasture and she ate so many butter-cups that she has been giving buttermilk ever since."

**THE GRAIN MARKETS.**

In spite of wide fluctuations during the week, wheat quotations show an advance of 8% in Chicago, and 7% in Winnipeg, since our last report. Closing quotations are: Chicago \$1.88 for May, and Winnipeg \$1.91. The market was bearishly influenced on Thursday and Friday by peace rumors and the submarine menace. To-day (Monday) and Saturday the renewed strength was apparent as a result of the belligerent announcement from the German Emperor and the course of the Senate in dealing with President Wilson's appeal to the European combatants. Judging from the present firmness of the market, the trade seems to have come to the conclusion that even in the event of peace, prices are bound to be high in view of the requirements of the Central European nations, and this, notwithstanding the large stocks of wheat which Russia is said to hold.

Official representatives of the Allied Governments have been heavy buyers during the past week. Although the English Government has furnished millers in the old country with sufficient wheat for present needs, private advices say that stocks are growing smaller and smaller, and that supplies are inadequate. Indian and Australian offerings are tightly held, and the same applies to the Argentine. Primary receipts in the United States and Canada are decreasing and visible stocks are also lower, both bullish factors. Large shipments are expected in the near future from gulf ports such as Galveston and New Orleans, where the number of vessels is said to be ample. The car situation also shows signs of improvement.

Corn is very firm, closing Saturday at \$1 for May delivery in Chicago, the highest price since 1892. Heavy purchases for Europe and light stocks are said to have caused the present strength in the situation. Oats have also followed the advance in other grains owing to Government purchasing. The big stocks in sight are, however, acting as a deterrent, and the advance on oats has therefore been less prominent than on other grains. Another cargo of barley is reported to have been sold last week for shipment by way of American ports. Light stocks in Eastern channels are preventing further large business that would otherwise be put through. No activity in rye.

Current cash prices are as follows:

Grains:	per bushel.	
Spring Wheat Manitoba, No. 1		
Northern	2.10	
Do., No. 2	2.07	
Do., No. 3	2.04	
Do., No. 4	1.85	
Winter Wheat Ontario, No. 2	1.74	1.76
No. 3	1.72	1.74
Oats,		
No. 2 C. W.	0.71	
Do., No. 3 C. W.	0.69	
Do., Extra No. 1 feed	0.69	
Do., No. 1 feed	0.68	
Do., No. 2 feed	0.67	
Ontario Oats, No. 2 white	0.64	0.66
Do., Oats, No. 3 white	0.63	0.65
Barley, No. 3 C. W.	1.18	
Do., No. 4	1.08	
Do., Feed	1.00	
Corn, American, ex-track	1.15	

**WINNIPEG GRAIN INSPECTIONS.**

The receipts of grain at Winnipeg for the week ended January 6, 1917, compared with last week and the corresponding week a year ago were as follows:

	This week.	Last week.	Last year.
No. 1 Northern	210	277	....
No. 2 Northern	565	436	....
No. 3 Northern	568	462	....
No. 4 Northern	285	267	....
No. 5 Northern	160	120	....
No. 6 Northern	111	74	....
Feed Wheat	62	65	....
Rejected	43	43	....
No. grade	566	427	....
No. 4 Special	112	92	....
No. 5 Special	51	76	....
No. 6 Special	32	36	....
Winter Wheat	2	....	....
Totals	2,772	2,315	2,605
Oats	944	794	705
Barley	93	114	136
Flax	128	90	70

**RECEIPTS OF BUTTER, CHEESE AND EGGS.**

The following table shows the receipts of butter, cheese and eggs in Montreal for the week ended January 6th, with comparisons:

	Butter, Pkgs.	Cheese, boxes.	Eggs, cases.
Week ended Jan. 6, 1917..	1,758	3,994	1,007
Week ended Dec. 30, 1916..	1,608	3,181	899
Week ended Jan. 8, 1916..	1,002	5,191	3,659
Total receipts May 1, 1916,			
to Jan. 6, 1917 .....	492,927	2,216,549	626,732
Total receipts May 1, 1915,			
to Jan. 8, 1916.....	392,060	1,988,913	109,342

**MONTREAL GRAIN STOCKS.**

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

	Jan. 6 1917.	Dec. 30, 1916.	Jan. 8, 1916.
Wheat, bushels	812,309	865,725	1,467,140
Corn, bushels	12,740	12,745	8,452
Peas, bushels	2,482	1,449	1,396
Oats, bushels	5,210,261	5,346,726	1,901,095
Barley, bushels	136,060	132,654	53,920
Rye, bushels	7,287	5,292	22,815
Buckwheat, bushels	6,684	6,684	6,770
Flour, sacks	31,665	29,097	45,876

**MONTREAL DAIRY STOCKS.**

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

	Jan. 2, 1917.	Dec. 1, 1916.	Jan. 2, 1916.
<b>Butter.</b>			
Creamery, pkgs.	59,553	76,268	64,871
Dairy, pkgs.	1,625	1,908	4,713
Cheese, boxes	64,784	91,460	53,309
<b>Eggs.</b>			
Fresh, cases	701	911	852
Cold storage	30,707	55,220	31,074

**ENGLISH STOCKS OF CHEESE.**

The following table shows the stocks of Canadian and New Zealand cheese in the leading English markets on the dates mentioned:

	Canadian.		
	Jan. 1, 1917.	Dec. 1, 1916.	Jan. 1, 1916.
Liverpool	63,000	52,000	48,683
London	81,000	118,000	74,000
Bristol	29,000	30,000	48,000
<b>New Zealand.</b>			
	Jan. 1, 1917.	Dec. 1, 1916.	Jan. 1, 1916.
London	1,000	25,000	14,000

**MONTREAL PRODUCE RECEIPTS.**

Receipts of the principal commodities at Montreal for the past week follow:

	Week ending Jan. 6, 1917.
Wheat, bushels	82,202
Oats, bushels	42,271
Barley, bushels	20,959
Flour barrels	11,060
Eggs, cases	1,007
Butter, packages	1,758
Cheese, boxes	3,994
Potatoes, bags	1,512
Hay, bales	27,704

**FRENCH WHEAT CROP ESTIMATES.**

The French wheat crop is estimated by the National Miller's Association of Paris at 5,700,000 tons. This amount with the existing stock gives a total available of 6,400,000 tons, and as the annual consumption is 9,200,000 tons, the deficit to be made up by importation is nearly 3,000,000 tons, or about 99,500,000 bushels.

**ARGENTINE GRAIN ESTIMATES.**

An official report places the final yield of wheat at 76 million bushels, against 184 million bushels last year; oats, 35 million bushels, against 80 million. There will be practically nothing for export, as old reserves and new crop will be about sufficient for home needs and small quantities for Brazil.

**EFFECT OF PEACE ON SUGAR TRADE.**

There is no hesitation in the minds of the people of the Allied nations that we are fighting the war with a definite object in view, and therefore peace under present circumstances is as impossible as it would be intolerable. On the other hand the recent diplomatic discussions have aroused the interest of neutrals to such a degree, that the prospects of an early peace is a decided factor in all speculative trading, and as such its effects are being discussed in American Sugar circles.

Some authorities take the view that peace may be a better bull aid for sugar than the continuance of the war. It is pointed out that if the efforts to bring about peace are unavailing, the belligerents must economize in every direction, and with so much tonnage tied up for military purposes, neutrals also will undoubtedly be affected, which probably will result in more sugars being available than the world is able to handle under the restricted conditions. On this account, values will, of course, suffer. If, on the other hand, peace is declared, but not so early as to enable the European Continental countries to get in their spring plantings, it is highly probable that the general demand from all parts of the world, where, unquestionably, stocks would be at a minimum, will tend to uphold values, although the sentimental effect of peace will no doubt have a depressing effect, which, however, will doubtless be eliminated upon sober reflection, and when the general demand from the world becomes apparent.

**BANNER LIVESTOCK YEAR.**

More livestock was marketed in Chicago in 1916 than in any previous year, according to the annual report of the Chicago Union Stockyards recently made public. The report asserts that the marketing during the year amounted to \$509,620,023. The year's total marketings were \$138,681,867 greater than in 1915, and more than \$100,000,000 in excess of the record of the banner year of 1913. New price reports in all classes of livestock were set during the year, the report stated. Fat beef steers averaged \$9.50 per 100 lbs.; calves, \$10.85; hogs, \$9.60; sheep, \$7.85; and lambs, \$10.75; Horses averaged in price \$181 per head.

War demand was an important factor in the 1916 cattle market, according to the report packers having contracts with practically every warring European country, which they were unable to meet fully because of shipping conditions.

**WHEAT RESERVES IN UNITED KINGDOM.**

According to recent compilation reserves of native wheat in the United Kingdom on December 1, allowing on the one hand for the smaller yield this year, and on the other hand for the much larger quantity of old wheat brought forward for the 1915 crop, amounted to about 5,200,000qrs., against 6,400,000qrs. last year, making a total supply of English and Foreign Wheat of 7,700,000qrs., against 7,800,000qrs. at this time in 1915. Invisible reserves of Foreign Wheat are believed to be fully as large as at the same time last year.

**CANADA OUTDISTANCES ROME.**

We do not pretend to compete with the classic city in many points, but at least we are paying more for our flour, although we are one of the great wheat producing countries of the world. A recent despatch announces that the price of flour in Rome has increased to 22½ per cent. This works out to \$4.32 in Rome as compared with a present price in Canada of \$4.90 and a high point of \$5.30 touched in November last.

**ANOTHER JUTE CARGO LOST IN MEDITERRANEAN.**

The loss of another jute laden steamer in the Mediterranean was reported in New York last week. The vessel sunk was the Oronsay, bound for Dundee with 24,000 bales of jute from Calcutta. There was also on board 600 bales of gunnies.

Importers believe that this loss, added to those of the last few months, must place Dundee manufacturers in a most serious position. It is also understood that the British commandeering of burlap production at that center, originally reported as limited to six weeks from January 1, is likely to extend beyond that time and probably will affect shipments to the United States for four or five months.

### COMMERCIAL TRAVELLERS' ASSOCIATION OF CANADA

The Forty-fourth annual meeting of the Commercial Travellers' Association of Canada was held, in Toronto, on December 28th. The annual report submitted by President James G. Cane, showed that despite the heavy payments on mortuary benefit claims the balance carried forward from Profit and Loss to Permanent Reserve amount to \$63,436 and the surplus allotment account \$24,447.91 making total assets of \$1,246,753.65. "Among the names on the mortuary list the Directors regret the death particularly," said Mr. Cane, "of two of their number, the late John Gibson, ex-president and W. B. Daack, who served as director for many years."

Further Mr. Cane said that the questions affecting hotel accommodation had received the very best attention of the committee in charge and public accommodation without the sale of intoxicating liquor is now on trial.

Five thousand dollars were given to the British Red Cross Fund and in accordance with by-law 67 the Board under the advice of an actuary fixed the amount of the mortuary benefit for the year 1917 at one thousand dollars maximum.

It was moved and the resolution was adopted that a sum not to exceed fifteen thousand dollars should be appropriated for application to patriotic purposes.

Mr. H. Beddington moved, E. Fielding seconded resolution asking the Board of Directors to move in the direction of securing the appointing of an advising Executive Committee composed of representatives from each Commercial Travellers' Association to hold consultation on matters effecting transportation in all parts of the Dominion. Carried.

The new officers of the association are Mr. Alex. Cook of Messrs. Greenshields, Montreal, president. The directors for the Toronto Board: J. W. Charles of H. P. Eckhardt; John Curtis, The Comfort Soap Co., F. W. S. Davis, Sanderson, Peasey & Co., Harry J. Dodgson, Greenshields; John Everett, Christie Brown & Co.; R. G. Hector, W. R. Brock & Co., Robt. J. Orr, Phillips Manufacturing Co.; Geo. L. Wilmot, Copley Noyes & Randall, Hamilton, and E. J. Zimmers, McIntyre Son & Co., Montreal, Mr. T. H. Gemmill, of the firm of that name for the Guelph Board.

Resolutions of local character usual such as appointment of auditors, representation to C. N. Exhibition, and appropriation to retiring President with singing God Save the King closed a very harmonious meeting.

### MONTREAL BOARD OF TRADE NOMINATIONS.

In view of the elections for the various offices of the Montreal Board of Trade which are to be held at the end of the month, nominations were posted up last week. Mr. Zephirin Hebert as candidate for the Presidency will hardly be opposed, and thus he will become the first French Canadian President of the Board of Trade, at a time which is bound to make history. It is hoped that in filling the president's chair, Mr. Hebert will draw more closely together the ties of nationality between the two races, and thus accomplish much in bringing about that unity of purpose so essential in the carrying on of the war.

For the other offices there is opposition in only one case, that of second vice-president, but other contests may be the result of later nominations. Up to date the nominations received for the various offices are as follows:

President, Zephirin Hebert, nominated by H. B. Walker; first Vice-President, W. A. Black by Geo. L. Cains; Second Vice-President A. R. Doble by James Carruthers vs. W. G. M. Shepherd by John McKergow; Treasurer, P. D. Gordon by Alex. McLaurin. The nominations for Members of the Council are Jas. W. Pike by Alexander Gibb; Geo. Sumner by Geo. S. Fraser; Geo. W. Crowdy by Edgar Judge; W. A. Coates by Andrew A. Allen; Carl Riordan by D. W. Campbell; and Thos. Williamson by A. G. Thomson. The results of the elections will be declared at the annual meeting on January 30th.

### BRITISH REQUIRE CARGO SPACE.

Beginning January 1st British government will require 85% of cargo space of British steamships, of which 47.9% is to be reserved for munitions and remaining 37.1% for wheat. During greater part of this year 60% of space has been under government control, but on December 15th it was raised to 70%.

### THE YEAR'S SHIPPING.

According to the annual report of Captain T. Bourassa, harbor master of Montreal, submitted to the Board of Harbor Commissioners, more trans-Atlantic vessels arrived here in 1916 than during any previous year, and, but that there was a considerable falling off in the number of vessels from the Maritime provinces, the total tonnage would have practically equalled last year's figures. The report gives comparative statistics since 1907, the grand total showing that this year 7,995 vessels had a total tonnage of 5,693,328 tons as compared with 9,387 vessels and 6,483,800 tons in 1915. There were 202 fewer vessels from the Maritime provinces—or a falling off of over 400,000 tons.

The following statistics are taken from the report:

Number of vessels and tonnage, 1907-1916.		
	Vessels.	Tonnage.
1907	15,161	5,546,936
1908	13,173	5,548,028
1909	11,661	5,057,907
1910	14,383	6,561,021
1911	12,432	6,613,271
1912	13,322	7,053,691
1913	14,246	8,394,002
1914	13,141	9,044,457
1915	9,387	6,483,800
1916	7,995	5,693,328

Following is a comparison of the number and tonnage of trans-Atlantic vessels since 1912:

	Vessels.	Tonnage.
1912	409	1,775,487
1913	477	2,020,333
1914	551	2,039,133
1915	484	1,657,728
1916	569	1,965,161

The following figures give particulars as to nationality of vessels arriving here during 1916:

	Number.	Tonnage.
British	650	2,030,240
Italian	13	52,392
Norwegian	13	22,914
American	18	19,731
Danish	3	4,642
French	1	4,537
Total	716	2,134,456

### NO SHIPPING BOOM.

Albert Ballin, Director General of the Hamburg-American Line, stated last week that in his opinion the shipping trade will have a great and long-continued boom after the end of the war. When the world's commercial fleets resume normal activity, Herr Ballin says, much more tonnage will be offered after a few months than will be demanded.

The reason assigned for this view is that ocean trade will suffer to a high degree from a shortage of goods for export, from high prices of raw materials and food supplies, and from unfavorable rates of foreign exchange.

"The question of cargo room appears to be much less important than how far it will be necessary to impose restrictions on imports in the transition period, in consideration of the exchange rate situation," says Herr Ballin.

### ALLIED SHIPS SUNK IN NOVEMBER.

"During November," says a Berlin Admiralty statement, "138 hostile merchant ships, of a total of 314,500 gross tons, were lost through the war measures of the Central Powers. Of this tonnage 244,500 tons was British. In addition, 53 neutral merchant ships, of 94,000 tons gross, were sunk for carrying contraband to enemies. The month's total is thus 408,500 tons.

"Since the beginning of the war, through the war measures of the Central Powers, 3,636,500 hostile tonnages has been lost, of which 2,794,500 was British."

### THE PORT OF HALIFAX.

According to Joseph M. Tobin of Halifax, who is organizing \$2,000,000 Nova Scotia Shipbuilding Co., the Canadian government is formulating a plan for improving port of Halifax by expenditure of \$30,000,000 which will include establishment of a large shipbuilding plant. He said that to aid shipbuilding the Canadian government had remitted 99% of all duties on raw material entering into construction of vessels.

## 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 via Halifax N.S. to Portland, Me.

— also —

Glasgow to St. John N.B. direct Eastbound.

PORTLAND TO GLASGOW DIRECT  
HALIFAX TO GLASGOW DIRECT

As to rates and sailings

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

## CANADIAN NORTHERN RAILWAY

### An Important Change of Time

Will Be Made

Sunday, January 14, 1917

General Change AFFECTING ALL LINES.

For particulars, apply to City Ticket Agent, 230 St. James Street, or Depot Ticket Agent, St. Catherine Street East.

### RAILWAY CONTROL IN GREAT BRITAIN.

The British Government announces an official order providing for the general pooling of traders' wagons on all railway system in the United Kingdom. The central control of rolling stock is expected to have very beneficial results. An economy in the use of wagons will be effected, the delivery of goods will be expedited, the use of engine power will be conserved, and in this way the appeal to avoid delay, will have a practical result.

The order also provides that any statutory requirements with respect to the maximum amount of passenger fares may be modified; any statutory requirements as to the running of trains may be curtailed; certain classes of traffic (including the carriage of passengers' luggage) may be restricted or prohibited; a line or station may be disused; and the Board of Trade may enforce the prompt loading and unloading of railway wagons, and may take possession of private wagons.

As a result of the desire of the Government and the railway companies to reduce goods traffic, attention is being directed to the utilization of canals and waterways.

### HIGHER COST OF RAILROAD LOCOMOTIVES.

There is a pronounced increase in the price of locomotives for the year 1916. And while the increase in the prices of locomotives has not been as marked as that in the case of cars still locomotives ordered in the United States during the past year have cost from \$5,000 to \$20,000 each more than similar locomotives ordered during the year 1914, the average increase during that period being at least 50 per cent. A statement recently made public by the Buffalo, Rochester & Pittsburg shows that the Mikado type locomotives purchased during 1914 were obtained at a price of \$20,300, while those ordered during 1916 cost \$33,900 each. A similar comparison of Mallet type locomotives shows an increase from \$32,300 each to \$51,500 each. In both cases the locomotives ordered during the two years are comparable, being of the same design and total weight and were ordered from the same builder.

J. D. McArthur, of Edmonton, the well-known railroad builder, announces that tenders will be called for the construction of a million dollar steel bridge over the Peace River, immediately north of the town of Peace River.